



Bosnia and Herzegovina
Ministry of Finance and Treasury

**DONOR
MAPPING
REPORT
2017**

Donor Coordination Forum

Abbreviations.....	3
Introduction.....	5
Overview of ODA in 2017	6
I Summarized overview of ODA allocations and disbursements.....	6
II Overview of allocated and disbursed grants and loans per donors	8
III Overview of ODA allocations and disbursements per sectors	10
Overview of donor activities per sectors.....	13
Democracy and governance	14
Rule of law and fundamental rights	26
Environment and climate action sector	36
Transport	44
Energy.....	51
Competitiveness and innovation.....	59
Education, employment and social policies sector	69
Agriculture and rural development.....	77
Regional and territorial cooperation	85
Cross-cutting sector.....	90
Donor profiles.....	93
Croatia	94
Czech Republic.....	96
France	100
Germany	101
Hungary	107
Italy/Italian Agency for Development Cooperation (AICS).....	109
Japan.....	111
The Embassy of the Kingdom of the Netherlands.....	115
The Royal Norwegian Ministry of Foreign Affairs	117
Slovenia	119
Sweden/Swedish International Development Cooperation Agency (Sida).....	122
Switzerland	124
United States of America / United States Agency for International Development (USA/USAID).....	127
European Bank for Reconstruction and Development (EBRD)	129
European Union (EU)	132
European Investment Bank (EIB).....	137
United Nations (UN)	139
The World Bank.....	142
International Finance Corporation (IFC) in Bosnia and Herzegovina	145
Reference.....	147

AICS	Italian Agency for Development Cooperation
ACIPS	Association Alumni of the Centre for Interdisciplinary Postgraduate Studies
ADC	Austrian Development Cooperation
APOSO	Agency for Pre-school, Primary and Secondary Education
BATA	Institute for Accreditation of Bosnia and
BDBiH	Brcko District BiH
BHDCA	BiH Directorate of Civil Aviation
BHMAC	BiH Mine Action Centre
BiH	Bosnia and Herzegovina
CAP	Common Agricultural Policy
CARDS	Community Assistance for Reconstruction, Development and Stabilization
CCI	Centres for Civil Initiatives
CCSP	Center for Civil Society Promotion
CDS	Country Development Strategy
CEB	Council of Europe Development Bank
CEDAW	Committee on the Elimination of Discrimination Against Women
CEE	Central and Eastern Europe
CEEN	Central and Eastern European Network
CEFTA	Central European Free Trade Agreement
CHU	Central Harmonisation Units
CIP	Centre for Information and Recognition of Documents in the Area of Higher Education
CoE	Council of Europe
CoEM	Conference of Ministers of Education
CRA	Communications Regulatory Agency
CREDO	Competitive Regional Economic Development
CRS	Catholic Relief Services
CS	Civil Society
CSO	Civil Society Organisations
DAC	Development Assistance Committee
DCF	Donor Coordination Forum
DEI	Directorate for European Integration of BiH
DEMA	Danish Emergency Management Agency
DEP	Directorate for Economic Planning of BiH
DFID	UK Department for International Development
DIA	Deposit Insurance Agency of Bosnia and
DIS	Decentralised Implementation System
EASA	European Aviation Safety Agency
EBRD	European Bank for Reconstruction and
EC	European Commission
ECD	Early Childhood Development
ECRAN	Environment and Climate Regional Accession Network
ECSEE	Energy Community of South East Europe
EEC	European Energy Community
EFSE	European Fund for South East Europe
EIB	European Investment Bank
EQF	European Qualifications Framework for Lifelong Learning
ERA	European Research Area
ERDF	European Regional Development Fund
ERP	Economic Reform Programme

ETF	European Training Foundation
EU	European Union
EUD	Delegation of the European Union to BiH
EUFOR	European Union Forces
EUROSTAT	Statistical Office of the European Communities
FAO	Food and Agriculture Organisation
FARMA	Fostering Agricultural Markets Activity
FBiH	Federation of Bosnia and Herzegovina
FCO	Foreign and Commonwealth Office
FDIs	Foreign Direct Investments
FIGAP	Funding Mechanism for the Implementation of the Gender Action Plan of BiH
FIRMA	Fostering Interventions for Rapid Market Advancement
FRONTEX	European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union
GAVI	Global Alliance for Vaccines and Immunization
GCI	Global Competitiveness Index
GDP	Gross Domestic Product
GEF	Global Environmental Facility
GFATM	Global Fund to Fight Aids, Tuberculosis and Malaria
GIZ	<i>Deutsche Gesellschaft für Internationale Zusammenarbeit</i>
GNI	Gross National Income
GOFBP	Global Framework of Fiscal Balance and Policies in BiH
GOLD	Growth Oriented Local Development
HEA	Agency for Development of Higher Education and Quality Assurance
HJPC	High Judicial and Prosecutorial Council of BiH
IBM	Integrated Border Management
IBRD	International Bank for Reconstruction and Development
ICAO	International Civil Aviation Organization
ICMP	International Commission on Missing Persons
ICT	Information and Communication Technology
ICTY	International Criminal Tribunal for the Former Yugoslavia
IDA	International Development Association
IFAD	International Fund for Agricultural Development
IFC	International Finance Corporation
IFIs	International Financial Institutions
ILO	International Labour Organisation
IMAP	Integrated Mine Action Programme
IMF	International Monetary Fund
INTERPOL	International Police Organisation
IOM	International Organisation for Migration
IPA	Instrument for Pre-accession Assistance
IPARD	Instrument for Pre-accession Assistance for Rural Development
ITF	International Trust Fund for Demining and Mine Victims
JICA	Japan International Cooperation Agency
JICS	Japan International Cooperation System
JSRS	Justice Sector Reform Strategy

KfW	<i>Kreditanstalt für Wiederaufbau</i>
KM	Convertible Mark
LEAP	Local Environmental Action Plan
MAP	Membership Action Plan
MARPOL	International Maritime Organisation
MDGs	Millennium Development Goals
MEASURE	Monitoring and Evaluation Support Activity
MIPD	Multi-Annual Indicative Planning Document
MoD	Ministry of Defence
MoU	Memorandum of Understanding
MSME	Micro, Small and Medium Enterprises
MTS	Municipal Training System
NATO	North Atlantic Treaty Organisation
NEAP	National Environmental Action Plan
NERDA	Northeast Regional Development Association
NGOs	Non-Governmental Organisations
ODA	Official Development Assistance
OECD	Organisation for Economic Cooperation and Development
OFID	The OPEC Fund for International Development
OHR	Office of the High Representative and EU Special Representative
ORF	Open Regional Fund
OSA	Intelligence Security Agency
OSCE	Organization for Security and Cooperation in
PAR	Public Administration Reform
PARCO	Public Administration Reform Coordinator's
PFM	Public Financial Management
PIFC	Public Internal Financial Control
PIMIS	Public Investment Management Information
PIP	Public Investment Programme
REDAH	Regional Economic Development Agency for Herzegovina
RCC	The Regional Cooperation Council
REZ	Regional Development Agency for Central BiH
RS	Republic of Srpska
SAA	Stabilisation and Association Agreement
SALW	Small Arms and Light Weapons
SAP	Stabilisation and Association Process
SDC	Swiss Agency for Development and Cooperation
SDGs	Sustainable Development Goals
SEE	South-East Europe
SEECCL	SE Europe Centre for Entrepreneurial Learning
SEESAC	South Eastern and Eastern Europe Clearinghouse for the Control of Small Arms and Light Weapons
SEETO	South East Europe Transport Observatory
SERC	State Electricity Regulatory Commission
SEPKA	Southeast Europe Police Chiefs Association
Sida	Swedish Int. Development Cooperation Agency
SIPA	State Investigation and Protection Agency
SIPPO	Swiss Import Promotion Programme
SIS	Social Inclusion Strategy
SMEs	Small and Medium-Sized Enterprises
SPPD	Strategic Planning and Policy Development
SSPACEI	Sector for Strategic Planning, Aid Coordination and European Integration

TA	Technical Assistance
TACSO	Technical Assistance for Civil Society Orgs
TAIEX	Technical Assistance Information Exchange Office
TIR	<i>Transports Internationaux Routiers</i>
UIC	International Union of Railways
UK	United Kingdom
UN	United Nations
UNCT	UN Country Team
UNDAF	United Nations Development Assistance
UNDP	United Nations Development Programme
UNEP	United Nations Environmental Programme
UNESCO	United Nations Educational, Cultural and Scientific Organisation
UNFCCC	UN Framework Convention on Climate Changes
UNFPA	United Nations Population Fund
UNICEF	United Nations Children's Fund
UNIDO	United Nations Industrial Development
UNIFEM	United Nations Development Fund for Women
UNIFEM CEE	United Nations Development Fund for Women Office for Central and Eastern Europe
UNSCR	United Nations Security Council Resolution
UNV	United Nations Volunteers
USA	United States of America
USAID	United States Agency for International
UWWT	Urban Waste Water Treatment
VET	Vocational Education and Training
WB	World Bank
WBIF	Western Balkans Investment Framework
WHO	World Health Organisation
WTO	World Trade Organisation

Ministry of Finance and Treasury / Sector for Financial Planning of Development and Coordination of the International Economic Aid, in cooperation with representatives of Institutions in Bosnia and Herzegovina and members of Donor Coordination Forum (DCF), has prepared the Donor Mapping Report 2017.

