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# COUNTRY ANALYSIS

Bosnia and Herzegovina  
2024



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# *Executive Summary*



As an upper-middle-income country aspiring to join the European Union (EU), Bosnia and Herzegovina has made notable progress in aligning its development strategies with the 2030 Agenda for Sustainable Development. A key milestone in this effort was the adoption of the Sustainable Development Goals Framework in 2021, a blueprint for integrating sustainable development principles into policies and practices. Moreover, the country's EU aspirations were further reinforced with the granting of EU candidate status in December 2022 and the opening of accession negotiations in March 2024.

Bosnia and Herzegovina's complex and decentralized political system, established by the Dayton Peace Accords that ended the 1992–1995 conflict, continues to pose challenges, including for policy coordination and reform. The State comprises two entities – the Federation of Bosnia and Herzegovina, and Republika Srpska – and the Brčko District. The decentralized governance structure creates complex power-sharing and decision-making modalities that often lead to inefficiencies and delays in adopting and implementing legislation, strategies and policies, including development plans. Additionally, identity-based politics, entrenched in the constitutional recognition of three constituent peoples (Bosniaks, Croats and Serbs), marginalizes individuals who do not belong to these groups or do not wish to identify as such, perpetuating patterns of discrimination and further undermining social cohesion.

Bosnia and Herzegovina remains on the agenda of the United Nations (UN) Security Council. While the government's eligibility for the UN Secretary-General's Peacebuilding Fund in late 2022 reflects a commitment to peace, unresolved historical grievances and more recent political tensions – including growing threats to the rule of law and intensified political divisions – continue to stall institutional effectiveness and hinder peacebuilding efforts.

There has been limited progress in the protection of human rights in recent years and regression in some respects. The human rights protection mechanisms, including the judiciary, the institution of the Human Rights Ombudsman of Bosnia and Herzegovina and the social protection systems, are insufficiently strong to efficiently fulfil their mandates. Moreover, in recent years, increasing threats to the constitutional order, including recurrent invocations of secession by Republika Srpska, have created legal uncertainty and instability. Civic space has eroded due to restrictive legislation, political and economic pressures and continued stigmatization of civil society actors, further challenging efforts to promote human rights and inclusivity.

In the aftermath of the COVID-19 pandemic, Bosnia and Herzegovina's economy has shown a modest recovery, with an average annual growth rate of 3 per cent between 2021 and 2024.<sup>1</sup> However, this growth remains fragile and highly vulnerable to external shocks, underpinned by a reliance on remittances (accounting for about 10 per cent of GDP)<sup>2</sup> and foreign aid to sustain economic activity. These financial inflows have proven insufficient to address structural challenges, including persistently high unemployment and inactivity, particularly among youth and women, a sizable informal economy and underdeveloped infrastructure, all of which continue to undermine economic resilience. The situation was

<sup>1</sup> World Bank (2024), <https://thedocs.worldbank.org/en/doc/d5f32ef28464d01f195827b7e-020a3e8-0500022021/related/mpo-bih.pdf>

<sup>2</sup> World Bank (2023), Personal remittances, received (% of GDP) - Bosnia and Herzegovina, <https://prosperitydata360.worldbank.org/en/indicator/WB+FSI+BX+TRF+PWKR+DT+GD+ZS>

exacerbated by a surge in inflation, which peaked at 14 per cent in 2022,<sup>3</sup> disproportionately impacting disadvantaged populations, particularly in rural areas where job opportunities are scarce. Persistent structural weaknesses, coupled with external pressures, constrain efforts to boost economic productivity and diversify the economy. Despite these challenges, recent investments in sectors such as green energy and digital innovation offer promising opportunities for transformative change. These developments could strengthen long-term economic stability and reduce Bosnia and Herzegovina's dependence on external financial sources, paving the way for a more resilient and self-sustaining economy.

Both socially and economically, Bosnia and Herzegovina faces deep-rooted inequalities, disproportionately affecting women, youth and persons at risk of being left behind. These challenges are compounded by intersectional discrimination and exclusion. While legal frameworks prohibit discrimination, significant gaps in enforcement persist, as illustrated by the continued large number of complaints received by the Human Rights Ombudsman of Bosnia and Herzegovina. Women and girls, particularly in rural areas, face numerous barriers, including limited access to employment, education (such as Technical Vocational Education and Training, TVET, and lifelong learning opportunities) and healthcare. Gender-based violence remains widespread, with nearly half of women reporting some form of abuse.<sup>4</sup> Gender equality remains a critical issue, with declining representation of women in legislative roles and unmet family planning needs. National or ethnic, religious and linguistic minorities, especially the Roma community, experience systemic discrimination that restricts access to housing, education, healthcare and employment. Low enrolment rates of Roma children in education and scarce formal employment opportunities perpetuate poverty and social exclusion within this group. In rural areas, disparities are especially pronounced. Inadequate healthcare access leads to higher maternal and infant mortality rates, while underdeveloped education systems and outdated TVET programmes result in elevated dropout rates, particularly among girls, and poor labour market outcomes. Fragmented and underfunded social protection systems further exacerbate these challenges, leaving vulnerable groups without the support needed to break the cycle of exclusion.

Bosnia and Herzegovina is grappling with significant demographic challenges, driven by ongoing youth emigration, low fertility rates and a rapidly ageing population. The last census, conducted in 2013, recorded approximately 3.5 million inhabitants, but recent estimates suggest the population has declined to between 3.2 and 2.7 million.<sup>5</sup> This situation underscores the urgent need for a new census to accurately capture recent demographic shifts. The population decline is placing growing pressure on social welfare systems, particularly healthcare and pensions, threatening their long-term sustainability. The loss of a substantial portion of the working-age population is also undermining economic potential, reducing labour market dynamism and stifling innovation. Compounding these challenges, a shrinking tax base is further limiting funding for essential public services, exacerbating social and economic vulnerabilities. With nearly a quarter of firms in Bosnia and Herzegovina citing skills gaps as a key barrier to hiring,<sup>6</sup> employers are increasingly turning to migrant

<sup>3</sup> World Bank (2024), <https://data.worldbank.org/indicator/FP.CPI.TOTL.ZG?locations=BA>

<sup>4</sup> Agency for Statistics of Bosnia and Herzegovina (2023), Women and Men in Bosnia and Herzegovina, [https://bhas.gov.ba/data/Publikacije/Bilteni/2024/FAM\\_00\\_2023\\_TB\\_1\\_EN.pdf](https://bhas.gov.ba/data/Publikacije/Bilteni/2024/FAM_00_2023_TB_1_EN.pdf)

<sup>5</sup> World Bank Group data (2023), <https://data.worldbank.org/indicator/SP.POP.TOTL?locations=BA>

<sup>6</sup> OECD (2022), Labour Migration in the Western Balkans: Mapping Patterns, Addressing Challenges and Reap-

workers to fill critical roles in sectors such as tourism, services and construction. However, the absence of robust policy frameworks to integrate and safeguard the rights of migrant workers leaves these efforts fragmented and insufficient to address labour shortages and broader demographic needs.

Since the end of 2017, Bosnia and Herzegovina has experienced a significant increase in mixed movements of migrants, asylum seekers and refugees transiting through the country. In 2023, authorities reported the largest number of irregular arrivals, surpassing the 2019 peak by nearly 18 per cent.<sup>7</sup> However, this trend has reversed, with arrivals in October 2024 showing a notable decline compared to the same period in 2023. Following adoption of the Strategy and Action Plan on Migration and Asylum (2021–2025), Bosnia and Herzegovina has made gradual progress in managing migration and asylum processes, aligning more closely priorities for EU integration. Despite this progress, responsibility for assisting vulnerable individuals remains predominantly with non-governmental and international organizations, and gaps persist in providing timely and effective services.

The growing impact of climate change poses another urgent challenge for Bosnia and Herzegovina. Frequent floods, droughts and landslides have already caused significant economic damage, revealing critical gaps in disaster risk reduction, climate adaptation measures and infrastructure. Between 2020 and 2023 alone, damages from major flooding events exceeded Bosnia-Herzegovina Convertible Marks (BAM) 500 million. The October 2024 floods further highlight the need for immediate action. While Bosnia and Herzegovina has committed to achieving carbon neutrality by 2050 through its endorsement of the Green Agenda for the Western Balkans and updates to its climate policies—including the introduction of greenhouse gas (GHG) emission targets—progress remains slow.<sup>8</sup> The country's ongoing reliance on coal for energy production continues to hinder emissions reduction efforts and contributes significantly to local and cross-border air pollution, exacerbating long-term health risks. Encouragingly, investments in renewable energy are under way, but these efforts need to be accelerated, especially in the context of the gradual phase-in of the EU's Carbon Border Adjustment Mechanism from 2026. At the same time, it is essential to address the socio-economic impacts of the energy transition on coal-dependent regions. A just transition requires not only a shift in energy production but also support for communities that depend on coal-related jobs to ensure an equitable and sustainable transformation.

Despite these challenges, Bosnia and Herzegovina's future holds significant potential. The EU accession process not only acts as a key motivator but also provides a framework for implementing essential governance reforms, such as strengthening the rule of law, enhancing anti-corruption measures and improving the protection of human rights. Furthermore, regional cooperation within the Western Balkans—on issues such as energy security, trade and environmental protection—offers opportunities for economic integration and shared development goals, which could promote greater stability and prosperity.

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ing Benefits, [https://www.oecd.org/en/publications/labour-migration-in-the-western-balkans\\_af3db4f9-en.html](https://www.oecd.org/en/publications/labour-migration-in-the-western-balkans_af3db4f9-en.html)

<sup>7</sup> Data based on weekly statistics from the Ministry of Security.

<sup>8</sup> The revised state-level Climate Change Adaptation and Low Emission Development Strategy 2020–2030, adopted in 2023, aims to achieve a net reduction of 80% in emissions by 2050 compared to 1990 levels.

International support remains a vital asset, with Official Development Assistance amounting to USD 698.41 million in 2022—approximately 1.2 per cent of Gross National Income<sup>9</sup>—directed towards governance, infrastructure development and social protection. If leveraged effectively, this external support can accelerate transformative reforms and infrastructure modernization, helping to address Bosnia and Herzegovina's structural weaknesses and setting the country on a path to sustainable, inclusive development.

The 2024 Country Analysis for Bosnia and Herzegovina underscores the urgency for coordinated, inclusive and sustained efforts to navigate the obstacles laid out herein and capitalize on opportunities presented by regional and international partnerships. Strategic reforms and targeted investments will be crucial for steering the country towards a more sustainable and equitable future, where economic growth is inclusive, green and resilient, and benefiting all citizens.

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<sup>9</sup> OECD (2024), ODA trends and statistics, <https://www.oecd.org/en/topics/oda-trends-and-statistics.html>; Ministry of Finance and Treasury of Bosnia and Herzegovina (2022), Development Partners Mapping Report, [http://www.donormapping.ba/data/Migrirano/Dokumenti/DMR/DMR\\_2022\\_ENG.pdf](http://www.donormapping.ba/data/Migrirano/Dokumenti/DMR/DMR_2022_ENG.pdf)

# 1. *Introduction and Methodology of Country Analysis Design*



The Country Analysis (CA) of Bosnia and Herzegovina 2024 offers a comprehensive, data-driven and forward-looking overview of the country's development landscape. It outlines key achievements, ongoing challenges and emerging opportunities on Bosnia and Herzegovina's path toward the Sustainable Development Goals (SDGs). The CA anticipates emerging trends, prioritizes inclusion and applies systems thinking to address complex development challenges. As a fundamental document for shaping the United Nations Sustainable Development Cooperation Framework (UNSDCF) for 2026–2030, the CA provides a solid foundation for policy discussions and strategic planning. This framework will define the strategic partnership between Bosnia and Herzegovina and the United Nations, guiding the activities of all UN agencies, funds and programmes in the country over the next five years, while aligning with the SDG Framework and the future European Union (EU) Growth Plan Reform Agenda for Bosnia and Herzegovina, ensuring coherence and synergy in driving sustainable development.

The CA reflects inputs from across the 18 UN agencies comprising Bosnia and Herzegovina's Country Team (UNCT).<sup>10</sup> It incorporates contributions from both resident agencies, addressing the country's most pressing needs, and non-resident entities, whose specialized and regional expertise was actively sought to ensure comprehensive input. It draws upon insights from a comprehensive data repository established by the UN in the country, consolidating more than 170 reports pertinent to the work of those agencies, as well as findings and recommendations of UN human rights mechanisms. The CA was reviewed and approved by the UNCT on 3 April 2025.

The present analysis incorporates findings from an exercise conducted on 22 October 2024, in collaboration with the Programme Management Team in Bosnia and Herzegovina and the UN Global Pulse under the Resident Coordinator's Office Foresight Project. The exercise aimed to validate the zero draft of the CA, identify any missing elements through a forward-looking perspective and confirm the key risks highlighted in the Multidimensional SDG Risk Analysis.

To ensure inclusivity, the CA was developed through an outward-looking and participatory approach, engaging a diverse range of stakeholders, including civil society, the private sector, academia and international organizations. International Financial Institutions (IFIs) were also consulted to identify financing gaps in critical areas, assess the efficiency and effectiveness of current resource allocations and explore innovative and sustainable financing mechanisms. Consultations took place in both Sarajevo and Banja Luka, bringing together approximately 50 participants and reflecting the diverse perspectives from across the country's two entities (see Annex). Additionally, consultations were conducted with the UN Bosnia and Herzegovina Youth Advisory Body, representing young people from across Bosnia and Herzegovina, on 28 November 2024, to ensure their voices are incorporated into the analysis. It also builds upon the extensive consultations conducted for preparation of recent key reports, such as the second Voluntary National Review (VNR), developed in 2023, and in the context of preparations of fourth Universal Periodic Review (UPR) of Bosnia and Herzegovina. The latter, which involved persons with disabilities, minorities and victims of

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<sup>10</sup> The UN Country Team in BiH comprises the following agencies: FAO, IFAD, ILO, IOM, ITU, OHCHR, UN Women, UNDP, UNDRR, UNECE, UNEP, UNESCO, UNFPA, UNHCR, UNIFEC, UNODC, UNV, WHO.

the 1992–1995 conflict, not only refined the assessment but also fostered dialogue between authorities and civil society organizations (CSOs).

The analysis goes beyond Bosnia and Herzegovina's borders, addressing regional and transboundary challenges that impact the country's progress against the SDGs. As a result, the Western Balkans Common Chapter emphasizes key subregional concerns, including trade and investment, transport and energy connectivity, transboundary water management and the need to achieve demographic resilience (see Annex).

The CA is intended to be a dynamic and adaptable document. Through an annual horizon-scanning process, it evolves to reflect the country's ever-changing situation by integrating updated data, emerging trends and changing priorities. In this regard, further consultations are planned throughout 2025, focusing on specific topics and key sectors identified through the CA, ensuring a continued dialogue with stakeholders to refine priorities and foster collaborative solutions. This iterative approach ensures the CA remains a robust, flexible and reliable tool for informed, evidence-based planning and strategic decision making.

## 2. Country Profile and 2. Development Trends



	<b>Population size</b> <b>3,531,159</b> males 1,732,270   females 1,798,889 (2013 census)		<b>Gross Domestic Product (GDP) growth</b> <b>1.6%</b> (World Bank, WB, 2023)
	<b>Surface area</b> <b>51,209.2 km<sup>2</sup></b>		<b>National GDP</b> <b>\$24.1 billion</b> (WB, 2023)
	<b>Average net income</b> <b>BAM 1,262</b> (BHAS, 2023)		<b>Inflation</b> <b>6.1%</b> (WB, 2023)
	<b>Unemployment rate</b> <b>male 11.1%   female 12.8%</b> (age 15-64; ILO, 2023)		<b>Current account balance</b> <b>-2.8% of GDP</b> (WB 2023)
	<b>Inactivity rate</b> <b>male 36.7%   female 47.5%</b> (age 15-64; ILO, 2023)		<b>Net foreign direct investment</b> <b>3.2% of GDP</b> (WB 2023)
	<b>Youth unemployment</b> <b>male 27.3%   female 30.3%</b> (age 15-24; ILO, 2023)		<b>Remittance inflows</b> <b>10.4% of GDP</b> (WB 2023)

Bosnia and Herzegovina is an upper-middle-income and EU candidate country. Its political framework is rooted in the Dayton Peace Accords (DPA) of 1995 that ended the 1992–1995 conflict and established a complex governance structure, including with five presidents, 13 prime ministers, 136 ministries and more than 700 Members of Parliament at different levels of government.

The country's human development indicators reflect both progress and persistent inequalities. According to the 2023–2024 Human Development Report,<sup>11</sup> Bosnia and Herzegovina's Human Development Index (HDI) was 0.779, placing it in the 'high human development' category and ranking it 80th out of 191 countries. However, inequalities continue to impact overall development outcomes, as evidenced by the Inequality-adjusted HDI (IHDI)<sup>12</sup> for 2022, estimated at around 0.67, compared to the EU average of 0.83. Gender disparities also persist: the 2022 Gender Development Index<sup>13</sup> remains at approximately 0.95, below the EU

<sup>11</sup> UNDP (2024), Human Development Report 2023–24, <https://hdr.undp.org/system/files/documents/global-report-document/hdr2023-24reporten.pdf>

<sup>12</sup> Inequality-adjusted Human Development Index (IHDI) is a summary measure of key dimensions of human development: a long and healthy life, a good education and a decent standard of living, adjusted for inequalities in these dimensions. Higher values indicate higher and more equal human development.

<sup>13</sup> UNDP (2024), Gender Development Index (GDI), <https://hdr.undp.org/gender-development-index#/indicies/GDI>

average of 0.98, highlighting ongoing gaps between men and women in health, education and income.<sup>14</sup>

Bosnia and Herzegovina has been experiencing significant demographic shifts that are reshaping its socio-economic landscape. Between 2013 and 2020, the country experienced a natural population decline of around 64,000, as deaths outnumbered births. Additionally, estimates suggest that about 25,000 people emigrate annually, many of whom are young people.<sup>15</sup> A survey of more than 5,000 young people of age 18–29 years revealed that only 10 per cent were fully satisfied with life in the country, and 25 per cent had considered emigrating permanently.<sup>16</sup> Another 2024 report reveals an even stronger trend: 38.2 per cent of young people expressed a desire to emigrate, with 27.3 per cent indicating a strong intention to leave the country for six months or more.<sup>17</sup> Ongoing emigration, especially of young and skilled workers, exacerbates labour shortages and strains social services. While the number of immigrant workers has increased over the past decade, the quotas of work permits remain low, despite strong advocacy by the association of employers for large increases in the recruitment of migrant workers to fill existing and forthcoming labour gaps. Although the country has made progress in advancing regular pathways for work, it lacks comprehensive policy frameworks to integrate effectively newcomers and ensure due diligence processes are in place to protect their rights. Due to the slow uptake of economic immigration programming, combined with a low fertility rate, the aging population is placing increased pressure on pension funds and other public services, which are heavily subsidized by the government and make achieving universal health coverage challenging. At the same time, women are largely excluded from the labour market with approximately only one in three working age women paid for their work. This means that the potential of at least half a million women is not adequately utilised for socio-economic development, making unemployed and economically inactive women not only the largest marginalized group but also one at high risk of current and old-age poverty.

**14** Gender Development Index (GDI) measures gender inequalities in achievement of key dimensions of human development: a long and healthy life, a good education and a decent standard of living. Values close to 1 indicate higher gender equality.

**15** Hadžić, F., Kučera, T., Domljan, V., Burcin, B., Kadatskaya, N., and Kuranda, J. (2022), The Effects of Population Changes on the Provision of Public Services in Bosnia and Herzegovina, [https://ba.unfpa.org/sites/default/files/pub-pdf/effects\\_of\\_population\\_changes\\_eng\\_final.pdf](https://ba.unfpa.org/sites/default/files/pub-pdf/effects_of_population_changes_eng_final.pdf) Czech Republic Development Cooperation and UNFPA, BiH.

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

**17** Hasanović, J., Lavrić, M., Adilović, E., & Stanojević, D. (2024), Youth Study Southeast Europe 2024. Friedrich-Ebert-Stiftung, <https://library.fes.de/pdf-files/bueros/wien/21457.pdf>

### 3. *Progress towards Sustainable Development Goals (SDGs)*

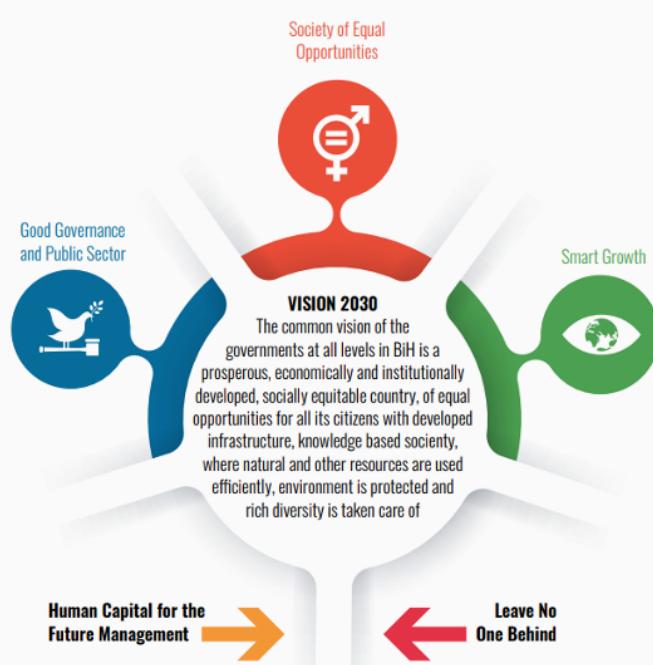


## a. Country's Sustainable Development Agenda

To align with the 2030 Agenda for Sustainable Development, Bosnia and Herzegovina has integrated its development vision into the SDG Framework, with the Council of Ministers adopting it in 2021. The Framework marked the country's first countrywide strategic plan for sustainable development in over a decade, endorsed by the state, the two entities and the Brčko District authorities. It lays out a clear roadmap to ensure that no one is left behind in the country's strategic planning and investments, aligning efforts across all levels of government. The Framework provides holistic development pathways and accelerators and defines carefully defined indicators to measure progress towards sustainable development. It also aligns with the country's aspirations of joining the EU and its long-term socio-economic vision and can serve as a blueprint as Bosnia and Herzegovina moves forward after being granted candidate status in March 2024.

The preparation process for the SDG Framework included participation from the various levels of government, CSOs, academic institutions and the private sector. Such collaboration aimed at ensuring that multiple perspectives were considered and fostering a comprehensive approach to the SDGs that reflects the needs and aspirations of different segments of society (see Annex). The Framework identifies three main pathways to sustainable development (Chart 1): 1) Good governance and public sector management, 2) Smart growth, and 3) Society and equal opportunities. In addition, there are two horizontal themes: 1) Human capital for the future, and 2) the Leave No One Behind (LNOB) principle.

Chart 1. Main pathways to sustainable development envisaged for Bosnia and Herzegovina

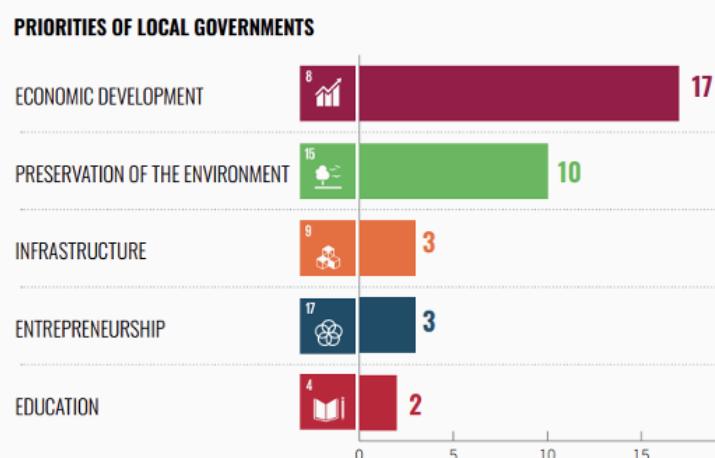


Source: SDG Framework in Bosnia and Herzegovina, 2021

To ensure SDG implementation and maintain coherence across governance levels, the inter-ministerial SDG Council was formed, emphasizing Bosnia and Herzegovina's commitment to sustainable development. The Council for Monitoring the SDGs Framework coordinates, monitors and reports on implementation of the SDGs and Agenda 2030, notably through the VNR to the UN High-level Political Forum on Sustainable Development. Its role is also to engage a broad spectrum of socio-economic stakeholders and promote the LNOB principle, by facilitating public fora and online platforms for discussions, allowing citizens and stakeholders to contribute ideas, propose policies and participate in reporting efforts. Moreover, Bosnia and Herzegovina's Supreme Audit Institution conducts regular performance audits to monitor institutional efforts in implementing the SDGs, with the most recent audits carried out in 2019 and 2024.<sup>18</sup>

The SDG Council submitted its second VNR in 2023, providing a review of progress towards achieving the SDGs and their targets. The VNR highlights achievements and best practices in implementing Agenda 2030 but also acknowledges the challenges that impede substantial progress in various areas, particularly given the highly decentralized and complex structure of the country's administration and the lack of recent and high-quality statistical (including disaggregated) data across all goals. It emphasizes the critical need to prioritize innovative financing mechanisms to advance SDG-aligned projects, bolster the private sector and enhance the currently underdeveloped public-private partnerships (PPPs). It also highlights the importance of localized efforts, reporting on the SDG Council's initiatives to advance SDG localization in approximately one third of local communities. This process has identified key priorities for accelerating progress at the local level (Chart 2). In 2023, the Municipality of Bijeljina piloted the first Voluntary Local Review (VLR) in the country, with additional municipalities subsequently now working on conducting VLRs.

*Chart 2. Priorities of Bosnia and Herzegovina's local governments identified as part of the SDG localization process*



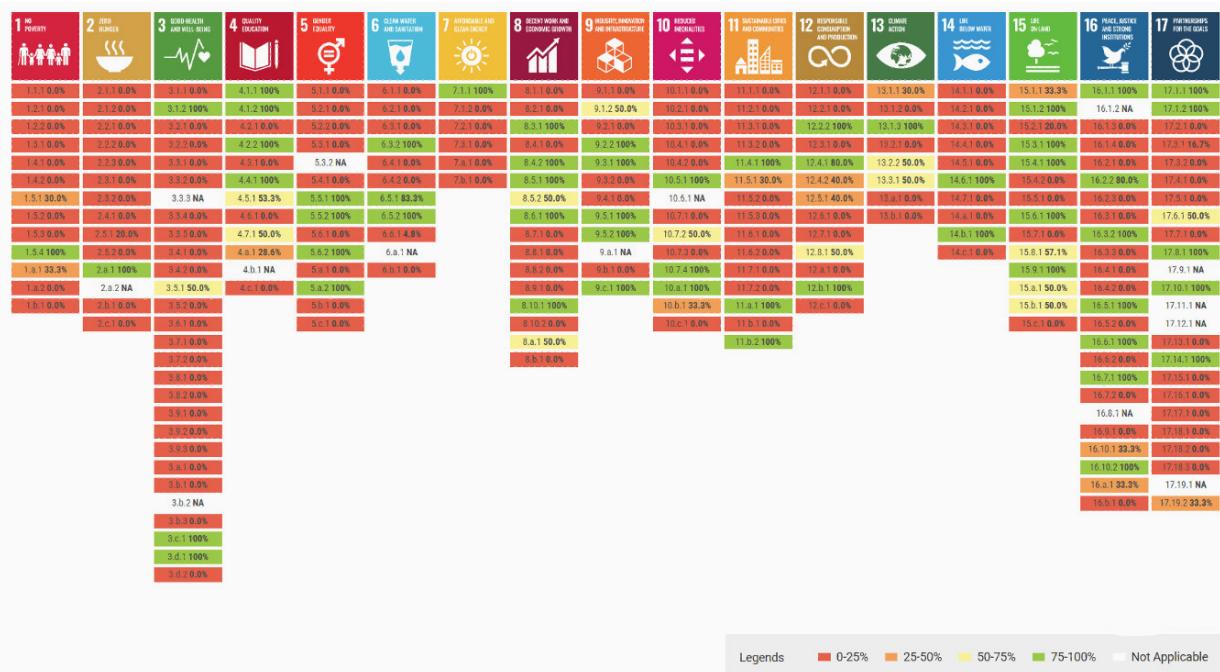
Source: VNR, 2023

<sup>18</sup> Audit Office of the Institutions of BiH (2019 and 2024), Readiness of the Institutions of BiH to Respond to the Commitments from the Sustainable Development Programme by 2030, <https://www.revizija.gov.ba/Content/OpenAttachment?Id=f4169c66-13e2-43f6-9051-1ef3380d7e19&langTag=en>; <https://www.revizija.gov.ba/Content/OpenAttachment?Id=cca38228-9828-4c5b-ba20-41be35dec8e2&langTag=bs>

### ***b. Data availability and quality***

As highlighted in the 2023 VNR, monitoring progress toward the SDGs in Bosnia and Herzegovina remains constrained by the limited availability of nationally produced and disseminated data (Chart 3). Out of 248 indicators, data were available for 100, but only 53 (21%) had complete coverage, reflecting systemic challenges in the collecting and reporting of SDG-related data.<sup>19</sup>

Chart 3. SDG Data Availability in Bosnia and Herzegovina in 2024 – Overall Status of the 248 indicators\*



\*Data for at least one year since 2015, produced and disseminated by the country

Source: UN Department of Economic and Social Affairs | Statistics | SDG Indicators Database

In addition to gaps in SDG-specific data, broader statistical challenges persist. Official statistics from the Agency for Statistics of Bosnia and Herzegovina and other sources remain hindered by the absence of a recent population census, the last of which was conducted in 2013, the first since the conflict of the 1990s. The results from that census remain contested by the Republika Srpska statistical office and Bosnian Serb politicians, primarily due to disagreements over the methodology used and the inclusion of non-permanent residents. The lack of political consensus has stalled discussions on the conducting of a new census, leaving key demographic trends outdated, particularly given the absence of statistics on migration, which has the most significant impact on overall population size and structure.

Current estimates suggest that the population has declined significantly to between 3.2 and 2.7 million having fallen from the figure of 3.5 million reported in 2013. Such uncertainty distorts statistics across various sectors, including education, labour markets and economic development.

The lack of centralized, comprehensive, disaggregated data hampers the development of targeted policies and programmes and of adequate budgeting, not least in the area of socio-economics. Several UN Human Rights Mechanisms have repeatedly raised concerns about the lack of quantitative and qualitative data. In its Concluding Observations of August 2024, the Committee on the Elimination of Racial Discrimination (CERD)<sup>20</sup> expressed concern about the lack of updated and comprehensive statistics on the demographic composition of the population, disaggregated by ethnic or national origin. It also was concerned by the lack of information on the socio-economic situation of ethnic minority groups, particularly Roma, and non-citizens, noting this limits the ability to properly assess the situation of such groups and any progress achieved by implementing targeted policies and programmes. The Committee noted, too, that the highly decentralized governance system makes the collection and analysis of comprehensive data difficult. In November 2021, the Committee on Economic, Social and Cultural Rights (CESCR)<sup>21</sup> recommended that Bosnia and Herzegovina improve its data-collection system, including the census, to collect data on areas of possible discrimination, i.e., disaggregated by sex, age, disability, ethnic origin and region. The aim of such data gathering is to track progress in the realization of economic, social and cultural rights and the formulation of effective and targeted measures, particularly for disadvantaged and marginalized individuals and groups.

The lack of updated and disaggregated data creates a substantial barrier to advancing the LNOB) agenda, key to achieving the SDGs. Without reliable data, identifying the most vulnerable populations and tailoring effective social policies becomes challenging, further exacerbating inequalities and slowing progress towards reaching sustainable development goals.

In recognition of this critical gap, UNCT agreed during its recent retreat to prioritize a collective, greater focus on data in the next UNSDCF workplan, aiming to enhance evidence-based decision making and address better the needs of marginalized groups, in line with recommendations of United Nations Treaty Bodies.

<sup>20</sup> Committee on the Elimination of Racial Discrimination (2024), <https://www.ohchr.org/en/treaty-bodies/cerd>

<sup>21</sup> Committee on Economic, Social and Cultural Rights, 2021, <https://www.ohchr.org/en/press-releases/2021/09/un-committee-economic-social-and-cultural-rights-review-kuwait-azerbaijan>

### **c. Progress and challenges in advancing the SDGs**

Despite data limitations, the 2024 SDG Index and Dashboard ranks Bosnia and Herzegovina 50th out of 166 countries, reflecting moderate progress towards achieving the targets of the 2030 Agenda (Chart 4).<sup>22</sup> As of 2024, 40 per cent of the country's target indicators have been achieved or are on track and 21.5 per cent recorded limited progress, while performance regressed across 38.5 per cent of indicators.<sup>23</sup>

In Bosnia and Herzegovina, only SDG 1 (No poverty) is in line with SDG performance but still some 18 per cent of the population live below the relative poverty line and 30 per cent were at risk of poverty in 2021.<sup>24</sup>

A countrywide poverty line has yet to be established as recommended by CESCR in 2021.<sup>25</sup> It is expected that the COVID-19 pandemic and ensuing energy crisis have exacerbated the above-mentioned numbers, leading to increased poverty and food insecurity among the most vulnerable.<sup>26</sup> Notably, Bosnia and Herzegovina is close to meeting SDG 17 (Partnerships for the Goals), with improvements observed in the Statistical Performance Index, though insufficient data limit a clear understanding of progress on SDG 10 (Reduced Inequalities).

Progress across other SDG areas has been mixed. The country has made moderate gains in SDG 2 (Zero Hunger), SDG 3 (Good Health and Well-Being), SDG 7 (Affordable and Clean Energy) and SDG 9 (Industry, Innovation, and Infrastructure), though significant challenges persist. Decreasing essential health coverage, low vaccination rates and rising obesity hinder progress on SDG 2 and SDG 3, while high CO<sub>2</sub> emissions and limited access to clean fuels impede advancement in SDG 7. Investments in research and development remain low, constraining progress in industry and innovation (SDG 9).

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<sup>22</sup> The Sustainable Development Report from the Sustainable Development Solutions Network (SDSN) is not an official UN report.

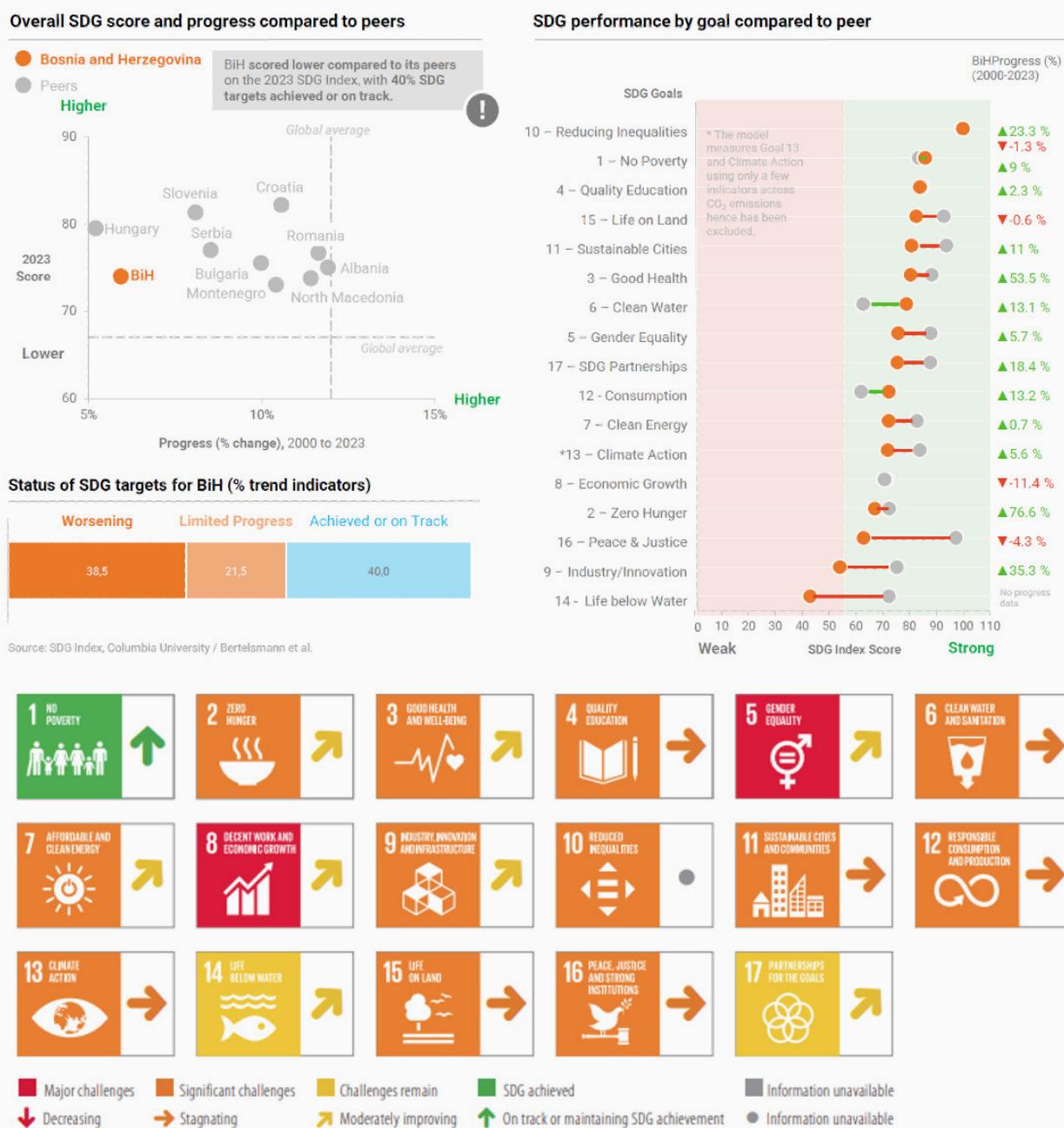
<sup>23</sup> Sustainable Development Solutions Network (2024), Sustainable development report 2024, <https://dashboards.sdgindex.org/>

<sup>24</sup> UNDP (2021), 2021 global multidimensional poverty index (MPI), <https://hdr.undp.org/content/2021-global-multidimensional-poverty-index-mpi#/indices/MPI>

<sup>25</sup> Committee on Economic, Social and Cultural Rights (2021), <https://www.ohchr.org/en/press-releases/2021/09/un-committee-economic-social-and-cultural-rights-review-kuwait-azerbaijan>

<sup>26</sup> UNDP (2022), Procjena posljedica COVID-19 na društvo u Bosni i Hercegovini: Treće anketsko istraživanje, <https://www.undp.org/bs/bosnia-herzegovina/publications/procjena-posljedica-covid-19-na-društvo-u-bosni-i-hercegovini-trećanketno-istraživanje>

Chart 4. Overall SDG score, performance and targets for Bosnia and Herzegovina



Source: Sustainable Development Report 2024

Limited improvements are visible in gender equality (SDG 5) and decent work and economic growth (SDG 8), though major challenges remain in both areas. Gender equality (GE) remains a critical issue, with declining representation of women in legislative roles and unmet family planning needs. Economic growth is also hindered by persistently high unemployment rates, though they are gradually declining, and challenges in ensuring fundamental labour rights further constrain progress in SDG 8.