Donor Mapping Report 2017 was prepared on the basis of responses from Questionnaires submitted by the Institutions in Bosnia and Herzegovina and members of the Donor Coordination Forum in BiH, and other relevant documents. Financial part of the Report is based on data from the DMD database, where donors have entered their new projects as well as updated the data on ongoing projects.

The Report provides a comprehensive overview of projects and programs supported with the Official Development Assistance (ODA) funds by the members of the Donor Coordination Forum, the information on the latest development activities and reforms implemented in the priority development sectors in Bosnia and Herzegovina during 2017, as well as the planned activities.

Classification of the priority sectors is based on the sector-based reporting methodology defined in the IPA II regulation in the period 2014 – 2020, in line with the aspiration of Bosnia and Herzegovina towards the EU membership, as well as the fact that most of donors activities are focused at supporting the realization of BiH priorities related to the EU integration process.

In that regard, the Report also provides the analysed overview of the Official Development Assistance, channelled to the following priority sectors:

- Democracy and governance
- Rule of law and fundamental rights
- Environment and climate action
- Transport
- Energy
- Competitiveness and innovation
- Education, employment and social policies
- Agriculture and rural development
- Regional and territorial cooperation
- Cross – cutting sector

European integration process involves comprehensive adjustment of policies, the institutional framework and the legal system with the aim to achieve the European standards in all areas. Thereby, the process of legal harmonization and adoption of the European standards implies extensive internal reforms, general consolidation of the system, stronger economic development in the areas which affect the relationship dynamics between Bosnia and Herzegovina and the European Union. The International Community and particularly the members of the Donor Coordination Forum, play a significant role in this process, through provision of the financial support to the reform activities and programs.

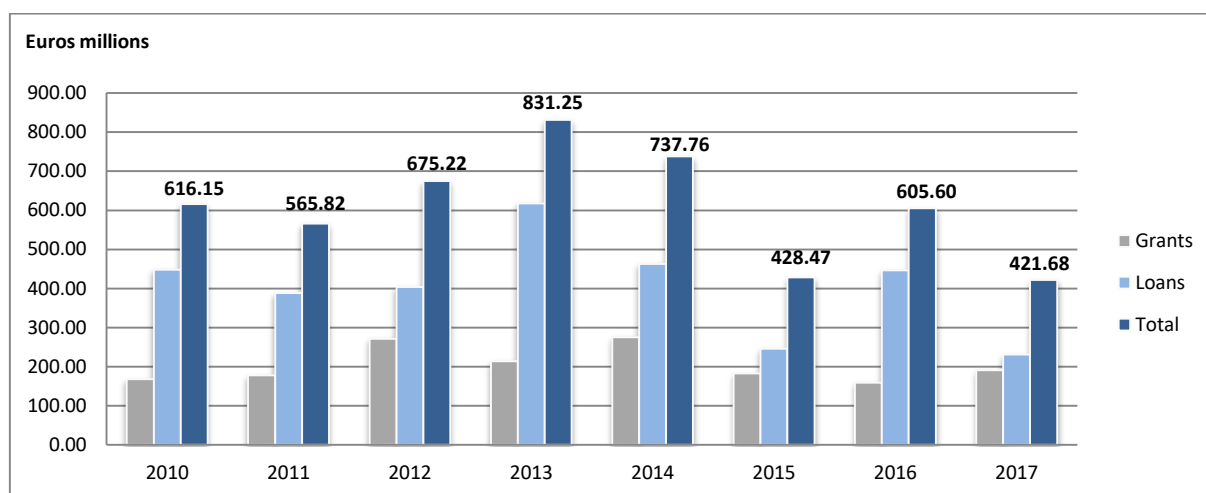
In circumstances where the Official Development Assistance (ODA) is continually decreasing, the efficient and effective use of funds as well as the establishing of mutual partnership is of crucial importance for the success of reforms in Bosnia and Herzegovina. Consequently, in 2017, Ministry of Finance and Treasury launched the activities to further improve the efficiency of the use of the international aid. Meetings were held with Switzerland and the UN as potential donors. Towards the end of the year, Terms of Reference was prepared to engage the consultant for the assessment of the donor coordination mechanism in Bosnia and Herzegovina.

Donor Mapping Report 2017 will be available on the Ministry of Finance and Treasury website at www.mft.gov.ba and Donor Coordination Forum website at www.donormapping.ba after the adoption by the Council of Ministers of Bosnia and Herzegovina.

I Summarized overview of ODA allocations and disbursements

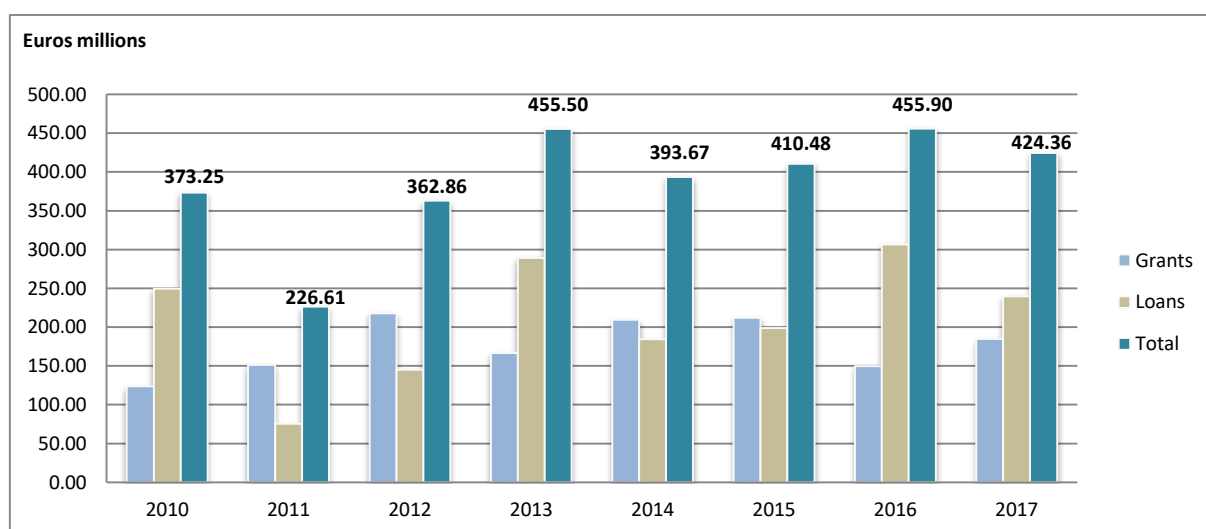
In 2017, total Official Development Assistance (ODA) allocations for Bosna and Herzegovina amounted to €421.68 million, out of which €190.73 million was in the form of grants, while €230.94 million in the form of loans, which compared to 2016, indicates the decrease of €183.92 million or 30.4%. (Figure 1.).

Figure 1. Total ODA allocations in the period 2010-2017 in BiH



Total disbursements of ODA funds in 2017 amounted to €424.36 million, out of which €184.87 million in the form of grants, while €239.49 million in the form of loans, indicating the decrease of total disbursements if compared to the previous period. If compared to 2016, the decrease in total ODA disbursements amounts to €31.5 million or 6.9%. Also, if compared to 2016, the decrease of disbursed loans is noticeable in the amount of €66.81 million and the increase in the disbursed grants in the amount of €35.27 million. Presented increase of the disbursed grants was partly the result of procedural flexibility and improved realization of projects as well as the dynamics of loan disbursements signed in previous years. (Figure 2.)

Figure 2. Total ODA disbursements in the period 2010-2017 in BiH



Comparison of total allocated and disbursed ODA funds in BiH for the period 2010-2017 is presented in the Figure 3.

Figure 3. Total allocated and disbursed ODA in the period 2010-2017 in BiH

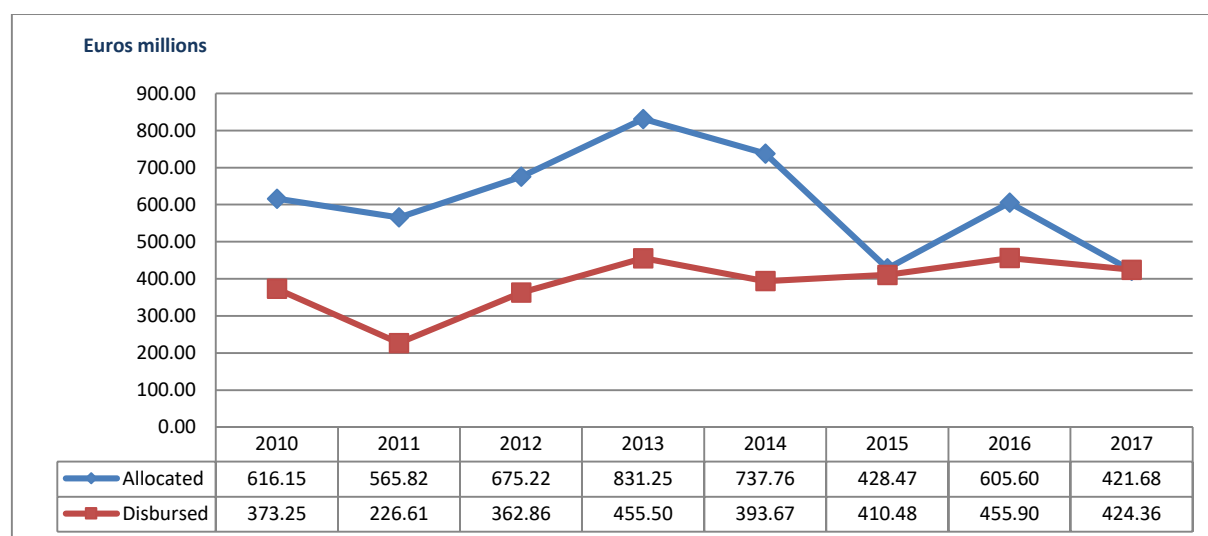


Figure 4. presents the participation ratio of bilateral and multilateral donors in total ODA allocations, for the period 2010 – 2017. Out of total ODA allocations in 2017, in the amount of €421.68 million, bilateral donors allocated €181.72 million or 43%, while multilateral donors allocated €239.96 million or 57%.

Figure 4. Participation of bilateral and multilateral donors in total ODA allocations per years

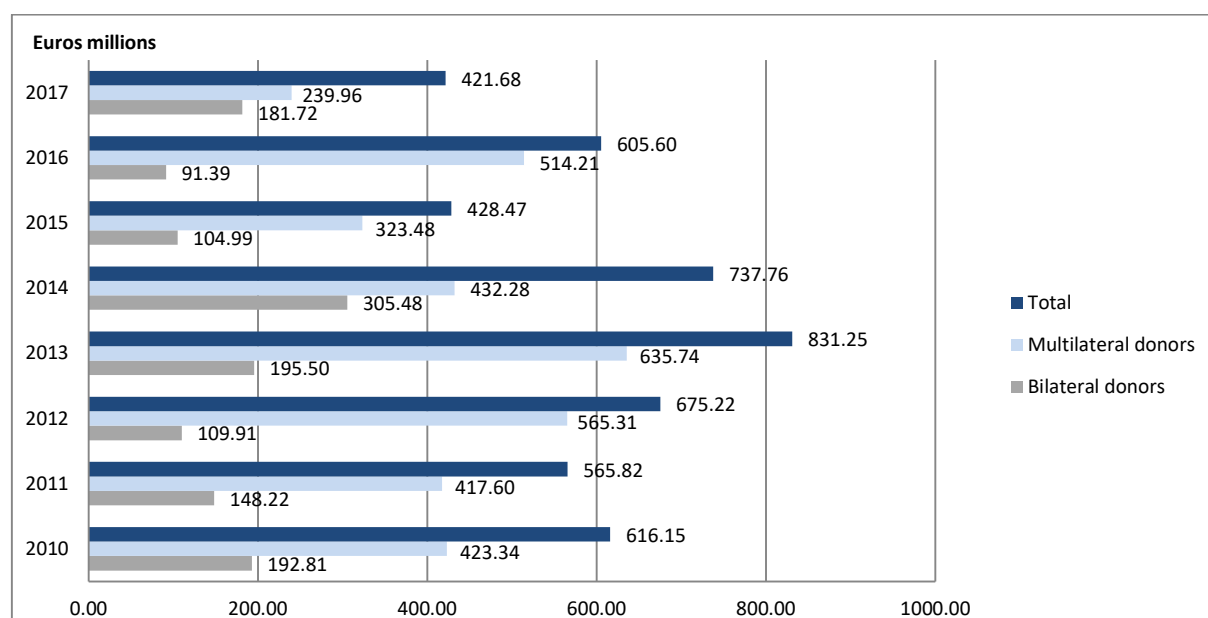
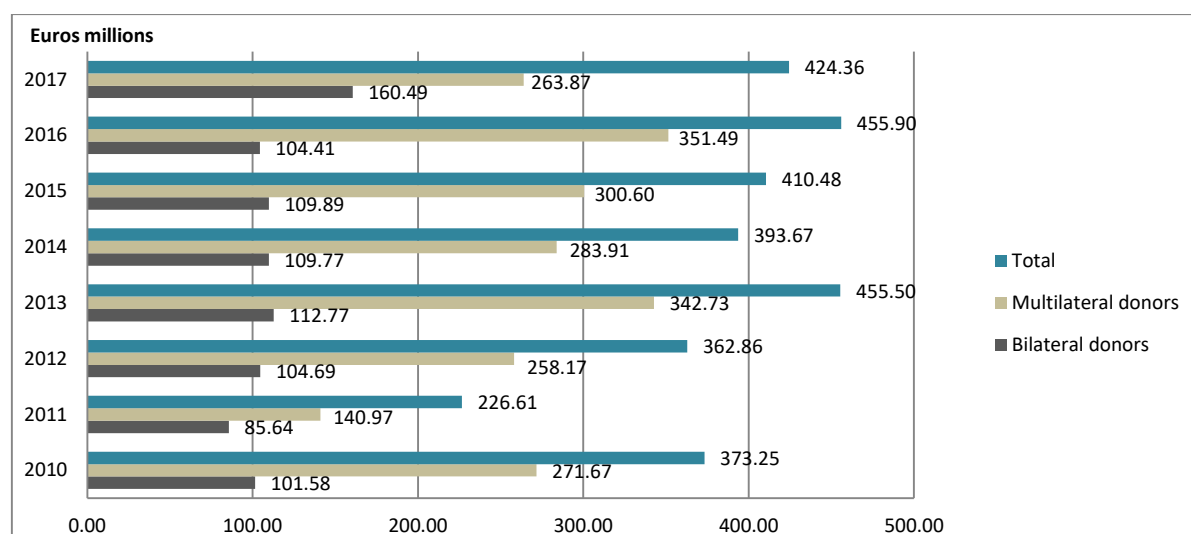


Figure 5. Participation of bilateral and multilateral donors in total ODA disbursements per years



Participation ratio of bilateral and multilateral donors in total ODA disbursements per years for the period 2010 – 2017 is similar to the ratio of ODA allocations, presented in Figure 4. Out of total ODA disbursements, multilateral donors participated with 62%, while bilateral donors with 38%.

II Overview of allocated and disbursed grants and loans per donors

In 2017, total grant funds of €190.73 million were allocated and €184.87 million were disbursed.

Figures 6. i 7. present allocated and disbursed grant funds by donors, according to the amount of the invested funds. Leading donors in 2017, who allocated i.e. disbursed largest amounts were EU, USA/USAID, Germany, Switzerland and Sweden/Sida.