Performance has been stagnating in the areas of quality education, clean water and sanitation, sustainable cities and communities, responsible consumption and production, climate action, peace, justice and strong institutions, and major challenges remain with life on land (SDG 15). Education (SDG 4) is lagging due to low enrolment and completion rates, particularly in pre-primary and secondary education. Limited access to safe drinking water and poor wastewater treatment hinder progress in SDG 6. Urban challenges persist under SDG 11, with significant air pollution and minimal improvements in housing conditions. High emissions from production and imported goods slow progress in SDGs 12 and 13. Under SDG 16, some progress has been achieved in reducing crime and improving birth registrations, yet major issues such as corruption, freedom of expression, including media freedom and association, and access to justice persist. Challenges to the independence, impartiality and efficiency of institutions, including the judiciary persist, including through political pressure on some institutions.

Progress with regard to the human rights aspects of the SDGs was limited, with persistent discrimination and hate speech present, with even regression in some areas, notably in civic space and rule of law, as described in the UNCT report submitted in July 2024 ahead of the fourth UPR.

A more detailed sectoral analysis of the SDGs follows below, identifying key opportunities for accelerating progress toward SDG achievement. Subsequent sections also provide actionable recommendations to address persistent challenges and fast-track sustainable development outcomes.

# 4. Governance, Political 4. Context and Institutions



Bosnia and Herzegovina faces significant governance and political challenges that have long hindered progress toward sustainable development, particularly with regard to SDG 16: peace, justice and strong institutions. These challenges hamper decision making, to the detriment of the human rights of all in the country, disrupting effective coordination and policy development and necessary reforms across all other SDGs. To advance the 2030 Agenda, all public institutions should strive to align with the Principles of Effective Governance for Sustainable Development, established by the United Nations Economic and Social Council in 2018 and which emphasize effectiveness, accountability and inclusiveness.<sup>27</sup>

Almost 30 years after the end of the conflict, the DPA remains in force and the country remains on the agenda of the UN Security Council. The Office of the High Representative (OHR),<sup>28</sup> established under the DPA, and the European Union Force in Bosnia and Herzegovina (EUFOR Althea) mission are still active, mandated to overseeing, respectively, the civilian and the security aspects of DPA implementation. Termination of their presence is contingent upon fulfilment of the '5+2 agenda',<sup>29</sup> established by the Peace Implementation Council Steering Board in 2008 and which outlines the requirements for transition from international supervision to full domestic ownership.

Bosnia and Herzegovina is composed of two entities – the Federation of Bosnia and Herzegovina (FBiH) and Republika Srpska (RS) – as well as the Brčko District (BD). FBiH consists of 10 cantons, further complicating decision-making processes and policy coordination in that entity. The country has more than 136 ministries at various levels of government, often resulting in fragmented and overlapping responsibilities that create inefficiencies and delays in reforms. This decentralized and complex system is costly and has created cumbersome decision-making processes and administrative procedures, posing significant challenges for policy coordination and implementation.

The governance system, established by the Constitution of Bosnia and Herzegovina and embedded in the DPA, is based upon representation of Bosniaks, Croats and Serbs, which the Constitution defines as the three 'constituent peoples', marginalizing individuals who do not belong to or identify with any of these groups.

Identity-based politics that stem from the ethnic-based governance system and continuous political turmoil have impacted the functioning of institutions and the rule of law, resulting in frequent blockages and delays in passing legislation, decisions and budgets essential to the functioning of the state and its institutions and to the implementation of laws and policies.

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<sup>27</sup> SDG Knowledge Hub (2019), CEPA 18 Discusses Implementing Governance Principles for SDGs, <https://sdg.iisd.org/news/cepa-18-discusses-implementing-governance-principles-for-sdgs/>

<sup>28</sup> The Office of the High Representative for BiH 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, Russia, United Kingdom, United States, Presidency of the European Union, European Commission, Organization for Islamic Cooperation).

<sup>29</sup> Adopted in 2008 by the Peace Implementation Council Steering Board (PIC-SB). 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 Stabilization 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 DPA. Once the PIC-SB views the conditions as fulfilled this would lead to the closure of the Office of the High Representative.

Since 2021, the leadership of RS has intensified secessionist rhetoric, creating uncertainty and raising concerns. The entity's legislature has enacted various laws that have been assessed as undermining the rule of law, including those related to the non-implementation of Constitutional Court judgments or, more recently, on prohibiting the activities of some state-level judicial and law enforcement institutions in RS.<sup>30</sup>

The electoral system does not allow for a fully inclusive and representative governance structure. Citizens who do not belong to or do not identify with one of the three constituent peoples, including members of national minorities, are excluded from running for political office at the state level. These key positions include the tripartite Presidency and seats in the House of Peoples of the Parliamentary Assembly, as well as in the entities. Moreover, the electoral system prevents voting for a person of one's individual choice, as certain voting rights depend on where the voter lives within the country. This system has been considered as discriminatory by CERD and the Human Rights Committee since 2006 (most recently in August 2024, in the concluding observations of CERD)<sup>31</sup> and in several judgments of the European Court of Human Rights issued since 2009.<sup>32</sup> Yet, the required revision of the Constitution and of the election law have met significant resistance due to divergent political agendas. The CERD expressed concern about the lack of progress in implementing the European Court of Human Rights case-law in that regard while the fourth UPR of Bosnia and Herzegovina, on 29 January 2025, led to 14 recommendations calling on the reform of the Constitution and Election Law of Bosnia and Herzegovina to ensure equality of all citizens in exercising electoral rights.

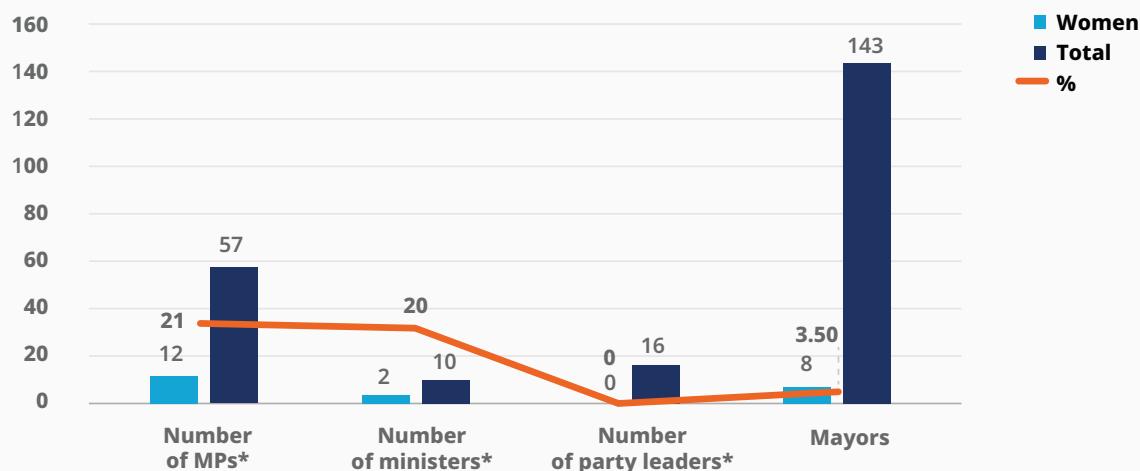
Women remain underrepresented in state and entity legislatures and face significant challenges during electoral campaigns despite the existence of legislated candidate list quotas requiring 40% of the less represented sex. In contrast to the legal requirement, women comprise 21 per cent of elected members at the state level and between 17 per cent and 28 per cent at the entity level (Chart 5), among the lowest in Europe. Women's representation at the state-level parliament further decreased in the last elections, highlighting a broader regression. Additionally, from the 2024 local elections, only 8 out of 143 elected mayors were women.

<sup>30</sup> UNCT (2024), Fourth Universal Periodic Review of Bosnia and Herzegovina; submission by the UNCT, <https://bosniahertzegovina.un.org/en/285462-un-country-team-submission-fourth-universal-periodic-review-bosnia-and-herzegovina>

<sup>31</sup> Conclusions and recommendations of the Committee on the Elimination of Racial Discrimination, BiH, UN Doc. CERD/C/BIH/CO/6 (2006).

<sup>32</sup> HUDOC, European Court of Human Rights, [https://hudoc.echr.coe.int/#%22respondent%22:\[%22BiH%22\],%22documentcollectionid%22:\[%22GRANDCHAMBER%22,%22CHAMBER%22\]}>](https://hudoc.echr.coe.int/#%22respondent%22:[%22BiH%22],%22documentcollectionid%22:[%22GRANDCHAMBER%22,%22CHAMBER%22]})

Chart 5. Number of women in elected positions in Bosnia and Herzegovina, following the 2024 local elections



\*, State level

Source: Central Election Commission and European Commission, 2024

Limited support and resources available to women candidates and restricted opportunities to develop political skills and influence are among barriers to their increased political participation. Cultural stereotypes prevail with gender bias and negative media portrayals that hinders women's visibility and acceptance in politics. Inconsistent application of the 40 per cent representation quota and few standardized practices to promote GE are among the root causes of the weak political participation of women.<sup>33</sup> Several recommendations from Bosnia and Herzegovina's fourth UPR and from CESCR include ensuring an increased participation and representation of women in political and economic life.

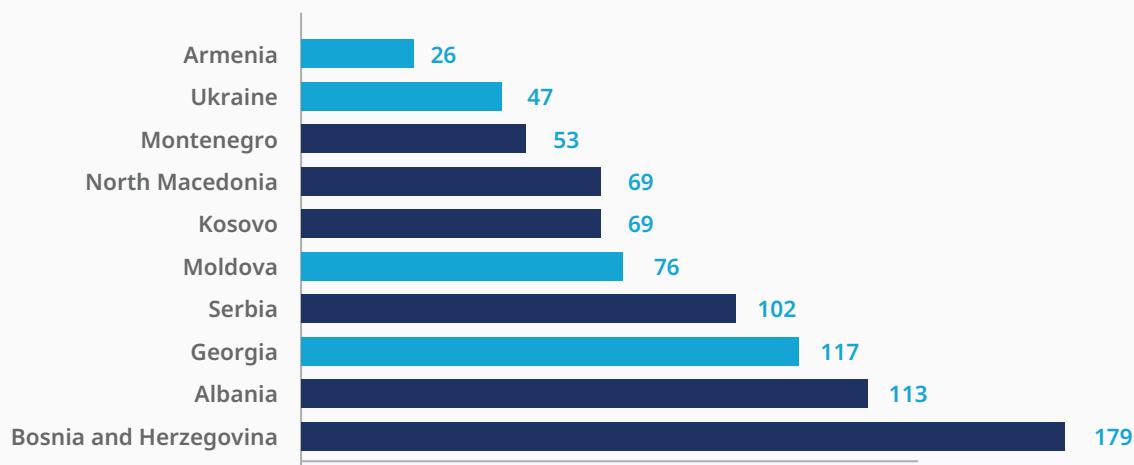
Public administration reform (PAR) remains critical for enhancing governance effectiveness in Bosnia and Herzegovina. Although the Strategic Framework for PAR 2018–2022 was extended until 2027, implementation has been slow, with the action plan for 2023–2027 still pending adoption. The Comprehensive Public Financial Management (PFM) Strategy, adopted in 2022, represents a key milestone for improving fiscal management across administrative levels, but implementation rates are low, from 4 per cent in RS to 21 per cent at the state level.<sup>34</sup> Progress has been made in digital governance, with the launch of a cloud-based electronic signature system in May 2024, streamlining interactions among government, businesses and citizens. Despite these advancements, PAR implementation remains significantly below the Western Balkans average, with only 5 per cent of the Strategic Framework implemented. Poor coordination, insufficient funding from domestic sources (covering just 1% of financial

<sup>33</sup> Baseline study on barriers to political participation of women in Bosnia and Herzegovina, UN Women and UNDP (2020), <https://eca.unwomen.org/en/digital-library/publications/2020/04/baseline-study-on-barriers-to-political-participation-of-women-in-bosnia-and-herzegovina>

<sup>34</sup> OECD (2024), Public administration in Bosnia and Herzegovina 2024, <https://www.sigmapublications.com/Public-administration-in-Bosnia-and-Herzegovina-2024.pdf>

needs) and fragmented regulatory frameworks for concessions and PPPs continue to hinder reform progress. Whereas a Public Procurement Strategy for 2024–2028 was adopted to modernize procurement, implementation challenges persist and efficiency remains low. Governance structures are in place but weakly applied, with poor transparency and limited accountability across levels of government. Monitoring, reporting and sectoral planning are insufficient, with countrywide coordination largely absent. Citizen trust in civil servants is low (29%), as revealed by the 2024 SIGMA survey, and public satisfaction with administrative services (55%) is below the regional average.<sup>35</sup> The public administration currently employs nearly 30 per cent of the workforce, contributing to an oversized bureaucracy that hampers the delivery of essential services such as healthcare, education and public infrastructure. Bosnia and Herzegovina has the largest number of agencies in Western Balkan and European Partnership countries (Chart 6), complicating policy coordination and weakening central oversight.<sup>36</sup> Streamlining the administrative structure is crucial for improving governance effectiveness and ensuring high-quality public services. Additionally, empowering local governments to take on greater implementation responsibilities will be key to addressing regional disparities and fostering balanced development across the country.

Chart 6. Number of public agencies in Western Balkan and Eastern Partnership countries



Source: Johnsøn, Marcinkowski and Sześciło (2021) Organisation of public administration: Agency governance, autonomy and accountability, SIGMA papers, No. 63, OECD, Paris, <https://doi.org/10.1787/07316cc3-en>

Corruption remains one of the most significant governance challenges, undermining the effectiveness of public institutions and eroding public trust. In its Concluding Observations in 2021, CESCR expressed concern about the persistently high level of corruption, noting it impedes access to healthcare, education and other public services, particularly for

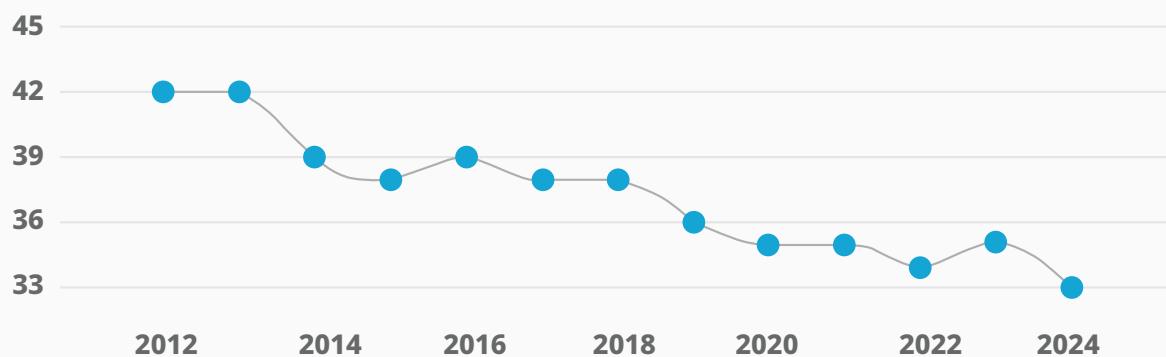
<sup>35</sup> Ibid.

<sup>36</sup> Transparency International (2023), Two Decades of Public Administration Reform in Bosnia and Herzegovina, <https://ti-bih.org/wp-content/uploads/2024/06/Dve-decenije-reforme-javne-uprave-u-Bosni-i-Hercegovini-%E2%80%93-nenaucene-lekcije-Zbornik-radova.pdf>

disadvantaged and marginalized individuals and groups. According to Transparency International's 2024 Corruption Perceptions Index, Bosnia and Herzegovina ranks 114th out of 180 countries and the penultimate most corrupt country in Europe.<sup>37</sup> Its position has been worsening since 2015, reflecting ongoing challenges in addressing corruption (Chart 7). Public procurement, which comprised 10.3 per cent of GDP in 2023, is particularly vulnerable, with frequent cases of fraud and favouritism impacting the efficiency of infrastructure projects and public services. Irregularities over conflict of interest and asset declarations also persist. Meanwhile, pervasive corruption across all levels of government leads to inefficiencies, hampers public services, deters foreign direct investment (FDI) and stalls critical reforms, ultimately exacerbating societal inequalities. The Council of Europe's Group of States against Corruption (GRECO) has called on the authorities in Bosnia and Herzegovina to strengthen their efforts to prevent corruption among persons with top executive functions and members of the Border Police and State Investigation and Protection Agency.<sup>38</sup> Several recommendations from the fourth UPR also call for intensified efforts to combat corruption.

The adoption of a state law on the prevention of conflicts of interest and an Anti-corruption Strategy and Action Plan in 2024 are significant steps forward, though further alignment with European standards is needed.<sup>39</sup> Moreover, the 2024 conviction in the Novalić et al. case,<sup>40</sup> involving the former acting prime minister of the Federation entity, marks the first final ruling on high-level corruption.

*Chart 7. Changes in Corruption Perception Index in Bosnia and Herzegovina from 2012 to 2024*



Source: Transparency International, 2024, <https://www.transparency.org/en/cpi/2024/index/bih>

<sup>37</sup> Transparency International (2024), Corruption Perceptions Index 2024, <https://www.transparency.org/en/cpi/2024>

<sup>38</sup> <https://rm.coe.int/fifth-evaluation-round-preventing-corruption-and-promoting-integrity-i/1680aa76dc>

<sup>39</sup> European Commission (2024), Bosnia and Herzegovina 2024 Report, [https://neighbourhood-enlargement.ec.europa.eu/document/download/451db011-6779-40ea-b34b-a0eeda451746\\_en?filename=Bosnia%20and%20Herzegovina%20Report%202024.pdf](https://neighbourhood-enlargement.ec.europa.eu/document/download/451db011-6779-40ea-b34b-a0eeda451746_en?filename=Bosnia%20and%20Herzegovina%20Report%202024.pdf)

<sup>40</sup> Court of Bosnia and Herzegovina (2024), <https://www.sudbih.gov.ba/Post/Read/Otpremljena%20drugostepe-na%20presuda%20u%20predmetu%20Fadil%20Novali%C4%87%20i%20drugi>

There are concerns over the independence and impartiality of the judiciary, particularly in cases involving corruption, war crimes, hate speech, environmental issues and attacks on civil society. Impunity for hate crimes and hate speech is widespread, with cases often underreported due to fear of retaliation, distrust in the judiciary and inadequate reporting mechanisms.<sup>41</sup> Women face particular challenges in accessing justice due to discriminatory laws, gender-blind policies and procedural gaps, compounded by gender stereotypes and biases in the legal system. The 2023 Gender Equality Index for Bosnia and Herzegovina shows declines across all these domains compared to 2022, with the country falling below the EU average in each area.<sup>42</sup>

Nevertheless, Bosnia and Herzegovina's path to EU membership has seen significant progress in recent years. After granting the country candidate status in December 2022, the European Council decided to open accession negotiations in March 2024, following efforts by the country to address reforms, in particular the adoption of legislation on integrity in the judiciary, anti-money laundering and conflict of interest. However, the reform momentum slowed significantly between April and October 2024, hindered by ongoing political controversies and intensification of campaigning for the October local elections. The EU's 14 Key Priorities for the country identified in 2019, which set out essential reforms in areas relating to the rule of law, anti-corruption and non-discrimination, as well as reconciliation and the response to migration, remain central to the accession process. Since the granting of EU candidate status, the focus has shifted to thematic clusters that guide the country's progress towards meeting the more stringent membership criteria, with a key focus placed on electoral and judicial reforms, combating of corruption and enhancing of institutional functionality.

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<sup>41</sup> Ibid.

<sup>42</sup> Agency for Statistics of Bosnia and Herzegovina (2023), Gender Equality Index 2023. <https://bhas.gov.ba/News/Read/83?lang=en>

# 5. Human Rights



Bosnia and Herzegovina has ratified all core international human rights treaties, and cooperation with UN human rights mechanisms has increased noticeably in recent years. Since 2021, the government has hosted Special Rapporteurs on the promotion of truth, justice, reparation and guarantees of nonrecurrence, the promotion and protection of human rights while countering terrorism, and the rights to freedom of peaceful assembly and of association. The Special Adviser on the Prevention of Genocide, the UN High Commissioner for Human Rights and the Subcommittee on Prevention of Torture also visited the country.

The fourth UPR of Bosnia and Herzegovina took place on 29 January 2025, generating 196 recommendations, to which the Government is to respond by 1 April 2025. The recommendations echoed numerous previous ones of UN treaty bodies, notably to address discrimination on various ground and in accessing civil, cultural, economic, political and social rights, to ensure the rights to truth, justice, reparation and guarantees of non-recurrence in relation to the 1992–1995 conflict, strengthening the rule of law and combating corruption, and safeguarding freedoms of expression, association and peaceful assembly. In the meantime, progress in implementing the recommendations from the third UPR has been limited. The most notable actions include the abolition of the death penalty in RS, considerable progress in addressing and reducing cases of statelessness and the establishment of a National Preventive Mechanism (NPM). However, as at early 2025, the NPM remained to be fully operationalized.

As noted previously, discriminatory constitutional provisions remain in place, defining the governance system and public administration. There has been limited implementation of legislation prohibiting discrimination and promoting equality, notably of the Law on Prohibition of Discrimination (2009, amended in 2016) and the Law on Gender Equality (2003, amended in 2010). Implementation and enforcement have been hampered because of various factors, including lack of independence, inefficiency of the judiciary or lack of respect for judicial decisions. Moreover, legislation is fragmented across the country, including in the area of social rights, generating uneven levels of protection and enjoyment of rights, and even discrimination. Challenges in harmonizing the legislation across the country, and in line with international human rights standards, limited cooperation or coordination by the different levels of governance and inadequate monitoring and budgeting hinder effective human rights protection. Moreover, diverging political agendas and recurrent political crises affect decision making, often to the detriment of human rights in Bosnia and Herzegovina.

The institution of the Human Rights Ombudsman of Bosnia and Herzegovina enjoys A-status,<sup>43</sup> but there are concerns that its consensus-based decision making, linked to its tripartite leadership structure, has affected its effectiveness. There are concerns about the impartiality of the selection and appointment processes, which are led by the Parliamentary Assembly of Bosnia and Herzegovina, while implementation of the recommendations issued by the institution remains low. In 2023, a law on amendments to the Law on the Human Rights Ombudsman of Bosnia and Herzegovina established the NPM as part of the mandate

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**43** A-status refers to the accreditation granted to National Human Rights Institutions (NHRIs) by the Global Alliance of National Human Rights Institutions (GANHRI), indicating full compliance with the Paris Principles. These principles, adopted by the UN General Assembly in 1993, set the international standards for NHRIs regarding their independence, mandate and effectiveness in promoting and protecting human rights.

of the institution, 15 years after the state ratified the Optional Protocol to the Convention against Torture. However, as of early 2025, the mechanism was yet to be operationalized.

### ***a. Discrimination***

Discrimination based on gender, ethnic and religious affiliation, sexual orientation, disability and other grounds<sup>44</sup> (see Overview of Population Groups (at risk of being) Left Behind and Main Drivers of Exclusion) remains prevalent in Bosnia and Herzegovina, as underscored by all UN Human Rights Mechanisms. The fourth UPR includes a large number of recommendations concerning discrimination. In addition to discrimination in the exercising of civil and political, notably electoral, rights, discrimination in access to economic, social and cultural rights also persists, particularly for persons in vulnerable situations, notably persons with disabilities, Roma, stateless persons, migrants, refugees, asylum seekers and victims of the 1992–1995 conflict. Discrimination based on place of residence, as identified by CESCR also continues to affect access to economic and social rights and justice, as well as electoral rights. In August 2024, CERD expressed concern about “the absence of a unified system for the collection of data on cases of discrimination common to the institution of the Human Rights Ombudsman, the judiciary and the Ministry of Human Rights and Refugees, which results in a lack of reliable information and statistical data on discrimination and has impeded the development of effective measures to eliminate discrimination.”<sup>45</sup>

Various UN Human Rights Mechanisms, including treaty bodies and special rapporteurs have raised concerns about the persistence of hate speech on various grounds as a reflection of entrenched discrimination. Hate speech also has a distinct gender dimension, with women and girls being frequent targets. According to one recent publication, 60 per cent of gender- and identity-based disinformation targets women online and, out of 97 cases of hate speech recorded by media monitoring between April 2022 and December 2023, 25 per cent were related to gender, 28 per cent to sexual minorities and 21 per cent to ethnic discrimination.<sup>46</sup> Moreover, anti-gender narratives and initiatives to eliminate the concept of gender recently gained prominence in RS,<sup>47</sup> further complicating efforts to combat such discrimination.

### ***b. The rights to truth, justice, reparation and guarantees of nonrecurrence***

Following his visit to Bosnia and Herzegovina in December 2021, the Special Rapporteur on the promotion of truth, justice, reparation and guarantees of non-recurrence expressed

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<sup>44</sup> UNCT (2024), Fourth Universal Periodic review of Bosnia and Herzegovina; submission by the UNCT, <https://bosniahirzegovina.un.org/en/285462-un-country-team-submission-fourth-universal-periodic-review-bosnia-and-herzegovina>

<sup>45</sup> Committee on the Elimination of Racial Discrimination (2024), <https://www.ohchr.org/en/treaty-bodies/cerd>

<sup>46</sup> Center for Investigative Reporting (2024), Hate Speech in Bosnia and Herzegovina: Legislative and Practical Framework, <https://cin.ba/wp-content/uploads/2024/02/Govor-mrznje-ENG.pdf>

<sup>47</sup> UNCT (2024), Fourth Universal Periodic review of Bosnia and Herzegovina; submission by the UNCT, <https://bosniahirzegovina.un.org/en/285462-un-country-team-submission-fourth-universal-periodic-review-bosnia-and-herzegovina>

concern about the lack of a comprehensive, victim-centred approach to transitional justice, highlighting “the manifest inadequacy of reparation measures and the long-standing harm that this situation inflicts on victims,” “the inadequacy of memorialization and education processes, and of measures aimed at promoting inter-ethnic understanding, combating national-ethnic or religious hatred,” “the lack of progress in establishing comprehensive truth-seeking mechanisms, combined with persistent instances of revisionism.” He pointed out that “the human rights obligations of Bosnia and Herzegovina – including to comprehensively and effectively address the legacy of its past – are incumbent on the state and all its constitutive parts (comprising all branches of government at the federal, entity and local levels)” and constitute the cornerstone of sustainable peace. The Special Rapporteur put forward a series of recommendations to advance the rights to truth, justice, reparation and guarantees of non-recurrence.<sup>48</sup>

Almost 30 years after the end of the conflict in Bosnia and Herzegovina, revisionism by some political leaders has been increasing, marking divisive political rhetoric and disinformation, which have been amplified by social media. Hate speech reflects entrenched patterns of discrimination and the failure to constructively deal with the past. The denial of war crimes, crimes against humanity and the 1995 Srebrenica genocide persists, including among some politicians, as well as glorification of war criminals convicted by international tribunals.<sup>49</sup> Such rhetoric has been institutionalized in some cases, such as through adoption by the RS legislature of a report denying the Srebrenica genocide.<sup>50</sup> The fragmented education system has also been a major engine of division, through which divergent narratives about the past are perpetuated. These challenges are further compounded by concerns over youth safety and security, which impact social cohesion. Data shows that 40 per cent of young people fear the resurgence of ethnic strife,<sup>51</sup> a concern echoed in consultations with the Youth Advisory Body, where participants emphasized the broader sense of insecurity and uncertainty affecting their communities. Similarly, more than half of youths (54.9%)<sup>52</sup> report fear of war, reflecting the enduring impact of past conflicts.

There remain significant obstacles to war crimes prosecution, including concerns over court impartiality, victim protection and lack of regional cooperation. According to the report presented by the High Judicial and Prosecutorial Council of Bosnia and Herzegovina, as of 2023, a total of 322 war crimes cases remained unresolved in the country.<sup>53</sup> In January 2024, the Ministry of Justice of Bosnia and Herzegovina signed a memorandum with the

**48** OHCHR (2022), A/HRC/51/34/Add.2: Visit to Bosnia and Herzegovina <https://www.ohchr.org/en/documents/country-reports/ahrc5134add2-visit-bosnia-and-herzegovina-report-special-rapporteur>

**49** Prosecutor of the International Residual Mechanism for Criminal Tribunals, Progress Report to the UN Security Council, Annex II, paragraphs 85–88, <https://www.irmct.org/sites/default/files/documents/AnnexIIAssessmenttotheProsecutorMay2024English.pdf>;

Special Adviser on the Prevention of Genocide, [https://www.un.org/en/genocideprevention/documents/US-GNderitu\\_Statement%20BiH\\_23Feb2023.pdf](https://www.un.org/en/genocideprevention/documents/US-GNderitu_Statement%20BiH_23Feb2023.pdf)

**50** Narodna Skupština Republike Srpske (2024), Okončana Trinaesta Posebna Sjednica Narodne Skupštine - Usvojen Izborni Zakon Republike Srpske, <https://www.narodnaskupstinars.net/?q=la/vjesti/okon%C4%8Dana-trinaesta-posebna-sjednica-narodne-skup%C5%A1tine-usvojen-izborni-zakon-republike-srpske>

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

**52** FES. Turčilo, L., Osmić, A., Kapidžić, D., Šadić, S., Žiga, J., & Dudić, A. (2019), Youth Study: Bosnia and Herzegovina, <https://library.fes.de/pdf-files/id-moe/15262.pdf>

**53** High Judicial and Prosecutorial Council of Bosnia and Herzegovina (2024), <https://federalna.ba/tuzilast-va-u-bih-rijesila-manji-broj-predmeta-ratnih-zlocina-nego-ranije-1a2n3>

International Residual Mechanism for Criminal Tribunals to ensure the registration of individuals convicted by the International Criminal Tribunal for the former Yugoslavia and the International Residual Mechanism for Criminal Tribunals in the criminal records of Bosnia and Herzegovina. Moreover, amendments of March 2024 to the Election Law of Bosnia and Herzegovina ban individuals convicted of atrocity crimes from running for elections and other public offices.

Reparation for civilian victims of the conflict remains inadequate in general and uneven across the country. The Special Rapporteur on the promotion of truth, justice, reparation and guarantees of non-recurrence and the Committee against Torture called for an effective reparation scheme at the state level to provide all forms of redress for civilian victims of war (see Civilian Victims of Conflict-Related Violations).

### **c. Civic space and right to participate in public affairs**

Civic space in Bosnia and Herzegovina has seen a noticeable erosion in recent years, particularly in RS. Political processes remain dominated by ethnically segmented party systems, which often exclude broader civic engagement and perpetuate a lack of trust in institutions. Mechanisms for citizen inclusion in policymaking are underutilized, with government authorities rarely conducting meaningful consultations with civil society, despite legal obligations. While a state-level e-Consultation platform was introduced in 2018 to gather public input on legislative proposals, feedback from civil society is often disregarded, diminishing trust in participatory processes.

Young people, women and persons at risk of being left behind, including persons with disabilities, Roma and LGBTI individuals, face additional barriers to meaningful participation in public affairs. Many young people have shifted their political engagement online, favouring activities such as signing petitions or engaging in social media over traditional forms of political involvement. Only 20 per cent express genuine interest in conventional politics, such as joining political parties, and youth voter turnout has seen a slight decline, with 22 per cent abstaining in the last elections.<sup>54</sup> Non-electoral forms of youth participation remain notably underdeveloped, with a 2017 survey revealing that only 13.8 per cent of young people had engaged in voluntary activities within the preceding year.<sup>55</sup> Similarly, another study highlighted that 57.7 per cent of youth have never visited a youth centre, reflecting limited engagement in community-driven or structured civic initiatives.<sup>56</sup> Meanwhile, trust in democratic governance among young people is in decline, with only 58.6 per cent expressing such trust in 2024, a drop from 63.4 per cent in 2018, while 39.6 per cent were open to authoritarian leadership.<sup>57</sup> High levels of youth unemployment, economic pressures prioritizing paid opportunities, low awareness of the benefits of volunteering and inadequate

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<sup>54</sup> Hasanović, J., Lavrič, M., Adilović, E., & Stanojević, D. (2024). Youth Study Southeast Europe 2024. Fried-  
rich-Ebert-Stiftung, <https://library.fes.de/pdf-files/bueros/wien/21457.pdf>

<sup>55</sup> UNDP (2017), Young People in Bosnia and Herzegovina, <https://www.undp.org/bosnia-herzegovina/publications/socio-economic-perceptions-young-people-bosnia-and-herzegovina>

<sup>56</sup> Ibid.

<sup>57</sup> Ibid.

institutional support contribute to underdeveloped volunteer practices among youth, while the exploitation of volunteering as a substitute for unpaid labour further undermines recognition and protection for volunteers.<sup>58</sup> This lack of engagement reflects a broader need for institutional reform and targeted initiatives to empower youth and other groups at risk of being left behind in Bosnia and Herzegovina's civic space. The World Bank's Voice and Accountability indicators<sup>59</sup> have shown a consistent downward trend since 2015 (Chart 8), with a drop in score from -0.10 in 2015 to -0.33 in 2022, indicating significant deterioration in perceived freedoms and participatory rights. The political environment and reduced freedom of expression, civic-voluntary participation and electoral participation are factors likely to have contributed to this decline.

*Chart 8. Voice and accountability: WB governance indicators for Bosnia and Herzegovina, 2015–2022*



2022

CSOs face challenges in securing long-term funding and competing for donor resources, which are often required to align with donor priorities, while limited public understanding of their role and insufficient community support, particularly in smaller areas, hinder the initiatives they do manage to implement.<sup>60</sup> Consultations with CSOs and human rights defenders, including journalists and environment defenders, highlight that they have faced increasing political and economic pressures, as well as offline and online threats and attacks. Women journalists and LGBTI activists are especially vulnerable, frequently targeted by politicians through hate speech and sexism. Many endure stigmatization, are subject to discrediting campaigns and receive threats both online and offline. Particularly, the frequency of attacks on journalists has escalated, alongside a few incidents of physical violence and damage to property.<sup>61</sup> Additionally, the criminalization of defamation in 2023 in RS has further inhibited

<sup>58</sup> UN Volunteers (2023), Situation analysis on volunteering, civic engagement and participation, with specific information on local CSOs in Bosnia and Herzegovina.

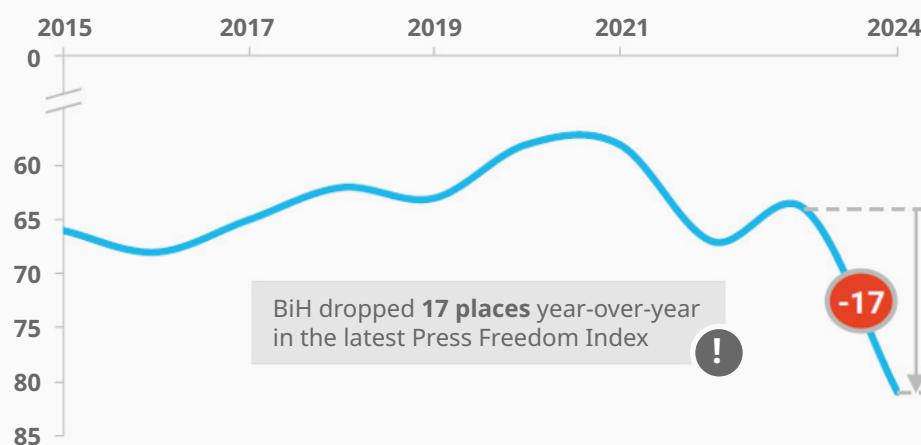
<sup>59</sup> World Bank (2024), Voice and Accountability Indicators, <https://data.worldbank.org/indicator/VA.ES-T?view=map&year=2022>

<sup>60</sup> Ibid.

<sup>61</sup> OHCHR (2022), The Right to Freedom of Opinion and Expression, The Safety of Journalists and Access to Information in Bosnia and Herzegovina, <https://bosniaberzegovina.un.org/sites/default/files/2022-09/Report%20-%20Safety%20of%20Journalists%20and%20access%20to%20information%20in%20Bosnia%20and%20Herzegovina%20-%20ENG.pdf>

the work of civil society actors, together with the initiative of the law on the special registry and publicity of the work of non-profit organizations, often referred to as the 'foreign agents law', which was adopted in February 2025 but which has not yet entered into force.<sup>62</sup> The Press Freedom Index has experienced a consistent decline over the past few years, dropping by 17 places year-over year in 2024 (Chart 9), underscoring growing concerns of increasing restrictions on freedom of speech and expression that have contributed to a climate of self-censorship fuelled by fears of legal repercussions and prosecution.<sup>63</sup> The fourth UPR of Bosnia and Herzegovina gave rise to about 20 recommendations on the protection of freedoms of expression, association and peaceful assembly and civic space, compared to a fewer number during the third review.