Figure 6. Allocated grant funds per donors in 2017

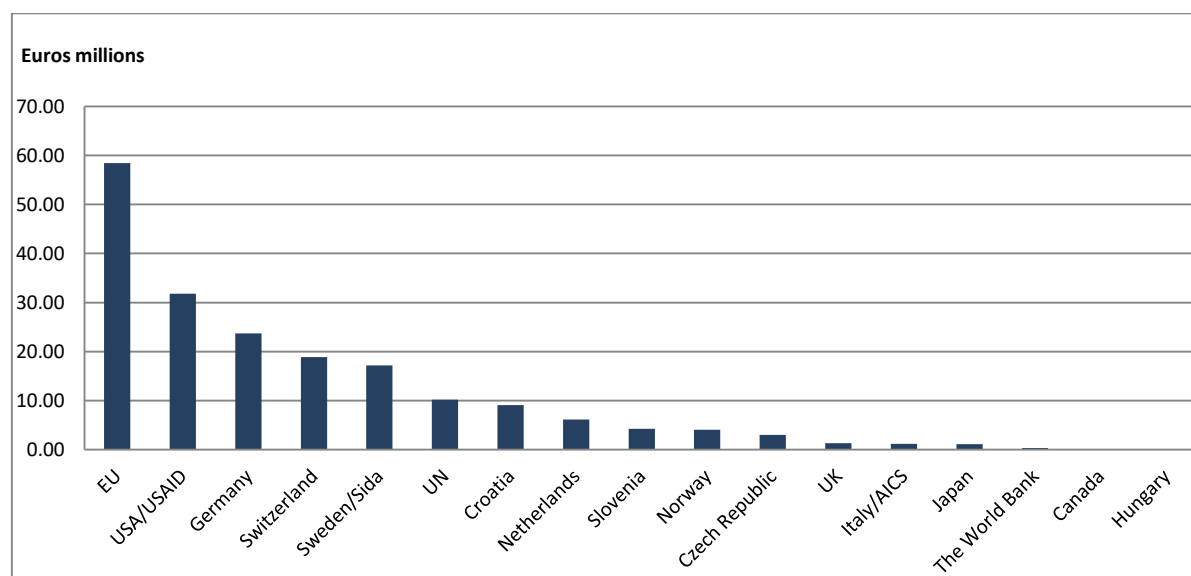
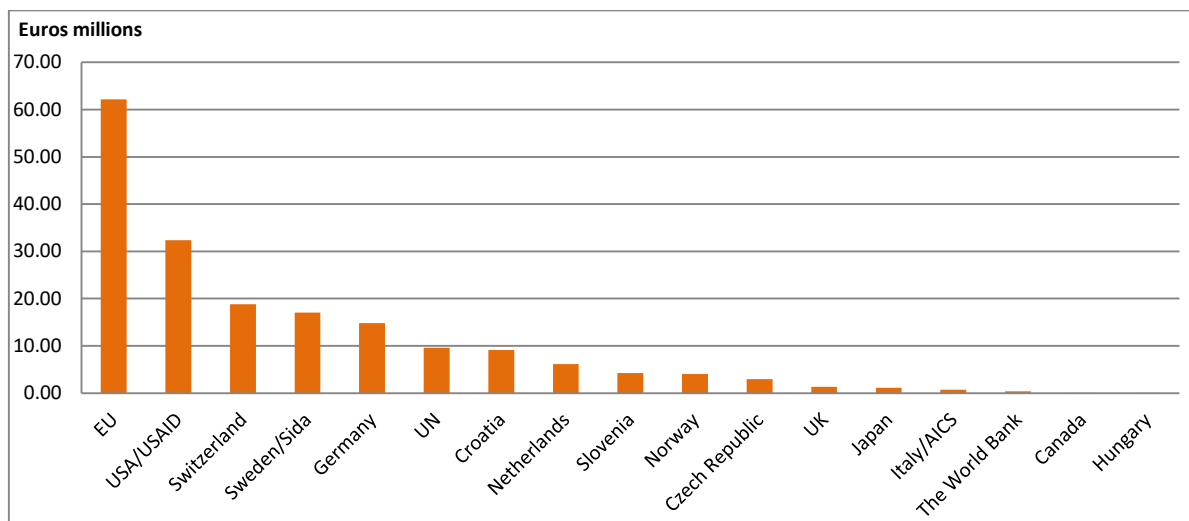


Figure 7. Disbursed grant funds per donors in 2017



In 2017, total loan funds of €230.94 million were allocated and €239.49 million were disbursed.

Figures 8. i 9. present allocated and disbursed loan funds in 2017. Leading creditors in 2017, were the European Bank for Reconstruction and Development (EBRD), European Investment Bank (EIB), The World Bank and Germany.

Figure 8. Allocated funds per creditors in 2017

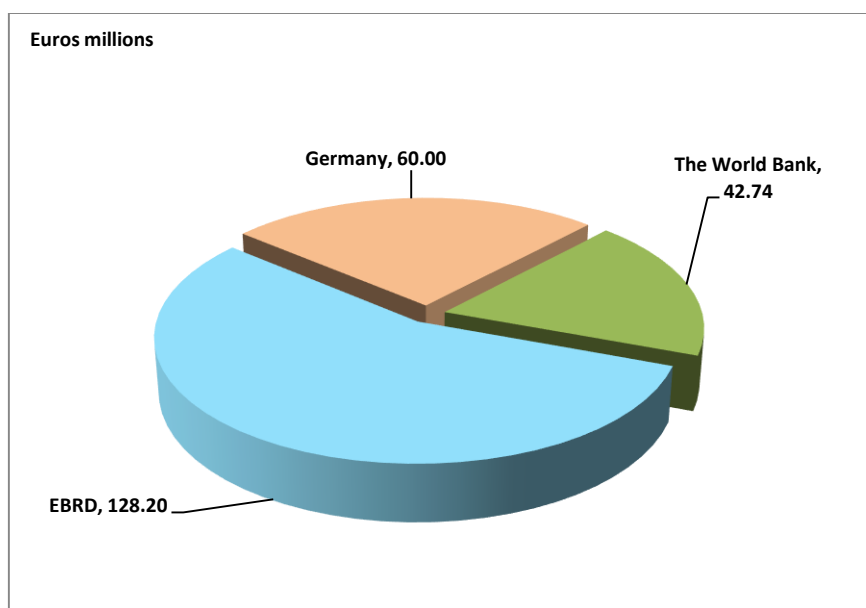
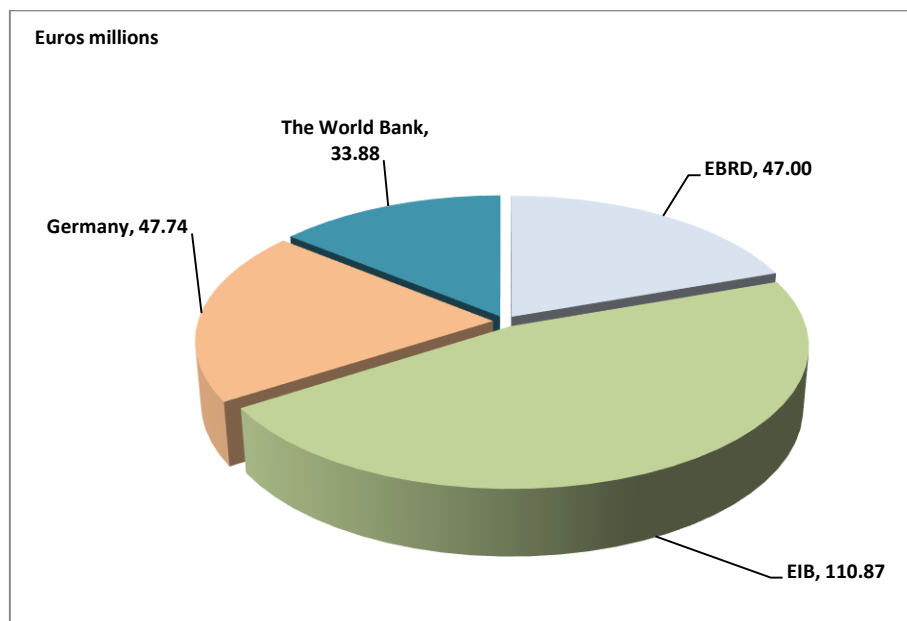


Figure 9. Disbursed funds per creditors in 2017



III Overview of ODA allocations and disbursements per sectors

In 2017, total ODA allocations in Bosna and Herzegovina in IPA II sectors amounted to €421.68 million, out of which €190.73 million in the form of grants and €230.94 million in the form of loans. (Figures 10. and 11.)

Out of total allocated funds, 56% was allocated to 3 sectors: Transport 21%, Energy 21% and Competitiveness and innovation 14%, while 44% was allocated in all other sectors.

Figure 10. Total ODA allocations per sectors in 2017

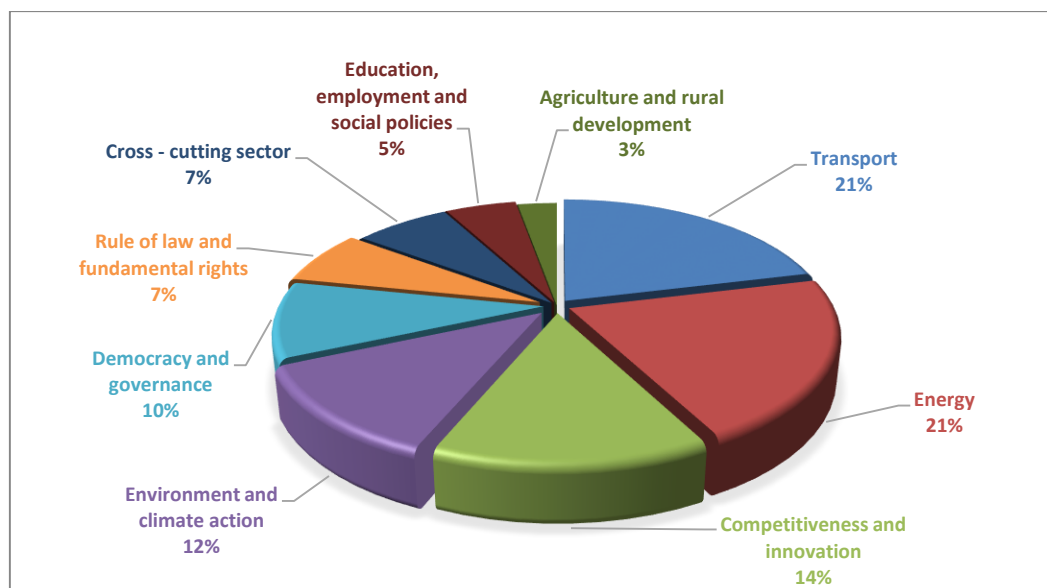
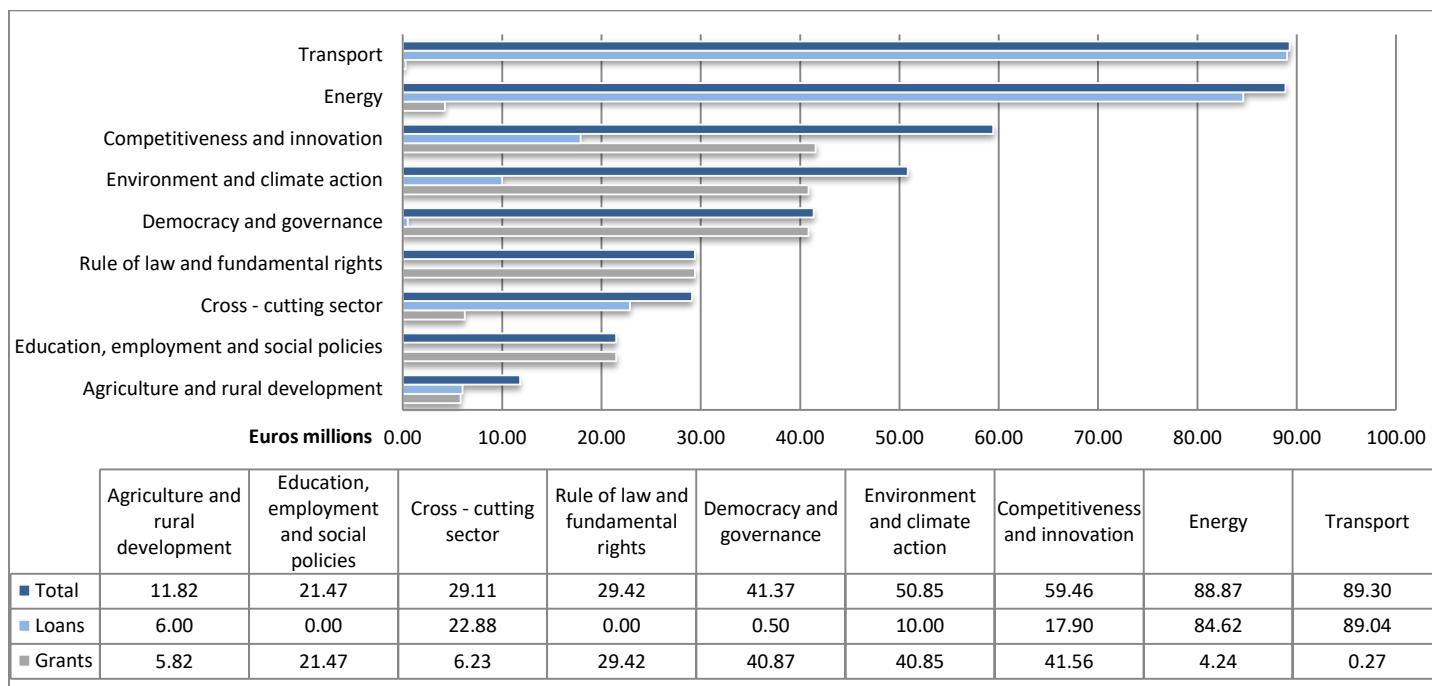


Figure 11. Participation of grants and loans in total ODA allocations per sectors in 2017



In 2017, total ODA disbursements in Bosna and Herzegovina in IPA II sectors amounted to €424.36 million, out of which €239.49 million in the form of loans and €184.87 million in the form of grants. (Figures 12. and 13.)

Out of total disbursements, largest amounts were disbursed in the Energy sector 18%, Transport 16% and Environment and climate action 13%.

Figure 12. Total ODA disbursements per sectors in 2017

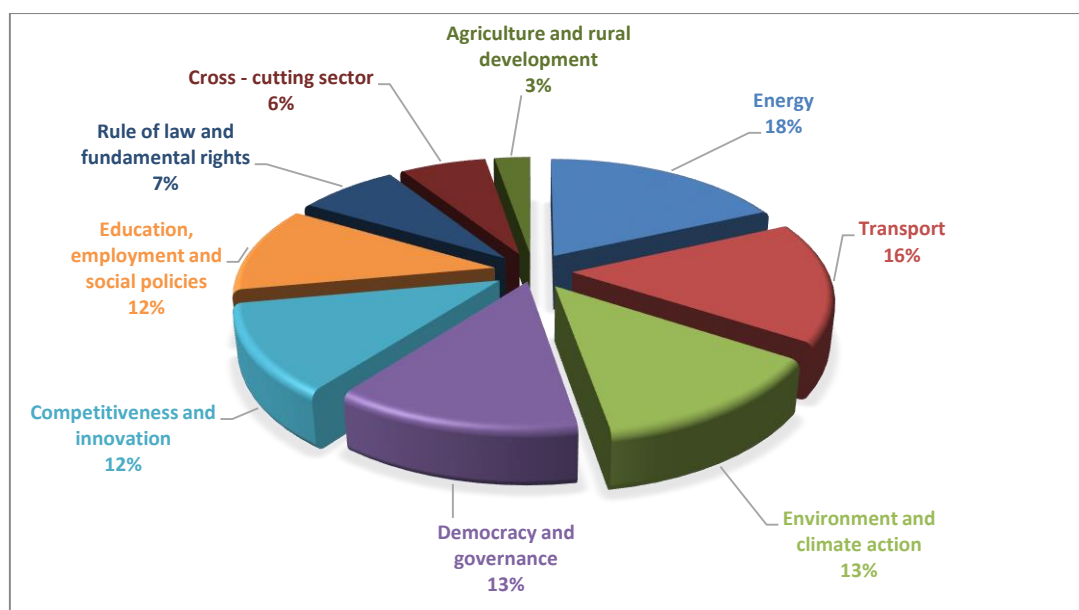
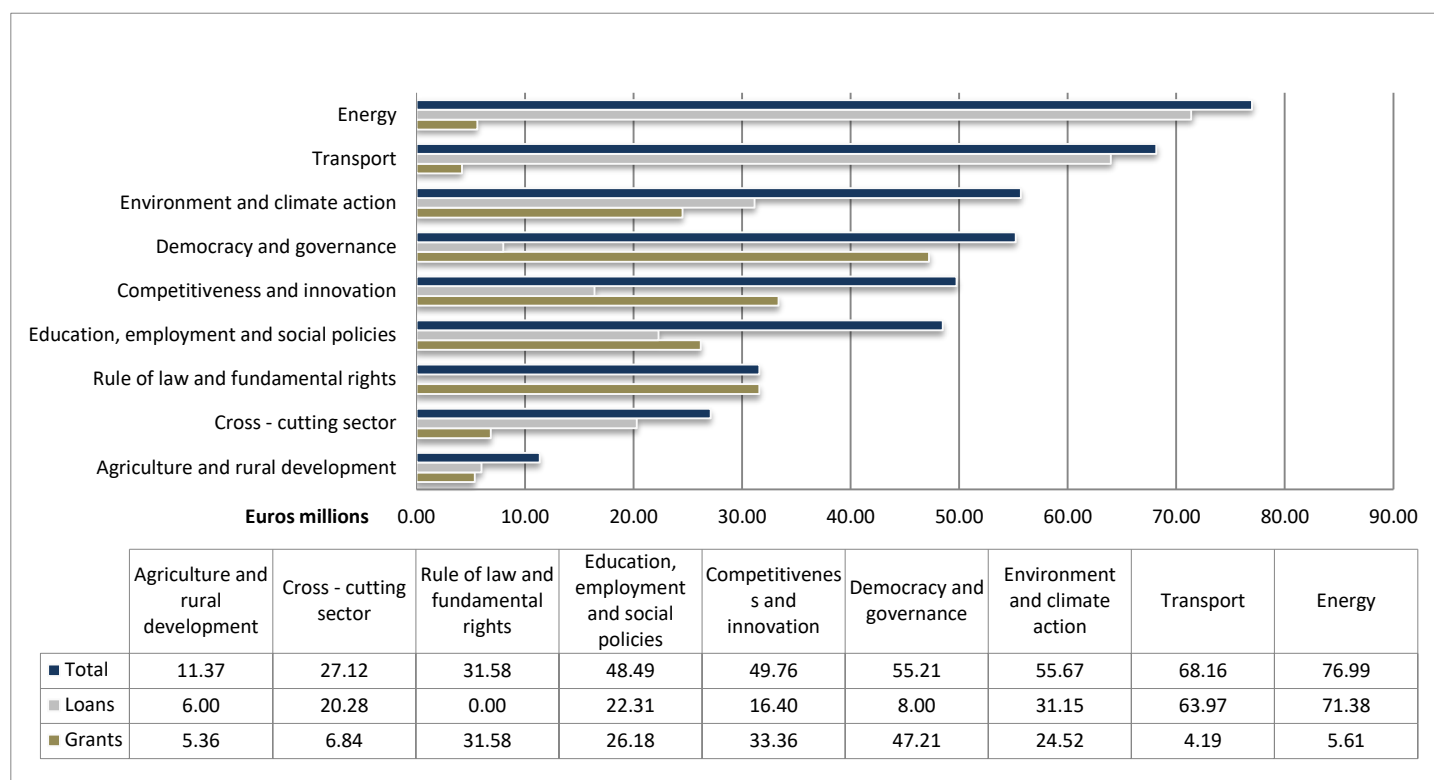