*Chart 9. Press Freedom Index, Rank of Bosnia and Herzegovina since 2015*



Source: Reporters Sans Frontières, 2024

Although the judiciary has been monitoring attacks and threats against journalists since 2019, there is a pressing need to strengthen this oversight and, moreover, expand it to include human rights and environment defenders, who face similar threats. Among others, during his visit to Bosnia and Herzegovina in April 2024, the Special Rapporteur on the rights to freedom of peaceful assembly and of association, expressed concern about hostile political rhetoric and a rise in strategic lawsuits against environmental human rights defenders.<sup>64</sup> Underreporting of incidents remains prevalent, with acts of violence and intimidation seldom being investigated or sanctioned appropriately.<sup>65</sup>

<sup>62</sup> OHCHR (2025), 'Bosnia and Herzegovina: Bill on registering NGOs will increase government control over civil society operations, say UN experts,' <https://www.ohchr.org/en/press-releases/2025/02/bosnia-and-herzegovina-bill-registering-ngos-will-increase-government>

<sup>63</sup> Reporters Without Borders (2024), 2024 World Press Freedom Index: Bosnia and Herzegovina, <https://rsf.org/en/index>

<sup>64</sup> Preliminary Remarks by Mr. Clément Nyaletsossi Voule, Special Rapporteur on the Rights to Freedom of Peaceful Assembly and of Association. Visit to Bosnia and Herzegovina, 14–22 April 2024 (Paragraphs 22 and 47). <https://www.ohchr.org/sites/default/files/documents/issues/association/statements/20240422-eom-bosnia-herzegovina-sr-freedom-assembly-association-en.pdf>

<sup>65</sup> CIVICUS Monitor, 'Threats against Journalists and Human Rights Defenders in Bosnia and Herzegovina', available at CIVICUS Monitor, accessed October 2023, <https://monitor.civicus.org/presscentre/bosnia-herzegovina/>

Nevertheless, the importance of civil society in Bosnia and Herzegovina, in areas such as environmental protection, is steadily increasing, resulting primarily from the lack of well-established institutional frameworks for environmental protection and the implementation of environmental legislation.<sup>66</sup> While the right to a healthy environment is guaranteed in law (Bosnia and Herzegovina also signed and ratified the Aarhus Convention on Access to Information, Public Participation in Decision Making and Access to Justice in Environmental Matters), practical implementation, governance and enforcement remain a challenge, leaving a critical role to civil society for advocating for further action.<sup>67</sup>

Moving forward, strengthening governance structures, ensuring the independence of the judiciary and fostering genuine social dialogue will be essential to building a more inclusive and resilient society. Greater emphasis on protecting the rights of marginalized groups, advancing war crimes prosecution, promoting reconciliation and expanding civic space will be critical in aligning with European standards and fostering sustainable development. Addressing these priorities will not only bolster Bosnia and Herzegovina's human rights record but also create a more stable foundation for social and economic progress. It is expected that the EU accession process may contribute to accelerating progress in the protection of human rights, as 12 of the 14 priorities for accession coincide with numerous UPR recommendations, including strengthening the rule of law, ensuring equality and non-discrimination for all citizens, protecting civic space and creating an environment conducive to reconciliation by addressing the legacy of the 1992–1995 conflict. Together, these efforts target key SDGs, including 5, 8, 10 and 16, driving progress towards GE, peace, justice, inclusion and equitable economic growth.

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**66** Ikorović et al. (2024), The Role of Civil Society in Environmental Governance in Bosnia and Herzegovina, <https://mapub.org/ojs/index.php/mapss/article/view/141>

**67** Overview of the Case Law in Bosnia and Herzegovina in the Field of the Protection of the Environment (2023), [https://www.undp.org/sites/g/files/zskgke326/files/2024-05/overview\\_of\\_the\\_environmental\\_case\\_law\\_in\\_bih.pdf](https://www.undp.org/sites/g/files/zskgke326/files/2024-05/overview_of_the_environmental_case_law_in_bih.pdf)

# 6. *Social Development and Exclusion*



Bosnia and Herzegovina faces not only governance challenges but also significant social disparities that drive exclusion, particularly among women, children, youth and ethnic minorities. These disparities are manifest in unequal access to income, education, vocational training, healthcare and social protection systems, leaving vulnerable groups at a distinct disadvantage. Social dialogue remains underdeveloped, with limited engagement from social partners such as trade unions and employer associations in policymaking.<sup>68</sup> While several sectoral agreements exist, mainly in the public sector, the lack of general collective agreements and a cohesive social dialogue framework hampers meaningful labour market reforms, limiting progress toward more inclusive socio-economic policies.

In November 2021, while noting the complex governance system and the decentralization of powers and responsibilities in the areas relating to economic, social and cultural rights, including social protection, healthcare and education, CESCR expressed concern about, "the significant discrepancies in legislative and policy measures taken at different levels of government in those areas, and the consequent significant regional inequalities in the level of enjoyment of economic, social and cultural rights." It expressed further concern about, "the lack of monitoring and coordination, at the State level, of the measures taken and activities carried out by the entities, Brcko District and the cantons of FBiH, which perpetuates the discrepancies and inequalities," and about, "the overall low level of budget allocation to health, education and other areas relating to economic, social and cultural rights and the significant disparities among entities in that regard." Additionally, the Committee was concerned about the lack of systematic collection of disaggregated data preventing assessment of the level of realization of economic, social and cultural rights.

### **a. Education**

While there have been positive strides made in the education systems in recent years – such as an increase in the average years of schooling for girls and boys and greater access to computers and the Internet in primary and secondary schools, particularly valuable during the COVID-19 pandemic<sup>69</sup> – it remains fragmented and segregated, as described below.

The complex governance structure, with 16 administrative units governing education and vocational education and training, contributes to inconsistencies in quality and access, leading to disparities in learning outcomes across different regions. Decentralization of budget funding leads to significant differences in equipment, staffing and other resource allocation across educational institutions. Most schools are monoethnic or largely monoethnic and more than 50 'two schools under one roof' in FBiH – a system where students from different ethnic backgrounds attend the same school building but are physically separated and follow different curricula – still operate across some cantons.<sup>70</sup> Moreover, different curricula and textbooks are used. The UN Human Rights Mechanisms have made repeated

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<sup>68</sup> ILO (2024), The ILO in Bosnia and Herzegovina, <https://www.ilo.org/ilo-bosnia-and-herzegovina>

<sup>69</sup> Voluntary National Review (2023), <https://zamislj2030.ba/voluntary-review/#:~:text=In%202023,%20Bosnia%20and%20Herzegovina%20presented>

<sup>70</sup> UNDP (2021), National Human Development Report 2020: Social Inclusion in Bosnia and Herzegovina, <https://www.undp.org/bosnia-herzegovina/publications/national-human-development-report-2020-social-inclusion-bosnia-and-herzegovina#:~:text=The%20National%20Human%20Development%20Report,social%20inclusion%20in%20Bosnia%20and>

recommendations to put an end to this system. CESCR regretted, “*the insufficient progress made in eliminating ethnic-based segregation and discrimination in the school system, remained concerned about the continued existence of schools following the ‘two schools under one roof’ system and monoethnic schools, the delays in harmonizing school curricula and adopting a common core curriculum at all levels of education, and other measures that reinforce ethnic division in the education system.*” CERD additionally was concerned that, “*the education system remains divided, with different curricula and textbooks, presenting three differing versions of history, including on the 1992–1995 conflict,*” and that, “*the culture of ethnic and national minorities is not systematically included in the school curricula and that the possibility of learning national minority languages is very limited.*”<sup>71</sup>

Moreover, groups at risk of being left behind, especially children with disabilities and Roma children, often encounter barriers to accessing education, as well as discrimination and stigmatization, as emphasized by UN Human Rights Mechanisms, which have been repeatedly calling for concrete inclusive measures. The urban–rural divide also is important, with some schools often suffering from inadequate funding, insufficient resources and limited access to digital tools. Around 14,000 students in more than 500 schools (from >2,100 schools) lack access to the Internet.<sup>72</sup>

As of 2021, public spending on education was 10.38 per cent of total government expenditure, showing a slight increase from 10.13 per cent in 2019.<sup>73</sup> Despite allocating approximately 4.6 per cent of its GDP to education, comparable to EU public investment levels, Bosnia and Herzegovina’s education outcomes remain among the weakest in the region.<sup>74</sup> While steps have been taken to address educational challenges, such as the introduction of competence-based curricula and participation in international assessments, such as the 2018 Programme for International Student Assessment (PISA), systemic inefficiencies and a fragmented educational structure contribute to the disparity between investment and quality. The results of PISA 2018 show that 15-year-old students from Bosnia and Herzegovina are three years behind their peers from OECD countries, with more than 50 per cent of students not reaching the minimum level of functional literacy in mathematics, reading and science.<sup>75</sup> In response, the OECD recommends strengthening collaboration across administrative units, improving teacher training and assessment literacy and developing external examinations to ensure equitable access to quality education across all levels.<sup>76</sup> However, Bosnia and Herzegovina has not participated in PISA since 2018, limiting the possibility of tracking progress and benchmarking educational outcomes against international standards.

<sup>71</sup> Committee on the Elimination of Racial Discrimination (2024), <https://www.ohchr.org/en/treaty-bodies/cedr>

<sup>72</sup> UNICEF (2024), [https://www.unicef.org/bih/en/stories/teachers-bosnia-herzegovina-driving-force-behind-digital-transformation-education#:~:text=23%20January%202024,In%20Bosnia%20%26%20Herzegovina%20\(Bi-H\)%2C%20approximately%2014%20000%20students%20in,the%20Rights%20of%20the%20Child](https://www.unicef.org/bih/en/stories/teachers-bosnia-herzegovina-driving-force-behind-digital-transformation-education#:~:text=23%20January%202024,In%20Bosnia%20%26%20Herzegovina%20(Bi-H)%2C%20approximately%2014%20000%20students%20in,the%20Rights%20of%20the%20Child)

<sup>73</sup> The Global Economy (2023), Bosnia and Herzegovina: Education spending, percent of government spending, [https://www.theglobaleconomy.com/Bosnia-and-Herzegovina/Education\\_spending/](https://www.theglobaleconomy.com/Bosnia-and-Herzegovina/Education_spending/)

<sup>74</sup> ETF (2021), Bosnia and Herzegovina, Education, Training and Employment Developments 2021, [https://www.etf.europa.eu/sites/default/files/document/Country%20Fiche%202020%20Bosnia%20and%20Herzegovina%20Education%20Training%20and%20Employment%20Developments\\_0.pdf](https://www.etf.europa.eu/sites/default/files/document/Country%20Fiche%202020%20Bosnia%20and%20Herzegovina%20Education%20Training%20and%20Employment%20Developments_0.pdf)

<sup>75</sup> OECD, (2018), Programme for International Student Assessment (PISA), Bosnia and Herzegovina Country Note, [https://www.oecd.org/content/dam/oecd/en/about/programmes/edu/pisa/publications/national-reports/pisa-2018/featured-country-specific-overviews/PISA2018\\_CN\\_BIH.pdf](https://www.oecd.org/content/dam/oecd/en/about/programmes/edu/pisa/publications/national-reports/pisa-2018/featured-country-specific-overviews/PISA2018_CN_BIH.pdf)

<sup>76</sup> Guthrie, C., Perico E Santos, A.V., Henderson, K., Norfolk-Beadle, A., Fordham, E., & Baucal, A. (2022), OECD Reviews of Evaluation and Assessment in Education: Bosnia and Herzegovina, <https://doi.org/10.1787/a669e5f3-en>

In Bosnia and Herzegovina, preschool education receives a much smaller proportion of public funding than primary education: in 2019, only 6 per cent of money spent on formal education went towards Early Childhood Education and Care (ECEC), one-eighth of the amount spent on primary education.<sup>77</sup> Expanding investments in ECEC represents a critical opportunity for Bosnia and Herzegovina's education systems to improve foundational learning outcomes and reduce disparities across its administrative units. Investments in ECEC are shown to yield high returns: for every BAM 1 invested, the projected returns are BAM 6.9 in FBiH, BAM 6.7 in RS and BAM 5.9 in Brčko District, over the next 30 years. However, failure to act decisively could result in substantial economic losses, estimated at more than BAM 18 billion in FBiH, BAM 9.4 billion in RS and BAM 608 million in BD, by 2052. These projected losses highlight the urgency of scaling up ECEC services to address gaps in early learning, bridge regional disparities and set the foundation for lifelong education success.<sup>78</sup> Low investments in preschool education also prevent larger participation of working age women in the labour market, as childcare is not easily accessible and affordable.

While gender parity has been achieved in primary and secondary education, women surpass men in higher education enrolment in Bosnia and Herzegovina. Despite this progress, gender imbalances persist across academic disciplines. Female representation in social sciences and humanities far exceeds that in natural sciences, technology, engineering and mathematics (STEM), which remain male-dominated fields. These disparities often emerge during secondary education and continue into higher education. Although the number of female students and lecturers has grown significantly, deeply ingrained gender stereotypes still influence academic choices, limiting the economic and human potential of women. This imbalance also perpetuates gender pay gaps, as women are underrepresented in higher-paying STEM careers.<sup>79</sup> Moreover, despite efforts to align lifelong learning with EU standards, the education systems in Bosnia and Herzegovina struggle to provide effective adult education and reskilling programmes. This is particularly important given the country's ageing workforce and the rapid pace of technological and economic transformation.

In 2024, satisfaction with the quality of education among young people in Bosnia and Herzegovina was at 23 per cent, a decrease from nearly 50 per cent in 2018. Consultations with the Youth Advisory Body suggest a growing lack of confidence in the education system's ability to meet students' needs and expectations, largely due to systemic issues such as corruption and outdated teaching methods. This concern was reinforced by a recent study, which found that 77.4 per cent of young respondents perceive corruption in educational institutions, believing that grades and exams can be bought. This is a concerning increase from 72.1 per cent in 2018, highlighting a growing perception of inequality and injustice within the systems.<sup>80</sup>

<sup>77</sup> Camović, D. and J. Bećirović-Karabegović (2022), Educational quality of early childhood education in Bosnia and Herzegovina, <https://doi.org/10.12973/eu-jer.11.4.1923>

<sup>78</sup> UNICEF Bosnia and Herzegovina (2023), Investment Case for Children in Republika Srpska; UNICEF Bosnia and Herzegovina (2023), Investment Case for Children in the Federation of Bosnia and Herzegovina; NICEF Bosnia and Herzegovina (2023), Investment Case for Children in Brčko District.

<sup>79</sup> UNDP (2022), How to Achieve Gender Equality at Universities in Bosnia and Herzegovina, <https://www.undp.org/bosnia-herzegovina/publications/how-achieve-gender-equality-universities-bosnia-and-herzegovina>

<sup>80</sup> Hasanović, J., Lavrić, M., Adilović, E., & Stanojević, D. (2024), Youth Study Southeast Europe 2024. Fried-

Enhancing Bosnia and Herzegovina's education systems is critical for advancing multiple SDGs, directly supporting SDG 4 (Quality Education) by ensuring inclusive and equitable learning opportunities. Addressing regional and gender disparities aligns with SDG 5 (Gender Equality), enabling more women and girls to pursue opportunities in STEM fields and beyond. By expanding ECEC, strengthening TVET and promoting lifelong learning opportunities for all in the country can also contribute to SDG 8 (Decent Work and Economic Growth) through the development of a skilled and competitive workforce. Reducing inequalities in access to education across urban and rural areas aligns with SDG 10 (Reduced Inequalities), while fostering cross-ethnic collaboration within schools can promote peaceful coexistence and further SDG 16 (Peace, Justice and Strong Institutions). Finally, leveraging education to enhance digital literacy and environmental awareness contributes to SDG 9 (Industry, Innovation and Infrastructure) and SDG 13 (Climate Action), equipping future generations to tackle emerging global challenges.

### ***b. Social protection systems***

Fragmented and underfunded social protection systems exacerbate social exclusion, leaving vulnerable groups without adequate support, failing to protect them from falling into poverty and destitution. CESCR expressed concerned about, *"the significant discrepancies in overall aspects of the social protection system – both contributory and non-contributory schemes – among the entities, District Brcko and cantons in the Federation of Bosnia and Herzegovina,"* including, *"discrepancies in eligibility criteria, coverage, the duration and amount of benefits, the level of contributions made by the insured and the level of the public budget allocated to the social protection system."* The Committee observed that this situation, *"has rendered the social protection schemes incompatible, fragmented and ineffective and resulted in large inequalities among different regions in the enjoyment of the right to social security."* It expressed further concern that, *"social security benefits are not sufficient to provide the beneficiaries and their families with a decent living,"* and that, *"despite the measures taken by the State party, a large number of workers cannot access social security benefits, including health insurance, due to the failure of their employers to register them in the social protection system or to pay their contributions to the funds."*

Social welfare programmes in Bosnia and Herzegovina are decentralized, leading to significant variation in the availability and quality of services across the different regions.<sup>81</sup> Vulnerable groups, particularly older persons, persons with disabilities and marginalized ethnic communities, often receive inadequate support due to inadequate institutional framework, bureaucratic inefficiencies, lack of relevant data and politicization within the social assistance programmes.<sup>82</sup> Eligibility for social assistance often relies on discriminatory criteria, resulting in vulnerable individuals receiving varying benefits based on their place of residence (territorial inequality) and social category (status-based inequality).

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rich-Ebert-Stiftung, <https://library.fes.de/pdf-files/bueros/wien/21457.pdf>

**81** UNDP Bosnia and Herzegovina (2023), Mapping Social Assistance and Support Services in 9 Local Governments. Available at: <https://www.undp.org/bosnia-herzegovina/publications/mapping-social-assistance-and-support-services-9-local-governments>

**82** World Bank (2024), Bosnia and Herzegovina Social protection Situational Analysis, <https://openknowledge.worldbank.org/server/api/core/bitstreams/3a52702c-04ca-5966-a4f3-670dde2d31c9/content>

According to the latest data available (2017), Bosnia and Herzegovina spent around 12.3 per cent of GDP on social protection benefits, less than half the EU average (26.5%), but more than the Western Balkan average (10.8%), mainly due to higher levels of spending on pensions and veteran and civilian war victim benefits.<sup>83</sup> Nevertheless, its impact on poverty reduction and cost-effectiveness remain limited, and only about one third of the poor are covered by social assistance. Last-resort income support programmes and poverty alleviation transfers have particularly low cost-benefit ratios, limiting their effectiveness in addressing poverty.<sup>84</sup>

The high prevalence of informal employment, estimated to account for around 30.5 per cent of employment in 2019 (30.9%, men; 29.8%, women),<sup>85</sup> further undermines the social protection systems. Workers in the informal economy often lack access to social insurance, leaving them vulnerable to poverty, especially in times of crisis. It is thought that the COVID-19 pandemic exacerbated vulnerabilities of informal workers without access to social safety nets, though relevant data are not available. This dynamic creates additional strain on already overstretched social welfare programmes and highlights the urgent need for policies that formalize employment and expand coverage to those excluded. Moreover, Bosnia and Herzegovina's social welfare systems is under pressure from an ageing population, rising emigration of working-age citizens and low fertility rates, relatively low levels of female participation in the labour force and a large share of informal employment. While pensions should be financially sustainable for the next 10–15 years, further policy changes will be required to maintain sustainability beyond that time.<sup>86</sup> Given that inefficiencies within the systems limit the adequacy of social protection systems, increasing them to provide dignified living standards would place additional pressure on the systems, potentially shortening the financial sustainability beyond the projected timeframe.

Reforming Bosnia and Herzegovina's social protection systems is crucial for addressing inequalities and advancing multiple SDGs. Strengthening welfare access, particularly by increasing resource effectiveness and expanding support devoted to social assistance supports SDG 1 (No Poverty) and SDG 10 (Reduced Inequalities), while formalizing employment and expanding social insurance aligns with SDG 8 (Decent Work and Economic Growth). Gender-sensitive policies advance SDG 5 (Gender Equality) and addressing disparities in service delivery promotes SDG 16 (Peace, Justice and Strong Institutions).

### **c. Healthcare**

The lack of a comprehensive social safety net exacerbates economic and social marginalization, with significant negative effects on health outcomes. Bosnia and Herzegovina's healthcare systems remain fragmented and inequitable, largely due to the decentralized governance structure, leading to high costs and uneven access to services. Health insurance coverage is incomplete, with 87 per cent of the population in FBiH and 74 per cent in RS covered in

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<sup>83</sup> Ibid.

<sup>84</sup> Ibid.

<sup>85</sup> ILO (2020), Overview of the informal economy in Bosnia and Herzegovina, <https://www.ilo.org/resource/overview-informal-economy-bosnia-and-herzegovina>

<sup>86</sup> World Bank (2024), Bosnia and Herzegovina Social protection Situational Analysis, <https://openknowledge.worldbank.org/server/api/core/bitstreams/3a52702c-04ca-5966-a4f3-670dde2d31c9/content>

2020.<sup>87</sup> CESCR expressed concern that, “*the decentralized and fragmented health insurance system and healthcare services, coupled with varying financial resources among the entities and the cantons of the Federation of Bosnia and Herzegovina, has led to large regional disparities in access to and the quality of healthcare services,*” and that, “*about 15 per cent of the population, mostly Roma, self-employed persons and workers in the informal sector, are not covered by health insurance and that the scope of healthcare services provided by the insurance is limited.*” It also expressed concern about, “*the chronic shortage of medical professionals and medical equipment in public health institutions, and the frequent practice of out-of-pocket payments borne by patients.*”

The share of public spending on health has increased in recent decades, accounting for 6.2 per cent of GDP,<sup>88</sup> above the Western Balkan and EU averages. However, weak and fragmented public sector institutions, devolved responsibilities and poor financial management continue to hinder the quality of the systems. As a result, those who can afford it often turn to private healthcare. Meanwhile, out-of-pocket expenditures remain significant, comprising 30 per cent of total healthcare spending in 2019, with medicine and therapeutic treatments being major cost drivers.<sup>89</sup> Additionally, informal payments to healthcare providers are widespread, contributing to corruption within the systems.

These systemic challenges have led to public concern, particularly among young people. Data show that 62.6 per cent of young people fear the consequences of poor healthcare infrastructure and 58.2 per cent are specifically worried about serious illnesses.<sup>90</sup> Consultations with the Youth Advisory Body further highlighted a lack of trust in the healthcare system, with widespread concerns about corruption in the sector.

Access to essential services, including healthcare, nutrition and mental health support, is insufficient, particularly for vulnerable communities. Declining immunization rates are alarming: e.g., Measles, Mumps and Rubella vaccine coverage in RS dropped from 87.5 per cent in 2019 to 62.7 per cent in 2023, with even lower rates in FBiH and BD.<sup>91</sup> Lack of immunization is particularly evident in vulnerable communities such as the Roma population, where misinformation has contributed to persistently low vaccination rates. The gaps were underscored by the recent measles outbreak of 2024, with more than 7,000 cases and two deaths reported.<sup>92</sup> People with mental health challenges remain disproportionately vulnerable due to pervasive discrimination, social exclusion and insufficient access to comprehensive care, including preventive services. These challenges are further exacerbated by the absence of a countrywide mental health strategy. While the establishment of 74 community-based

<sup>87</sup> WHO, European Observatory on Health Systems and Policies (2022), Health Systems in Action: Bosnia and Herzegovina, <https://eurohealthobservatory.who.int/publications/i/health-systems-in-action-bosnia-and-herzegovina-2022>

<sup>88</sup> World Bank (2022), Working towards people-centered health care in Bosnia and Herzegovina, <https://blogs.worldbank.org/en/europeandcentralasia/working-towards-people-centered-health-care-bosnia-and-herzegovina>

<sup>89</sup> European Observatory on Health Systems and Policies, WHO Europe (2022), Health Systems in Action Bosnia and Herzegovina <https://eurohealthobservatory.who.int/publications/i/health-systems-in-action-bosnia-and-herzegovina-2022>

<sup>90</sup> Hasanović, J., Lavrič, M., Adilović, E., & Stanojević, D. (2024), Youth Study Southeast Europe 2024. Friedrich-Ebert-Stiftung, <https://library.fes.de/pdf-files/bueros/wien/21457.pdf>

<sup>91</sup> WHO (2022), Immunization Coverage Estimates.

<sup>92</sup> UNICEF (2024), In Bosnia and Herzegovina measles cases surge, with over 7,000 cases registered, <https://www.unicef.org/bih/en/press-releases/bosnia-and-herzegovina-measles-cases-surge-over-7000-cases-registered>

mental health centres across the country represents significant progress, these facilities often face critical gaps.<sup>93</sup> Providers frequently lack the specialized skills needed for psychotherapy, occupational therapy and addressing the unique needs of juvenile patients and survivors of family violence, limiting the effectiveness of community-level mental health services.

The country also faces a significant burden of noncommunicable diseases, with rising mortality rates from stroke, ischemic heart disease and cancer. Although health strategies emphasize health promotion and disease prevention, there are no nationwide cancer screening programmes.<sup>94</sup> This lack of organized screenings, combined with late-stage diagnosis, contributes to poor cancer outcomes. The current situation regarding major cancers in Bosnia and Herzegovina is as follows:

- Cervical cancer incidence is 14.3 per 100,000 women, with a high mortality: incidence ratio of 0.49. Despite being preventable, 3 women die from cervical cancer every week in the country. Screening coverage is low, with only 2 in 10 women screened in the past five years.<sup>95</sup> Human Papillomavirus vaccination coverage remains low but is gradually increasing, reaching 5 per cent of women in 2023, up from 2 per cent in 2022.<sup>96</sup>
- Breast cancer incidence is 50 per 100,000 women, making it the leading cause of cancer-related deaths among women. The country has a higher age-adjusted mortality rate for breast cancer (15.7 per 100,000) than the European average (14.8 per 100,000). Late diagnosis contributes to poorer outcomes.<sup>97</sup>
- Colorectal cancer represents 13 per cent of new cancer cases, with an incidence of 27 per 100,000 and a mortality rate of 14.5 per 100,000.<sup>98</sup>
- Prostate cancer accounts for 6 per cent of new cases and 11 per cent of cancers among men, with an incidence of 24.9 per 100,000 and a mortality rate of 11.6 per 100,000.<sup>99</sup>

Unofficial estimates suggest that these cancer statistics may underrepresent the true burden, with some figures potentially tripling official data. Ongoing studies by the United Nations Population Fund (UNFPA) and the World Health Organization (WHO) on cervical, breast, colorectal and prostate cancers aim to provide a more accurate assessment, underscoring the need for enhanced prevention programmes in the country.

In the realm of sexual and reproductive health and rights, Bosnia and Herzegovina has ratified key international human rights agreements. From 2019 to 2022, maternal mortality

<sup>93</sup> European Commission, Youth Wiki (2024), Health and Well-Being – Bosnia and Herzegovina.

<sup>94</sup> European Observatory on Health Systems and Policies, WHO Europe (2022), Health Systems in Action Bosnia and Herzegovina, <https://eurohealthobservatory.who.int/publications/i/health-systems-in-action-bosnia-and-herzegovina-2022>

<sup>95</sup> WHO (2021), Bosnia and Herzegovina Country Profile, <https://gateway.euro.who.int/en/country-profiles/bosnia-and-herzegovina/>

<sup>96</sup> WHO (2024), Immunization data, [https://immunizationdata.who.int/global/wiise-detail-page/human-papillomavirus-\(hpv\)-vaccination-coverage?CODE=BIH&ANTIGEN=&YEAR=](https://immunizationdata.who.int/global/wiise-detail-page/human-papillomavirus-(hpv)-vaccination-coverage?CODE=BIH&ANTIGEN=&YEAR=)

<sup>97</sup> Globocan (2022), Bosnia and Herzegovina, <https://gco.iarc.who.int/media/globocan/factsheets/populations/70-bosnia-herzegovina-fact-sheet.pdf>

<sup>98</sup> Ibid.

<sup>99</sup> Ibid.

ranged between 3.9 and 19.5 per 100,000 live births, a low rate overall. However, access to maternal healthcare is uneven, with women reporting negative experiences during pregnancy, delivery and postpartum care.<sup>100</sup>

Family planning data are outdated due to the lack of a recent Multiple Indicator Cluster Survey (MICS), with the last round conducted in 2011–2012. According to that survey, the total contraceptive prevalence rate was 45.8 per cent, with modern contraceptive use at just 12 per cent, while 9 per cent of women had unmet needs for family planning.<sup>101</sup> The country's modern contraceptive prevalence rate remains very low for a middle-income country and most modern contraceptives are fully paid for out-of-pocket, with only two options available under the Lists of Essential Medicines in Republika Srpska and Canton 10. These barriers affect disproportionately young people and those from low socio-economic backgrounds, limiting access to essential reproductive healthcare.

In addition to these challenges, road traffic accidents pose a significant public health issue. The country recorded 72 fatalities per million inhabitants in 2023, in contrast to the EU average rate of 46.<sup>102</sup> Such accidents result in preventable injuries, loss of life and long-term disabilities, highlighting the urgent need for improved road safety measures and infrastructure enhancements.

Improving Bosnia and Herzegovina's healthcare systems is critical for advancing multiple SDGs and addressing pressing health challenges. Expanding equitable access to healthcare services directly supports SDG 3 (Good Health and Well-Being) by reducing disease burdens, improving sexual and reproductive health and enhancing mental health services, and SDG 2 (Zero Hunger) by addressing malnutrition. Addressing regional and socio-economic disparities aligns with SDG 10 (Reduced Inequalities), while integrating gender-sensitive approaches advances SDG 5 (Gender Equality). Efforts to improve road safety and reduce fatalities contribute to SDG 11 (Sustainable Cities and Communities) and enhancing vaccination coverage and health education supports SDG 4 (Quality Education) through awareness initiatives. Additionally, investing in healthcare workforce protections and ensuring safe working conditions for medical professionals aligns with SDG 8 (Decent Work and Economic Growth), particularly focusing on protecting labour rights and promoting safe and secure working environments for all workers, including those in the healthcare sector.

<sup>100</sup> UNFPA (2021), Inquiry on Sexual and Reproductive Health and Reproductive Rights in Bosnia and Herzegovina, [https://ba.unfpa.org/sites/default/files/pub-pdf/inquiry\\_on\\_sexual\\_and\\_reproductive\\_health\\_and\\_reproductive\\_rights\\_in\\_bih.pdf](https://ba.unfpa.org/sites/default/files/pub-pdf/inquiry_on_sexual_and_reproductive_health_and_reproductive_rights_in_bih.pdf)

<sup>101</sup> UNICEF, Agency of Statistics of BiH (2012), MICS, [https://mics-surveys-prod.s3.amazonaws.com/MICS4/Europe%20and%20Central%20Asia/Bosnia%20and%20Herzegovina/2011-2012/Final/Bosnia%20and%20Herzegovina%202011-12%20MICS\\_English.pdf](https://mics-surveys-prod.s3.amazonaws.com/MICS4/Europe%20and%20Central%20Asia/Bosnia%20and%20Herzegovina/2011-2012/Final/Bosnia%20and%20Herzegovina%202011-12%20MICS_English.pdf)

<sup>102</sup> Western Balkans Road Safety Observatory (2024), Transport Community, <https://wbrso.transport-community.org/>

# 7. *Economic Transformation*



Bosnia and Herzegovina's economic transformation has been a complex process shaped by the country's post-war recovery, its transition from a command economy to a market-oriented system and persistent social and economic inequalities alongside political and structural challenges. While there have been positive developments, including modest GDP growth and improvements in infrastructure, the country continues to face deep-rooted issues that hinder its full economic potential. Economic growth has been uneven, with high unemployment and inactivity, a significant informal economy and heavy reliance on remittances and external assistance,<sup>103</sup> disproportionately affecting women, youth and persons at risk of being left behind such as persons with disabilities and Roma communities who face additional barriers to economic participation. High unemployment rates coexist with skill shortages, leading to important labour market imbalances.<sup>104</sup> These shortages are linked to continued high levels of (mostly youth) emigration, discrepancies in the number of registered unemployed and active job seekers, as well as a limited influx of labour immigrants.

### **a. Economic trends and structural dynamics**

Since the early 2000s, Bosnia and Herzegovina has experienced modest but relatively stable economic growth, with GDP increasing at an average annual rate of around 3 per cent before the COVID-19 pandemic. While the global economic slowdown in 2020 caused a sharp contraction, the country's decline was among the smallest in the Western Balkans. The economy rebounded strongly in 2021, growing by 7.3 per cent, driven by external assistance, recovering consumer demand and increased industrial activity. However, this growth has not resolved deeper economic vulnerabilities. The war in Ukraine and rising global inflation have added significant challenges, driving up living costs and straining economic stability. While GDP grew by 4.2 per cent in 2022, the pace slowed sharply, to 1.7 per cent in 2023.<sup>105</sup> These external shocks have worsened socio-economic inequalities, disproportionately affecting low-income and rural communities more susceptible to price increases and economic instability. At the current growth rate, it could take longer than a century for Bosnia and Herzegovina to reach the living standards of the EU.<sup>106</sup>

External trade continues to hinder economic growth, with imports significantly outpacing exports, resulting in a current account deficit of 2.8 per cent of GDP in 2023. This trade imbalance reflects the country's limited industrial base and reliance on imported goods, particularly mineral fuels and oils and machinery. While there has been some progress in expanding exports in sectors such as automotive parts and processed agricultural products, the overall export capacity primarily relies on essential metals, furniture and textiles. The ability to integrate into global and regional markets is further constrained by a complex

**103** World Bank (2023), Bosnia and Herzegovina's Continued Progress Requires More Economic and Energy Reforms, <https://www.worldbank.org/en/news/press-release/2024/03/26/bosnia-and-herzegovina-s-continued-progress-requires-more-economic-and-energy-reforms>; European Commission (2023), Bosnia and Herzegovina 2023 Report, [https://neighbourhood-enlargement.ec.europa.eu/system/files/2023-10/Bosnia\\_and\\_Herzegovina\\_Report\\_2023.pdf](https://neighbourhood-enlargement.ec.europa.eu/system/files/2023-10/Bosnia_and_Herzegovina_Report_2023.pdf)

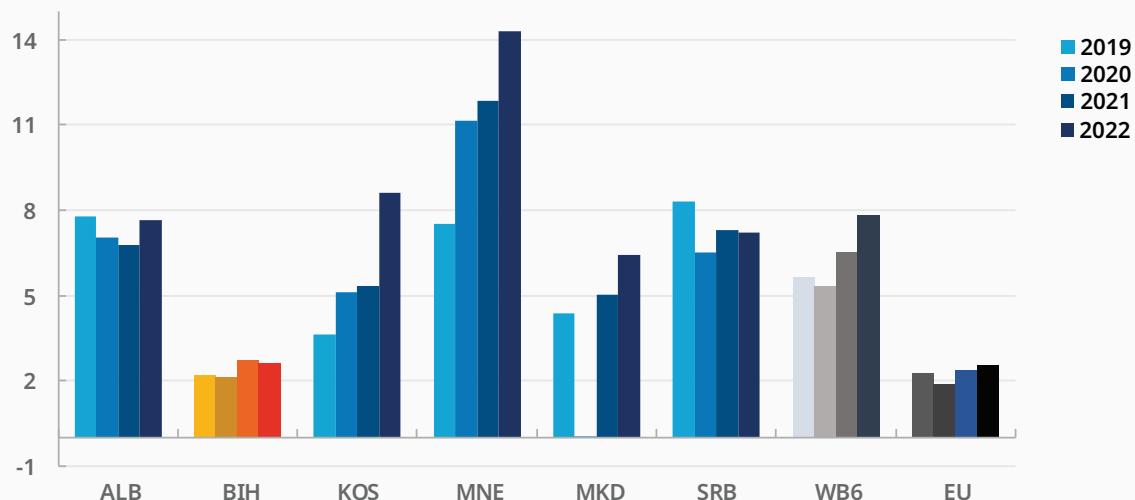
**104** ILO (2019), The Role of social partners in skills development, recognition and matching for migrant workers. A contribution to the Global Skills Partnership.

**105** World Bank (2024), <https://thedocs.worldbank.org/en/doc/d5f32ef28464d01f195827b7e-020a3e8-0500022021/related/mpo-bih.pdf>

**106** World Bank (2024), The World Bank in Bosnia and Herzegovina: Overview, <https://www.worldbank.org/en/country/bosniaandherzegovina/overview>

regulatory framework and relatively low levels of FDI (Chart 10). Despite ongoing efforts to enhance the business environment, challenges such as bureaucratic inefficiencies, corruption and political instability deter investors. The country's participation in global value chains remains limited, with the focus primarily on the assembly of final products rather than high-value activities within the chain.

Chart 10. *Net FDI inflows in Western Balkans 6 (WB6) economies and EU, 2019–2022 (% GDP)*



Source: World Bank Development Indicators, 2024

### **b. Labour market**

High unemployment rates, while showing recovery (11.1% in 2023, below the pre-pandemic rate of 16.4% in 2019),<sup>107</sup> contribute to widespread economic vulnerability. Youth unemployment also shows improvement, declining from 35.1 per cent in 2021 to 27.3 per cent in 2023,<sup>108</sup> reaching pre-pandemic levels. However, it remains persistently high: double the rate observed in EU member states. Women are disproportionately affected (30.3% compared to 25.7% for men in 2023), as well as young people living in rural areas. Moreover, CESCR expressed concern about, "the persistently high level of unemployment among persons with disabilities," "the poor implementation and effectiveness of the quotas for the employment of persons with disabilities," and mentioned, "the different application of the quotas between the entities; the reportedly high non-compliance of employers, particularly government institutions; the absence of mechanisms for the collection of special contributions by employers who fail to comply with the quotas; and the absence of data on the implementation of the quotas."

<sup>107</sup> ILOSTAT (2024), [https://rshiny.ilo.org/dataexplorer7/?lang=en&segment=indicator&id=UNE\\_DEAP\\_SEX\\_AGE\\_RT\\_A&ref\\_area=BIH](https://rshiny.ilo.org/dataexplorer7/?lang=en&segment=indicator&id=UNE_DEAP_SEX_AGE_RT_A&ref_area=BIH)

<sup>108</sup> ILOSTAT (2024), While youth is defined by all government levels' laws as individuals aged 15 to 30 years old, available data on employment from international sources focus on those aged 15 to 24, highlighting challenges in addressing the specific needs of different age groups, [https://rshiny.ilo.org/dataexplorer7/?lang=en&segment=indicator&id=UNE\\_DEAP\\_SEX\\_AGE\\_RT\\_A&ref\\_area=BIH](https://rshiny.ilo.org/dataexplorer7/?lang=en&segment=indicator&id=UNE_DEAP_SEX_AGE_RT_A&ref_area=BIH)

Although 77 per cent of secondary school students enrol in TVET programmes (significantly above the EU average of 48%), 16 per cent of young people are still not in education, employment or training.<sup>109</sup> The persistently high youth unemployment rates highlight deeper structural issues in the labour market and the education system's ability to deliver favourable employment outcomes. One major challenge is the mismatch between skills acquired through education, including TVET, the needs of the labour market, the lack of entry-level positions and the prevalence of temporary jobs.<sup>110</sup> This skills gap contributes to prolonged job searches, underemployment and restricted career prospects, as many young individuals settle for jobs for which they are overqualified. According to the Youth Study Southeast Europe 2024, 67.6 per cent of young people in Bosnia and Herzegovina expressed fears about unemployment.<sup>111</sup>

Youth economic participation in Bosnia and Herzegovina faces systemic challenges, compounded by the lack of entrepreneurial frameworks and resources. Consultations with the Youth Advisory Body highlighted key barriers such as limited access to startup capital, a lack of non-financial support services like training and mentorship, and the absence of entrepreneurial education in formal curricula, all of which stifle innovation. This is particularly concerning in the context of emerging opportunities associated with the green transition. The green transition envisioned for Bosnia and Herzegovina, aligned with its Nationally Determined Contributions (NDCs) and the Green Agenda for the Western Balkans, requires a workforce equipped with skills in renewable energy, energy efficiency, sustainable agriculture and agri-food systems transformation and environmental management. Fostering entrepreneurial thinking in green sectors is essential. Young people need access to specialized education and vocational training that embed sustainability into business models, equipping them to seize opportunities in areas such as the circular economy and eco-tourism. Upskilling in digital tools – essential for precision agriculture, energy monitoring and carbon accounting – will also be critical to ensuring active participation in green jobs, as well as ensuring compliance with upcoming regulation under Carbon Border Adjustment Mechanism (CBAM). To achieve this, integrating green competencies into the TVET curricula and formal education is essential.

Gender inequalities also persist, as women are underrepresented in the workforce (men, 63.1%; women, 36.9%; Chart 11).<sup>112</sup> In Bosnia and Herzegovina, men are paid 37.8 per cent more than women on average, forming the widest wage gap in the Western Balkans.<sup>113</sup>

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<sup>109</sup> Ibid.

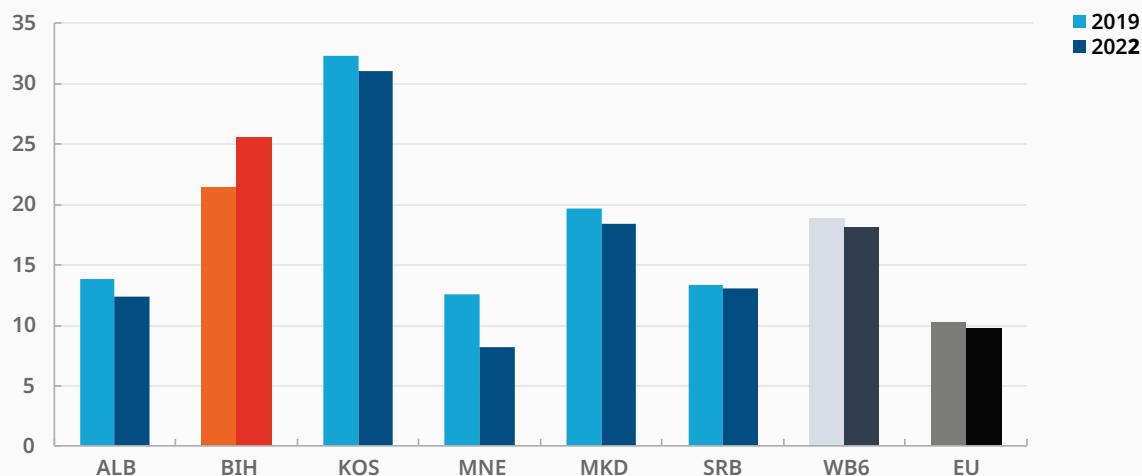
<sup>110</sup> Regional Cooperation Council (2021), RCC ESAP 2: Study on youth employment in Bosnia and Herzegovina. Employment and Social Affairs Platform 2, <https://www.esap.online/docs/129/rcc-esap-2-study-on-youth-employment-in-bosnia-and-herzegovina>

<sup>111</sup> Hasanović, J., Lavrič, M., Adilović, E., & Stanojević, D. (2024), Youth Study Southeast Europe 2024. Friedrich-Ebert-Stiftung, <https://library.fes.de/pdf-files/bueros/wien/21457.pdf>

<sup>112</sup> Labour Force Survey (2024), Q 1, Year 2024, Demography and Social Statistics, Sarajevo. Available at: [https://bhas.gov.ba/data/Publikacije/Saopstenja/2025/LAB\\_00\\_2024\\_Y1\\_1\\_BS.pdf](https://bhas.gov.ba/data/Publikacije/Saopstenja/2025/LAB_00_2024_Y1_1_BS.pdf)

<sup>113</sup> Regional Cooperation Council (2022), Regional Comparative Report on Women's Employment in Western Balkans, <https://www.esap.online/download/docs/Regional%20Comparative%20Report%20on%20Women%20Employment%20in%20Western%20Balkans.pdf> 678a3266e62b75f96cd171b0834eff7f.pdf

Chart 11. Gender employment gap in the WB6 economies and the EU: percentage point difference in employment rates of men and women of age 15–64 years (2019, 2022)



Source: OECD, 2024

The labour market remains highly gender-segregated, with women disproportionately represented in lower paid sectors such as healthcare, education and retail, where jobs are often informal or part-time. In 2023, women made up just 27.9 per cent of senior and middle management roles, highlighting significant underrepresentation. Moreover, only 23.7 per cent of firms had female participation in ownership or top leadership positions, reflecting persistent gender disparities in economic decision making and limiting women's influence in business and management.<sup>114</sup> This situation reduces women's access to social protection, including pensions and health insurance, and restricts opportunities for career advancement. Educational disparities further compound the issue: 2 in 5 women of working age have only primary education and nearly 3 in 4 inactive individuals with primary education are women. Although the share of young women in TVET programmes is 40 per cent,<sup>115</sup> there remains a critical need for gender-sensitive career guidance. Among unemployed women, half (49%) have been seeking work for more than four years, reflecting persistent challenges in accessing employment opportunities. Active labour market programmes are inadequately tailored to the needs of unemployed and inactive women, as they fail to account for the lack of public childcare and long-term care for older adults, responsibilities that predominantly fall on women. Additionally, upskilling and reskilling programmes do not consider the personal capacities of long-term unemployed and inactive women, many of whom struggle with basic communication skills and low self-esteem, further hindering their access to the labour market.

<sup>114</sup> World Bank (2024), Bosnia and Herzegovina, Gender Landscape, <https://documents1.worldbank.org/curated/en/099115206242245062/pdf/IDU14e4560d21d4d9149ca1b5ef1ad0e54bb0438.pdf>

<sup>115</sup> ETF (2020), Quality assurance in Vocational Education and Training in Bosnia and Herzegovina, [quality\\_assurance\\_in\\_vet\\_bosnia\\_and\\_herzegovina.pdf \(europa.eu\)](https://ec.europa.eu/quality_assurance_in_vet_bosnia_and_herzegovina.pdf)

Household responsibilities are a key factor limiting women's participation, with many citing caregiving for family members, including children, older persons and individuals with disabilities, as the main reason for inactivity. Women spend an average of seven hours a day in unpaid care work, in comparison to men who spend three and half hours. Women's participation in unpaid care work is further exacerbated by gender norms, weak institutional support and limited availability of affordable childcare and eldercare services.<sup>116</sup> The disproportionate burden of unpaid care work not only limits women's participation in the formal workforce but also exacerbates economic inequality. The lack of policies that recognize and redistribute unpaid care responsibilities – such as flexible work arrangements or state-supported care services – further entrenches these disparities. Structural factors such as patriarchal norms contribute to this issue, as women often pursue degrees in less lucrative fields compared to male-dominated areas such as engineering and technology.<sup>117</sup> Addressing these issues requires comprehensive gender-responsive strategies, including career guidance that challenges gender stereotypes, targeted employment measures, entrepreneurship support and the expansion of affordable social services.

In addition to skills mismatch, Bosnia and Herzegovina's demographic shift is expected to result in significant skill shortages, particularly in technical fields such as construction and mechanical and electrical work.<sup>118</sup> Although two thirds of employers express a willingness to hire immigrants if supported in the recruitment and integration process,<sup>119</sup> the country struggles to attract and retain the foreign talent needed for innovation and development. Current recruitment processes are lengthy and costly, underscoring the need for targeted support to improve employer knowledge in recruitment procedures, long-term integration and retention strategies, in order to counter emigration trends.<sup>120</sup> Incentivizing economic immigration is seen as a potential solution to address the challenges of demographic transition. However, while labour pathways are generally more accessible for highly skilled professionals, there is also a strong demand for lower skilled workers, particularly in low-wage sectors such as agriculture, construction and services. This demand risks creating incentives for irregular migration unless specific pathways for such employment are developed. Finally, while at one time migrant workers used to be, generally, from within the region, a clear trend is seen in the diversification of country of origin of immigrant workers, indicating the growing need for comprehensive inclusion and integration measures to ensure social cohesion and maximize the potential of this labour force. Future immigration programmes should adopt a long-term approach, aiming to attract not only migrant workers but also their families. This would help stabilize the country's demographic structure while ensuring the sustainability of both the labour market and public services.

<sup>116</sup> UN Women Bosnia and Herzegovina (2023), Baseline Study on Care Economy in Bosnia and Herzegovina, [https://unitednations.sharepoint.com/sites/UNinBiH428-02PMT/Shared%20Documents/Forms/AllItems.aspx?id=%2Fsites%2FUNinBiH428%2D02PMT%2FShared%20Documents%2F%5B02%5D%20PMT%2FCCA%202024%2F01%20Data%20Repository%20Survey%20Documents%2FUN%20Women](https://unitednations.sharepoint.com/sites/UNinBiH428-02PMT/Shared%20Documents/Forms/AllItems.aspx?id=%2Fsites%2FUNinBiH428%2D02PMT%2FShared%20Documents%2F%5B02%5D%20PMT%2FCCA%202024%2F01%20Data%20Repository%20Survey%20Documents%2FUN%20Women%2F20230523%5FCare%20Economy%5FStudy%5FENG%2Epdf&parent=%2Fsites%2FUNinBiH428%2D02PMT%2FShared%20Documents%2F%5B02%5D%20PMT%2FCCA%202024%2F01%20Data%20Repository%20Survey%20Documents%2FUN%20Women)

<sup>117</sup> Hasanović, J., Lavrić, M., Adilović, E., & Stanojević, D. (2024). Youth Study Southeast Europe 2024. Fried- rich-Ebert-Stiftung, <https://library.fes.de/pdf-files/bueros/wien/21457.pdf>

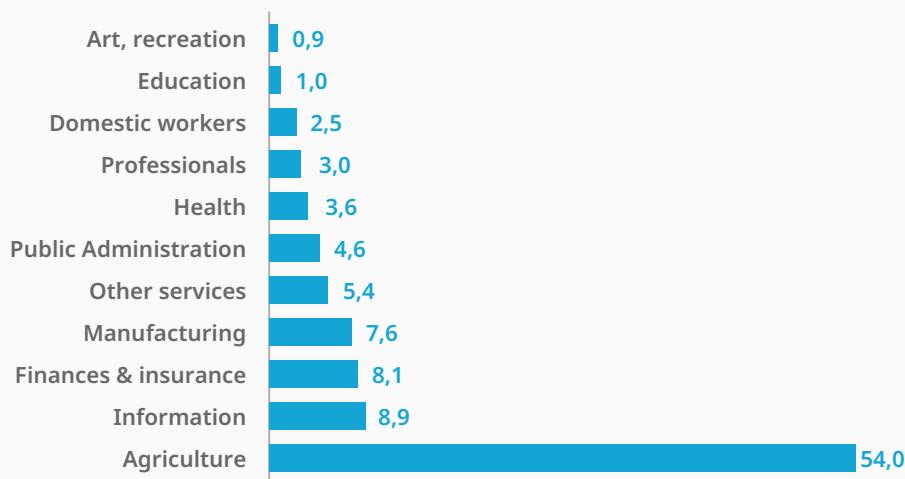
<sup>118</sup> OECD (2023), Multi-dimensional analysis of development in Bosnia and Herzegovina, <https://doi.org/10.1787/8e6d1ccd-en>

<sup>119</sup> SSST (2023), Willing to Employ Migrant Workers? Labour Market Analysis in Bosnia and Herzegovina.

<sup>120</sup> Ibid.

Economic growth is further hampered by the large size of the informal economy, estimated to account for 30.5 per cent of employment in 2019<sup>121</sup> and one third of GDP.<sup>122</sup> The informal economy is driven by a combination of high taxation, complex governance structures and weak enforcement of labour and tax regulations. The fragmented and decentralized political system creates inconsistencies in regulations across different levels of government, leading many businesses and workers to avoid formal processes. High tax rates, largely stemming from the social security contribution rates, among the highest in the region (in FBiH, the total rate is 41.5%, and in RS, 31%),<sup>123</sup> further incentivize informal work, as individuals and employers seek to reduce costs. Additionally, widespread mistrust in government institutions, often fuelled by corruption, discourages compliance with formal economic structures. With limited job opportunities, especially for young people, and significant bureaucratic barriers to formal business registration, many opt for the flexibility and lower risks associated with the informal economy. This economy provides substantial (unregistered) employment and income, particularly in the agriculture sector (Chart 12), but undermines the country's tax base and limits the government authorities' ability to invest in critical areas such as infrastructure, education and healthcare.

Chart 12. Percentage of total informal employment in Bosnia and Herzegovina in 2019, by sector



Source: ILO, 2019

<sup>121</sup> ILO (2020), Overview of the informal economy in Bosnia and Herzegovina, <https://www.ilo.org/resource/overview-informal-economy-bosnia-and-herzegovina>

<sup>122</sup> European Commission (2024), Bosnia and Herzegovina Progress Report, [https://neighbourhood-enlargement.ec.europa.eu/document/download/451db011-6779-40ea-b34b-a0eeda451746\\_en?filename=Bosnia%20and%20Herzegovina%20Report%202024.pdf](https://neighbourhood-enlargement.ec.europa.eu/document/download/451db011-6779-40ea-b34b-a0eeda451746_en?filename=Bosnia%20and%20Herzegovina%20Report%202024.pdf)

<sup>123</sup> OECD (2024), Western Balkans Competitiveness Outlook 2024: Bosnia and Herzegovina, <https://doi.org/10.1787/82e0432e-en>

The prevalence of informality in agriculture disproportionately impacts rural populations, with women being particularly overrepresented. Furthermore, workers in the informal economy often lack access to social protection, such as healthcare and pensions, exacerbating inequalities and increasing the vulnerability of low-income households. In addition to economic insecurity, informal workers frequently face weak labour rights protections, unsafe working conditions and a lack of safeguards against workplace discrimination, leaving them more exposed to exploitation and without legal recourse. CESCR has expressed concern about, *“the limited protection of labour and social rights provided for workers in the informal economy, where women are predominant,”* noting they had been, *“disproportionately affected during the COVID-19 pandemic as they are excluded from the social support provided in response to the pandemic.”*

### **c. Business environment trends**

Some progress has been made to enhance the business environment in Bosnia and Herzegovina, particularly in aligning bankruptcy frameworks across the territory, harmonizing banking regulations with EU standards, upgrading business registration systems and reducing the time and costs for business procedures.<sup>124</sup> These reforms, coupled with the country's low barriers to trade and investment, position it as one of the most open economies in the region, as reflected in its favourable score on the OECD FDI Regulatory Restrictiveness Index. However, key obstacles persist, particularly with regulatory complexity, political fragmentation and lack of coordination between entities, hindering business operations. Weak contract enforcement, inefficient dispute resolution and unreliable property rights further strain the business climate. Corruption and a poorly functioning judicial system exacerbate such challenges, undermining trust and deterring investment.

Micro-, small and medium-sized enterprises (MSMEs) dominate the private sector (99% of enterprises and employment in 2021) and contribute significantly to value-added growth, which saw a notable 16 percentage points increase from 2017 to 2020.<sup>125</sup> However, support for MSMEs remains underdeveloped, with gaps in financial and non-financial services limiting their growth potential. In 2022, loans from commercial banks directed to MSMEs accounted for only 44.1 per cent of the total loans in Bosnia and Herzegovina, a figure that, although outperforming the Western Balkan average of 39 per cent, was substantially less than in EU economies. Access to tailored financing options, business development services and infrastructure to foster entrepreneurship – critical for unlocking the potential of MSMEs – remain limited and are provided and sustained mainly by international programmes. The sector is dominated by MSEs, leaving a significant 'missing middle' that could be addressed through policies aimed at improving financial inclusion and incentivizing the development of a broader range of financial instruments. Addressing these constraints could foster private sector and entrepreneurship development, creating opportunities for personal and

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<sup>124</sup> OECD (2022), SME Policy Index: Western Balkans and Turkey, Bosnia and Herzegovina Economy Profile, <https://www.oecd-ilibrary.org/docserver/b86496a6-en.pdf?expires=1731946233&id=id&accname=o-cid5015272&checksum=ABCF2489D640C89FD9987D3B6F22F8C2>

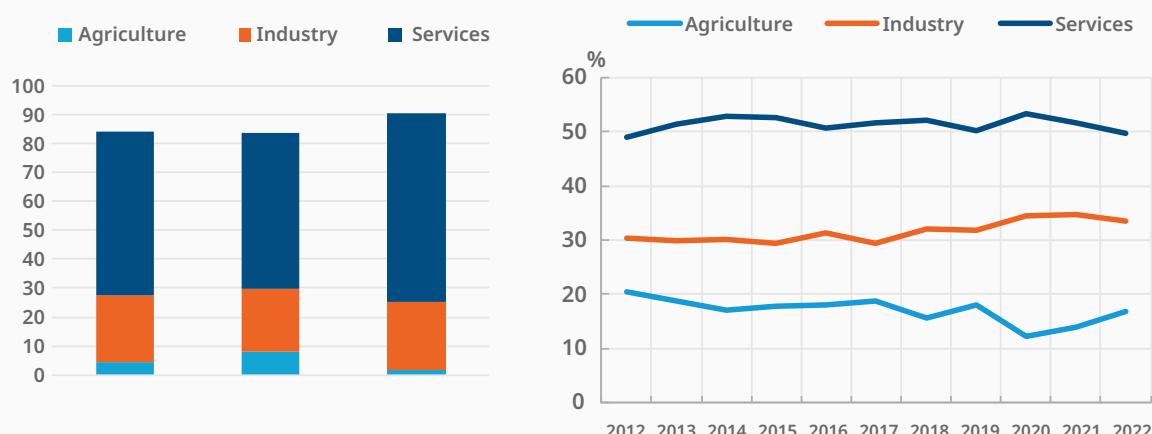
<sup>125</sup> Agency for Statistics of Bosnia and Herzegovina (2023), Bosnia and Herzegovina in Figures 2022, [https://bhas.gov.ba/data/Publikacije/Bilteni/2023/NUM\\_00\\_2022\\_TB\\_1\\_EN.pdf](https://bhas.gov.ba/data/Publikacije/Bilteni/2023/NUM_00_2022_TB_1_EN.pdf)

professional growth, which are key factors in mitigating youth emigration<sup>126</sup> and supporting broader economic and social resilience.

#### ***d. Sectoral composition and opportunities for diversification***

Services comprise the largest part of the economy (Chart 13), contributing 56.4 per cent to GDP in 2023, followed by industry (including construction), which accounts for 23.3 per cent of GDP.<sup>127</sup> Meanwhile, 49.6 per cent of employment is concentrated in services, and in industry, 33.4 per cent.<sup>128</sup> The country's industrial base, which was significantly weakened during the war in the 1990s, has not fully recovered with the economy remaining heavily dependent on a few key sectors, including manufacturing, agriculture and energy. Production of raw materials such as steel, coal, iron ore, lead, zinc and aluminium, as well as wood, comprise the largest part of industry and industrial exports. While manufacturing has shown some signs of growth, it remains underdeveloped compared to regional competitors.

*Chart 13. Left, value added by grouped activity in Bosnia and Herzegovina, WB6 and EU, 2023; right, share of employment by economic activity in Bosnia and Herzegovina, 2012–2022\**



\* Value-added share in World Development Indicators for agriculture, industry and services do not total 100% due to financial intermediary services measured indirectly and net indirect taxes; industry includes construction, energy, mining and manufacturing

Source: World Bank, 2024

<sup>126</sup> UNFPA (2021), Citing poor life quality, UNFPA survey finds almost half of young people in Bosnia and Herzegovina ponder emigration, <https://ba.unfpa.org/en/news/citing-poor-life-quality-almost-half-young-people-bosnia-and-herzegovina-ponder-emigration-0>

<sup>127</sup> World Bank (2024), World Development Indicators, value added (% of GDP), <https://data.worldbank.org/indicator/NV.SRV.TOTL.ZS>

<sup>128</sup> World Bank (2024), Employment Statistics (modelled ILO estimate) - Bosnia and Herzegovina, <https://data.worldbank.org/indicator/SL.IND.EMPL.ZS?page=1&locations=BA>

Tourism is now dynamic, with significant growth seen over the past decade. In 2022, the sector contributed directly and indirectly some 7.4 per cent (BAM 377.1 million) to the country's GDP.<sup>129</sup> However, policies need to be developed to capitalize on this growth.

The energy sector, traditionally a key economic driver, is now at a crossroads due to the EU's CBAM, to be gradually introduced into Bosnia and Herzegovina from 1 January 2026. With the country still heavily dependent on coal for electricity generation, Bosnia and Herzegovina ranks among the most carbon-intensive economies in Europe. This reliance on coal poses significant challenges as the new regulations could impact export competitiveness, highlighting the need for a transition towards cleaner energy sources. By some estimates, Bosnia and Herzegovina is among the three most CBAM-affected countries worldwide, as the new regulations will cover key EU-supplying export sectors, including electricity, cement and steel accounting together for more than 40 per cent of exports.<sup>130</sup> While the negative impact on export competitiveness will remain unchanged, there is an urgent clear opportunity for Bosnia and Herzegovina to introduce a level carbon tax on relevant sectors, creating exemption from the EU levy and so ensuring that revenues remain within the country (rather than with the EU) and can be reinvested in countrywide priorities (e.g., supporting affected regions and sectors, in line with the just transition principle). In response to the EU's CBAM plans, the country's authorities have started to prepare a legal framework for the introduction of a carbon tax in 2026.<sup>131</sup>

While agriculture represents only 4.3 per cent of GDP,<sup>132</sup> placing it below the regional average of 8 per cent, it employs 16.9 per cent<sup>133</sup> of the population (Chart 13) and a large portion of the rural population, showing the potential of labour reallocation from this sector as a means to boost productivity gains in the economy. Currently, agriculture accounts for more than half of all informal employment within the economy, with an estimated 90 per cent of those employed in the sector working informally,<sup>134</sup> and remains crucial for supporting livelihoods and economic stability. Women account for nearly half (49%) of the rural population and 20 per cent of employed women work in agriculture. However, only 18 per cent of farms are managed by women and just 38 per cent of women own or co-own agricultural land, albeit an increase from 26.8 per cent in 2015, reflecting broader gender disparities in land ownership and access to agricultural resources. While women's participation is significant, it often lacks agency, decision-making authority and equal voices with men, as systemic barriers to resources and leadership persist.<sup>135</sup>

<sup>129</sup> World Tourism Organization (2023), UNWTO Tourism Statistics Database, <https://www.unwto.org/tourism-statistics/key-tourism-statistics>

<sup>130</sup> Kopač (2023), Carbon emissions prices are becoming a reality in Western Balkans and particularly in Bosnia and Herzegovina – will the countries pay to the EU or rather collect money in their own budgets? <https://balkan-greenenergynews.com/carbon-emissions-prices-are-becoming-a-reality-in-western-balkans-and-particularly-in-bosnia-and-herzegovina-will-the-countries-pay-to-the-eu-or-rather-collect-money-in-their-own-budgets/>

<sup>131</sup> Allert et al. (2023), Impacts of the EU Carbon Border Adjustment Mechanism on the Western Balkans and Ukraine: Policy Options for Governments, [https://www.germanwatch.org/sites/default/files/germanwatch\\_im-pacts\\_of\\_the\\_cbam\\_on\\_the\\_western\\_balkans\\_and\\_ukraine\\_2023\\_0.pdf](https://www.germanwatch.org/sites/default/files/germanwatch_im-pacts_of_the_cbam_on_the_western_balkans_and_ukraine_2023_0.pdf)

<sup>132</sup> World Bank (2024), World Development Indicators, value added (% of GDP), <https://data.worldbank.org/indicator/NV.AGR.TOTL.KD>

<sup>133</sup> World Bank (2024), Employment Statistics (modelled ILO estimate) - Bosnia and Herzegovina, <https://data.worldbank.org/indicator/SL.IND.EMPL.ZS?page=1&locations=BA>

<sup>134</sup> EBRD (2022), Bosnia and Herzegovina Country Diagnostic: Private Investment Challenges and Opportunities 2022, <https://www.ebrd.com/where-we-are/bosnia-and-herzegovina/overview.html>

<sup>135</sup> FAO-UNW (2021), National Gender Profile of Agriculture and Rural Livelihoods Bosnia and Herzegovina.

The gap between agriculture's contribution to employment and GDP illustrates relatively low productivity levels, as most farms in Bosnia and Herzegovina are small (averaging ~2 ha)<sup>136</sup> and subsistence oriented. The country's agri-food systems face numerous challenges, including the fragmented nature of agricultural holdings, aging farm population, ongoing rural depopulation, outdated technology, lack of investment and vulnerability to climate change and natural disasters. The country's National Adaptation Plan (NAP) highlights the 70 per cent reduction in grain and vegetable yields and \$1 billion losses in agricultural production during the 2012 drought. The NAP also warns of increasingly frequent and severe droughts under future climate scenarios, exacerbating water scarcity and threatening the country's agricultural sustainability.<sup>137</sup> Adoption of organic agriculture and polycropping practices remains limited, despite their critical role in safeguarding ecosystems and biodiversity. These practices can reduce chemical inputs, preserve soil health, protect habitat diversity and water resources and support wildlife and pollinators through sustainable land management.<sup>138</sup>

Bosnia and Herzegovina's agri-food sector struggles with competitiveness due to high production costs, low yields and a reliance on imports to meet food needs, especially from cereals. The aging rural workforce, with many individuals older than 50 years, signals limited younger engagement due to poor conditions, low pay and outdated infrastructure, posing sustainability challenges. Over the past five years, the country's agrifood trade balance has consistently shown a widening deficit. In 2023, exports accounted for just 18.4 per cent of total agrifood trade, with imports making up the remaining 81.6 per cent.<sup>139</sup> This dependency on imports for key staples, combined with a weak processing industry, drives up food prices, making a healthy diet less affordable for many. From 2017 to 2021, the cost of a healthy diet increased by approximately 6.7 per cent, driven by broader economic pressures and global market fluctuations. Nevertheless, the proportion of the population unable to afford a healthy diet decreased from 4.7 per cent in 2017 to 3 per cent in 2021, signalling some improvements in economic access to food.<sup>140</sup> Budgetary allocations for agriculture and rural development have also significantly increased, rising from EUR(€)86.7 million in 2019 to €220.7 million in 2023. This surge, largely driven by responses to the COVID-19 pandemic and subsequent food, energy and financial crises, included direct support to producers and farm investments, underscoring a growing recognition of the sector's critical role in ensuring food security and rural sustainability.

Moreover, Bosnia and Herzegovina's cultural and creative sectors have grown significantly in the past decade, underscoring their economic importance. In 2017 (latest data available), cultural industries contributed 9 per cent to the market's value added, with turnover from cultural products, goods and services making up 5.2 per cent. Employment in these industries accounted for 6.9 per cent (38,083 people) of the workforce. Meanwhile, there

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<sup>136</sup> Food and Agriculture Organization (FAO) of the UN (n.d.), Family Farming Knowledge Platform – Bosnia and Herzegovina, <https://www.fao.org/family-farming/countries/bih/en/>

<sup>137</sup> Bosnia and Herzegovina NAP (2021), <https://unfccc.int/sites/default/files/resource/NAP-Bosnia-and-Herzegovina%20.pdf>

<sup>138</sup> OECD (2024), Western Balkans Competitiveness Outlook 2024: Regional Profile, <https://doi.org/10.1787/170b0e53-en>

<sup>139</sup> Agency for Statistics of Bosnia and Herzegovina (2024), International trade statistics, <https://bhas.gov.ba/Calendar/Category/12>

<sup>140</sup> FAO (2023), Cost and Affordability of a Healthy Diet, FAOSTAT, <https://www.fao.org/faostat/en/#data/CAHD>

were 5,825 cultural enterprises, comprising 7.7 per cent of the market.<sup>141</sup> Investments in cultural and natural heritage preservation also showed sustained commitment, with per capita expenditure ranging from 49.55 to 52.31 Purchasing Power Parity (constant 2017 USD) between 2019 and 2021.<sup>142</sup> This expenditure accounted for a significant share of the cultural budget (72–79%), predominantly directed towards cultural heritage protection, which comprised 96 per cent of total heritage expenses. Nevertheless, CESCR expressed concern about, *“the lack of financial support provided to cultural institutions, including the National Museum of Bosnia and Herzegovina, the Library for Blind and Visually Impaired Persons and the Historical Museum of Bosnia and Herzegovina, due to a lack of legal status.”* While challenges persist in securing adequate funding, infrastructure development and modernizing cultural policies, the sector’s ongoing expansion supports sustainable cities and communities by promoting cultural heritage preservation, fostering economic growth and revitalizing communities. The emphasis on heritage investment not only enriches the economy but also bolsters social inclusion and positions cultural preservation as a strategic priority for sustainable development.

Given the small size of the country’s economy, regional cooperation provides valuable opportunities for closer economic integration through initiatives such as the Berlin Process and the Common Regional Market. These initiatives aim to boost connectivity, enhance competitiveness and generate new economic opportunities while fostering stability and trust among neighbouring countries. Regional collaboration is also critical for addressing transboundary challenges such as environmental degradation, climate risks and energy security, which require coordinated efforts. For instance, shared natural resource management and harmonized energy systems can strengthen energy security and promote sustainable development. However, low-quality infrastructure and regulatory shortcomings continue to constrain economic activity and limit trade openness. As climate change poses a significant threat to the region, a comprehensive approach to addressing climate risks could involve policies that are transversal (integrating adaptation and mitigation across sectors with strong coordination mechanisms), transboundary (fostering cross-border collaboration linked to trade, mobility and other dynamics) and targeted (tailoring solutions to local conditions to ensure inclusivity and resilience). Such efforts would not only mitigate climate risks but also enhance regional integration and sustainability.<sup>143</sup>

Looking ahead, Bosnia and Herzegovina’s progress towards the SDGs will depend on its ability to address these economic challenges while ensuring that growth is inclusive and benefits all segments of society. Comprehensive reforms aimed at improving the business environment and fostering greater economic diversification, making the most of foreign talents, activating the inactive working-age population and enhancing the skills of the labour force by investing and updating the TVET system are essential for advancing SDG 8 (Decent Work and Economic Growth) and SDG 4 (Quality Education). The green transition presents both risks and opportunities, directly impacting employment and skills requirements,

<sup>141</sup> UNESCO (2020), Socio-economic impact assessment of Covid-19 to cultural and creative sectors in Bosnia and Herzegovina, <https://unesdoc.unesco.org/ark:/48223/pf0000374796>

<sup>142</sup> Ministry of Finance and Treasury, Directorate for Economic Planning (2022), Okvir za realizaciju Ciljeva održivog razvoja u BiH, [https://www.dep.gov.ba/Koordinacija\\_strate%C5%A1kih\\_dokumenata/Objave/COR/Ok-vir-za-realizaciju-Ciljeva-odrzivog-razvoja-u-BiH-latinica.pdf](https://www.dep.gov.ba/Koordinacija_strate%C5%A1kih_dokumenata/Objave/COR/Ok-vir-za-realizaciju-Ciljeva-odrzivog-razvoja-u-BiH-latinica.pdf)

<sup>143</sup> World Bank (2024), Western Balkans 6 – Country Climate and Development Report, <https://openknowledge.worldbank.org/entities/publication/ab6bfceb-9501-4587-a67a-b783dfa1ca6b>

with policies promoting greener jobs and low-carbon growth contributing to SDG 13 (Climate Action), SDG 7 (Affordable and Clean Energy) and SDG 9 (Industry, Innovation and Infrastructure). The World Bank estimates that across the Western Balkan countries (excluding Montenegro), 417,000 people are already in occupations with a high risk of being impacted by the green transition. Meanwhile, investments in climate adaptation for Bosnia and Herzegovina are big multipliers of jobs, notably in the tourism and forestry sectors.<sup>144</sup> The EU's gradual phase-in of CBAM from 2026 adds further urgency and rationale for public policies in the country, supporting a rapid shift to greener jobs and low-carbon economic growth. In addition, protecting and promoting cultural heritage can drive sustainable development by attracting investment in cultural tourism and creative industries, aligning with SDG 11 (Sustainable Cities and Communities). Governance reforms, particularly those addressing corruption and inefficiencies in public administration, will be critical for achieving SDG 16 (Peace, Justice and Strong Institutions), ensuring a more favourable and equitable climate for investment and economic growth. Moreover, proactive measures are necessary to support those currently furthest behind, ensuring that development efforts prioritize the most vulnerable and reduce existing inequalities. Economic and fiscal policymaking should be firmly rooted in human rights norms and standards, reinforcing the link to SDG 1 (No Poverty) and SDG 10 (Reduced Inequalities) by reducing poverty and tackling inequality through inclusive and rights-based economic strategies

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<sup>144</sup> Ibid.

# 8. *Environment and Climate Change Analysis*



In addition to ratifying all Multilateral Environmental Agreements and their protocols,<sup>145</sup> Bosnia and Herzegovina has developed state and entity-level strategies for environmental protection and climate change. These strategies align with its commitments to the United Nations Framework Convention on Climate Change (UNFCCC), establishing an essential framework that supports the country's environmental governance efforts. The country's revised state-level Climate Change Adaptation and Low Emission Development Strategy 2020–2030 was adopted in 2023 and the National Adaptation Plan in 2022, while the Environmental Strategy and Action Plan 2030+ (ESAP) is currently pending adoption. ESAP includes seven EU environmental policy areas: water management, waste management, biodiversity and nature conservation, air quality, climate and energy, chemical safety and noise, sustainable resource management and environmental management. The thematic areas comprehensively cover the main elements of the EU environmental acquis and also correspond to the sectoral management structures already existing in the country. Once adopted, the first countrywide ESAP will be a key tool for Bosnia and Herzegovina's relevant authorities to improve the environment and make an important contribution to the EU accession process and enable achievement of the goals of the Green Agenda for the Western Balkans, Agenda 2030 and the Paris Agreement. The ESAPs for FBiH, RS and BD were adopted by their respective governments in 2023, underscoring a commitment to addressing environmental protection and climate change at all levels of government.

The country's revised NDC, submitted to the UNFCCC in April 2021, foresees a 61.7 per cent unconditional GHG emissions reduction by 2050 (below 1990 levels) and a 65.6 per cent emissions reduction target conditional on further international assistance ('especially for the fair transition of mining areas').<sup>146</sup> While Bosnia and Herzegovina's 2021 NDC does not include any net-zero target, by endorsing the Green Agenda for the Western Balkans through the Sofia Declaration at the Western Balkans Sofia Summit in November 2020, the country also pledges to achieve climate neutrality and environmental sustainability by 2050. However, political fragmentation, weak coordination between entities and limited institutional capacity continue to hinder effective implementation, making it challenging to address cross-boundary environmental issues such as air and water pollution.

### ***a. Energy trends, emissions and air pollution***

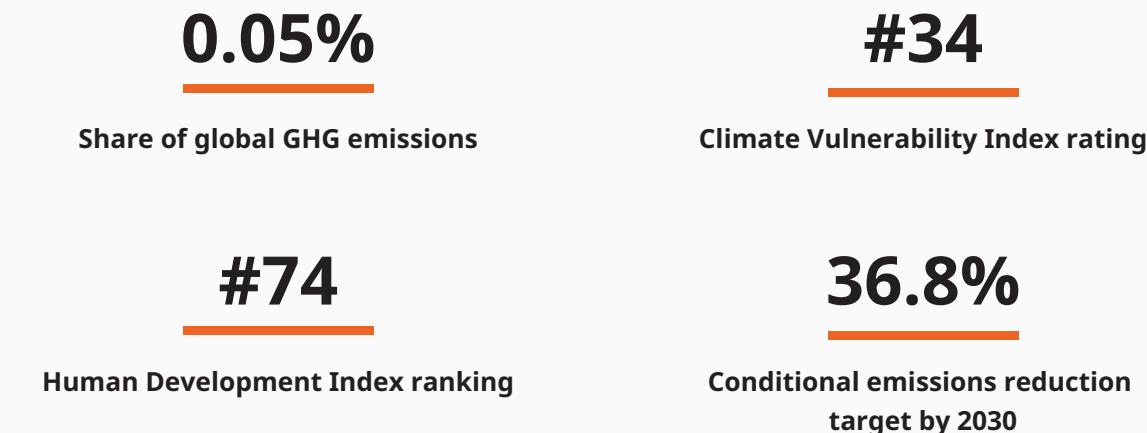
Over the past two decades, Bosnia and Herzegovina has experienced a significant rise in GHG emissions, despite its relatively small contribution globally (Figure 2).

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<sup>145</sup> These include: Convention on Long-range Transboundary Air Pollution, Convention on Environmental Impact Assessment in a Transboundary Context, Convention on the Protection and Use of Transboundary Watercourses and International Lakes, Convention on the Transboundary Effects of Industrial Accidents, Convention on Access to Information, Public Participation in Decision-making and Access to Justice in Environmental Matters. More information available at: <https://unece.org/environment-policy/conventions-and-protocols>

<sup>146</sup> Nationally Determined Contribution of Bosnia and Herzegovina (NDC), 2021, [https://unfccc.int/sites/default/files/NDC/2022-06/NDC%20BiH\\_November%202020%20FINAL%20DRAFT%2005%20Nov%20ENG%20LR.pdf](https://unfccc.int/sites/default/files/NDC/2022-06/NDC%20BiH_November%202020%20FINAL%20DRAFT%2005%20Nov%20ENG%20LR.pdf)

Figure 2. Bosnia and Herzegovina's share of GHG emissions, climate vulnerability index and HDI rankings, and its 2030 conditional emissions reduction target



The increase in such emissions is due largely to the country's heavy reliance on fossil fuels, particularly coal, for energy production (Chart 14). The energy sector accounts for 70 per cent of CO<sub>2</sub> emissions, with the most energy-intensive sub-sectors being thermal power plants, heating plants, transport and industrial fuel combustion.<sup>147</sup> Although natural gas accounts for only about 2.7 per cent of Bosnia and Herzegovina's energy mix, the economy's complete reliance on imports from the Russian Federation heightens vulnerability to supply disruptions and impacts energy security. The energy crisis of 2022 underscored this issue, with household gas prices rising by 60 per cent between 2020 and the end of 2022.<sup>148</sup> To enhance diversification, the Southern Gas Interconnection Pipeline – currently in the design and permitting phase – aims to connect Bosnia and Herzegovina to EU markets via Croatia.