Figure 13. Participation of grants and loans in total ODA disbursements per sectors in 2017



1. Democracy and governance
2. Rule of law and fundamental rights
3. Environment and climate action
4. Transport
5. Energy
6. Competitiveness and innovation
7. Education, employment and social policies
8. Agriculture and rural development
9. Regional and territorial cooperation
10. Cross- cutting sector

DCF members active in the sector in 2017	EU, USA/USAID, Sweden / Sida, Germany, Switzerland, Netherlands, UN, United Kingdom, Norway, Czech Republic, EBRD, Croatia, Slovenia, Canada.
Other key international organizations	International Monetary Fund, Organization for Security and Cooperation in Europe; Office of the High Representative; Organization for Economic Cooperation and Development; Council of Europe; British Council in BiH; Norwegian Institute of International Affairs; European Training Foundation; Statistical Office of the European Union, European Statistical Office, Center of Excellence in Finances, UN Population Fund, UN Children's Fund.
Key government partners	CoM BiH; Government of FBiH; Government of RS; Government of BD BiH; Cantonal governments; Ministry of Finance and Treasury of BiH; Ministry of Finance of RS and Federal Ministry of Finance; Finance Directorate of the BD BiH; BiH Ministry of Foreign Affairs; Ministarstvo vanjske trgovine i ekonomskih poslova BiH; BiH Ministry of Civil Affairs; BiH Ministry of Justice; Ministry of Human Rights and Refugees of BiH; Ministry of Defence of BiH; Ministry of Security of BiH; Public Administration Reform Coordinator's Office, together with entity and DB BiH coordinators; Ministry for Economic Relations and Regional Cooperation of RS; Ministry of Administration and Local Self-Governance of RS; Parliamentary Assembly of BiH; Parliament of FBiH and National Assembly of RS; Agencies for Civil Service of BiH and entities; Agency for Pre-Primary, Primary and Secondary Education; Audit Office of the Institutions of BiH; Audit Office for the Institutions of FBiH; Supreme Office for the RS Public Sector Auditing; Agency for Development of Higher Education and Quality Assurance; Directorate for European Integration; Directorate for Economic Planning; BiH Indirect Taxation Authority; Tax administrations of FBiH and RS; Central Bank of BiH; Public Procurement Agency of BiH; Procurement Review Body of BiH; Central Harmonization Units (CHUs) in the Ministries of Finance of the State and the Entities; Ministry of Labour, War Veterans and Disabled Persons' Protection of RS; Federal Ministry of Labour and Social Policy; Agencies for Statistics of BiH and entities Agencies for Statistics; High Judicial and Prosecutorial Council; Ministry of Health and Social Protection of RS; Financial Intelligence Agency of FBiH, BIH Mine Action Center; Agency for Civil Service of BiH and entity agencies for civil service; Agency for Gender Equality of BiH; Gender centers of FBiH and RS; Association of Municipalities and Cities of RS and FBiH.
Total allocation / disbursement to the sector in 2017 by DCF members	<p>Total allocated €41.37 million – €40.87 million in a form of grants and €0.50 million in a form of loans.</p> <p>Total disbursed €55.21 million – €47.21 million in a form of grants and €8.00 million in a form of loans</p> <p>Out of total ODA in 2017, 10% was allocated and 13% was disbursed in the sector.</p>

Legal framework and sector strategies adopted in 2017

The Law on Changes and Amendments to the Law on Payments into the Single Account and Distribution of Revenues (BiH Off. Gazette No. 91/17); The Law on Changes and Amendments to the Law on Ministries and Other Bodies of Administration of BiH (BiH Off. Gazette No. 83/17); The Law on Changes to the Law on Labour in Institutions of BiH (BiH Off. Gazette No. 93/17); The Law on Changes to the Law on Civil Service in Institutions of BiH (BiH Off. Gazette No. 93/17); The Law on Changes and Amendments to the Law on Administration (BiH Off. Gazette No. 72/17); The Law on Changes to the Law on Salaries and Allowances in Institutions of BiH (BiH Off. Gazette No. 72/17); The Law on Changes to the Law on Value Added Tax (BiH Off. Gazette No. 33/17); The Law on Changes and Amendments to the Law on Excise Tax (BiH Off. Gazette No. 91/17); The Law on Changes and Amendments to the Law on Securities Commission (FBiH Off. Gazette No. 6/17); The Law on Changes to the Law on Collection and Partial Write-off of Debt to Sport Clubs (FBiH Off. Gazette No. 12/17); The Law on Changes and Amendments to the Law on Salaries and Allowances in Bodies of Administration of FBiH (FBiH Off. Gazette No. 20/17); The Law on Insurance (FBiH Off. Gazette No. 23/17); The Law on Changes and Amendments to the Law on Securities Market (FBiH Off. Gazette No. 25/ 17); The Law on Changes and Amendments to the Law on Investment Funds (FBiH Off. Gazette No. 25/17); The Law on the Single Registry of Users of Non-Contributory Cash Benefits (FBiH Off. Gazette No. 25/17); The Law on Banks (FBiH Off. Gazette No. 27/17); The Law on the City of Livno (FBiH Off. Gazette No. 32/17); The Law on the City of Gorazde (FBiH Off. Gazette No. 32/17); The Law on the City of Cazin (FBiH Off. Gazette No. 32/17); The Law on Development Planning and Development Management in the FBiH (FBiH Off. Gazette No. 32/17); The Law on Changes to the Law on Financial Consolidation of Coal Mines in the FBiH according to the Accrued and Unpaid Public Revenues for the period 2009-2015 (FBiH Off. Gazette No. 32/17); The Law on the Banking Agency of FBiH (FBiH Off. Gazette No. 75/17); The Law on Changes and Amendments to the Law on Execution of the FBiH Budget (FBiH Off. Gazette No. 96/17); The Law on Changes and Amendments to the Law on Federal Administrative Taxes and Tariffs of Federal Administrative Taxes (FBiH Off. Gazette No. 98 / 17); The Law on the Tax System of RS (RS Off. Gazette No. 62/17); The Law on Amendments to the Law on Insurance Companies (RS Off. Gazette No. 47/17); The Law on Insurance Intermediation and Insurance and Reinsurance Brokerage (RS Off. Gazette No. 47/17); The Law on Banks of RS (RS Off. Gazette No. 3/17); The Law on Changes and Amendments to the Law on Banking Agency of RS (RS Off. Gazette No. 3/17); The Law on Changes and Amendments to the Law on Securities Market (RS Off. Gazette No. 3/17); The Law on Changes and Amendments to the Law on Income Tax (RS Off. Gazette No. 1/17); The Law on Termination of the Law on Special Contribution for Solidarity (RS Off. Gazette No. 1/17); The Law on Intervention Procurement (RS Off. Gazette No. 74/17); The Law on Changes and Amendments to the Law on Notaries (RS Off. Gazette No. 68/17); The Law on Changes and Amendments to the Law on Salaries of Employees in the Ministry of Interior of RS (RS Off. Gazette No. 62/17); The Law on Contributions (RS Off. Gazette No. 114/17); The Law on Changes to the Law on Borrowing, Debt and Guarantees (RS Off. Gazette No. 114/17); The Law on Execution of the Budget of RS for 2018 (RS Off. Gazette No. 114/17); The Law on the Registry of the Staff Employed at RS Budget Users (RS Off. Gazette No. 114/17); The Law on Changes and Amendments to the Law on the Directorate for Financing (BD BiH Off. Gazette No. 35/17); The Law on Allowances and Salaries