Chart 14. Total energy supply, by source (%), 2022



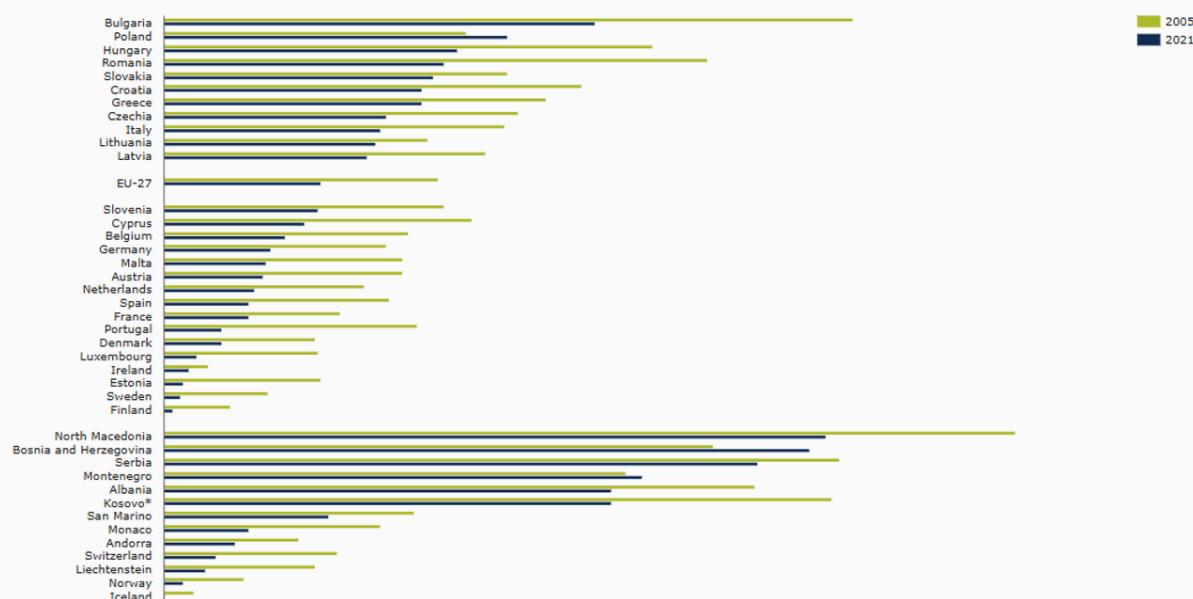
Source: IEA, 2022, <https://www.iea.org/countries/bosnia-and-herzegovina/energy-mix>

<sup>147</sup> UNFCCC (2021), Fourth National Communication of Bosnia and Herzegovina, GEF, UNDP, [https://unfccc.int/sites/default/files/resource/FNC%20BiH\\_ENG%20fin.pdf](https://unfccc.int/sites/default/files/resource/FNC%20BiH_ENG%20fin.pdf)

<sup>148</sup> Eurostat (2024), Electricity Prices for Household Consumers - Bi-Annual Data, [https://ec.europa.eu/eurostat/databrowser/view/nrg\\_pc\\_204/default/table?lang=en&category=nrg.nrg\\_price.nrg\\_pc](https://ec.europa.eu/eurostat/databrowser/view/nrg_pc_204/default/table?lang=en&category=nrg.nrg_price.nrg_pc)

As a result of the reliance on coal and other fossil fuels, air pollution remains a serious public health issue, with Sarajevo ranking among the most polluted cities in the world during winter months. Bosnia and Herzegovina has the fifth-highest mortality rate from air pollution in the world, representing 9 per cent of all deaths in the country and a human security issue,<sup>149</sup> while premature deaths attributable to exposure to PM2.5 have been rising in the past two decades (Chart 15). Children are particularly vulnerable to the impacts of air pollution, with long-term health risks such as respiratory conditions increasingly prevalent. Air pollution has also been found to be playing a role in people's decision making on where to settle in the country or to move out entirely, exacerbating the emigration trends.<sup>150</sup>

Chart 15. Premature deaths attributable to exposure to PM2.5 at the country level, 2005 and 2021



Source: EEA, 2022, <https://www.eea.europa.eu/en/analysis/indicators/health-impacts-of-exposure-to>

The country has the potential to address these serious challenges by leveraging its abundant natural resources, particularly for renewable energy. Despite the over-reliance on hydropower, there has been a positive trend in increasing the share of renewable energy, which reached 36.6 per cent of total gross energy consumption in 2021.<sup>151</sup> Such progress moves the

<sup>149</sup> World Health Organization (2023), World Health Statistics 2023 - Monitoring health for the SDGs, World Health Organization, Geneva, <https://www.who.int/data/gho/publications/world-healthstatistics>; Human Rights Watch (2022), Bosnia and Herzegovina: Deadly Air Pollution Killing Thousands, <https://www.hrw.org/news/2022/08/29/bosnia-and-herzegovina-deadly-air-pollution-killing-thousands>

<sup>150</sup> IOM (2022), Emigration of Health and Information and Communication Technology Professionals from Bosnia and Herzegovina: Challenges and Opportunities, <https://bih.iom.int/sites/g/files/tmzbd1076/files/documents/emigration-of-health-and-information-eng.pdf>

<sup>151</sup> Energy Community (2023), Fifth Progress Reports under Renewable Energy Directive 2009/28/EC as adapted by the Ministerial Council Decision 2012/04/MC-EnC, [https://www.energy-community.org/dam/jcr:89636624-d12a-405b-9acd-1b0a6c879b6f/BiH\\_RES\\_Progress%20Report%202023.pdf](https://www.energy-community.org/dam/jcr:89636624-d12a-405b-9acd-1b0a6c879b6f/BiH_RES_Progress%20Report%202023.pdf)

country closer to its 2030 target of 43.6 per cent, as set by the Energy Community Ministerial Council in 2022. Investing in renewable energy offers significant economic opportunities, driving private sector development and positioning Bosnia and Herzegovina to benefit from global shifts in energy investments. Across the Western Balkans, approximately 85 per cent of the costs of developing new clean energy capacities are expected to be financed by the private sector, underscoring the critical role of private investment in advancing the energy transition and creating a substantial investment opportunity for the region. In 2023, global FDI in renewable energy outpaced fossil fuels, with Europe alone attracting \$108.5 billion in renewable energy investments. The Western Balkans is capitalizing on this trend, with a record 23 renewable energy projects announced that year.<sup>152</sup> By fostering an enabling environment for green investments, including transparent regulatory frameworks, incentives and PPPs, Bosnia and Herzegovina can accelerate its transition to renewable energy, enhance its energy security and attract high-value foreign investments.

In parallel, the 2023 Roadmap for the Transition of Coal-Rich Regions of Bosnia and Herzegovina, drafted with the assistance of the World Bank, is a vital tool helping to ensure that the transition to a low-carbon economy does not deepen inequalities or economic hardships for affected workers and communities, especially as the EU's CBAM begins to affect high-carbon exports. The Roadmap provides options for energy conversion, recommendations for retraining and labour mobility, and for the conversion of land from former mines and related facilities. Aligning the energy transition with a just transition framework will be key to ensuring that the benefits are shared across society. This will involve implementing robust social protection policies, including labour market programmes to support workforces, enhance skills and ensure that no one is left behind in the shift towards a green economy.

Addressing Bosnia and Herzegovina's reliance on fossil fuels and its pressing air pollution challenges is essential for advancing multiple SDGs. Increasing renewable energy use directly supports SDG 7 (Affordable and Clean Energy) and SDG 13 (Climate Action), while fostering private investment in green technologies aligns with SDG 9 (Industry, Innovation and Infrastructure). Reducing air pollution and its public health impacts addresses SDG 3 (Good Health and Well-being), improving quality of life for vulnerable populations, including children. Meanwhile, the transition to green jobs is reshaping employment opportunities, potentially displacing workers in polluting industries. To ensure a just and inclusive transition, policies must be accompanied by measures for skills adaptation, community investments and strengthened social structures. Implementing just transition policies and labour market programmes will contribute to SDG 8 (Decent Work and Economic Growth) and SDG 10 (Reduced Inequalities), ensuring that no one is left behind. Green transition policies and frameworks and their implementation should also consider the specific impacts of climate change and adaptation on women, particularly those at risk of being left behind. Indeed, there are known gendered differences in exposure to the impact of and ability to adapt to climate change, while persistent inequalities in finance, leadership and economic participation further limit inclusive growth and the climate resilience of women.<sup>153</sup> Gender

<sup>152</sup> RCC (2024), Invest in Renewables in the Western Balkans, <https://www.rcc.int/pubs/195/invest-in-renewables-in-the-western-balkans-brochure>

<sup>153</sup> Regional Cooperation Council, Gender-Responsive Green Finance Roadmap for the Western Balkans Six – Building Blocks for a Resilient and Inclusive Future (2025), Can be accessed at: <https://www.rcc.int/pubs/201/gender-responsive-green-finance-roadmap-for-the-western-balkans-six--building-blocks-for-a-resilient-and-inclusive-future>

equality should be explicitly incorporated into policies, programmes and projects to ensure that gender inequalities, which are ingrained in social norms, practices and institutions, are not perpetuated.<sup>154</sup> At the same time, the green transition presents an opportunity to advance women's rights, increase their participation in the labour market and strengthen their role in decision making.<sup>155</sup> Harnessing these opportunities will be essential to ensuring that Bosnia and Herzegovina's green transition is inclusive, just and sustainable, supporting SDG 5 (Gender Equality) and SDG 10 (Reduced Inequalities).

### ***b. Climate change adaptation and disaster risk reduction***

Bosnia and Herzegovina faces increasing climate change impacts, particularly hydrometeorological hazards such as flooding and drought, threatening key sectors, e.g., agriculture and food production, forest resources and freshwater. Despite some progress in disaster risk reduction (DRR) and preparedness, there are severe gaps in the country's immediate response to floods, which often left towns and cities to manage the crisis by themselves. From 2009 to 2019, the country experienced extreme weather events almost annually, with water-scarce areas often having the highest demand.<sup>156</sup> The 2014 floods displaced 40,000 people and affected over a quarter of the population, disproportionately impacting low-income households and vulnerable groups such as the Roma, many of whom reside in informal settlements with inadequate infrastructure.<sup>157</sup> Subsequent events have further demonstrated the country's vulnerability to flooding, including a flash flood in 2021 that affected 250,000 people, the 2022 floods that damaged 300 households and the latest disaster in October 2024, which resulted in more than 20 fatalities and caused widespread infrastructure damage. Projections forecast more frequent floods and displacement events in the future, posing heightened risks for communities at risk of being left behind, particularly those in rural areas, where access to emergency services is limited.<sup>158</sup>

In response to these challenges, the country adopted its NAP in 2022, reflecting collaboration across the governments of RS, FBiH and BD. The NAP adopts a comprehensive approach, including risk assessments, climate projections and a sectoral analysis of climate impacts. It proposes medium-term measures to address vulnerabilities in critical areas such as agriculture, water resources, forestry, biodiversity and tourism. Progress has also begun in cross-institutional data collection, aligning with the NAP's objectives, and Standard Operating Procedures were introduced to improve institutional cooperation and the dissemination of climate-related data to the public.<sup>159</sup> These initiatives aim to address gaps in disaster risk data collection and enhance preparedness, ensuring that early warning systems reach all

<sup>154</sup> UNDP (2023), Blueprint for Gender Responsive just transition for all in Bosnia and Herzegovina. Can be accessed at: [https://bosniasherzegovina.un.org/sites/default/files/2024-03/blueprint\\_for\\_gender-web\\_0.pdf](https://bosniasherzegovina.un.org/sites/default/files/2024-03/blueprint_for_gender-web_0.pdf)

<sup>155</sup> CARE (2022), Making the green transition work for women. Can be accessed at: <https://careclimatechange.org/care-report-making-the-green-transition-work-for-women/>

<sup>156</sup> UNFCCC (2021), Nationally Determined Contribution of Bosnia and Herzegovina for the period 2020–2030, <https://unfccc.int/NDCREG>

<sup>157</sup> IOM (2023), Exploring the links between Migration, Environment and Climate Change in Bosnia and Herzegovina, <https://bih.iom.int/sites/g/files/tmzbd1076/files/documents/2023-04/layout-iom-bih-analysis-of-migration-environment-and-climate-change-mecc-5.0-drina.pdf>

<sup>158</sup> Ibid.

<sup>159</sup> OECD (2024), Western Balkans Competitiveness Outlook 2024: Bosnia and Herzegovina, <https://doi.org/10.1787/82e0432e-en>

communities, including those at risk of being left behind. However, more work is needed to analyse and address climate justice concerns, particularly regarding how the most vulnerable populations experience disproportionate climate impacts and have fewer resources for recovery.

Despite these advancements, the country's aging infrastructure and social protection systems are ill-equipped to handle the scale of natural disasters, revealing the urgent need for comprehensive DRR strategies. The economic impacts of floods and droughts are particularly severe in agriculture and food production, a sector highly vulnerable to increasingly erratic weather patterns. Extreme weather events exacerbate the deterioration of outdated irrigation systems, affect crop yields, soil erosion and food insecurity, with rural areas – where infrastructure is weakest – facing the greatest challenges. Women, who are often involved more in subsistence farming and other rural economic activities than are men, face disproportionately higher risks during such events,<sup>160</sup> deepening poverty and stifling prospects for sustainable development.

Efforts to improve disaster preparedness have nevertheless gained momentum since the 2014 floods, marking a shift towards a more proactive approach that emphasizes prevention and mitigation. One of the key achievements has been the change in the DRR paradigm, where DRR is now recognized as a multisectoral effort and a crucial driver for sustainable development. This has been reflected in the integration of DRR into state-level and regional policies and the establishment of multidisciplinary platforms and fora designed to foster collaboration across sectors.<sup>161</sup> Measures like flood hazard and risk mapping aim to strengthen resilience to climate impacts, supported by the development of Flood Risk Management Plans to mitigate identified risks. However, despite increased investment in DRR, most funding continues to come from international sources, with limited domestic financial commitment. Financing of the risk reduction activities from domestic sources is still limited and mainly directed to the operation and functioning of the protection and rescue/civil protection forces. Moreover, emergency response protocols and compensation schemes for affected households, businesses and local governments have not yet been established, exacerbating inequalities and limiting the country's capacity to manage and reduce disaster risks effectively.<sup>162</sup> Vulnerable communities, including Roma settlements and remote rural areas, often lack access to recovery assistance, further entrenching social and economic disparities.

Strengthening community-based preparedness is vital for resilience. The Red Cross Society of Bosnia and Herzegovina, supported by a stable volunteer base (60% women), has made significant contributions to DRR. In 2021, these volunteers made significant impacts: reaching 12,903 people in DRR, 47,289 in health and well-being (including blood donation), 9,138 in migration and mobility, 906 in gender inclusion and 30 people in climate change.

<sup>160</sup> FAO and UN Women (2021), National gender profile of agriculture and rural livelihoods – Bosnia and Herzegovina. Country Gender Assessment – Europe and Central Asia, <https://eca.unwomen.org/sites/default/files/2022-01/2021-09-01%20Gender%2C%20Agriculture%20and%20Rural%20Development%20in%20Bosnia%20and%20Herzegovina-min.pdf>

<sup>161</sup> United Nations Office for Disaster Risk Reduction (UNDRR) (2022), Bosnia and Herzegovina Mid-Term Review of the Sendai Framework for Disaster Risk Reduction, <https://sendaiframework-mtr.undrr.org/media/84436/download?startDownload=20241015>

<sup>162</sup> Ibid.

These networks have the potential to play a larger role in building local resilience through proactive engagement and support. Expanding the capacity of such community initiatives, combined with stronger domestic investment, will be critical to mitigating future climate risks and supporting the country's adaptation efforts.<sup>163</sup>

Addressing Bosnia and Herzegovina's climate challenges is crucial for advancing SDG 13 (Climate Action), SDG 11 (Sustainable Cities and Communities) and SDG 2 (Zero Hunger) by improving disaster resilience, sustainable agriculture and water management. Moreover, ensuring that climate adaptation policies address the needs of persons at risks of being left behind directly supports SDG 5 (Gender Equality), by protecting women from climate-induced economic vulnerabilities, SDG 10 (Reduced Inequalities) by prioritizing persons at risk of being left behind in disaster recovery and risk reduction, while integrating climate justice into governance and ensuring equitable access to recovery assistance aligns with SDG 16 (Peace, Justice and Strong Institutions).

### **c. Protection of natural resources**

Deforestation and land degradation compound climate-related risks and contribute to biodiversity loss. While well below the global average of 40 per cent, around 6.8 per cent of land in Bosnia and Herzegovina is degraded<sup>164</sup> due to intensive farming, urban expansion, illegal exploitation of resources, mining activities and natural disasters such as wildfires and land contamination. Forest management is further hindered by outdated practices, the prevalence of logging practices and limited investment in sustainable forestry, further exacerbating degradation and contributing to rising numbers of forest fire incidents. The lack of comprehensive land management systems, including the absences of a law on soil protection, further adds to these vulnerabilities. Promisingly, efforts are ongoing to restore degraded land, focusing on sustainable soil management practices and reforestation under initiatives including the Land Degradation Neutrality project, with aims to improve land productivity by 2030.<sup>165</sup> Given the country's vulnerability to climate-related hazards, investing in nature and expanding its limited protected areas (currently only 4% of the total territory)<sup>166</sup> can help mitigate natural disaster risks by bolstering ecosystem resilience and offering natural barriers.

Bosnia and Herzegovina is endowed with abundant water resources, boasting 10,698 m<sup>3</sup> of renewable freshwater per capita in 2020, a significantly higher figure than the EU average of 3,037 m<sup>3</sup>.<sup>167</sup> However, challenges persist in achieving clean water and sanitation. Progress has been made in wastewater treatment, with the proportion of safely treated

<sup>163</sup> BiH Red Cross Society (2022), Annual Report, [https://data-api.ifrc.org/documents/BA/AR\\_BosniaandHerzegovina\\_2021.pdf](https://data-api.ifrc.org/documents/BA/AR_BosniaandHerzegovina_2021.pdf)

<sup>164</sup> UNCCD (2023), Status report of Bosnia and Herzegovina on the 2022 United Nations Convention to Combat Desertification reporting process, <https://www.unccd.int/our-work-impact/country-profiles/bosnia-and-herzegovina>

<sup>165</sup> UNDP (2021), Healthy soil will provide for healthy food, <https://www.undp.org/bosnia-herzegovina/news/healthy-soil-will-provide-healthy-food>

<sup>166</sup> Protected Planet (2023), Protected Areas (World Database on Protected Areas, WDPA), <https://www.protectedplanet.net/en/thematic-areas/wdpa?tab=WDPA>

<sup>167</sup> World Bank (2023), Renewable Internal Freshwater Resources per Capita (Cubic Meters), <https://data.worldbank.org/indicator/ER.H2OINTR.PC>

domestic and industrial wastewater rising to 65.3 per cent in 2022, from 46.8 per cent in 2020. Nevertheless, water pollution remains a critical issue, as only about one third of the country's water bodies achieve good ambient water quality standards.<sup>168</sup> The strain on water resources is compounded by pollution from industrial activities, untreated sewage and agricultural runoff. Additionally, climate change poses significant threats, with altered precipitation patterns, more frequent droughts and severe flooding events stressing the current water management system. This increased variability not only hampers efforts to maintain water quality but also raises concerns about water availability in the future.

Protecting natural resources can directly impact Bosnia and Herzegovina's ability to address climate-related risks, biodiversity loss and heightened pollution, aligning with SDG 13 (Climate Action), SDG 15 (Life on Land) and SDG 6 (Clean Water and Sanitation). Efforts including sustainable land use, reforestation and wastewater treatment contribute to SDG 11 (Sustainable Cities and Communities) and SDG 12 (Responsible Consumption and Production), promoting resilience and sustainable resource management.

#### ***d. Sustainable resources' management and circularity***

The country faces obstacles in ensuring sustainable consumption and production patterns, as outlined in SDG 12 (Responsible Consumption and Production). Transition towards a circular economy, as promoted by the European Green Deal and the Green Agenda for the Western Balkans, presents a valuable opportunity for advancing sustainable development. However, Bosnia and Herzegovina still faces significant challenges in that regard, with rising domestic extraction of non-metallic minerals and persistently low resource productivity (€0.52/kg in 2021 compared to €2.26/kg in the EU).<sup>169</sup> While the ESAPs of both entities foresee a transition to a circular economy and enhanced waste management, the uptake of such practices has been limited and awareness of such concepts among citizens and businesses is low.<sup>170</sup>

Pollution control and waste management are particularly problematic, hindered by limited infrastructure, inadequate funding and widespread illegal dumping, especially in rural areas. Meanwhile, recycling rates are low at less than 1 per cent,<sup>171</sup> while many landfills fail to meet modern environmental standards, posing serious risks to public health and the environment. Most recyclable waste is still collected by informal waste pickers from dumpsites and bins and sold to the recycling industry. Many of the waste pickers are from the Roma community and face systemic discrimination, with limited access to formal employment, healthcare and education. Lacking protective equipment and training, they are exposed to hazardous materials and unsanitary conditions, with serious health risks from respiratory disease and

<sup>168</sup> Agency for Statistics of Bosnia and Herzegovina (2024), Bosnia and Herzegovina Statistics for Sustainable Development Goals, [https://bhas.gov.ba/data/Publikacije/Bilteni/2024/SDG\\_00\\_2023\\_TB\\_1\\_BS.pdf](https://bhas.gov.ba/data/Publikacije/Bilteni/2024/SDG_00_2023_TB_1_BS.pdf)

<sup>169</sup> Voluntary National Review (2023), <https://zamisli2030.ba/voluntary-review/#:~:text=In%202023,%20Bosnia%20and%20Herzegovina%20presented;> Eurostat (2022), Material Flow Accounts, [https://ec.europa.eu/eurostat/databrowser/view/ENV\\_AC\\_MFA/default/table?lang=en](https://ec.europa.eu/eurostat/databrowser/view/ENV_AC_MFA/default/table?lang=en)

<sup>170</sup> OECD (2024), Western Balkans Competitiveness Outlook 2024 – Bosnia and Herzegovina Economy Profile, <https://www.oecd-ilibrary.org/docserver/82e0432e-en.pdf?expires=1732097783&id=id&accname=guest&checksum=4FAB30E257E07853587973290D16EDC7>

<sup>171</sup> EEA (2021), Municipal Waste Management - Bosnia and Herzegovina, <https://www.eea.europa.eu/themes/waste/waste-management/municipal-waste-management-country/bosnia-and-herzegovina-municipal-waste/view>

infection. Since their work is unrecognized under the law, they are excluded from labour protection and social benefits, reinforcing their economic and social marginalization.<sup>172</sup> To improve industrial waste management,<sup>173</sup> the Pollutant Release and Transfer Register (PRTR) system is being developed across all government levels as part of an international project to track industrial pollution. Key activities include assessing industrial environmental data, supporting PRTR protocol ratification, establishing a PRTR reporting network and strengthening institutional and civil society capacities. There is no comprehensive soil protection policy at the state or entity levels, though cleanup efforts are included in the entities' ESAPs. RS aims to rehabilitate 50 per cent of noncompliant landfills by 2032, while FBiH plans to reconvert abandoned mining areas. Addressing the above-mentioned issues aligns with SDG 3 (Good Health and Well-being), SDG 11 (Sustainable Cities and Communities) and SDG 13 (Climate Action).

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<sup>172</sup> Bosnia and Herzegovina Environmental Strategy and Action Plan 2030+, <https://esap.ba/waste-management-systems-should-leave-no-one-behind-the-case-of-bosnia-and-herzegovina/>

<sup>173</sup> "Improvement of registers of discharge and transfer of polluting substances (PRTR) in the countries of the Western Balkans and the Republic of Moldova", implemented by the Federal Ministry of Environment, Nature Conservation and Nuclear Safety of Germany and the German Federal Environment Agency.

# 9. *Digital Transition*



Digital transformation cuts across all sectors and serves as a key enabler for achieving the SDGs. By driving innovation, boosting efficiency and enhancing service delivery, it fuels economic growth. At the same time, as it reshapes organizations, markets and communities, it raises important concerns about equity and inclusion, highlighting the need to ensure its benefits are widely accessible and contribute to reducing disparities rather than deepening them.

In Bosnia and Herzegovina, Internet access is steadily improving, with household connectivity reaching 81.6 per cent in 2023, up from 75.9 per cent in 2022.<sup>174</sup> Although this marks significant progress, the country still lags behind the EU average of 93.1 per cent, indicating a persistent digital divide. Additionally, the digital transition risks marginalizing vulnerable groups, such as older persons, people with disabilities and rural communities, who face barriers to accessing affordable digital tools and training. The absence of a nationwide broadband development plan has led to underdeveloped networks, particularly in rural areas where demand is lower, further exacerbating inequalities.

The International Computer and Information Literacy Study (ICILS) 2023<sup>175</sup> highlights the limited digital skills of 8th grade pupils in Bosnia and Herzegovina, with students scoring below the international average. The study revealed that these pupils mostly possess basic computer and information literacy skills, underscoring the need for stronger digital education and skill development programmes.<sup>176</sup> Despite online classes during the COVID-19 pandemic and increasing information technology (IT) device usage, information skills did not improve significantly. Moreover, 30.2 per cent of schools, mainly in rural areas, lack an Internet connection, affecting nearly 14,000 children.<sup>177</sup>

Data also show that a significant proportion of the population lack necessary digital competencies. For instance, whereas 78.7 per cent of the population can make online calls, just 7 per cent have completed a formal online course and only 4.4 per cent participate in online consultations on civic or political issues. Skills in problem-solving, such as connecting new devices (14.3%), or using online banking (19.9%) are particularly low.<sup>178</sup> As financial services become increasingly digitalized, those with limited digital skills – particularly older adults, individuals with lower education levels and rural residents – face heightened risks of financial exclusion.

There is also a notable gender gap in digital skills, with women generally having fewer such skills than men. Improving digital literacy is essential, especially as digital skills are crucial for

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<sup>174</sup> BHAS (2023), Usage of Information and Communication Technologies in Households and Individuals 2023, First Results, Agency for Statistics of Bosnia and Herzegovina, [https://bhas.gov.ba/data/Publikacije/Saopstenja/2023/IKT\\_05\\_2023\\_Y1\\_1\\_BS.pdf](https://bhas.gov.ba/data/Publikacije/Saopstenja/2023/IKT_05_2023_Y1_1_BS.pdf)

<sup>175</sup> The research was conducted without the participation of Republika Srpska, and also without West Herzegovina Canton.

<sup>176</sup> Agency for pre-primary, primary and secondary education (2024), ICILS 2023, <https://aposo.gov.ba/en/agencija-predstavila-icils-2023-rezultate-za-bosnu-i-hercegovinu/>

<sup>177</sup> UNICEF (2023), By Connecting Schools in Bosnia and Herzegovina to the Internet, Enable Education of the 21st Century, <https://www.unicef.org/bih/en/press-releases/connectingschools-bosnia-and-herzegovina-internet-enable-education-21st-century>

<sup>178</sup> International Telecommunication Union (ITU) DataHub. (n.d.), Data for Bosnia and Herzegovina. Retrieved from <https://datahub.itu.int/data/?e=BIH>

young people pursuing education and a career in STEM. Although women represent 71 per cent of science graduates, only 28 per cent of Information and Communications Technology (ICT) graduates are women and the share of women researchers in engineering is 37 per cent (27 per cent in ICT).<sup>179</sup>

Bosnia and Herzegovina has made incremental progress in digital government development but faces significant challenges in achieving a cohesive and effective e-Government system. The lack of an e-Government portal and interoperable systems across administrative levels limits the development of comprehensive e-Services for citizens and businesses. Despite progress, such as the ability of the Agency for Identification Documents, Registers and Data Exchange to issue eIDAS-compliant electronic signatures and the establishment of an e-Procurement portal, the use of e-Signatures and electronic documents remains constrained by outdated legislation and fragmented legal frameworks. Entity-level efforts, such as RS's e-Government strategy and the e-Srpska portal, and the Federation's measures to improve interoperability, are yet to have widespread impacts. Nevertheless, capacity-building initiatives, including the RS Academy for Digital Transformation, highlight efforts to enhance digital skills among public officials.<sup>180</sup>

Progress on privacy and personal data protection remains limited, with insufficient alignment of the legal framework to EU standards such as the General Data Protection Regulation and the EU Police Directive.<sup>181</sup> The Agency for Personal Data Protection is hindered by inadequate human, financial and technical resources, and lacks initiatives to enhance its independence.<sup>182</sup> Despite a major cyberattack in September 2022 that incapacitated key institutions for two weeks, the country has yet to develop a comprehensive cybersecurity strategy and has failed to improve critical infrastructure resilience or adequately address the growing threat of cybercrime.

To address these challenges, efforts must focus on enhancing digital literacy across all age groups and ensuring access to affordable technology, particularly for disadvantaged groups. Conducting assessments to gauge current skill levels could guide the development of effective, tailored interventions aimed at reducing these digital disparities. Expanding digital access and skills not only is necessary to promote social inclusion but also creates pathways for economic growth by opening new opportunities for entrepreneurship, increasing skills mobility, attracting foreign investment and enabling businesses to integrate into global value chains. For example, digitalization offers significant potential for green growth and the creation of jobs in sustainable sectors such as renewable energy, eco-friendly logistics and digital agriculture solutions.

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<sup>179</sup> UNDP and UNICEF, STEM4ALL, data for Bosnia and Herzegovina. Retrieved from: Data by country / Gender in STEM - Home

<sup>180</sup> OECD (2024), Western Balkans Competitiveness Outlook 2024 – Bosnia and Herzegovina Economy Profile, <https://www.oecd-ilibrary.org/docserver/82e0432e-en.pdf?expires=1732097783&id=id&accname=guest&checksum=4FAB30E257E07853587973290D16EDC7>

<sup>181</sup> European Commission (2023), Bosnia and Herzegovina 2023 Report, [https://neighbourhood-enlargement.ec.europa.eu/bosnia-and-herzegovina-report-2023\\_en](https://neighbourhood-enlargement.ec.europa.eu/bosnia-and-herzegovina-report-2023_en)

<sup>182</sup> OECD (2024), Western Balkans Competitiveness Outlook 2024 – Bosnia and Herzegovina Economy Profile, <https://www.oecd-ilibrary.org/docserver/82e0432e-en.pdf?expires=1732097783&id=id&accname=guest&checksum=4FAB30E257E07853587973290D16EDC7>

Strengthening the legal framework for privacy and cybersecurity is also essential to build trust in digital platforms, encourage greater participation in the digital economy and ensure safe online transactions. As seen during the COVID-19 pandemic, industries such as IT, education and finance have seen rapid growth, representing more than half of global service exports.<sup>183</sup> By leveraging these digital opportunities, Bosnia and Herzegovina can boost productivity, foster innovation and diversify its economy.<sup>184</sup>

The digital transition can serve as a key enabler for achieving multiple SDGs in Bosnia and Herzegovina. It supports SDG 8 (Decent Work and Economic Growth) by fostering job creation and increasing productivity, and SDG 9 (Industry, Innovation, and Infrastructure) by driving technological advancements. It enhances SDG 4 (Quality Education) through access to digital learning, and SDG 3 (Good Health and Well-being) by advancing healthcare systems. Additionally, it contributes to SDG 10 (Reduced Inequalities) by improving accessibility for marginalized communities, SDG 5 (Gender Equality) by promoting women's inclusion in technology, and SDG 16 (Peace, Justice, and Strong Institutions) by strengthening governance, transparency and accountability through digital tools.

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**183** UNCTAD (2024), Digitally deliverable services boom risks leaving least developed countries behind, <https://unctad.org/news/supporting-countries-measure-digital-economy-development>

**184** UNCTAD (2024), Digital technologies are key to economic diversification, [https://sdgpulse.unctad.org/ict-development/#Ref\\_UZ2Q4AJE](https://sdgpulse.unctad.org/ict-development/#Ref_UZ2Q4AJE)

# 10. Overview of Population Groups (at risk of being) Left Behind and Main Drivers of Exclusion



Achieving the SDGs in Bosnia and Herzegovina requires ensuring that the poorest and most vulnerable populations are included in development processes. The LNOB principle is therefore a core objective of its SDG Framework. Although the country has ratified all core international human rights treaties, adopted legislation prohibiting discrimination on all grounds and committed to upholding equality and non-discrimination, significant implementation and enforcement gaps remain, as described in the present assessment. A divided governance structure has given rise to fragmented and therefore uneven legislation, strategies and policies, particularly in the economic and social spheres and for free legal aid and access to justice, leading to different or unequal levels of protection and, in some cases, discriminatory situations, based on place of residence. Moreover, existing policies often overlook the complex, intersectional challenges faced by vulnerable groups, leading to inadequate protections against multiple forms of discrimination.

Importantly, while a person may be marginalized due to a single factor, in practice, most individuals experience multiple layers of deprivation, disadvantage or discrimination, compounding their vulnerability. Desk research and consultations conducted during the development of the UPR and the Common Analysis identified three key factors of exclusion for an intersectional analysis of those at risk of being left behind in Bosnia and Herzegovina: gender, age and geographic disparities.

Despite Bosnia and Herzegovina's progress in advancing gender equality, including through ratification of international conventions such as the Convention on the Elimination of All Forms of Discrimination Against Women and the Istanbul Convention, as well as in adopting its fourth Gender Action Plan for 2023–2027, significant efforts remain necessary to achieve equal representation and opportunities for women in both public and private sectors. The 2024 Progress Report on Implementation of the Beijing Declaration and Platform for Action highlights persistent economic gender disparities, significant barriers to women attaining higher decision-making positions, and the prevalence of gender-based harassment and segregation. Additionally, entrenched gender stereotypes in education perpetuate inequality, with many women leaving education prematurely to take on family responsibilities.<sup>185</sup> Gender inequalities are especially severe for vulnerable groups, such as Roma women and girls, who face persistent social exclusion, barriers to education and TVET, and increased risks of early child marriage, domestic violence and human trafficking. Other affected groups include women living in remote and rural areas, long-term unemployed and economically inactive women, older women, survivors of conflict-related sexual violence who continue to struggle with limited access to essential services, women with diverse sexual orientations and gender identities who face stigma and discrimination, migrant women with restricted access to healthcare, stateless women, returnees in isolated regions and women asylum seekers and refugees who are at heightened risk of sexual violence and gender-insensitive asylum procedures. The impact of the COVID-19 pandemic has further underscored the need for gender-sensitive crisis responses, highlighting the importance of addressing gender-based violence (GBV) and ensuring the protection and empowerment of women and girls during emergencies.

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<sup>185</sup> Progress Report on the Implementation of the Beijing Declaration and Platform for Action in Bosnia and Herzegovina within the Beijing +30 Review process (2024), [https://www.unwomen.org/sites/default/files/2024-09/b30\\_report\\_bosnia\\_and\\_herzegovina\\_en.pdf](https://www.unwomen.org/sites/default/files/2024-09/b30_report_bosnia_and_herzegovina_en.pdf)

**Age** is a crucial factor that influences social exclusion and vulnerability in Bosnia and Herzegovina, as it significantly affects the access of individuals to resources, opportunities and services. Young people often face barriers to education, employment (27.3% of young people are unemployed) and civic participation that can hinder their ability to become economically independent and socially integrated. Meanwhile, older adults are frequently at risk of marginalization due to declining health, limited income or inadequate social support systems, making them more vulnerable to poverty and social isolation. Projections indicate that by 2060, more than 30 per cent of the population will be above the age of 65, intensifying concerns about elderly poverty, social isolation and the strain on healthcare and pension systems. Moreover, many older persons have endured the 1992–1995 conflict and its lasting consequences, with high levels of untreated post-traumatic stress disorder (PTSD) still prevalent. Both old and young are susceptible to systemic gaps in social protection and may be disproportionately affected by economic downturns or policy changes, leading to increased inequalities and reduced quality of life.

**Geographic disparities** further exacerbate inequality. Bosnia and Herzegovina is one of the most rural countries in Europe, with 60 per cent of the population living in rural areas. These areas have fewer job opportunities, weak physical infrastructure and public services, and limited access to markets, business development and financial services. This situation has led to emigration to urban centres and rural depopulation. While there are no more recent data, between 2012 and 2018, nearly 150,000 people left rural areas, a trend likely to have continued.<sup>186</sup> This exodus has weakened communities and reduced access to essential public services. The lack of targeted rural development policies further exacerbates this growing divide, leaving rural regions vulnerable and under-resourced.

Building on these factors of exclusion, the consultations held, as well as findings and recommendations of UN human rights mechanisms, and in line with its mandate, the UNCT has prioritized in the CA nine groups at particular risk of being left behind, as outlined below.

### **a. Women survivors of violence**

GBV is widespread in Bosnia and Herzegovina, with 48 per cent of women reporting having experienced violence. Annually, an estimated 10 women are killed by intimate partners. In 2022, 2,235 cases of domestic violence were reported, leading to about 800 indictments and 681 convictions.<sup>187</sup> Additionally, 37.5 per cent of women reported experiencing sexual harassment in the workplace, with one in five women facing repeated harassment, further discouraging labour market participation.<sup>188</sup> Meanwhile, concerns about sexual violence among young women have been on the rise, with 69.7 per cent expressing fear in 2024.<sup>189</sup>

<sup>186</sup> UNFPA (2020), Population Situation Analysis in Bosnia and Herzegovina, [https://ba.unfpa.org/sites/default/files/pub-pdf/psa\\_bih\\_final\\_november\\_2020\\_eng\\_1.pdf](https://ba.unfpa.org/sites/default/files/pub-pdf/psa_bih_final_november_2020_eng_1.pdf)

<sup>187</sup> Agency for Statistics of Bosnia and Herzegovina (2023), Women and Men in Bosnia and Herzegovina, [https://bhas.gov.ba/data/Publikacije/Bilteni/2024/FAM\\_00\\_2023\\_TB\\_1\\_EN.pdf](https://bhas.gov.ba/data/Publikacije/Bilteni/2024/FAM_00_2023_TB_1_EN.pdf)

<sup>188</sup> Progress Report on the Implementation of the Beijing Declaration and Platform for Action in Bosnia and Herzegovina within the Beijing +30 Review process (2024), [https://www.unwomen.org/sites/default/files/2024-09/b30\\_report\\_bosnia\\_and\\_herzegovina\\_en.pdf](https://www.unwomen.org/sites/default/files/2024-09/b30_report_bosnia_and_herzegovina_en.pdf)

<sup>189</sup> Hasanović, J., Lavrić, M., Adilović, E., & Stanojević, D. (2024), Youth Study Southeast Europe 2024. Friedrich-Ebert-Stiftung, <https://library.fes.de/pdf-files/bueros/wien/21457.pdf>

Survivors of sexual violence in conflict also continue to face unique challenges, as many individuals have yet to receive justice or comprehensive reparations, with societal stigma further marginalizing them. The survivors often lack adequate access to tailored psychological, legal and social support services, compounding their vulnerability.

GBV in Bosnia and Herzegovina is rooted in deep-seated patriarchal norms, economic dependence, social stigma and systemic barriers that prevent many victims from seeking help. Limited access to support services, legal gaps, weak enforcement and low awareness of legal rights further exacerbate the issue. The high rates of informal employment among women (29.8% in 2019)<sup>190</sup> deprive them of social protection, forcing them often to remain in abusive situations, while lack of knowledge of their rights, such as joint marital property, makes their situation more fragile. The COVID-19 pandemic further isolated those at risk, intensifying their exposure to violence. Among mixed movements of migrants and refugees, gaps are reported in the process of identification of and referrals for potential victims of trafficking.

While the Law on Gender Equality includes provisions addressing GBV and aligns with international frameworks, including the Convention on the Elimination of All Forms of Discrimination Against Women and the Istanbul Convention, enforcement remains limited. This challenge is especially evident in marginalized areas where access to shelters and support services is scarce, thereby weakening the law's effectiveness in protecting vulnerable populations. There are only eight shelters for women survivors of violence in the country, operated by non-governmental organizations (NGOs): in the FBiH, five shelters provide 126 beds for women and their children, while in RS three shelters provide 55 beds. This is a significant shortfall from the recommended capacity of 330 beds providing adequate support. This deficit (130–180 beds) places women at risk of continued violence and threats of femicide and underscores the need for additional resources and capacity to meet the needs of individuals seeking protection from violence. Moreover, in May 2024, RS failed to adopt a key bill on domestic and gender-based violence, while legal gaps in the Federation and the Brcko District leave room for continued challenges in addressing the issue effectively.

Addressing GBV in Bosnia and Herzegovina is essential for achieving SDG 5 (Gender Equality) and SDG 16 (Peace, Justice and Strong Institutions), particularly in strengthening the enforcement of GE laws, improving access to shelters and ensuring comprehensive support services for survivors. As the lack of comprehensive responses to GBV not only threatens the safety of survivors but also reinforces cycles of poverty, worsens physical and mental health outcomes and limits women's access to economic opportunities, addressing GBV can also contribute to SDG 1 (No Poverty), SDG 3 (Good Health and Well-being) and SDG 8 (Decent Work and Economic Growth).

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<sup>190</sup> ILO (2020), Overview of the informal economy in Bosnia and Herzegovina, <https://www.ilo.org/resource/overview-informal-economy-bosnia-and-herzegovina>

## b. Children

Children in Bosnia and Herzegovina face significant vulnerabilities in protection, poverty, health and education. Economic challenges are particularly acute, with 25 per cent of children of age 0–5 years living in poverty and rural children facing even greater hardships.<sup>191</sup> Despite strategic plans in both FBiH and RS to improve early childhood development and intervention services, no steps have been taken to develop and adopt a new action plan on protecting the rights of the child to succeed those for 2015–2018.

Health concerns for children are rising. Low vaccine coverage has resulted in outbreaks of vaccine preventable diseases, affecting children across the country, with marginalized communities disproportionately affected. Children are more likely to be affected by hunger, with nutritional deprivation affecting 15.9 per cent of children of age 5–15 years, with chronic malnutrition impacting half of Roma children younger than six months.<sup>192</sup> Adolescent mental health is another growing crisis, marked by rising suicide rates.

Children are among those most exposed to climatic extremes and are also highly vulnerable due to poverty, which limits their access to safe water, adequate housing, clean energy and other essential services. This makes them even more susceptible to climate and environment-related hazards such as extreme heat, storms and pollution.<sup>193</sup> In particular, high levels of air pollution are exacerbating respiratory conditions among children, who are especially at risk due to their developing bodies, growing brains and faster breathing rates compared to adults.<sup>194</sup>

Educational disparities persist, with only 42 per cent of children of age 3–5 years enrolled in preschool in 2024, reflecting socio-economic and geographic inequalities.<sup>195</sup> A lack of professional expertise in early childhood development further complicates the situation, as many service providers are not trained in detecting developmental delays, and services are unaligned with international standards such as the World Health Organization's International Classification of Functioning, Disability and Health.

Violence against children remains widespread in Bosnia and Herzegovina yet is often underreported due to societal stigma and weak referral systems.<sup>196</sup> Nearly half of child victims lack adequate legal or psychological support. Roma children are particularly vulnerable to severe forms of child labour, while unaccompanied or separated children on the move encounter unique barriers, such as limited access to safe housing and asylum procedures.<sup>197</sup> As of September 2024, there were 264 unaccompanied and separated children among the country's migrant and refugee population. Meanwhile, for over a decade, UNICEF and local

<sup>191</sup> UNICEF (2022), Child Poverty in Bosnia and Herzegovina.

<sup>192</sup> FAO (2023), Nutrition and Food Security Report for Bosnia and Herzegovina.

<sup>193</sup> UNICEF (forthcoming), Climate Landscape Analysis for Children and Youth.

<sup>194</sup> Human Rights Watch (2022), Bosnia and Herzegovina: Deadly Air Pollution Killing Thousands, <https://www.hrw.org/news/2022/08/29/bosnia-and-herzegovina-deadly-air-pollution-killing-thousands>

<sup>195</sup> UNICEF (2024), Education in Bosnia and Herzegovina: Access and Quality.

<sup>196</sup> World Vision Bosnia and Herzegovina (2023), Child protection and gender-based violence: Technical report on perceptions, attitudes, and practices. [https://worldvision.ba/wp-content/uploads/2023/10/WV\\_CR-and-GBV-Report\\_FINAL\\_ENGL.pdf](https://worldvision.ba/wp-content/uploads/2023/10/WV_CR-and-GBV-Report_FINAL_ENGL.pdf)

<sup>197</sup> European Commission (2023), Bosnia and Herzegovina 2023 report. Retrieved from [https://www.eeas.europa.eu/sites/default/files/documents/2023/SWD\\_2023\\_691%20Bosnia%20and%20Herzegovina%20report.pdf](https://www.eeas.europa.eu/sites/default/files/documents/2023/SWD_2023_691%20Bosnia%20and%20Herzegovina%20report.pdf)

authorities have collaborated to assist annually more than 3,300 children involved with the justice system, providing vital support to this vulnerable population.

The Committee on the Rights of the Child (CRC) in 2019 urged Bosnia and Herzegovina to adopt a comprehensive law on children's rights and strengthen child protection systems by explicitly prohibiting corporal punishment in all settings and improving mechanisms to prevent and respond to violence and abuse. However, these recommendations remain largely unaddressed, with legal and institutional gaps persisting. In health, the CRC called for universal health insurance coverage for all children, improvements in maternal and child healthcare and better data collection on children with disabilities, yet disparities in access to healthcare remain, particularly for marginalized communities. In education, concerns over low attendance and high dropout rates, especially among Roma children and children with disabilities, continue, with limited progress made on inclusive education policies. Additionally, data collection remains fragmented, hindering efforts to address disparities effectively. On social and child protection, the lack of harmonization across entities continues to create inequalities in service provision, and no centralized data collection system has been established to systematically monitor children's rights.

Addressing children's vulnerabilities in Bosnia and Herzegovina is essential for advancing SDGs 1 (No Poverty), SDG 3 (Good Health and Well-being), SDG 4 (Quality Education) and SDG 16 (Peace, Justice and Strong Institutions) and ensuring that all children in Bosnia and Herzegovina receive the protection and support they need. Strengthening child protection, education and healthcare requires urgent efforts to implement the CRC's recommendations, particularly through the development of a comprehensive law on children's rights and an action plan for child protection. Such a plan should prioritize the enhancement of early childhood development services, improved vaccination coverage, establishment of mental health support services and stronger reporting and support systems for violence. Additionally, ensuring the rights and well-being of children on the move remains essential to building a more inclusive and supportive environment for all children in Bosnia and Herzegovina. For a comprehensive analysis of the situation of children and youth, including key challenges, policy gaps and opportunities for action, refer to the UNICEF Bosnia and Herzegovina Situational Analysis of Children's Rights and Well-being, 2025.

### ***c. Older persons***

In Bosnia and Herzegovina, the demographic shift towards an aging population is well under way. In 2023, 19 per cent of the population were estimated to be 65 years or older,<sup>198</sup> with projections indicating that this figure will rise to more than 30 per cent by 2060.<sup>199</sup> Such a demographic transformation will pose significant challenges for the country's healthcare, social protection and economic systems, requiring urgent adaptation to address the complex needs of an ageing society.

<sup>198</sup> World Bank (2024), Population ages 65 and above, [https://data.worldbank.org/Indicator/SP.POP.65UP\\_TO\\_ZS?locations=BA](https://data.worldbank.org/Indicator/SP.POP.65UP_TO_ZS?locations=BA)

<sup>199</sup> Ministarstvo za ljudska prava i izbjeglice (2017), Initial Report of Bosnia and Herzegovina on Implementation of the Madrid Plan of Action on Ageing, <https://www.mhrr.gov.ba/PDF/LjudskaPrava/Prvi%20Izvjestaj%20BIH%20%20provedbi%20Madridskog%20akcionog%20plana%20za%20starenje.pdf>

Older persons face an elevated risk of chronic disease and age-related health concerns, including Alzheimer's disease, stroke, cancer, hearing loss and vision impairment, placing increasing pressure on already overstretched health and social care systems. Yet, the country's fragmented governance structure and persistent economic challenges, including high unemployment, outmigration of especially young people, the strain COVID-19 placed on social systems and systemic inefficiencies, limit the capacity to meet these growing demands.

Economic vulnerability is particularly pronounced among older individuals in Bosnia and Herzegovina, where minimum pensions in the two entities fail to ensure adequate economic security, leaving many older persons at a level of subsistence. Stakeholder consultations further emphasized that older women are disproportionately affected, facing greater financial hardship due to lower lifetime earnings, inadequate pensions and limited access to resources. This is reflected in poverty rates, which are significantly higher among older women (23.8%) than among older men (15.3%).<sup>200</sup> Root causes for economic vulnerability among older people include the absence of integrated public long-term care models and robust support networks that further deepen the challenges faced by this group, increasing their isolation and heightening their financial and social insecurity. Many individuals also continue to face the psychological and economic consequences of the 1992–1995 conflict, with limited access to mental health and trauma support services.

The ageing population in Bosnia and Herzegovina presents challenges for SDGs 1 (No Poverty), SDG 3 (Good Health and Well-being) and SDG 10 (Reduced Inequalities). Addressing the needs of older persons, particularly through improved healthcare, pension systems and social support and care networks, is crucial for fostering an inclusive society that ensures economic and social security for all ages.

#### ***d. Roma communities***

Accurate data on the Roma population in Bosnia and Herzegovina are scarce, with official estimates of between 25,000 and 50,000 individuals. However, the Roma associations and NGOs that participated in the consultations report significantly higher figures. The Roma community is the largest of the 17 national minorities recognized by the Constitution and is often described as the most marginalized and vulnerable group in the country.<sup>201</sup> Despite the 2021–2025 Action Plan for Social Inclusion of Roma and Romani Women, systemic discrimination persists, limiting access for Roma to housing, education and healthcare. It is considered that there has been inadequate budgeting and a lack of monitoring of implementation of the strategy.

It is estimated that the enrolment of Roma children in the education system remains low, with only 4 per cent in pre-education (2% in the mandatory preschool programme) and 35 per cent in primary and secondary schools. Only 24 per cent of Roma women have

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<sup>200</sup> UNFPA (2020), Population Situation Analysis in Bosnia and Herzegovina, [https://ba.unfpa.org/sites/default/files/pub-pdf/psa\\_bih\\_final\\_november\\_2020\\_eng.pdf](https://ba.unfpa.org/sites/default/files/pub-pdf/psa_bih_final_november_2020_eng.pdf)

<sup>201</sup> UNICEF, Roma Children, <https://www.unicef.org/bih/en/roma-children>

finished elementary school, while 21% have finished several classes of elementary school.<sup>202</sup> Meanwhile, employment opportunities are scarce, with only an estimated 10 per cent participating in formal employment. Employment rate of Roma women is very low while 65 per cent of them are registered with the Employment Service.<sup>203</sup> Root causes for such vulnerability include historical marginalization and discrimination, coupled with economic inequality, which keep many Roma in poverty, while marginalization often prevents access to protections against discrimination, including support from the National Human Rights Institution (NHRI), justice mechanisms and social protection systems. Moreover, many Roma live in informal settlements that lack basic infrastructure, while rural areas suffer from inadequate healthcare and underdeveloped education systems, deepening the community's marginalization. Roma women in particular face barriers due to both ethnic and gender-based discrimination.

Trafficking in persons continues to affect the Roma community in Bosnia and Herzegovina, with reports indicating that first responders increasingly identify victims from this group. In the US Department of State's 2024 Trafficking in Persons Report, Bosnia and Herzegovina was categorized as 'Tier 2', indicating progress with the elimination of trafficking but falling short of fully meeting minimum standards. According to the report, Romani children are often subjected to forced begging, forced criminality, sex trafficking and domestic servitude, including being trafficked for forced marriages. Despite this, some law enforcement officers and social workers have been known to justify such cases as traditional cultural practice, at times even returning exploited children to their families when evidence of exploitation exists.<sup>204</sup>

UN Human Rights Mechanisms have repeatedly underscored the need for addressing the particular discrimination faced by Roma in accessing all human rights. In 2024, CERD was concerned about the persistent discrimination and marginalization of Roma in various areas of life, preventing them from fully enjoying all (economic, social and cultural) rights, referring to precarious living conditions without adequate access to public services; limited access to employment in the formal sector and to vocational education and training, particularly for women; lack of access to adequate, culturally and gender appropriate healthcare services; low enrolment and attendance rates of children at all levels of the education system; risks of statelessness; obstacles in accessing justice; and the prevalence of racial prejudice and stereotypes, as well as hate speech.<sup>205</sup> The fourth UPR of Bosnia and Herzegovina made several recommendations to improve the rights of persons belonging to the Roma minority.

Efforts to address Roma marginalization, particularly through the 2021–2025 Action Plan, must focus on improving legal protections, tackling discrimination through awareness raising and increasing access to basic services, notably education and healthcare, to ensure social inclusion and equal opportunities for this vulnerable population. This can directly impact SDG 1 (No Poverty), SDG 4 (Quality Education) and SDG 10 (Reduced Inequalities). Adequate

<sup>202</sup> A Report on State of Rights and Position of the Roma Women in Bosnia and Herzegovina, Roma Women Association Bolja Budućnost Tuzla, 2023, available at [izvestaj-o-stanju-prava-i-polozaja-romkinja-2021-2022-eng.pdf](https://www.izvestaj-o-stanju-prava-i-polozaja-romkinja-2021-2022-eng.pdf)

<sup>203</sup> Ibid.

<sup>204</sup> US Department of State (2024), 2024 Trafficking in Persons Report: Bosnia and Herzegovina, <https://www.state.gov/reports/2024-trafficking-in-persons-report/bosnia-and-herzegovina/>

<sup>205</sup> Committee on the Elimination of Racial Discrimination (2024), <https://www.ohchr.org/en/treaty-bodies/cerd>

budgeting should support implementation of any action plan, facilitating the participation of Roma, notably Roma women and youth, in political, economic and cultural life, and would be important for overcoming limited access to decision-making processes.

### e. **LGBTI persons**

Adoption of the Action Plan for the Promotion of Human Rights and Fundamental Freedoms of LGBTI Persons in Bosnia and Herzegovina (2021–2024), along with the ongoing drafting of same-sex partnership legislation in the Federation, are considered positive advancements. Additionally, the March 2024 amendment to the Brčko District Assembly's Criminal Code, which criminalizes public incitement of hatred based on sexual orientation or gender identity, marks a significant milestone. However, CSOs have criticized these initiatives for their slow implementation and limited practical impact.

LGBTI individuals continue to face substantial social stigma and discrimination, with one in three reporting personal experiences of discrimination.<sup>206</sup> Moreover, actual figures may be higher, as many LGBTI individuals do not disclose their identity widely. Transgender individuals in particular are disproportionately affected, with approximately two thirds experiencing some form of discrimination, underscoring their heightened vulnerability.<sup>207</sup> Meanwhile, discrimination continues, mainly due to significant gaps in implementation of the legal framework for LGBTI rights and public acceptance, and fuelled further by frequent homophobic remarks from high-level politicians and public figures. Challenges also persist in addressing discrimination in healthcare and employment, though comprehensive data on these issues remains limited. Moreover, deeply rooted patriarchal values and traditional views on gender and sexuality contribute to the stigmatization and stereotyping of LGBTI individuals. The share of youth who believe LGBTQIA+ individuals have "too many rights" increased from 25.2 per cent to 37.5 per cent between 2018 and 2024,<sup>208</sup> with this conservative shift most pronounced among far-right youth and those who find homosexuality unjustifiable.

As a result of these persistent challenges, many LGBTI individuals in Bosnia and Herzegovina seek asylum abroad to escape psychological distress, violence, employment discrimination and the social ostracism that stems from their sexual orientation or gender identity.<sup>209</sup>

Since 2019, pride marches have been held regularly in Sarajevo, though the cantonal police impose stricter conditions on organizers than for other public gatherings. In March 2023, local authorities in Banja Luka banned an LGBTI pride event and failed to protect activists from violent attacks, with no legal consequences for the perpetrators. Moreover, in October 2024, the National Assembly of Republika Srpska adopted the government's proposal to remove gender identity as a protected category from its criminal code. Although this is yet to be confirmed in a second reading set to take place in the first half of 2025, the amendment

<sup>206</sup> Sarajevo Open Centre (2024), 2024 Pink Report: Annual Report on the State of Human Rights of LGBTI People in Bosnia and Herzegovina, [https://soc.ba/site/wp-content/uploads/2024/06/rozi-izvjestaj-ENG-2024\\_6\\_12\\_.pdf](https://soc.ba/site/wp-content/uploads/2024/06/rozi-izvjestaj-ENG-2024_6_12_.pdf)

<sup>207</sup> Ibid.

<sup>208</sup> FES. Hasanović, J., Lavrič, M., Adilović, E., & Stanojević, D. (2024), Youth Study Southeast Europe 2024. <https://library.fes.de/pdf-files/bueros/wien/21457.pdf>

<sup>209</sup> Ibid.

would weaken protections currently in place and cause the entity's legislation to diverge from Bosnia and Herzegovina's state-level anti-discrimination laws, which recognize gender identity as a protected characteristic.

While Bosnia and Herzegovina has made some progress in LGBTI rights, gaps in implementation and public acceptance persist. Strengthening legal protections by enforcing anti-discrimination laws, combating stigma through public awareness campaigns and educational initiatives and improving access to inclusive healthcare, including tailored mental health support, and employment are essential steps. Additionally, enhancing political commitment and supporting CSOs advocating for LGBTI rights will help foster a more inclusive and equal society for such individuals and is essential for achieving SDG 5 (Gender Equality) and SDG 10 (Reduced Inequalities).

#### ***f. Persons with disabilities***

According to the 2013 Census data, approximately 8.33 per cent (294,058 individuals) of Bosnia and Herzegovina's population live with some form of disability (4.5% of women; 3.9% of men). However, the lack of a unified definition of disability and a centralized database hampers accurate data collection, creating inconsistencies in the way disability is identified and measured across the country and institutions, as underscored by CESCR. This makes it challenging to develop targeted policies and allocate resources effectively to address the needs of persons with disabilities. Additionally, the absence of harmonized strategies and budgets, including the lack of a comprehensive and coordinated approach across sectors, limits progress in securing their rights and addressing systemic barriers.<sup>210</sup> It is assessed that the majority of recommendations of the Committee on the Rights of Persons with Disabilities, issued in 2017, remain unaddressed and there is no mechanism to oversee the monitoring of implementation of the Convention,

There is still no legislation or budget to ensure deinstitutionalization and, despite a European Court of Human Rights judgment in that regard,<sup>211</sup> the institutionalization of persons with mental disabilities persists, and the deprivation of their legal capacity remains frequent.

Consultations with persons with disabilities highlighted the widespread exclusion they face in Bosnia and Herzegovina due to significant barriers such as physical inaccessibility, a lack of inclusive education strategies (including TVET), limited access to healthcare services, common workplace discrimination and insufficient opportunities for participation in decision-making platforms. Children with disabilities remain one of the most excluded groups, facing inadequate services, especially in health and education, due to physical barriers, lack of sufficient trained personnel and persistent discrimination, though some estimates indicate that 6.5 per cent of children from two to nine years of age in Bosnia and Herzegovina have

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<sup>210</sup> UNCT (2024), Fourth Universal Periodic review of Bosnia and Herzegovina; submission by the UNCT, <https://bosniasherzegovina.un.org/en/285462-un-country-team-submission-fourth-universal-periodic-review-bosnia-and-herzegovina>

<sup>211</sup> European Court of Human Rights (2015), Case of Hadžimejlić and others V. Bosnia and Herzegovina, [https://Hudoc.Echr.Coe.Int/Eng#%22itemid%22:\[%22001-158470%22\]}](https://Hudoc.Echr.Coe.Int/Eng#%22itemid%22:[%22001-158470%22])

some form of disability.<sup>212</sup> Promisingly, two cantons of the Federation have initiated periodic child disability reassessments,<sup>213</sup> together with increased access to basic social services.

Traditional social norms intensify these issues, leaving many isolated, particularly in rural areas and smaller towns, where limited involvement in decision-making processes and inadequate accessibility to information exacerbate their exclusion.<sup>214</sup>

Several recommendations from the fourth UPR of Bosnia and Herzegovina call on the improvement of the rights of persons with disabilities, including ensuring of their participation in political, economic and cultural life. As previously noted, CESCR expressed concerns about the disproportionate prevalence of poverty among persons with disabilities, "the persistently high level of unemployment among persons with disabilities", "including the poor implementation and effectiveness of the quotas for their employment," and the low enrolment of children with disabilities in primary and secondary education.

The significant barriers faced by persons with disabilities in Bosnia and Herzegovina hinder their full participation in society, impacting SDG 10 (Reduced Inequalities), SDG 4 (Quality Education) and SDG 3 (Good Health and Well-being), as well as SDG 16. Addressing these challenges requires a comprehensive, coordinated approach. There ought to be single definitions of disabilities across the country, enhancing data collection to better understand the needs and experiences of persons with disabilities, ensuring that relevant legislation is harmonized and aligned with the Convention on the Rights of Persons with Disabilities and effectively enforced, including to remove physical and other barriers and systematically sanctioning discrimination against such persons. Furthermore, it is crucial and urgent to improve access to inclusive education and healthcare services, tailoring these services to meet the diverse needs of individuals with disabilities. Raising public awareness and promoting a culture of acceptance can foster an inclusive environment where persons with disabilities are valued and empowered.

### ***g. Civilian victims of conflict-related violations***

The majority of civilian victims from the 1990s conflict, including survivors of detention camps and of torture, including conflict-related sexual violence (CRSV), families of missing persons, and children born as a consequence of rape, have not received justice or adequate reparations. Of the estimated 22,000 survivors, only 1,000 would have received some form of reparation.<sup>215</sup> In FBiH, official recognition of the 'civilian victim of war' status allows survivors of sexual violence to receive monthly support. However, only a small number of survivors – mostly men, who face additional stigma – have been granted such status, while the true number of victims remains significantly higher.

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<sup>212</sup> Unicef, Children with Disabilities, <https://www.unicef.org/bih/en/node/506>

<sup>213</sup> Revised Laws on Social Protection and new By-laws on Child Disability Assessment and Referral in the Zenica-Doboj and Herzegovina- Neretva Canton; Revised Law on Primary Education in the Una Sana Canton.

<sup>214</sup> UNDP (2020), National human development report 2020: Social inclusion in Bosnia and Herzegovina.

<https://www.undp.org/bosnia-herzegovina/publications/national-human-development-report-2020-social-inclusion-bosnia-and-herzegovina>

<sup>215</sup> Global Survivors Fund, TRIAL International and Vive žene (2023), Survivors in Bosnia and Herzegovina still feel neglected and forgotten, finds a new study, <https://www.globalsurvivorsfund.org/latest/articles/survivors-in-bosnia-herzegovina-still-feel-neglected-and-forgotten-finds-a-new-study/>

Many families of persons who went missing because of the conflict also endure many challenges. While almost 80 per cent of missing persons have been identified, nearly 8,000 remain to be found or identified, and many families are losing hope of ever finding their loved ones, especially as they age.

Civilian victims of conflict-related violence remain particularly vulnerable, as the root causes of their marginalization continue to be highly politicized and subjected to revisionism by some political leaders. Consultations with survivors reflected that societal stigma pushes some of them to the margins, while a lack of political will to effectively address transitional justice impedes reconciliation. The stigma and silence surrounding CRSV survivors in particular are largely unrecognized. Despite efforts by organizations such as Forgotten Children of War to advocate for the rights of children born of wartime rape and improve the legal framework for survivors, progress remains insufficient given the scale of these crimes. Many survivors are believed to endure long-term PTSD and associated mental health conditions. This challenge is further compounded by inadequate access to specialized psychological and psycho-social support, leaving survivors without the care necessary to address the enduring impacts of their trauma.

The absence of a comprehensive transitional justice strategy has resulted in a lack of a countrywide reparations framework, leaving survivors, irrespective of their ethnic background or place of residence, to navigate a complex and fragmented legal and institutional framework to access support and basic rights. Consequently, many victims are denied essential support, including compensation, medical care and psycho-social assistance, highlighting the urgent need for effective mechanisms to address past injustices and provide meaningful recovery resources.

Since 2015, courts in Bosnia and Herzegovina have issued several rulings mandating compensation for victims of war rape. From 2020 to 2023, courts, including the Court of Bosnia and Herzegovina, Doboj District Court and the Cantonal Court in Novi Travnik, ordered perpetrators to pay compensation ranging from BAM 20,000 to BAM 60,000 to victims. Six of these rulings have become final, two are awaiting appeal outcomes and one verdict was cancelled, leading to a retrial.<sup>216</sup> Nevertheless, reparations remain fragmented, uneven and inadequate. Deadlines have been imposed for claiming the status of victim but these expired in 2023 in RS. In that entity, survivors are also still required to pay court fees due to statutes of limitations. Advocacy by associations of survivors contributed to the adoption of laws on the protection of civilian victims of war in BD (2022) and FBiH (2023), including the recognition of children born as a consequence of conflict-related rape as victims. These laws, however, impose deadlines for submitting claims.<sup>217</sup>

The Special Rapporteur on the promotion of truth, justice, reparation and guarantees of non-recurrence has recommended adoption without delay of, “*a comprehensive legal framework*,

<sup>216</sup> Trial International (2021), Imovinskopravni Zahtjevi U Krivičnom Postupku, <https://trial.ba/wp-content/uploads/2021/02/IMOVINSKOPRAVNI-ZAHTJEVI-U-KRIVICNOM-POSTUPKU.pdf>

<sup>217</sup> UNCT (2024), Fourth Universal Periodic review of Bosnia and Herzegovina; submission by the UNCT, <https://bosniahirzegovina.un.org/en/285462-un-country-team-submission-fourth-universal-periodic-review-bosnia-and-herzegovina>

*and a concomitant national reparation programme, that: (a) recognizes the status of all categories of wartime victims, including, *inter alia*, victims of torture, victims of conflict-related sexual violence, children born of rape, and relatives of missing persons; and (b) provides full, prompt and effective reparation (including compensation, rehabilitation, restitution and satisfaction) to all categories of victims, regardless of their place of residence, their ethnic origin or where the violation took place. The framework should clearly define the criteria for obtaining the status of victim and set out the specific rights and entitlements guaranteed to all victims throughout the country. Registration procedures should be clearly communicated and accessible to all victims, require a low threshold of evidence of victimhood, and not be time-bound. The legal framework and the reparation programme should be adopted in full consultation with victims, be fully compliant with international standards, and include a victim-centred approach and a gender and disabilities perspective.”* The Special Rapporteur also called for the establishment of, “a mechanism to monitor the effective and adequate registration, recognition, and awarding of reparations to wartime victims, which includes data disaggregated by type of violation suffered, ethnicity, gender, place of residence, and type and amount of reparation granted to victims,” and urged the authorities to, “halt the application of the statute of limitations to reparation claims directed against the entities/the district or the State, as well as the imposition and forced collection of legal fees from victims whose claims have been unsuccessful,” and to, “immediately cancel the related debts imposed on victims, and compensate those who had their income or assets seized.”<sup>218</sup>

Bosnia and Herzegovina needs to strengthen its transitional justice mechanisms and legal frameworks to address the needs of conflict survivors. Progress in reparations and psycho-social support is crucial for healing and reconciliation. Addressing these issues is essential for achieving SDG 16 (Peace, Justice and Strong Institutions) and SDG 3 (Good Health and Well-being), ensuring justice, peace and long-term stability.

#### ***h. Migrants, refugees and asylum seekers***

Since 2018, some 160,000 refugees and migrants have transited through Bosnia and Herzegovina on their way to the EU.<sup>219</sup> In 2023, authorities recorded a 25 per cent increase in the number of irregular migrants, with nearly 35,000 arrivals, mainly from Afghanistan (42%), Morocco (21%) and Syria (7%). Women and children represent 17 per cent of persons assisted in the four Temporary Reception Centres (TRCs) in operation in the country. People on the move spent an average of eight days in TRCs, transiting more rapidly across the country than in the previous year, a trend that has been linked to increased sophistication of the people-smuggling networks operating in the region. In total, in 2023, more than 54,000 individuals, including 6,000 children, 4,200 of whom unaccompanied, were assisted within TRCs.<sup>220</sup> Of all those, 17 per cent were identified as having specific protection risks

<sup>218</sup> OHCHR (2022), A/HRC/51/34/Add.2: Visit to Bosnia and Herzegovina <https://www.ohchr.org/en/documents/country-reports/ahrc5134add2-visit-bosnia-and-herzegovina-report-special-rapporteur>

<sup>219</sup> Irregular arrivals recorded by the BiH Ministry of Security for the period 01 January 2027 to 22 June 2024.

<sup>220</sup> International Organization for Migration (n.d.), Displacement tracking matrix (DTM) reports, <https://bih.iom.int/displacement-tracking-matrix-dtm-reports>

and needs, including unaccompanied minors, persons with medical conditions or mental health conditions, persons with disabilities, older persons, LBGTQ and potential victims of GBV. By mid-2024, that proportion had increased to 31 per cent.<sup>221</sup> Meanwhile, migrants and refugees, particularly women and unaccompanied children, traveling through, stranded in or being smuggled through Bosnia and Herzegovina are vulnerable to trafficking.<sup>222</sup> The risks encountered by people on the move on the Western Balkan route vary, though the pathways and solutions available remain limited.

Most individuals arriving irregularly in the country are issued with an attestation of the expressed intent to apply for asylum (AISA) by the Service for Foreigners' Affairs, representing the first step in the asylum procedure. However, only a small percentage of AISA recipients have a genuine interest in seeking asylum but manage to submit a formal application. As of the end of October 2024, there were 205 asylum seekers in Bosnia and Herzegovina, mostly from Syria, Türkiye and the Russian Federation. In addition, 235 persons were under international protection, originating mostly from Türkiye, the Russian Federation and Serbia and Kosovo<sup>223</sup>, and there were 239 people from Ukraine who had not been granted temporary protection but stay on humanitarian grounds, a status that comes with no rights except legal stay in the country.

Asylum processing remains lengthy, with, as of October 2024, more than 30 per cent of asylum seekers waiting more than six months for a refugee status determination interview. Status of subsidiary protection was issued more often than refugee status by the authorities. Under the current legal framework, persons under subsidiary protection are not entitled to family reunification, travel documents, permanent residency or naturalization, regardless of how long they remain in Bosnia and Herzegovina. Consequently, many individuals find themselves in an indefinite precarious position, requiring regular review and renewal of their status, hindering their ability to integrate fully into the country. The government's free legal aid system is unable to respond to the needs, with gaps in terms of legislation, funding, staffing, expertise and interpretation. The existing free legal aid framework, which comprises legislation at state, entity and cantonal levels, lacks harmonization to include all vulnerable individuals as beneficiaries of free legal aid, while eligibility and access conditions still differ according to place of residence. Further efforts are necessary to establish a genuine free legal aid system accessible in both law and practice across the country to forcibly displaced persons.

In August 2024, CERD expressed concerns about the refusal of entry, including pushbacks and expulsions of migrants without access to asylum procedures; administrative detention of migrants, including children; inadequate protection provided to unaccompanied children, including delays in appointing legal guardians for them; the practice of using mandatory

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<sup>221</sup> International Organization for Migration (n.d.), Displacement tracking matrix (DTM) reports, <https://bih.iom.int/displacement-tracking-matrix-dtm-reports>

<sup>222</sup> US Department of State (2024), 2024 Trafficking in Persons Report: Bosnia and Herzegovina, <https://www.state.gov/reports/2024-trafficking-in-persons-report/bosnia-and-herzegovina/>

<sup>223</sup> References to Kosovo shall be understood to be in the context of Security Council resolution 1244 (1999).

HIV testing for migrants; reports on the use of racial profiling practices at the border by migration authorities that may have led to returns of migrants without adequate access to legal asylum procedures; and hate speech, racial hatred and xenophobia against migrants. The Committee made recommendations to address these concerns.<sup>224</sup>

Enhancing governance institutions, building the capacity of administrative officials and aligning legal frameworks with international standards are crucial steps to ensuring effective access to services and protection for migrants, refugees and asylum seekers. These efforts directly support achievement of SDG 10 (Reduced Inequalities) and SDG 16 (Peace, Justice and Strong Institutions). Furthermore, creating pathways for migrants to integrate into the labour force can address demographic challenges while driving economic growth, contributing to SDG 8 (Decent Work and Economic Growth).

### *i. Internally displaced persons and returnees*

In 2024, Bosnia and Herzegovina recorded 91,223 registered internally displaced persons (IDPs), with one third requiring assistance to secure durable solutions.<sup>225</sup> Fragmented administrative processes and inconsistent application of legislation continue to obstruct IDPs' access to economic and social rights, including healthcare, social protection, adequate housing, employment and education. Progress has been made regarding housing solutions, particularly with the adoption of social housing laws in certain regions and the implementation of targeted housing projects. Completion of the Regional Housing Programme in 2023 marked a significant milestone, delivering 2,800 new housing units to support displaced populations.

In some areas, persons who have returned to the place where they resided before the conflict – often still referred to as returnees – and where they now are ethnic minorities still face challenges, including hate speech. In recent years, attacks against returnees have taken place but usually remain unpunished. There have also been attacks or vandalism on religious buildings.

Ongoing efforts are needed to address systemic barriers and provide comprehensive support for sustainable reintegration and long-term stability, contributing to SDG 1 (No Poverty), SDG 10 (Reduced Inequalities) and SDG 11 (Sustainable Cities and Communities).

### *j. Stateless people and people at risk of statelessness*

As of October 2024, UNHCR was aware of 16 individuals who were stateless or at risk of statelessness in Bosnia and Herzegovina. These individuals include Roma, former refugees

<sup>224</sup> Committee on the Elimination of Racial Discrimination (2024), <https://www.ohchr.org/en/treaty-bodies/cedr>

<sup>225</sup> Regional Housing Programme (2023), Annual Report 2023, <https://regionalhousingprogramme.org/wp-content/uploads/publications/annual-report/2023/>

from Croatia residing in RS, children born to undocumented migrants and asylum seekers, persons born abroad without registration and persons lacking a birth certificate or citizenship registration.

The country has made significant progress to address the issue of statelessness, with 869 formerly stateless people acquiring nationality or having it confirmed since the start of the #IBelong campaign, launched in 2014. In 2024, the country pledged to resolve the remaining cases still pending. While Bosnia and Herzegovina has made efforts to achieve this goal, a sustainable prevention mechanism is lacking and there are gaps in both law and practice that need to be addressed to prevent new cases from arising. To address these issues, UNHCR supports the authorities in facilitating birth and citizenship registration and advocates for legal reforms, contributing to SDG 10 (Reduced Inequalities) and SDG 16 (Peace, Justice and Strong Institutions).

# 11. *Multidimensional SDG Risk Analysis*



Bosnia and Herzegovina faces a range of multidimensional risks that threaten its progress towards achieving the SDGs. To better understand and anticipate these challenges, the UN in Bosnia and Herzegovina, in collaboration with UN Global Pulse, conducted a Strategic Foresight exercise. The platform facilitated discussions on potential risks across political, social, demographic and environmental sectors, particularly their impact on vulnerable groups, and the need for targeted capacities in prevention, adaptation and recovery. Through analysis of current trends, the exercise explored a baseline scenario alongside 'transformative' and 'chaotic' scenarios, aiming to challenge existing assumptions and adopt a more forward-looking perspective on possible futures. The key risks identified through this process are outlined in the table below, along with the targeted SDGs. By addressing these risks proactively, the country can mitigate potential setbacks and enhance resilience toward achieving sustainable development.