	<p>of Budgetary Resources Beneficiaries in the Assembly of BD BiH (BD BiH Off. Gazette No. 52/17); The Law on Changes and Amendments to the Law on Tax Administration (BD BiH Off. Gazette No. 35/17); The Law on Changes and Amendments to the Law on Treasury of BD BiH (BD BiH Off. Gazette No. 35/17); The Law on Changes to the Law on the Government of BD BiH (BD BiH Off. Gazette No. 22/17); The Law on Changes and Amendments to the Law on Civil Service in Public Administration Bodies (BD BiH Off. Gazette No. 9/17); The Law on Changes to the Law on Execution of the Budget of BD BiH for 2017 (BD BiH Off. Gazette No. 47/17); The Law on Changes to the Law on the Budget of BD BiH (BD BiH Off. Gazette No. 39/17); The Law on Amendments to the Law on Income Tax (BD BiH Off. Gazette No. 14/17); The Law on Changes and Amendments to the Law on Investment Funds (BD BiH Off. Gazette No. 18/17); The Law on Amendments to the Law on Enforcement Procedure of BD BiH (BD BiH Off. Gazette No. 47/17).</p> <p>Medium-Term Debt Management Strategy of BiH 2016-2019; Strategy of Development of Public Internal Financial Control System in BiH Institutions 2016 -2018 / PIFC; Debt Management Strategy of the FBiH 2017 – 2019; Debt Management Strategy of the RS 2017 – 2020; Strategy for Development of Local Self-Government in RS for the period 2017-2021; Public Finance Management Reform Strategy in BD BiH for the period 2017-2020;</p> <p>Previously adopted legal framework and sector strategies are available on: www.donormapping.ba</p>
<p>Coordination among and with donors</p>	<p>Democratic institutions: Functional exchange of information between stakeholders based on informal <i>ad-hoc</i> coordination, together with self-organized meetings between donors.</p> <p>Decentralization and sub-national government: Functional exchange of information between stakeholders based on informal <i>ad-hoc</i> coordination, together with self-organized meetings between donors.</p> <p>Public Administration Reform (PAR): PAR Fund stakeholders` regular meetings organized by Public Administration Reform Coordinator's Office (PARCO). Joint Management Board of PAR serves as a monthly forum for coordination. Meanwhile, informal coordination is maintained with other donors.</p> <p>Public Financial Management: Exchange of information between stakeholders based on informal <i>ad-hoc</i> coordination and project-based bilateral meetings.</p> <p>Taxation: Informal <i>ad-hoc</i> coordination on regular basis.</p> <p>Customs: Informal <i>ad-hoc</i> coordination on regular basis.</p> <p>Economic governance: Informal <i>ad-hoc</i> coordination.</p> <p>Statistics: Informal <i>ad-hoc</i> coordination on regular basis.</p> <p>Civil Society: Local Advisory Group supported and managed by the EU-funded project TACSO.</p> <p>Donors active in the sector and BiH Institutions from all levels of government regularly attended Donor Coordination Forum meetings (DCF meetings) hosted by BiH Ministry of Finance and Treasury/Sector for Financial Planning of Development and Coordination of International Economic Aid.</p>

Overview of activities in 2017

Democracy and governance sector presented in this Report is based on the sector-based reporting methodology defined in the IPA II regulation, for the period 2014 – 2020.

Democracy and governance sector consists of eleven sub-sectors:

- Democratic Institutions,
- Decentralization and Sub-national Government,
- Public Administration Reform (PAR),
- Public financial management,
- Taxation,
- Customs,
- Economic governance,
- Statistics,
- Civil society,
- EU programs and agencies and
- Institutional building for European integration.

Bosnia and Herzegovina is at the turning-point in the development of the economy, society and environment, where the perspective of membership in the European Union presents an opportunity as well as an obligation to implement the approximation process, i.e. harmonization of all regulations with the EU *acquis*, and launch the process of structural adjustment of the economy towards the European integration progress.

Reform Agenda, adopted in 2015 by all levels of government in BiH, initiated key economy processes with the focus on strengthening of institutional capacities necessary for the adoption and implementation of effective policies, laws and budgets at all levels of government in Bosnia and Herzegovina.

In 2017, institutions at all levels of government implemented activities aimed at realization of priorities related to internal stability, economic development and the European integration process, with special focus on increasing employment and poverty reduction.

Following the *"Guidelines for Economic Reform Programs"* submitted by the European Commission, *Economic Reform Program 2018-2020 (ERP)* was prepared, which was adopted at the 131st session of the CoM, dated January 30th, 2018).

Pursuant to the Decision on the System of Coordination of the European Integration Process in BiH ("Official Gazette of BiH", no. 72/16), in May 2017, Council of Ministers of BiH brought the Decision on appointment of working groups for the EU Integration ("Official Gazette of BiH", no. 34/17), for preparation of answers to the European Commission's Questionnaire. Coordination mechanisms became operational in mid-2017. The answers to 3.242 questions from the Questionnaire on the country political, legal, institutional and economic system, were prepared and translated for the most part by the end of 2017. (Consolidated answers were forwarded to the President of the European Commission in January 2018).

In 2017, the Environmental Approximation Strategy for BiH (EASBiH), the Strategy for Protection of Biodiversity of BiH for the period 2015-2020 and the Action Plan for its implementation were adopted as affirmation of the commitment of Bosnia and Herzegovina to meet obligations on nature

conservation and rational management of natural resources. Strategic Plan for Rural Development of BiH (2018-2021) was prepared and forwarded to the Council of Ministers of BiH in the adoption procedure (adopted on January 4, 2018). Also, activities were undertaken on preparation of strategies in areas such as energy, employment and public finance management.

In July 2017, Parliamentary Assembly of BiH, adopted the amendments to the Uniform rules for drafting of legal regulations with a view to introduce the Regulatory Impact Assessment (RIA) in the process of policy making at the BiH level (Official Gazette of BiH, no. 50/17).

In April 2017, Council of Ministers of BiH adopted the document "Policy Framework for Development of Human Resources Management in Public Administration Structures in BiH" (Official Gazette of BiH, no. 56/17), with the view to create the environment for development of human resources management (General Principles of Civil Service).

Council of Ministers of BiH, on its 95th session held on March 22, 2017, adopted the Policy on Information Security Management for BiH Institutions for the period 2017-2021 (Official Gazette of BiH, no. 38/17) and the Policy for Development of Information Society of BiH for the period 2017-2021 on the 100rd session held on May 4, 2017 (Official Gazette of BiH, no. 42/17).

In 2017, the Law on Electronic Identification and Confidence has been prepared and forwarded in the adoption procedure in order to meet all conditions for the functional use of the e-signature in the open system. Three bylaw acts were adopted on the conditions for criteria and procedures for the use and protection of the e-signature and certification system (Official Gazette of BiH, no. 14/17). Also, the process has been conducted to staff the Office for Supervision and Accreditation, which will become operational in January 2018.

In the course of 2017, the capacities of the Central Bank of Bosnia and Herzegovina were strengthened in the areas of statistics, economic forecasting and foreign reserves management as well as in implementation of methodologies in the area of economic analysis, thereby enhancing presentation of CB BiH data in line with the European standards.

Strengthening capacities of institutions at entity levels was continued in 2017. Harmonized legal framework for bank operations in the entities has been established. The Law on Banks and the Law on Changes and Amendments to the Law on Banking Agency in Republika Srpska (Official Gazette of RS, no. 4/17), and the Law on Banks and the Law on Banking Agency in the Federation of BiH (Official Gazettes of FBiH, no. 27/17 and 75/17) are significantly aligned with the EU directives, and they should lead to introduction of stricter creditworthiness of bank operations and bank restructuring.

During 2017, legislation was adopted related to securities in the Federation of BiH legislation (Official Gazettes of FBiH, no. 6/17) and investment funds (Official Gazettes of FBiH, br. 25/17) as well as the Draft law on e-signature of the Federation of BiH was prepared and sent in further procedure.

In 2017, the Government of Brcko District adopted a set of legal and bylaw acts related to strengthening of capacity of public administration (Official Gazettes of BD BiH, no: 5/17, 9/17, 25/17, 43/17, 6/18). Also, the preparation of the Strategy for Vocational Training 2018-2020 is underway.

The Fiscal Council of the Republika Srpska was established in July 2017, on the basis of the RS Law on Fiscal Responsibility, in order to improve the efficiency of public funds spending in the RS budget system.

Positive shift was made in 2017 within Public Administration Reform (PAR) in BiH on further improvement in this area, in order to meet the obligations related to European integration in more expedient manner. Institutions from all levels of government were involved in the process of preparation and developing of the new PAR Strategy for BiH, under the title Strategic Framework for Public Administration Reform in BiH. Action Plan for implementation of the PAR Strategy, according to the joint agreement of the PAR Coordinators, will be prepared after the adoption of the Strategy.