Risk category	Specific risk identified	Likelihood <sup>226</sup>	Time horizon <sup>227</sup>	Related SDG	Mitigation action
Governance	Prolonged political deadlock	high	long	16, 17	Strengthen dialogue mechanisms, support inclusive governance reforms
	Weak institutional effectiveness and crisis cycles	medium	long	16	Capacity building for state institutions, anti-corruption reforms
	Heightened cybersecurity threats	medium	short	16, 17	Strengthen cybersecurity infrastructure, promote information sharing, develop cybersecurity policies, strengthen regional cooperation
Justice and rule of law	Political interference in judiciary undermining the rule of law	high	long	16	Enhance judicial independence, increase transparency and accountability
	Corruption driving youth emigration and brain drain	high	long	8, 16	Strengthen anti-corruption frameworks, promote civic engagement
Civic space and freedoms	Legislative restrictions on freedom of expression and assembly	high	short to long	16	Advocacy for legal protections, strengthen civil society networks
	Targeting of activists and human rights defenders	high	short to long	16	Support protection mechanisms for human rights defenders
Discrimination	Heightened divisions among communities, particularly due to education system	high	long	4, 10	Promote inclusive education reforms, strengthen inter-ethnic dialogue
	Ethnic-based discrimination in employment and politics	high	long	10, 16	Strengthen anti-discrimination policies, ensure fair political representation, revise election law

**226** Likelihood is assessed as high, medium or low, based on a comprehensive desk review, findings from stakeholder consultations and results from the Strategic Foresight exercise. This methodology provides a data-driven and participatory approach to evaluating each risk, ensuring that both historical data and expert insights are considered in the analysis.

**227** The time horizon is assessed based on the immediacy of the risk. Short-term risks are those that require urgent attention or are expected to have visible impacts within the next 1 to 3 years. Long-term risks, on the other hand, develop more gradually and may take several years or even decades to fully materialize. However, if not addressed proactively, these long-term risks can still lead to significant consequences.

Peacebuilding	Limited reconciliation efforts	medium	long	16, 5, 10	Support truth and reconciliation initiatives, strengthen social cohesion programmes, build on Secretary-General's Peacebuilding Fund, and Women, Peace and Security agenda
	Incomplete transitional justice	medium	long	16, 10	Support truth and reconciliation initiatives, ensure victim participation and empowerment, strengthen accountability mechanisms
Economic stability	High youth and women unemployment	high	short	8, 9, 10, 11	Enhance vocational and training programmes and lifelong learning, address labour market mismatches and shortages, empower women
	Weak private sector growth	medium	long	8, 9, 10, 11	Support MSMEs development and access to finance, support FDIs,
	Overreliance on key sectors	medium	long	8, 9	Diversify the economy, invest in sustainable industries, invest in research and development
	Political instability and lack of consensus on economic reforms delay critical investments	high	short	8, 9	Adopt EU Growth Plan, support inclusive governance reforms
Demographic resilience	Population decline due to emigration and aging	high	long	3, 8, 9	Develop policies to ensure childcare and long-term care for older persons, activate/employ women, retain youth, improve social protection systems and conduct a new census
	Increased brain drain and loss of human capital essential for innovation and development	high	short	4, 8, 9	Diversify the economy, support entrepreneurship, promote wage increases and better work conditions, invest in education and training, encourage return migration, strengthen diaspora engagement, attract, retain foreign talent and develop migration statistics
Environment and climate	Reliance on fossil fuels threatens carbon-intensive industries	medium	short	7, 13	Promote renewable energy, incentivize green investments, support a just transition, align with EU CBAM regulations
	Air and water pollution affecting health and environment	high	short	3, 6, 7, 12, 14, 15	Strengthen environmental regulations, improve public health monitoring, promote renewable energy, invest in water treatment
	Increased frequency of extreme weather events	high	long	6, 8, 9, 10, 11, 13	Invest in climate adaptation and DRR infrastructure
	Degradation of natural resources and food insecurity	medium	long	2, 3, 6, 8, 12, 13, 15	Invest in biodiversity protection, promote sustainable agriculture, support circular economy
Regional and global influences	Security threats from neighbouring countries	medium	short	all	Promote regional cooperation, address internal stability and cohesion
	Vulnerability to external shocks	medium	short	all	Diversify the economy, enhance financial and fiscal stability, strengthen social protection systems, develop strong trade and supply chain networks

# 12. *Financial Landscape Analysis*



The financial landscape in Bosnia and Herzegovina presents both opportunities and challenges in the context of financing sustainable development and achieving the 2030 Agenda. The country's economic model remains largely dependent on external financial inflows, including remittances, foreign aid and loans, that have played a critical role in fuelling consumption-based growth. Although Bosnia and Herzegovina is considered an upper-middle income country in terms of GDP per capita, due to its large public sector, its governments are unable to finance many development initiatives without external support. However, significant domestic resources exist, including surplus in banking funds. Unlocking SDG financing requires strengthening existing mechanisms and introducing new instruments aligned with international standards. A coordinated approach is essential to reducing external dependence and driving long-term development.

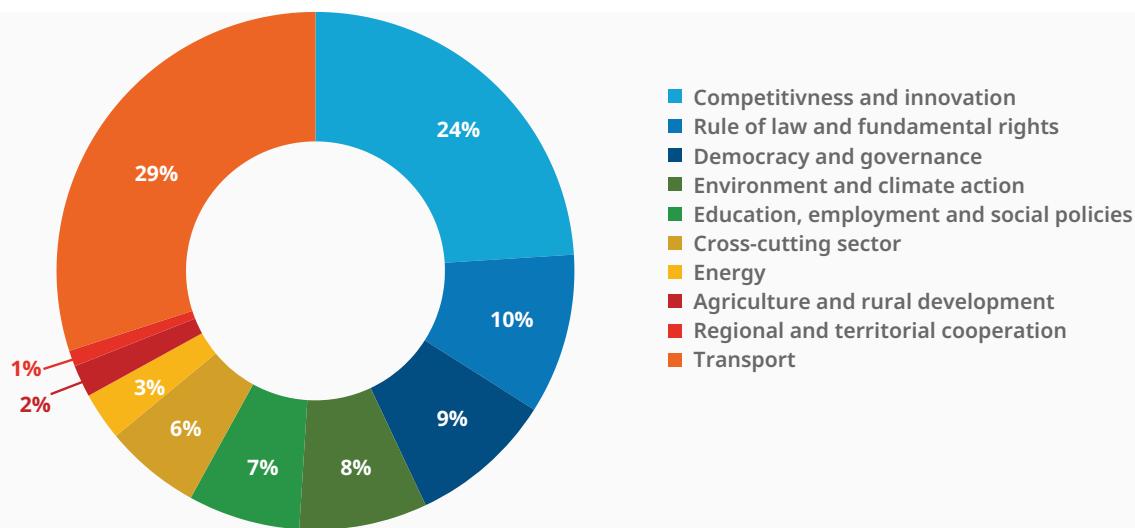
### ***a. External financial inflows***

Official development assistance (ODA) remains an important source of financing, constituting a substantial share of Bosnia and Herzegovina's external financial inflows. In 1995, ODA accounted for approximately 59.4 per cent of the country's gross national income (GNI), reflecting the international community's efforts to support post-conflict recovery. However, by 2022, ODA had decreased to around 1.2 per cent of GNI,<sup>228</sup> signalling the country's gradual shift towards domestic revenue mobilization and the need for more sustainable financing sources. Nevertheless, ODA continues to play a crucial role in funding infrastructure, governance reforms and social protection, with significant support coming from the EU and IFIs. In 2022, ODA amounted to \$698.41 million, of which \$263.13 million (37.7%) was in the form of grants and \$435.28 million (62.3%) in loans. ODA allocation saw a modest increase of 4.5 per cent compared to 2021, while total disbursements decreased by 22.4 per cent, primarily due to the timing of loan disbursements from agreements signed in previous years.<sup>229</sup> The largest bilateral partners in ODA disbursement are the EU, USA and USAID, Sweden, the UN, Switzerland and Croatia. Importantly, 85 per cent of ODA is directed towards five priority sectors: Competitiveness and Innovation (33%), Cross-cutting sectors (18%), Education, Employment and Social Policies (13%), Rule of Law and Fundamental Rights (10%) and Environment and Climate Action (10%). However, actual disbursements have been concentrated in Transport and Competitiveness and Innovation (Chart 16).

<sup>228</sup> OECD (2024), ODA trends and statistics, <https://www.oecd.org/en/topics/oda-trends-and-statistics.html>

<sup>229</sup> Ministry of Finance and Treasury of Bosnia and Herzegovina (2022), Development Partners Mapping Report, [http://www.donormapping.ba/data/Migrirano/Dokumenti/DMR/DMR\\_2022\\_ENG.pdf](http://www.donormapping.ba/data/Migrirano/Dokumenti/DMR/DMR_2022_ENG.pdf)

Chart 16. Total ODA disbursements, by sector, 2022



Source: Ministry of Finance and Treasury, 2022 [http://www.donormapping.ba/data/Migrirano/Dokumenti/DMR/DMR\\_2022\\_ENG.pdf](http://www.donormapping.ba/data/Migrirano/Dokumenti/DMR/DMR_2022_ENG.pdf)

The EU is Bosnia and Herzegovina's largest financial supporter, advancing the country's reform processes towards accession. Between 2007 and 2020, it provided €1.9 billion under the Instrument for Pre-accession Assistance (IPA) I and II. For 2021–2027, additional funds are available under IPA III, allocating €14.2 billion for the Western Balkans economies. On 8 November 2023, the European Commission launched a new Growth Plan for the Western Balkans, aiming to accelerate socio-economic convergence with the EU through €6 billion in grants and loans. To access this funding, countries must submit a Reform Agenda, focusing on the business environment, green and digital transformation, human capital and EU-accession fundamentals. However, Bosnia and Herzegovina's final Reform Agenda remains to be submitted due to a lack of agreement among the country's authorities.

IFIs have been pivotal in supporting Bosnia and Herzegovina's development through substantial financial flows aimed at enhancing economic stability and infrastructure. Since 2000, the World Bank has invested over \$2 billion in various sectors, focusing on key areas such as transport, energy, healthcare and social protection. In 2022, it approved a \$155 million project to improve road connectivity and support sustainable urban mobility. The European Investment Bank (EIB) has also made significant contributions, providing around \$2.6 billion in loans and grants since 2001 (approximately €2.4 billion). Notably, in 2021, it committed \$240 million (€200 million) for the rehabilitation and expansion of water supply and wastewater infrastructure, crucial for improving public health and environmental sustainability. The European Bank for Reconstruction and Development (EBRD) has invested more than \$1.8 billion (approximately €1.6 billion) in over 160 projects in Bosnia and Herzegovina, focusing on infrastructure, energy efficiency and private sector development. In 2022, it allocated \$110 million (€100 million) for a major upgrade of the railways, enhancing transport efficiency and connectivity. Additionally, the International Monetary Fund (IMF) has provided financial assistance through various programmes, with cumulative lending reaching

approximately \$1.2 billion since 1995. This support has been instrumental in addressing balance of payments issues and facilitating economic reforms. Despite these investments, challenges remain in the overall coordination of IFI support, necessitating a concerted effort to maximize the effectiveness of these financial flows in achieving the SDGs.

Remittances stemming from Bosnia and Herzegovina's large diaspora constitute a major financial inflow, accounting for approximately 10.4 per cent of GDP in 2023 (with an even larger share contributed through informal cash transfers). These remittances provide essential financial support to households, particularly in rural areas, where economic opportunities are limited. While the country's large diaspora holds potential for development through investments, trade, skills and cultural exchange, there is limited analysis of how remittances could be better leveraged for long-term investments and SDGs.

FDI is lower than in other countries in the Western Balkans, despite Bosnia and Herzegovina having recovered fully following the COVID-19 pandemic, reaching a new record of \$661 million in 2022.<sup>230</sup> Political instability, corruption and bureaucratic inefficiencies are often cited as significant barriers to attracting investors. In 2022, FDI amounted to just 3 per cent of GDP, insufficient to drive the significant economic transformation required to meet the SDGs. The most substantial FDI inflows are concentrated in manufacturing (29%), financial services (20%) and telecommunications and trade (10% each). Inward FDI mainly originate from Austria (15%), Croatia (15%) and Serbia (14%).<sup>231</sup>

### ***b. Domestic resources***

One critical challenge facing Bosnia and Herzegovina is alignment of public expenditure with the SDG priorities. Although the SDG Framework is well established, the lack of monitoring and budget tagging to track SDG-related expenditures makes it difficult to assess how much is being allocated towards these goals. As a result, the extent of existing SDG spending remains largely unknown. While public budgets accounted for 42.7 per cent of GDP in 2023,<sup>232</sup> allocation of these resources was often inefficient, with significant fragmentation across the different levels of government. Additionally, the country's fiscal policies, including heavy reliance on indirect taxes, such as VAT, disproportionately affect lower income households who typically spend a higher percentage of their income on everyday goods and services.<sup>233</sup> Meanwhile, inadequate spending on education, healthcare and infrastructure fails to address pressing social needs and support long-term growth, undermining the realization of economic, social and cultural rights. Moreover, fragmented budget allocations across different government levels complicate fiscal coordination, reducing the effectiveness of public spending and undermining efforts to tackle poverty and social exclusion.

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<sup>230</sup> UNCTAD (2023), UNCTADstat, <https://unctadstat.unctad.org/wds/>

<sup>231</sup> Central Bank of Bosnia and Herzegovina (2022), External Sector Statistics, [http://statistics.cbbh.ba/Panorama/novaview/SimpleLogin\\_en.html.aspx](http://statistics.cbbh.ba/Panorama/novaview/SimpleLogin_en.html.aspx)

<sup>232</sup> Trading Economics (2024), Government Spending to GDP, <https://tradingeconomics.com/bosnia-and-herzegovina/government-spending-to-gdp#:~:text=Government%20Spending%20to%20GDP%20in%20Bosnia%20And%20Herzegovina,2005.%20source%3A%20Central%20Bank%20of%20Bosnia%20and%20Herzegovina>

<sup>233</sup> UN Committee on Economic, Social and Cultural Rights (2025), Fair and effective tax policies needed to advance economic, social and cultural rights and equality, UN committee says, <https://www.ohchr.org/en/press-releases/2025/02/fair-and-effective-tax-policies-needed-advance-economic-social-and-cultural>

The financial sector is dominated by banking, which accounts for 88 per cent of total financial assets as of June 2022<sup>234</sup> (compared to 50% in the euro area). Over the past decade, credit provision to the private sector has notably declined (dropping from 60.8% of GDP in 2013 to 48.1% in 2022),<sup>235</sup> indicating a reduction in the primary source of financing for the economy. The country's complex institutional framework and lack of a unified financial market create significant barriers to accessing bank finance. This affects particularly SMEs, despite accounting for 99.5 per cent of all enterprises in 2020,<sup>236</sup> as essential actors for driving green economic growth and directing investments towards sustainable initiatives. While various policy measures, such as credit guarantee schemes and credit lines, are available in both entities to support SME financing, these initiatives often struggle with efficiency challenges.

Bosnia and Herzegovina has acknowledged the need for more effective financing mechanisms to achieve its SDGs through the Framework adopted in 2021. The subsequent 2023 SDG Financing Framework (SDG FF) provides a cohesive set of policies and financial instruments for all levels of government to accelerate progress towards Agenda 2030. It prioritizes three key sectors with high potential for achieving the SDGs: digitalization, infrastructure and energy, and research and development. These areas are seen as catalysts for creating additional fiscal space to finance sustainable development. The SDG FF highlights that, in order for investment to increase in the SDGs to the level of the comparator group of countries (upper middle-income countries), allocations for the SDGs should be increased to BAM 86.1 billion in the period 2023–2030, i.e., BAM 10.0–10.8 billion per year, compared to BAM 79.9 billion that would be allocated if the current approach were to continue to be used.<sup>237</sup>

The financial resources needed to invest in the SDGs are available, with surplus funds exceeding BAM 3.4 billion within the banking system alone. However, unlocking additional financing for the SDGs requires strengthening existing mechanisms or developing new instruments aligned with international policies, standards and regulations. Key instruments identified for financing the three priority sectors for SDG achievement include: (i) Strategic Investment Funds (SIFs) for energy and digitalization; (ii) (green) syndicated loans for infrastructure financing; (iii) SDG bonds for research and development; and (iv) Apex financial structures for SMEs. It is estimated that SIFs alone could mobilize up to BAM 1 billion between 2024 and 2030. To maximize the impact of financing in priority sectors for SDG achievement, a synergistic approach is essential. This would involve complementing the key financing instruments with additional mechanisms, such as the digital transition scheme, social impact bonds and, notably, the GHG emissions trading system (ETS). The last of these is expected

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<sup>234</sup> Central Bank of Bosnia and Herzegovina (2022), Comment on Trends in the Sector of Nonbanking Financial Institutions, <https://www.cbbh.ba/content/DownloadAttachment?id=7a7c82f1-a559-4f0f-a2c1-673dc88491ee&langTag=en>

<sup>235</sup> World Bank (2022), The Global Financial Development Database, <https://www.worldbank.org/en/publication/gfdr/data/global-financial-development-database>

<sup>236</sup> OECD (2022), SME Policy Index – Bosnia and Herzegovina Economy Profile, [https://www.oecd-ilibrary.org/development/sme-policy-index-western-balkans-and-turkey-2022\\_b86496a6-en](https://www.oecd-ilibrary.org/development/sme-policy-index-western-balkans-and-turkey-2022_b86496a6-en)

<sup>237</sup> Financing Framework for the Sustainable Development Goals in Bosnia and Herzegovina (2023), <https://www.bing.com/ck/a?!&p=594a3ce87ebf04f508977acb5651b2f0e542c73d342ca8af64690e16531ba563JmltdHM9MTcyOTQ2ODgwMA&ptn=3&ver=2&hsh=4&fclid=192d4deb-3c01-6db1-02ff-58e13d1c6cb5&psq=Financing+Framework+for+the+Sustainable+Development+Goals+in+Bosnia+and+Herzegovina+2023&u=a1aHR0cHM6Ly9menpwc15nb3YuYmEvLi4vZmIsZXMyT3RoZXlvQklJITlwUm9hZCUyME1hcCUyMGZvciUyMFNERyUyMEZpbm-FuY2luZyUyMEZyYW1ld29ayUyMHByZXBhcmF0aW9uX0VOR18xNS4wMy4yMy5wZGY&ntb=1>

to mobilize BAM 1.76 billion between its introduction in 2025 and 2030.<sup>238</sup> Given that the EU granted candidate status to Bosnia and Herzegovina in December 2022, aligning with EU sustainable financing taxonomies and standards is also of importance. This includes aligning with the EU Green Deal, the EU Taxonomy Regulation for sustainable activities and climate change mitigation and adaptation standards, the EU Green Bond Standard, the EU corporate sustainability reporting rules, including Corporate Sustainability Reporting Directive and the EU Digital Services Act and the EU Digital Markets Act.

Overall, while Bosnia and Herzegovina has committed to mobilizing financial resources for development, significant challenges remain. The country must continue to diversify its financial sources, improve public financial management and foster an enabling environment for private investment if it is to meet its 2030 Agenda commitments. Ensuring sustainable development financing in Bosnia and Herzegovina requires a strategic shift from reliance on external financial inflows towards more effective mobilization of domestic resources. While remittances, ODA and FDI continue to provide essential funding, long-term sustainable development depends on improving public expenditure alignment with SDG priorities, enhancing financial market efficiency and introducing innovative financing mechanisms.

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<sup>238</sup> Ibid.

# 13. Stakeholder and Partnership Analysis



The success of the 2030 Agenda relies on the active and meaningful involvement of a broad range of stakeholders. The Stakeholder and Partnership Analysis for Bosnia and Herzegovina highlights the intricate network of actors driving sustainable development in the country. These include the various levels of government, international development partners, CSOs and the private sector, all playing pivotal roles in advancing shared goals.

The complex and highly decentralized governance system of Bosnia and Herzegovina requires a specific and inclusive partnership approach with the authorities to ensure a countrywide cohesion and ownership of development activities. This implies timely and continuous engagement of relevant authorities from state, entity, BD and cantonal levels in design, as well as implementation of development activities. The inclusive approach strengthens the potential for countrywide ownership of the intended results, successful and cohesive achievement of the objectives and institutionalization and sustainability of the implemented activities. This also strengthens the partner's reputation in terms of its credibility, impartiality and transparency essential for a successful engagement in a context such as Bosnia and Herzegovina.

The role and mandate of the SDG Council in Bosnia and Herzegovina makes it one of the most important and relevant partners for the international and other development stakeholders. With its mandate and membership formally established in April 2021, the SDG Council is the first institutionalized coordination body responsible for countrywide oversight and implementation of the 2030 Agenda in Bosnia and Herzegovina. With preparation of the SDG Framework, the first countrywide strategic vision on sustainable development in over a decade, two SDG Voluntary National Reports and the SDG Financing Framework, the SDG Council has established itself as one of the most relevant and logical links for partnership on sustainable development. The SDG Council's politically inclusive membership, responsible directly for strategic planning processes at all levels of government, provides a relevant and effective platform for a countrywide alignment with sustainable development needs and priorities, as well as engagement of other government and non-government stakeholders in promoting sustainable development and Agenda 2030. There remains room to further engage the Council in fostering more meaningful interaction with CSOs and institutions such as the Human Rights Ombudsman, strengthening inclusive dialogue and cooperation on sustainable development priorities.

International development partners provide substantial financial support through ODA, a key resource for Bosnia and Herzegovina's development. Partners such as the UN, EU and bilateral donors actively engage with government, civil society and the private sector to implement projects aligned with the 2030 Agenda. Their support is crucial not only in terms of funding but also in providing technical expertise, policy guidance and capacity-building initiatives that help overcome structural challenges. Furthermore, international development partners play an essential role in fostering multi-stakeholder collaboration, ensuring that interventions are both inclusive and sustainable.

Within this context, an adequate coordination mechanism for the development partners remains a challenge and necessity. The Donor Coordination Forum, chaired and managed by the state-level Ministry of Finance and Treasury, exists formally and functions but lacks political leadership and ownership, as well as relevant strategic and substantive discussion.

For that, specific partnership and engagement with the Ministry of Finance and Treasury and other relevant authorities is needed to ensure the countrywide leadership and ownership of the ODA, as well as alignment with the needs and priorities in Bosnia and Herzegovina. Here, the promotion of the partnership between the SDG Council and the Ministry of Finance and Treasury is warranted to link effectively the SDG priorities as stipulated in the Framework with the planned engagement of the international development partners.

Acknowledging the overall strategic objective of Bosnia and Herzegovina to join the EU, which continues to provide nominally a common and unifying strategic platform for all levels of government and all relevant political actors, a strong and dedicated partnership with the Union is essential. With the strong political and policy leverage, partnership with the EU provides opportunities for leveraging financial and human capacities in support of the reform processes in the country. For the UN, the ongoing strategic dialogue with the EU Delegation, established in June 2024, is an opportunity to advance complementarity between the 2030 Agenda and the EU accession process and advance joint policy dialogue, advocacy and partnerships in support of the reform efforts by the authorities in the country.

The role of civil society actors, including non-governmental organizations and human rights defenders, has been and will remain crucial to monitoring and advocating for the protection of human rights, GE, social inclusion and environmental protection, and to support and even provide essential services to persons in vulnerable situations, including persons with disabilities, children, civilian victims of conflict-related violations, and prevention of GBV. Their financial sustainability is, however, generally weak, due to very limited funding domestically and decreasing funding from foreign donors. Moreover, as described above, there have been increasing pressure, threats and attacks against civil society actors critical of authorities or conducting work on issues deemed sensitive, including human rights, women's rights and gender, peacebuilding, dealing with the past, anti-corruption and environmental protection. Some political leaders have stigmatized civil society actors, including non-governmental organizations, journalists and environmental defenders, as well as some academics as 'foreign agents', discrediting them and a portion of the non-governmental sector. Adoption of a RS law on a special registry and publicity of the work of non-profit organizations, in February 2025, is a most concerning development, particularly after the numerous calls not to adopt such a law, including by the UN.<sup>239</sup> It is therefore critical to strengthen support to CSOs and human rights defenders and to ensure they can safely and freely conduct their critical work including in promoting human rights and ensuring development policies are inclusive.

The private sector, particularly SMEs, is also a key driver of economic growth and innovation. Initiatives such as the SDG Business Mentor Programme, launched in 2022, aim to bolster the private sector's contribution to sustainable development. However, challenges such as limited access to finance, regulatory barriers and political uncertainty continue to hinder its full potential in driving progress toward the SDGs.

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<sup>239</sup> OHCHR (2025), 'Bosnia and Herzegovina: Bill on registering NGOs will increase government control over civil society operations, say UN experts', <https://www.ohchr.org/en/press-releases/2025/02/bosnia-and-herzegovina-bill-registering-ngos-will-increase-government>

# 14. Conclusions



In conclusion, Bosnia and Herzegovina faces a complex set of interconnected challenges and opportunities on its path toward achieving the SDGs by 2030. The country has made some progress in aligning its policies with the 2030 Agenda through adoption of the SDG Framework, but significant structural and political obstacles remain in achievement of the majority of SDGs, with particular concern about persistent discrimination on all grounds, increasing threats to the rule of law, and an erosion of civic space. Sustainable development hinges on the country's ability to address interconnected governance, economic, social, human rights and environmental challenges, and to navigate carefully the synergies involved in any given actions. Accelerating progress on key SDGs could act as powerful levers for transformative change.

Based on the analysis of the present CA and the country-specific context, eight strategic entry points have been identified as critical enablers of sustainable development, each with the potential to drive catalytic and multiplier effects across the SDGs. These entry points are: 1) Governance reform and institutional strengthening; 2) Social cohesion; 3) Human capital development; 4) Gender equality; 5) Inclusive and sustainable economic diversification; 6) Environmental sustainability; 7) Digital transformation; and 8) Partnerships and regional cooperation. A strong emphasis on promoting and protecting human rights across these areas, addressing the needs of vulnerable groups and upholding the principle of leaving no one behind is embedded across all these priorities, ensuring an inclusive and equitable approach to development. Ensuring alignment with international human rights standards and supporting implementation of Human Rights Mechanisms' recommendations will also be key.

To effectively advance these strategic entry points, a strong foundation of reliable, timely and disaggregated data is essential. Strengthening data and statistics is crucial for identifying disparities and discrimination, understanding demographic trends, and the effects of those trends on socio-economic development, and measuring progress toward the SDGs. Effective policymaking depends on such data and evidence. To address the gaps, the UN system must enhance its support for Bosnia and Herzegovina's statistical institutions and administrative data producers, including improving data collection, analysis, monitoring and reporting while leveraging both quantitative and qualitative data from public institutions, civil society and human rights organizations.

### ***Governance Reform and Institutional Capacities Strengthening***

Bosnia and Herzegovina's decentralized and ethnic-based governance system continue to impede the development of cohesive strategies and institutional capacities. Political fragmentation, rooted in the Constitution embedded in the DPA, creates barriers to coordinated decision making and resource allocation, weakening the ability of institutions to address critical issues such as economic development, social inclusion and other cross-cutting issues. Corruption remains widespread across all levels of government, eroding public trust and undermining the rule of law, while electoral and judicial reforms face political resistance. Vulnerable groups are most affected by gaps in rule of law, as they often face

barriers to justice, adequate protection and representation in decision-making processes. Addressing these challenges is essential for achieving SDG 16 (Peace, Justice and Strong Institutions) and indirectly contributes to the institutional capacities needed for all SDGs.

Effective governance is a prerequisite for tackling cross-cutting challenges, from strengthening institutions, improving social cohesion to driving economic growth, and ensures that all segments of society benefit equitably from development initiatives. To advance governance reform, the UN strategic engagement should prioritize strengthening institutional resilience and accountability, supporting electoral and judicial reforms, promoting inclusive, rights-based decision making and ensuring meaningful participation in decision-making processes. The UN's comparative advantage lies in its ability to facilitate dialogue among political actors, serve as a bridge between authorities, international partners and civil society, provide technical expertise on institutional reform and support the establishment of platforms that foster inclusive and participatory decision making. A strong emphasis should be placed on advocating for human rights-based approaches in governance reform, ensuring that policies and institutional frameworks protect fundamental freedoms, promote social justice and address structural inequalities. The UN can also support evidence-based policymaking through data-driven recommendations and monitoring mechanisms to track progress in governance, transparency and the rule of law.

Key actions include reforming electoral systems to ensure equitable representation, and transparency is key to fostering trust in democratic processes. Strengthening judicial independence and capacity can combat corruption and improve accountability, while expanding anti-corruption mechanisms at all levels of government is crucial to restoring public confidence. Building institutional resilience also demands targeted investments in capacity development, particularly in the public administration, to modernize systems and processes and align them with EU integration requirements. Supporting participatory governance approaches, such as fostering civic engagement and multi-stakeholder platforms, can ensure diverse voices contribute to decision and policymaking processes. Furthermore, leveraging digitalization to enhance the efficiency and transparency of public services is vital for increasing institutional effectiveness and accessibility. Strengthening human rights institutions and mechanisms will be key to holding authorities accountable, safeguarding civic space and ensuring that governance processes are inclusive, participatory and responsive to the needs of all individuals of Bosnia and Herzegovina, particularly those at risk of being left behind.

## ***Social Cohesion***

Social cohesion and peacebuilding in Bosnia and Herzegovina are critical to overcoming entrenched polarization and fragmentation among the three 'constituent peoples' (Bosniaks, Croats and Serbs), as well as national or ethnic, religious and linguistic minorities. These divisions permeate social, economic and political life, including elections, media and education systems. Volatile political dynamics based on identity and ethno-political divisions impede decision-making processes, while persistent divisive rhetoric and the adoption of laws contravening the Constitution and State legislation, particularly by the leadership of RS, exacerbate uncertainty and raise concerns. Fragile institutions and divisive narratives obstruct

constructive dialogue, peacebuilding and sustainable development, further shrinking civic space. Inter-community relations remain fragile. Despite these obstacles, authorities are actively engaged with the Secretary-General's Peacebuilding Fund, signalling a commitment to addressing unresolved historical grievances, the growing challenges to the rule of law and political polarization. Addressing these challenges is essential to achieving SDG 16 (Peace, Justice and Strong Institutions) and SDG 10 (Reduced Inequalities).

The UN's engagement should prioritize strengthening the coordination, coherence and impact of peacebuilding efforts across Bosnia and Herzegovina, utilizing the Peacebuilding Fund as a catalyst. Specific actions include building greater trust, cooperation and a sense of belonging among individuals and communities to address historical grievances and foster social cohesion. Initiatives focused on constructive dialogue, community engagement and youth empowerment can bridge divides, counter divisive narratives and cultivate shared aspirations. Comprehensive efforts to address the past – including the rights to truth, justice and reparation, and guarantees of non-recurrence – will contribute to lasting peace. Strengthening the capacities of local authorities and civil society to respond to complex social dynamics will enhance inclusive service delivery and the protection of human rights, particularly for individuals at risk of being left behind. Youth engagement, trauma transformation and peacebuilding initiatives will empower young leaders as agents of change. Community-level programmes promoting respect for diversity and mutual understanding will help reduce divisive narratives, bridge societal divides and foster shared aspirations.

## ***Human Capital Development***

Human capital development in Bosnia and Herzegovina is key for economic and social progress. The country's education, health and social protection systems remain fragmented and underfunded, with significant inconsistencies in quality and access across regions. This leaves many citizens, especially the most vulnerable, without adequate support during times of crisis. Aligning with SDG 1 (No Poverty), SDG 3 (Good Health and Well-being), SDG 4 (Quality Education) and SDG 10 (Reduced Inequalities) is critical to supporting inclusive growth, poverty reduction, improved public services and social cohesion.

To ensure equitable access to healthcare, social services and education, there is an urgent need for comprehensive social protection reforms and investments that are gender-responsive, needs-based and inclusive. Education reforms should address skill mismatches by emphasizing TVET and fostering lifelong learning to meet labour market demand, in particular for women, young people entering their working life, and older workers who, if properly trained, could stay active longer and be prevented from slipping into poverty, as well as persons with disabilities and Roma. This includes aligning curricula with the demands of future labour markets and equipping students with skills for jobs of the future. Equally, improving the quality and inclusivity of healthcare services is vital for ensuring equitable access to preventive and primary care, particularly in underserved rural areas. Comprehensive social protection systems are necessary to address systemic poverty and ensure that groups at risk of being left behind, such as older persons, persons with disabilities and children, receive adequate support during economic or health crises.

Advancing human capital development requires strong advocacy, accountability mechanisms and inclusive policymaking. Strengthening institutional capacities to design and implement evidence-based policies is essential, supported by enhanced data systems that monitor disparities and track progress in service delivery. The UN can also play a key role in supporting policy and budget coherence, promoting rights-based approaches and ensuring that governance frameworks align with international human rights standards. Furthermore, fostering multi-stakeholder collaboration – including government institutions, the private sector, civil society and international partners – will be essential in closing service delivery gaps and ensuring a coordinated response to demographic and socio-economic challenges. Crucially, empowering young people as both beneficiaries and active participants in shaping education, health and social policies will strengthen democratic governance and ensure long-term sustainability. Even more importantly, by investing in public care services and upskilling and reskilling of women, and achieving greater gender balance in the labour market, immediate effects would be seen in terms of socio-economic development. Investing in human capital amid significant demographic shifts not only fosters economic growth and demographic resilience but also promotes human rights, GE and social cohesion by reducing inequalities and expanding opportunities. These efforts are foundational to ensuring that Bosnia and Herzegovina can achieve sustainable and inclusive development, creating a society where all individuals can thrive.

## ***Gender Equality***

Achieving GE in Bosnia and Herzegovina is fundamental to advancing sustainable development and social cohesion. Despite some progress, significant disparities persist in areas such as political representation, access to justice, economic participation and access to services, particularly for women from groups at risk of being left behind. These include rural women, ethnic minorities, women with disabilities, survivors of violence, including CRSV, and those affected by poverty, who often face compounded barriers to equality and inclusion. Women remain underrepresented in leadership positions across government and the private sector, while GBV and discrimination and the exclusion of women from decision-making processes continue to pose systemic challenges. Aligning with SDG 5 (Gender Equality), SDG 10 (Reduced Inequalities) and SDG 16 (Peace, Justice and Strong Institutions) is essential for empowering women and girls, addressing structural inequalities and fostering inclusive development.

Advancing GE requires targeted actions to strengthen legal and institutional frameworks that protect women's rights and promote equal opportunities. This includes enforcing anti-discrimination laws, addressing wage gaps and improving access to childcare, paid parental leave and flexible working arrangements policies to facilitate women's participation in the labour market. Addressing GBV through prevention programmes, survivor-centred support services and effective implementation of laws is also crucial. Education and awareness campaigns can challenge harmful stereotypes and gender norms and promote gender equity across all facets of society, starting in early education. Efforts should also focus on increasing women's representation in decision-making roles, ensuring their voices are heard and included in shaping policies that affect their lives. Ensuring the effective implementation

of Women, Peace and Security commitments is critical – not only for increasing women's leadership but also for strengthening their active participation in peacebuilding and conflict resolution. Integrating Women, Peace and Security principles into GE frameworks remains a priority to ensure policies and institutional practices support women's rights and contribute to a more inclusive and peaceful society. Addressing the legacy of CRSV also remains an important challenge. Achieving justice and meaningful support for CRSV survivors requires harmonizing legal frameworks, improving the efficiency of war crimes trials, ensuring adequate reparations and fostering a broader societal shift – one where both women and men engage in addressing these issues and where women can lead the charge in advocating for the needs of all war victims.

The UN can play a pivotal role in advocating for policy reforms, strengthening accountability mechanisms and ensuring that governance frameworks align with international human rights standards. In the past, the UN supported the FBiH government in amending its Labour Law and drafting the Law on Social Services, which facilitate women's access to the labour market by providing essential services. The UN also supported adoption of the Federal Law on Protection from Domestic Violence and Violence against Women, harmonized with the Istanbul Convention and driving forward survivor-centred approaches to ending violence against women. Further efforts should also focus on enhancing data collection and gender-sensitive policymaking to track progress and ensure targeted interventions. Strategic partnerships with civil society, the private sector and academia will be key to amplifying advocacy, mobilizing resources and driving systemic change.

Investing in GE is not only a human rights imperative but also a driver of economic growth, improved social outcomes and stronger governance. Unlocking the potential of women – particularly the large part currently excluded from the labour force – will enhance productivity, strengthen social resilience and contribute to Bosnia and Herzegovina's long-term sustainable development. It is a cornerstone of a fair and inclusive society, where every individual has the opportunity to contribute to and benefit from Bosnia and Herzegovina's progress toward sustainable development.

### ***Inclusive and Sustainable Economic Diversification***

Economic growth in Bosnia and Herzegovina remains fragile and uneven, being heavily reliant on external financial flows, remittances and foreign aid, leaving the economy, and vulnerable groups in particular, exposed to external shocks. The country's dependence on a limited number of key economic sectors, particularly energy, metal processing and agriculture, is increasingly challenged by climate change and evolving international regulations, such as CBAM. Limited economic opportunities contribute to persistently low female labour market participation and high youth unemployment and emigration, exacerbating the already extensive brain drain. Addressing these interconnected challenges is critical to achieving SDG 8 (Decent Work and Economic Growth), SDG 9 (Industry, Innovation and Infrastructure) and SDG 10 (Reduced Inequalities).

UN engagement should prioritize advocacy for inclusive policies, strengthening institutional capacity for labour and social protections and promoting responsible investment aligned

with sustainability principles. Enhancing the capacities of authorities to provide both financial and non-financial support to businesses will be crucial in fostering resilient and sustainable economic growth. Facilitating multi-stakeholder collaboration, particularly between government and the private sector, will be key to driving innovation, ensuring social safeguards and expanding economic opportunities for all. By leveraging its convening power and technical expertise, the UN can support Bosnia and Herzegovina in aligning with global commitments to a just and sustainable transition, including multilateral climate mechanisms such as the UNFCCC and COP processes.

Key actions include targeted investments in future-oriented sectors such as green energy, digitalization, the circular economy and ICT are essential. Comprehensive reforms to enhance skills development, reduce labour force skill mismatches and promote TVET and lifelong learning are equally vital. Addressing the existing barriers to women's participation in the labour market and the disproportionate burden of unpaid care work will not only reduce labour supply shortages and skills mismatches, hence contribute to economic development and diversification, but also empower women to make choices about their lives and families. Leveraging foreign talent through policies that incentivize economic immigration can help address labour shortages and address some of the challenges of demographic transition.

Improving the business environment, fostering private sector development and enhancing entrepreneurial frameworks is also necessary of economic diversification. Attracting FDI, supporting SMEs and harnessing the diaspora's potential for innovation and knowledge transfer can significantly bolster resilience and competitiveness. However, it is imperative to ensure that economic diversification is inclusive and does not come at the expense of vulnerable populations, particularly workers in traditional sectors. Investing in inclusive, systems-based and sustainable economic transformation can generate long-term returns, including job creation, technological advancement and greater economic resilience to external shocks. It can also help reduce social inequalities by fostering equitable growth and development across regions and sectors while improving the overall quality of life in Bosnia and Herzegovina.

## ***Environmental Sustainability***

Climate change and environmental degradation are among the most pressing challenges facing Bosnia and Herzegovina's sustainable development, threatening public health, economic stability, ecosystems and long-term resilience. The country's heavy reliance on coal as an energy source makes it one of the most carbon-intensive economies in Europe, resulting in alarmingly high air pollution levels. Projections suggest that climate change and extreme weather events will increase in frequency and severity, causing a surge in natural disasters. Additionally, the protection of natural resources and biodiversity remains insufficient, affecting essential air, water and soil quality. While progress has been made in aligning environmental policies with international standards, the transition to renewable energy, along with implementation of DRR strategies, has been slow. Achieving environmental sustainability is vital for advancing SDG 3 (Good Health and Well-being), SDG 7 (Affordable

and Clean Energy), SDG 11 (Sustainable Cities and Communities), SDG 13 (Climate Action) and SDG 15 (Life on Land), with the potential to drive improvements in economic resilience, public health and the livelihoods of local communities.

To effectively address these interconnected challenges, a comprehensive, systems-based approach is essential, one that integrates environmental governance, climate change adaptation and mitigation, green economic transformation and social protection. The UN's comparative advantage lies in its ability to drive policy reforms that strengthen environmental governance, align regulatory frameworks and policies with international climate and environment commitments, and support the mobilization of finance. By leveraging global funds and mechanisms, the organization can scale up investments in green energy, sustainable infrastructure and climate resilience. Additionally, it can facilitate community engagement in climate adaptation, disaster preparedness and mitigation efforts, ensuring that local populations are equipped to better manage climate-related risks. Furthermore, fostering regional cooperation on green innovation and sharing best practices will be crucial to driving sustainable solutions across borders.

Key actions include accelerating the clean energy transition through policy incentives and competitive and transparent renewable energy auctions, modernizing the energy grid and promoting energy efficiency across industries. Supporting the transition to a circular economy, which prioritizes waste reduction, recycling and sustainable resource use, will also be vital for long-term sustainability. Additionally, enhancing disaster risk management systems and increasing climate resilience, particularly in rural areas, is essential to protecting communities from the increasing frequency and severity of extreme weather events. Strengthening adaptive capacity will not only safeguard lives and livelihoods but also minimize the economic damage from climate-related shocks. Public health is deeply interconnected with environmental sustainability. Improving air quality and reducing pollution will have significant benefits for public health, particularly in reducing respiratory and cardiovascular diseases. Addressing climate change and environmental degradation is essential for ensuring access to clean water and sanitation, both of which are critical for preventing health crises. Furthermore, safeguarding the country's rich biodiversity and natural resources can contribute to sustainable economic development, such as eco-tourism, and promote the sustainable management of land and water. Sustainable farming practices, resilient agricultural systems and effective management of natural resources are crucial for enhancing food security, especially as climate change poses risks to crop yields and the stability of food supply chains.

As the COP28 Declaration on Climate, Relief, Recovery and Peace, as well as the conclusions of the 66th meeting of the Commission on the Status of Women, have highlighted how climate change, environmental degradation and resource scarcity exacerbate insecurity and instability, there is a pressing need to better address the intersections among gender, climate, peace and security. Recognizing the gender dimensions of climate security is crucial to preventing worsening vulnerabilities and to leveraging GE as a catalyst for climate resilience and peacebuilding. Supporting women and their organizations in climate responses strengthens resource management, community resilience and conflict prevention, as demonstrated by UN Women's research into gender-responsive water management.<sup>240</sup>

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<sup>240</sup> UN Women (2023), Spotlight on Goal 6 – from commodity to common good: a feminist agenda to tackle the

Advancing environmental sustainability and climate resilience requires stronger cross-sector partnerships. The UN can play a key role in bridging gaps between government institutions, businesses, civil society and academia, ensuring that Bosnia and Herzegovina's development and sectoral strategies integrate sustainability and resilience. Engaging the private sector in green investments, promoting nature-based solutions and leveraging digital innovation will be crucial for long-term impact. By prioritizing environmental sustainability, Bosnia and Herzegovina can improve the health and well-being of its population, create new economic opportunities and build resilience to both climate and health-related challenges, aligning with its broader sustainable development goals.

## **Digital Transformation**

Bosnia and Herzegovina faces significant challenges in harnessing the potential of digital technologies due to fragmented institutional capacities, outdated infrastructure and limited digital skills among the workforce. The digital divide across regions further exacerbates inequalities, leaving rural and underserved communities without access to essential digital services. However, strategic investments in digitalization and emerging technologies could play a pivotal role in aligning with SDG 9 (Industry, Innovation and Infrastructure), SDG 4 (Quality Education) and SDG 10 (Reduced Inequalities). Furthermore, digital transformation has the potential to act as a critical enabler for achieving progress across all other SDGs by improving governance, enhancing service delivery and fostering innovation across sectors.

To unlock the potential of digital transformation, a systematic and inclusive approach is required. In line with the Digital Compact, the United Nations role can lie in supporting policy and regulatory reforms that create an enabling environment for digital innovation and investment, facilitating multi-stakeholder partnerships between government, the private sector and academia to drive digital infrastructure expansion and workforce upskilling and mobilizing resources and expertise to bridge the digital divide, ensuring that underserved communities have access to digital tools and services.

Key actions should focus on expanding access to broadband and digital infrastructure, particularly in rural and underserved areas, to ensure equitable access to digital services. Investments such as accessible Internet and cybersecurity initiatives, are necessary to ensure widespread connectivity. Special attention should be given to deploying high-speed Internet in rural and remote areas to bridge the urban-rural digital divide. Strengthening digital governance through the development of e-Government platforms can enhance transparency, efficiency and public trust in institutions. Employing digital tools to improve data collection, management and analysis will also enable informed decision making and policy development. Enhancing digital literacy and skills development through education reforms and lifelong learning programmes will ensure the workforce is equipped for the digital economy. In particular, collaboration with educational institutions is key to integrating digital skills into curricula, with a strong emphasis on STEM education for women and girls to close the gender gap in technology. Fostering digital innovation and entrepreneurship

requires creating incentives for technology startups, expanding access to financing and integrating digital solutions into traditional industries. Ensuring an inclusive digital transition, with a focus on women, youth and marginalized communities, is critical to preventing the deepening of existing inequalities.

A successful digital transformation requires collaboration among government, the private sector, academia and civil society to drive innovation and ensure that digital advancements benefit all segments of society. The UN can play a key role in aligning national strategies with global best practices, mobilizing international expertise and facilitating cross-sector dialogue to accelerate digitalization efforts. By prioritizing an inclusive, resilient and future-oriented digital transformation, Bosnia and Herzegovina can enhance governance, unlock new economic opportunities and improve the quality of life for all citizens, ensuring that no one is left behind in the digital age.

## ***Partnerships and Regional Cooperation***

Embracing SDG 17 (Partnerships for the Goals) and prioritizing both regional and global cooperation is crucial for Bosnia and Herzegovina to harness the collective expertise, resources and support of its neighbours and international partners. The EU accession process is a key driver of essential reforms in the country, offering a structured framework to strengthen synergies between the 2030 Agenda and EU integration efforts. It also provides an opportunity to align and consolidate the country's extensive international partnerships, particularly with the UN and other development stakeholders. Sustained and strategic dialogue with the EU on policy coherence, advocacy initiatives and programmatic engagement is crucial for securing and maximizing the technical and financial resources needed to implement these reforms effectively and enhance their overall impact.

Meanwhile, regional cooperation within the Western Balkans is vital for addressing shared challenges and maximizing opportunities for sustainable development. Collaborative efforts can enhance economic integration, promote peacebuilding and effectively manage cross-border issues such as environmental protection, migration and DRR. Initiatives such as the Common Regional Market and the Berlin Process exemplify how regional partnerships can stimulate economic growth, align policies and foster stronger cooperation in key areas of the SDGs. This approach will be critical for building resilience, advancing inclusive growth and ensuring that Bosnia and Herzegovina progresses towards a sustainable and equitable future.

## Annex 1: Western Balkans Common Chapter

The Common Chapter explores mutual processes and challenges that affect multiple countries simultaneously. It outlines some of the common issues such as the political economy, demographic resilience, trade and investment, and transboundary issues. These issues are ones that either affect multiple countries simultaneously or have cross-border dynamics.

### 1. Political Economy

#### EU Accession Process

EU accession is a foreign policy priority for all Western Balkans countries and territories and shapes the political and social economic developments of the sub-region. All of these territories are at different stages of the accession process. Each has a Stabilisation and Association Agreement with the EU that aims at facilitating trade and accelerating alignment and harmonization of Western Balkans standards with EU policies. The Stabilisation and Association Agreements provide the overall framework for the relations of the EU with the Western Balkans, while the EU accession process closely aligns with the achievement of the SDGs. Studies in Montenegro have found that nearly two thirds of the SDGs can be accelerated through the EU accession process alone given the synergies and complementarities of the two agendas. EU accession comes also with various financial supports to accession countries and territories that are outlined below. The EU has attempted to reinvigorate the accession process in recent years after some countries saw progress was slow. Montenegro has progressed the most with EU accession, opening all chapters of the *EU *acquis communautaire** and provisionally closing three. Serbia has opened 22 out of 35 chapters, two of which are provisionally closed. In 2021, the enlargement methodology was revised for both Serbia and Montenegro emphasising fundamental reforms and political steering, while aligning the chapters under 6 clusters. Meanwhile, North Macedonia and Albania have both embarked on the screening process as part of their accession processes. Bosnia and Herzegovina has been an EU candidate since 2022 and the EU Council decided to open accession negotiations in March 2024. Kosovo<sup>241</sup> submitted its application for membership in December 2022. However, there are factors that some countries and territories need to consider as part of their accession process, such as alignment with the EU Foreign and Security Policy, as well as normalization of relations between Belgrade and Pristina.

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<sup>241</sup> References to Kosovo shall be understood to be in the context of Security Council resolution 1244 (1999).

## Berlin Process

The Berlin Process, established in 2014, is a platform for high-level cooperation between the Western Balkans, the EU and the United Kingdom. Germany initiated the process to improve regional cooperation in several areas. The Berlin Process has four declared objectives: solution of open bilateral and internal problems among the Western Balkans states, reconciliation among societies in the region, improvement of regional economic cooperation, and creation of a basis for sustainable growth. EU membership is not an explicit objective of the process.

## Common Regional Market

The Common Regional Market (CRM) is an initiative that emerged from the Berlin Process and is a regionally owned framework based on EU rules and standards, with the objective of consolidating and enhancing competitiveness and dismantling barriers along the lines of the EU's four freedoms: free movement of goods, services, capital and people. The CRM aims at serving as a catalyst for deeper regional economic integration and a stepping stone for the region towards the EU Single Market, in the framework of the Central European Free Trade Agreement (CEFTA). The Secretariat of the CRM is with the Regional Cooperation Council, also a product of the Berlin Process. The CRM is the most ambitious regional integration effort to date in the Western Balkans, aiming to integrate the region's economies more closely with the EU through the free movement of goods, services, capital and people. Key areas include regional trade, investment alignment with EU standards, digital integration and industrial innovation. A notable achievement was the 2022 adoption of mobility agreements on qualifications and identity cards.

## EU Programmes in the Western Balkans

The EU is the largest donor to the Western Balkans. Since 2007, it has allocated a total of €37.5 billion to support reforms in six Western Balkans countries and Türkiye, through IPA I 2007–2013 (€10.5 billion) and IPA II 2014–2020 (€12.8 billion). IPA III 2021–2027 (€14.2 billion) focuses on accession reforms (Rule of Law, Good Governance and acquis, Green agenda and sustainable connectivity, Competitiveness and inclusive growth, Territorial, and cross-border cooperation), with no country allocations. The attribution of funds is based on performance, relevance and maturity of the projects.

The Global Gateway refers to a European Commission strategy to boost smart investments in quality infrastructure, in line with the highest social and environmental standards and with the EU's values and standards. In the Western Balkans, the Economic and Investment Plan (EIP) and the EU Growth Plan are the tools for implementation of the Global Gateway, as described below.

The EIP for the Western Balkans is the long-term recovery plan for the region through 10 investment flagship areas, including sustainable transport (with significant investments in improving rail and road transportation corridors), clean energy, environment and climate, digital future, human capital and the private sector. Transport connectivity is a particular

issue, highlighted by the countries of the sub-region's historically low rankings in terms of this category in the World Economic Forum Global Competitive Index.<sup>242</sup> The EIP will be implemented through the Western Balkans Investment Framework (WBIF), which includes the Western Balkans Enterprise Development and Innovation Facility, and the Western Balkans Guarantee Facility. The Plan allocates up to €9 billion in EU funds (IPA), with the potential to mobilize up to €20 billion in investments through the Western Balkans Guarantee Facility.

The EU Growth Plan for the Western Balkans aims to double the size of Western Balkans economies within the next decade, incentivize the adoption and implementation of the EU acquis, and accelerate the accession process. It rests on four pillars: i) enhance integration with the EU single market, ii) boost economic integration within the Western Balkans Common Regional Market, iii) accelerate fundamental reforms, and iv) increase financial assistance for the region, conditional on implementing reforms through a new financing instrument: the Reform and Growth Facility for the Western Balkans, worth €6 billion. The proposal for the new financing instrument was adopted by the Council of the EU and the European Parliament and countries were to submit Reform Agendas to the European Commission in August 2024, for which they will receive financial support. It is designed to include €3 billion through direct support to the national budgets of Western Balkans countries and at least €3 billion through WBIF investments. Of the funds €2 billion will be provided as grants and €4 billion as favourable loans, all disbursed based on reform performance.<sup>243</sup>

## 2. Demographic Resilience

The Western Balkans sub-region is experiencing population decline and population ageing, attributable to high rates of emigration exacerbated by sustained decline in fertility levels, falling below replacement level. This demographic trend has resulted in a shrinking economically active population needed to support a growing economically inactive population. This situation negatively impacts economic growth prospects and the sustainability of pensions, and increases healthcare costs, compounded by a smaller healthcare labour force. It also has negative implications for social spending and welfare investment and affects virtually all development goals on the national and regional development agenda, including efforts to promote more inclusive economies. While there are no proven ways to increase fertility in a sustained manner, effective policies exist to help manage the impact of population decline. Investments in human capital through education and health, increasing the labour force by enhancing female labour market participation, easing the transition of young people into the labour market, raising the retirement age and creating a society that is attractive to live in, along with helping women realize their fertility aspirations, can help countries and territories better manage the demographic transition. The Gender Equality Index varies greatly between the Western Balkan countries and territories,<sup>244</sup> all of which broadly experienced improvements in the Index between 2019 and 2021, though the scores still lag behind the EU-27 average.

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<sup>242</sup> World Economic Forum Global Competitive Index 2020.

<sup>243</sup> <https://www.consilium.europa.eu/en/press/press-releases/2022/05/25/western-balkans-and-turkey-joint-conclusions-of-the-economic-and-financial-dialogue-of-24-may-2022/>

<sup>244</sup> [https://eige.europa.eu/sites/default/files/documents/20233289\\_PDF\\_MH0323262ENN\\_002.pdf](https://eige.europa.eu/sites/default/files/documents/20233289_PDF_MH0323262ENN_002.pdf)

## Mixed Movement: Migration and Asylum Management

In recent years, the Western Balkans countries and territories have moved from being almost exclusively providers of a labour force to neighbouring EU member states and other more advanced economies, to being states for transit migration and a key corridor for refugees and migrants, especially from the Middle East, Asia, Africa and Ukraine, heading to the EU. The route remains the second most used to the EU.<sup>245</sup> Refugees and migrants are often compelled to use services of smugglers, benefitting organized criminal networks and placing refugees and migrants at high risk of exploitation, violence and abuse. In response, the EU has invested in border management, capacities to manage migration in the region, cooperation on returns and combatting trafficking.<sup>246</sup> In 2023, approximately 1,280 asylum applications were lodged in the Western Balkans, 7 per cent fewer than in 2022 (1,383).

In recent years, the Western Balkans has experienced growing labour shortages due to demographic changes, presenting common challenges for the six Western Balkan economies, most notably from emigration. Today, one fifth of the Western Balkans population lives abroad.<sup>247</sup> Emigrants of age 20–44 years represent 50 per cent of nationals leaving their country,<sup>248</sup> with women now making up almost half of all emigrants. In recent years, many migrants have moved from the Western Balkans to EU countries.<sup>249</sup> As a result of the departure of educated emigrants, the region loses 3 per cent of its GDP annually due to costs sunk into education.<sup>250</sup> There are numerous push and pull factors that drive emigration, including low-wage employment opportunities in the Western Balkans set against higher paid employment opportunities, job security and social security in the EU.<sup>251</sup> Within the region there is increasing legal migration as migrant workers from some Western Balkans countries will travel to coastal countries in the region during summer months to meet the demand for labour in the tourism industry. Meanwhile, unskilled migrants still travel to some EU countries for seasonal labour opportunities in the agriculture sector.<sup>252</sup>

## 3. Trade and Investment

Initiatives are in place to facilitate trade and decent work in the Western Balkans. Alongside the Stabilization and Association Agreements, the CEFTA is the first comprehensive regional agreement, signed at the end of 2006 by the Western Balkans and Moldova, Romania, Bulgaria and Croatia, though the last three of these pulled out of the initial CEFTA upon their accession to the EU. The initiative's objective is to eliminate trade barriers between members

<sup>245</sup> In 2023, some 162,149 refugees and migrants were estimated to have arrived in the Western Balkans as a part of mixed movement. This is 17% less than in 2022 (196,100).

<sup>246</sup> <https://www.consilium.europa.eu/en/policies/eu-migration-policy/western-balkans-route/>

<sup>247</sup> RCC (2023), Annual Report 2022–2023. According to this report 4.6 million Western Balkan nationals live abroad; 17.7 million remain in the region.

<sup>248</sup> ETF (2021), How migration, human capital and the labour market interact in Albania.

<sup>249</sup> In 2022, the EU issued 250,000 work permits to migrants from the Western Balkans. EUROSTAT database: First permits by reason, length of validity and citizenship, accessed May 16, 2023.

<sup>250</sup> ETF (2022), Use it or lose it! How do migration, human capital and the labour market interact in the Western Balkans?

<sup>251</sup> ETF (2022), The future of work in the Western Balkans, <https://www.etf.europa.eu/en/news-and-events/news/future-work-western-balkans>.

<sup>252</sup> OECD (2022), Labour Migration in the Western Balkans: Mapping Patterns, Addressing Challenges and Reaping Benefits.

and attract investment by harmonizing their regulatory frameworks with the EU and international standards, including on protection of intellectual property rights, competition rules and state aid.

### Intra- and External Western Balkans Trade Flows<sup>253</sup>

The Western Balkans has experienced dynamic trade patterns over the past five years. Intra-Western Balkans trade increased from €2.2 billion in 2018 to €3.5 billion in 2022, representing 4.7 per cent of total trade in 2018 and 6.3 per cent in 2022. Over the same period, external Western Balkans trade was €45 billion (exports to EU, €18.2 billion; imports from EU, €20.5 billion) in 2018 and €52.5 billion in 2022. Intra-Western Balkans trade remains a small fraction of the region's total trade. In contrast, intra-EU trade, which exceeded €3 trillion in 2022, forms a substantial part of the EU's total trade, representing almost 20 per cent of its total trade of €15.6 trillion, highlighting deeper economic integration.

Table A1 reports bilateral trade flows among countries of the Western Balkans. These vary significantly, reflecting the structures of the different economies and geopolitical realities and impacting their trade balances. All these countries are net importers of goods, including Serbia, which has the largest volume of goods exports (\$28.3 billion in 2022; 44.5% of GDP), compared to the least, Montenegro (\$0.8 billion; 13% of GDP). However, when export of services are included Montenegro's total exports were 51 per cent of GDP, and Serbia's, 62.8 per cent.

Table A1. Main export destination and import source countries for the Western Balkans countries

Country <sup>254</sup>	3 main goods export destinations	3 main goods import sources
Albania	Italy, 42% Serbia, 11% Spain, 6%	Italy, 24% Türkiye, 11% China, 8%
Bosnia and Herzegovina	Germany, 15% Croatia, 13% Serbia, 13%	Italy, 12% Germany, 12% Serbia, 11%
Montenegro	Serbia, 25% Switzerland, 12% Bosnia and Herzegovina, 8%	Serbia, 20% China, 10% Germany, 9%
North Macedonia	Germany, 47% Serbia, 9% Bulgaria, 5%	United Kingdom, 17% Serbia, 8% Germany, 7%
Serbia	Germany, 13% Italy, 9% Bosnia and Herzegovina, 7%	Germany, 13% China, 12% Italy, 8%

<sup>253</sup> Sources: European Commission (2023), EU Trade Statistics. Link to report. This source provides data on extra-Western Balkans trade with the EU; World Bank (2023), Western Balkans Regular Economic Report. Link to report. This source includes overall economic and trade data for the Western Balkans, including intra-regional trade figures; CEFTA Statistical Portal. This source provides specific data on intra-Western Balkans trade and trade facilitation efforts within the region; World Bank WITS Database, <https://wits.worldbank.org/Default.aspx>; This source provides specific data on all bilateral trade.

<sup>254</sup> Data for Kosovo is not tracked by the World Bank WITS dataset.

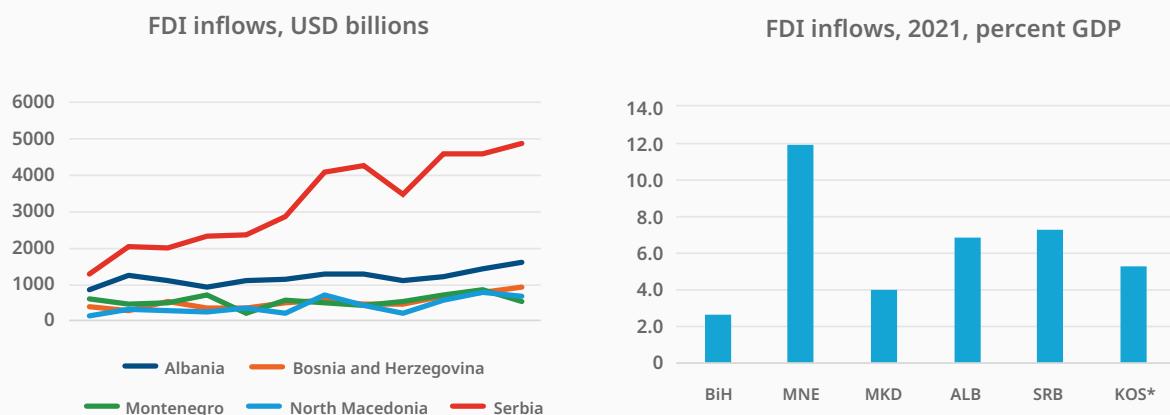
Trade with countries outside the Western Balkans is much larger. The EU is the largest trading partner of the Western Balkans, with exports totalling €24.1 billion, and imports, €28.4 billion in 2022. Other major trading partners include China and Türkiye.

## Western Balkans Investment

Attracting FDI is a policy priority for the economies of the Western Balkans, each of which has specialized state agencies and provides benefits packages to foreign investors. Additionally, the recently established Western Balkans Enterprise Development & Innovation Facility (WB EDIF) opened a new channel for funnelling foreign venture capital into the region, providing support to start-ups, seed investments, blended finance and guarantees to SMEs in their early developmental stage.

Over the past decade, FDI in the Western Balkans has grown at an annualized average rate of 10 per cent. Foreign Direct Investments proved resilient to the pandemic and to the consequences of the war in Ukraine. Following a decline in 2020, total FDI inflows recovered to above 2019 levels in 2021, reaching a record high of \$8.4 billion in 2022, even as global FDI suffered a further setback.<sup>255</sup>

Chart A. FDI inflows, USD billions (left) and FDI inflows, percent GDP (right)



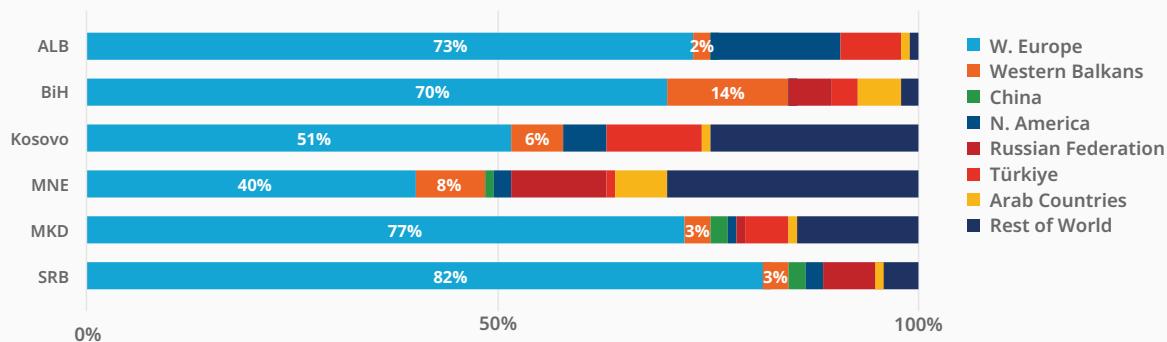
Foreign Direct Investments inflows to Western Balkans economies averaged 6.1 per cent of GDP, considerably more than in other countries in Central, East and South-East Europe where the average over the same period was 2.6 per cent of GDP.<sup>256</sup> There is disparity among countries in terms of share of FDI on GDP (Chart A1): a high of 11.8 per cent in Montenegro, 8.4 per cent in Albania and 6 per cent in Serbia, but much lower in Bosnia and Herzegovina,

<sup>255</sup> UNCTAD (2023), World Investment Report, <https://unctad.org/publication/world-investment-report-2023>

<sup>256</sup> Vienna Institute for International Economic Studies (2021), Getting Stronger After COVID-19: Nearshoring Potential in the Western Balkans, <a href="https://wiiw.ac.at/getting-stronger-after-covid-19-nearshoring-potential-in-the-western-balkans-p-5814.html#:~:text=The%20study%20concludes%20that%20Western,in%20order%20to%20achieve%20that; Eurostat Foreign direct investment flows, 2011–2022, % of GDP.</a>

at 2.4 per cent. The geographical composition of FDI inflows into the Western Balkans economies is similar to that of trade and relatively heterogeneous. For all these economies, Western Europe – including the EU, EEA countries and the UK – is the main source of FDI. The share of other investment partners also varies considerably: China's share is much larger in Serbia than in any of the other economies, as is Russia's share in Montenegro, and Türkiye's in Albania and Kosovo.

Chart B. FDI in the Western Balkan economies



The share of intra-regional FDI out of the total was 4 per cent in 2019, being highest in Bosnia and Herzegovina (14%), followed by Montenegro (8%) and lowest for Albania, North Macedonia and Kosovo. Overall, considering the size of the various economies and the context of the region, these percentages are not modest.

Several barriers exist to trade and investment in the Western Balkans, as follows:

- **Non-tariff barriers:** Complex regulatory environments, differing standards and cumbersome customs procedures impede trade flows.
- **Infrastructure gaps:** Poor transport and logistics infrastructure increase costs and reduce the efficiency of cross-border trade and intra-regional investment.
- **Political instability:** Historical tensions and ongoing political issues contribute to an uncertain business environment, deterring investment and trade.
- **Limited economic diversification:** The economies of the Western Balkans are relatively undiversified, relying heavily on a few key sectors, limiting the scope of intra-regional trade.

## 4. Environmental Transboundary Issues

In the Western Balkans, border disputes still exist between the states that gained independence after the breakup of Yugoslavia. Bosnia and Herzegovina has border disputes with neighbouring countries. Croatia and Montenegro have not resolved the Prevlaka Peninsula and the border issues between Croatia and Serbia are still waiting to be resolved. Border disputes can be the root cause of transboundary issues over water, forestry, waste management and air pollution.

### Water Resources

Water resources in the Western Balkans are important for the economic development and environmental sustainability of the whole sub-region. Unfortunately, the region is exposed to a range of natural hazards, e.g., floods, landslides and droughts, which are often cross-border in nature. Major river systems – the Danube, Sava, Drin and Vardar – traverse multiple countries and territories, creating interdependencies and potential conflicts over water usage. The waters of the Drin river basin, which traverses the borders of Albania, Montenegro, North Macedonia and Kosovo, is used for hydropower, irrigation and drinking water. According to the Global Water Partnership, approximately 60 per cent of the Drin basin's water is used for hydropower, highlighting the critical role of coordinated management in ensuring sustainable usage and energy production.<sup>257</sup> The International Sava river basin Commission has been established to foster transboundary cooperation for the river that flows through Slovenia, Croatia, Bosnia and Herzegovina and Serbia. The commission focuses on integrated water management, flood prevention and sustainable development. The River Danube, Europe's second-longest river, also illustrates the importance of regional collaboration, as it serves as a waterway for transportation, commerce and ecosystem services across 10 countries in Central and South-Eastern Europe, including Serbia and Bosnia and Herzegovina in the Western Balkans.

### Forestry

Forests in the Western Balkans are another transboundary/regional resource, contributing to biodiversity, climate regulation and local economies. Forest fires are an important natural hazard to the region with the summer months particularly prone and many forests straddling borders. Forests cover approximately 38 per cent of the territory of the Western Balkans,<sup>258</sup> providing essential ecosystems and livelihoods for rural communities. In Bosnia and Herzegovina, they cover around 63 per cent of the country's territory, making it one of the most forested countries in Europe, while Albania has the smallest cover (29%). Nevertheless, unregistered tree cutting and illegal logging pose a significant threat, e.g., in cross-border forest areas such as the Šar Mountains spanning North Macedonia, Albania and Kosovo. As

<sup>257</sup> Global Water Partnership: Global Environment Facility <https://www.gwp.org/en/GWP-Mediterranean/WE-ACT/Programmes-per-theme/Transboundary-Water-Resources-Management/gef-drin-project/>

<sup>258</sup> INForest, <https://forest-data.unece.org>

well as unregistered cutting and illegal logging, land-use change and demand for fuelwood add to these challenges. Initiatives exist to combat these challenges, though such efforts are hindered by data gaps and uncoordinated actions.

## **Waste Management**

Waste management is a challenge for the Western Balkans, with inadequate infrastructure and regulatory frameworks contributing to environmental degradation and public health risks. Meanwhile, financial constraints and limited access to funding hinder the construction and maintenance of wastewater treatment plants. Transboundary waste issues arise when waste is improperly disposed of or transported across borders, causing pollution and health hazards in neighbouring countries. For instance, the River Drina, which flows between Bosnia and Herzegovina, Montenegro and Serbia, is often polluted from illegal dumping and inadequate waste management practices upstream, affecting water quality and having a detrimental impact on ecosystems and communities downstream. The European Environment Agency reports that in the Western Balkans only about 25 per cent of municipal waste is recycled, compared to the EU average of 47 per cent, highlighting the disparity in practices. Electronic waste collection averaged only 27 per cent in 2021 and its composition leads to challenges for appropriate disposal.

## **Air Pollution**

Air pollution is also a threat in the Western Balkans, and emissions in one country affect air quality in neighbouring states, depending upon the wind direction. Industrial activities, transportation and residential heating contribute to high levels of pollutants such as particulate matter, sulphur dioxide and nitrogen oxides, which can travel long distances and impact public health and the environment.<sup>259</sup> Emissions from coal-fired power plants in Serbia, Bosnia and Herzegovina, North Macedonia, Montenegro and Kosovo contribute to poor air quality in surrounding countries, exacerbating respiratory problems and increasing healthcare costs. Air pollution is the single greatest environmental threat to human health in the region, with city dwellers breathing air with concentrations of pollutants up to five times higher than levels specified in national and European guidelines, with children most at risk to its effects and to life-long health consequences. A recent study of 19 cities in the region found that air pollution caused 15–19 per cent of total mortality and reduced life expectancy by 1.1–1.3 years. The region's topography of mountain ranges and valleys traps pollutants, leading to prolonged exposure, heightening the health risks.

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<sup>259</sup> According to WHO, cities in the Western Balkans, such as Sarajevo, Belgrade and Skopje, frequently exceed recommended air quality levels, with particulate matter concentrations often two to three times higher than the safe limits.

## ***Conclusions***

The present chapter outlines many of the issues affecting the Western Balkans in common. These issues have various implications. In recent years, the EU has attempted to reinvigorate and accelerate accession of the Western Balkans. With the strong correlation between such accession and achievement of the SDGs, it is essential that reforms and legal frameworks are supported to accelerate progress. Trade and investment are important economic factors in development, but in the Western Balkans there are some significant barriers to be overcome, requiring a multidimensional response facilitating trade, infrastructure, diversification and economic management. Meanwhile, transboundary issues have exacerbated environmental challenges, often with the root cause in border disputes and cross-border governance. These issues will require improved cross-border governance and agreements to respond to the challenges, necessitating regional responses.

## Annex 2: Process of Design of the SDG Framework of Bosnia and Herzegovina

Extensive consultations on Agenda 2030 and the SDGs were launched in Bosnia and Herzegovina in 2016 under the umbrella initiative 'Imagine 2030'. Conceptualized by the UN in the country, and focused on citizens, with the participation of more than 5,000 people so far, the initiative is positioned as the main tool for advocacy and raising awareness on the SDGs in Bosnia and Herzegovina.

Agenda 2030 and the SDGs were presented officially in April 2017, when a high-level conference on the Agenda was held under the auspices of the Presidency of Bosnia and Herzegovina. Subsequently, institutions were appointed to lead the coordination process for implementing Agenda 2030 at the level of Bosnia and Herzegovina, the Republika Srpska, the Federation of Bosnia and Herzegovina, and the Brčko District. Pursuant to the Decision of the Council of Ministers of Bosnia and Herzegovina of March 2017, the Directorate for Economic Planning was appointed as technical coordinator of the process. The Development Planning Institute of FBiH and the Ministry for European Integration and International Cooperation of Republika Srpska were appointed as representatives of their respective governments, along with representatives of the government of the Brčko District. Subsequently, the inter-governmental Working Group was established to support preparation of the SDGs roll-out, and the SDG Roadmap in Bosnia and Herzegovina was developed. Overall support for the implementation process for Agenda 2030 in Bosnia and Herzegovina is provided by the UN and UNDP, in cooperation with the Government of Sweden and its financial aid. Much of 2018 was dedicated to extensive consultations among stakeholders with the support of the UN MAPS Mission4. The consultations were held in June with more than 250 representatives of the public, private and non-governmental sectors, and a conference organized gathering more than 400 representatives from the private sector. Studies and technical plans were prepared to draft two key documents for Bosnia and Herzegovina: the first VNR and the SDG FF. In late 2018, three sub-groups were established within the SDGs Working Group: i) Sub-group for drafting the VNR on Implementation of Agenda 2030 and the SDGs, ii) Sub-group for the SDG FF, and iii) Sub-group for statistics.

The first VNR on Implementation of Agenda 2030 and the SDGs was developed and presented to the UN at the high-level Political Forum in July 2019. In presenting the VNR representatives of the Council of Ministers of Bosnia and Herzegovina, the Government of the Federation of Bosnia and Herzegovina, the Government of the Republika Srpska and the Government of the Brčko District expressed their support and readiness of all levels of government in the country to provide their full contribution for implementation of Agenda 2030 and the SDGs.

Work on the design of the SDG FF by the respective Sub-group was initiated in late 2018, and the first draft developed in May 2019, with the support of the Government of Sweden and the UN. The draft was the subject matter of extensive multi-sectoral consultations in June, with the participation of more than 200 representatives of the institutions of government at

all levels in Bosnia and Herzegovina, as well as representatives from non-governmental and private sectors, and academia. An additional round of consultations was held subsequently with representatives of the institutions of the Republika Srpska (July 2019), Bosnia and Herzegovina (September 2019), the Federation of Bosnia and Herzegovina and the Brčko District of Bosnia and Herzegovina (September–October 2019).

Following the holding of consultations and receipt of proposals and recommendations on the proposed development pathways for the governments at all levels, along with the accompanying accelerators, drivers and targets, the Sub-group for the SDG FF finalized the document. A second round of consultations was scheduled for April 2020 but was delayed because of the outbreak of COVID-19. It thus became necessary to conduct a subsequent analysis of the documents to analyse the impact of the pandemic on the different components of the documents and also to determine new priorities.

Prior to submission of the documents for adoption by the Council of Ministers of Bosnia and Herzegovina, the Government of the Brčko District of Bosnia and Herzegovina, and the governments of the Republika Srpska and the Federation of Bosnia and Herzegovina, the second round of consultations was held, including also the cantons of the Federation of Bosnia and Herzegovina. Finally, in October 2020, the Sub-group for the SDG FF held consultations with representatives from the private sector, CSOs and academia.

## Annex 3:

### Stakeholders Engaged through In-Person Consultations

Type of Stakeholder	City	Name of Organization
Employer Association	<b>Sarajevo</b>	Employers Association of FBiH
International Community		UK Embassy
International Organization		Regional Youth Cooperation Office
International Organization		IMF
International Organization		World Bank in Bosnia and Herzegovina
International Organization		IFC
NGO		Fondacija Mozaik
NGO		Centar za istraživačko novinarstvo
NGO		Mreža za izgradnju mira
NGO		Institute for Youth Development Kult
NGO		Save the Children
NGO		Humanity in Action
NGO		Institute for Public Health FBIH
NGO		My Right
NGO		Sumero Sarajevo
NGO		Pomozi.ba
NHRI		Ombudsperson of Bosnia and Herzegovina
Academia	<b>Banja Luka</b>	Genesis Project
Employer Association		Employers Association of RS
International Community		OHR Banja Luka
NGO		Centar za životnu sredinu Banja Luka
Youth Delegate		UN Bosnia and Herzegovina Youth Advisory Body