In the Annual Report on the progress on implementation of the targets from the Revised Action Plan 1 (RAP) of the PAR Strategy in BiH for 2017, it was recorded that 72% of targets were met if the entire RAP 1 is taken in consideration, while in terms of reform areas, most significant progress was achieved in the area of Public Finance 81%, and the least in the area of e-Government 57%.

In 2017, efforts are intensified in Bosnia and Herzegovina on implementation of measures within the Public Finance Management reform, with the aim to establish a sustainable fiscal framework, improve the public spending planning process, budget execution and internal financial control at all levels of government.

With the adoption of the amendments to the Uniform rules for preparation of legal regulations in the BiH Institutions (Official Gazette of BiH, no. 50/17), the methodology was defined for assessment of impact of regulations in terms of possible fiscal, economic, social and environmental costs in BiH Institutions. Also, in 2017, the Manual was prepared and published on the Assessment of fiscal impact of regulations in the BiH Institutions.

On its 102nd session, held on May 23, 2017, Council of Ministers of BiH adopted the Medium-Term Debt Management Strategy of BiH for the period 2016 - 2019. The Strategy represents the consolidated medium-term debt management strategies of entities and BD BiH, adopted by the competent governments in accordance with the existing legal framework which regulates borrowing, debt and guarantees in BiH. Medium-term debt management strategies are reviewed annually and updated in order to better manage BiH debt and apply the established guidelines for new external borrowing.

Public investments were additionally regulated in the previous period. At the level of the BiH Institutions, the Decision on Modality and Criteria for Preparing, Developing and Monitoring of Implementation of the Public Investment Program / Development Investment Program of BiH Institutions is under preparation, and its adoption is expected in 2018.

In 2017, draft was prepared of the RS Public Investment Program for the period 2018-2020, which for the first time covered the Preliminary list of priority projects and will serve as the basis for drawing up the Unified list of priority projects of the RS Government, in line with the requirements of the EU and international financial institutions.

The Government of the Federation of BiH, on its' 106th session, held on June 15, 2017, adopted the Public Finance Management Reform Strategy in the Federation of BiH for the period 2017-2020, which regulated that in the coming years, federal extrabudgetary funds will be fully included in the FBiH Budget.

Since January 1, 2017, Republika Srpska Pension and Disability Insurance Fund obtained the status as the budgetary user of Republika Srpska, which is a novelty compared to the previous period.

The Government of the BD BiH, on its' session held on June 6, 2017, adopted the Public Finance Management Reform Strategy of BD BiH for the period 2017-2020.

In 2017, progress has been recorded in Budgeting based on specific programs, considering that all budget users from all levels of government in BiH have submitted requests for financing in a program format, as well as projections of expenditures by economic classification. The new Budget law of Brcko District is in the process of preparation, which will be harmonized with the laws at other levels in BiH.

In the Federation of BiH, BPMIS has been introduced in all ten cantons, which is a positive shift in creating technical preconditions for program budgeting at cantonal level of authorities, considering that preparation of cantonal budgets in the program format should start in 2018. Also, linking cantonal with the Federal Ministry of Finance will positively reflect on fiscal discipline, transparency and efficiency in planning and budgeting in the Federation of BiH.

The area of public procurement as part of public finance reform, recorded the continuous progress. Currently, the preparation of the draft Law on Amendments to the Law on Public Procurement Law of BiH is underway, with the view to be further harmonized with the EU legislation (EU Directives). In 2017, the Council of Ministers of Bosnia and Herzegovina adopted the Rulebook on the Training of Public Procurement Officers (Official Gazette of BiH, no: 08/18), with the goal to improve their skills for efficient and transparent spending of public funds in public procurement procedures.

An important part of the public finance reform, refers to the development and strengthening of the Public Internal Financial Control (PIFC) system and procedures in the public sector, with the view to introduce higher control standards and accountability in public funds management from domestic and foreign sources. In 2017, the Council of Ministers of BiH adopted the Annual Consolidated Report on the Financial Management and Control System in Institutions of BiH for 2016, which covered 70 institutions in BiH.

In the area of customs regulations, progress has been made in further alignment with the EU legislation. A set of laws and bylaws have been adopted related to import customs clearance and simplified customs procedure, which regulate the customs duty exemption system, with the aim to harmonize it with the European customs rules (Official Gazette of BiH, no. 06/17, 33/17, 85/17, 91/17). Also, the proposal was prepared in 2017 for the Decision on Implementation of the Law on Customs Policy in BiH, which will be sent in the adoption procedure at the Council of Ministers of BiH.

Progress has been made on further harmonization of taxation area with the EU regulations. In December 2017, a set of excise laws was adopted, as fulfilment of one of the IMF conditions, whose direct beneficiaries will be the entity budgets (Official Gazettes of BiH, no. 85/17, 91/17.) The legislation on excise tax, the Single Account and the allocation of revenues and the system of indirect taxation in BiH were ratified on December 15, 2017 in the Parliamentary Assembly of BiH.

In June 2017, the Law on the Tax System of Republika Srpska (Official Gazette of RS no. 62/17, dated July 3, 2017) was adopted, which defines introduction, modification or cancellation of tax and non-tax payments. The Registry of Tax and Non-tax Payments in the RS was established as laid down by the provisions of this Law.

In April 2017, the Law on Amendments to the Law on Income Tax was adopted in Brcko District of BiH.

During 2017, Bosnia and Herzegovina maintained the macroeconomic and fiscal stability and positive economic indicators. Significant step has been made in improving mobilization of revenues through the established exchange of all data on taxpayers between the four tax administrations.

In October 2017, the Fiscal Council of Bosnia and Herzegovina established the Proposal of the document - Global Framework for Fiscal Balance and Policies in Bosnia and Herzegovina for the period 2018-2020 (GFBP)¹, which includes fiscal targets proposal of the budgets of BiH institutions, Federation of BiH, Republika Srpska and Brcko District BiH, as well as the proposal for the budget ceilings of institutions at all levels government.

Based on this, Council of Ministers of BiH, at the session held on November 22, 2017, adopted the Budget Framework Papers for the period 2018-2020 and updated Public Investment Program of BiH Institutions for the period 2018-2020. Budget Framework Papers of the Federation of BiH for 2018-2020 was adopted in October 2017 and Budget Framework Papers of Republika Srpska for 2018-2020 was adopted in June, which was revised in October 2017 after the adoption of the GFBP.

Cooperation and coordination of activities within the statistical system in BiH are regulated by the laws on statistics of BiH, Republika Srpska, Federation BiH and the Agreement on implementation of harmonized methodologies and uniform statistical standards in producing of BiH statistical data.

In this area, progress has been made in aligning with the EU standards. ESA 2010 was implemented in annual and quarterly estimates of the GDP under production and expenditure approach, and the new series of data were forwarded to the Eurostat. The series of data on investments of legal entities in BiH has been revised and published, in line with ESA 2010 methodology for the period 2007-2016.

For the first time, the series was published of the monthly industry turnover Index for BiH for January 2010 - December 2017 and regular publication was initiated of quarterly turnover indices of other services for the same period. New series of data has been forwarded to Eurostat. Also, regular reporting of Eurostat was started with the short-term indicators of energy statistics for electricity power and coal, and statistical energy balance of BiH was revised and published for the period 2014-2016.

For the first time, the data were published on "Environmental Costs" for Bosnia and Herzegovina, based on the EU Regulation no. 691/2011 on the European Environment Economic Accounts.

In 2017, regular monthly delivery of data has started from the VAT database to the Agency for Statistics of BiH. Pilot Survey on Income and Living Conditions (EU SILC) and the Adult Education Survey were conducted and the obtained data were sent to the Eurostat together with the Quality Report.

After editing and validation of the set of agricultural issues from the 2013 BiH Census of population, households and dwellings in BiH, the Directory of agricultural farms was prepared, which represents the framework for the future Agricultural Census and the research in sample agricultural statistics in BiH.

In Republika Srpska, the application of ESA 2010 was introduced, whose calculations are used as the basis for macroeconomic aggregates from the domain of national accounts. As a part of social and demographic statistics, comprehensive Adult Education Survey was conducted in the first quarter of

¹<https://www.mft.gov.ba/hrv/images/stories/proracuni/gfo/GO%20FBIP%202018%20-%202020%20%20hrv.%20final.pdf>

2017, while in the period May-July, pilot study was conducted "Road transport of goods - weekly tracking", with the aim of harmonization with the EU concepts and methodology definitions.

In 2017, some progress has been made in establishing of institutional mechanisms for cooperation between governments and civil society organizations (CSOs), as well as financing of civil society organizations in BiH. The Agreement on Cooperation between the Council of Ministers of BiH and non-governmental organizations in BiH was signed on November 30, 2017, with the aim to build the prosperous, just, democratic society in BiH.

Legal framework has been established to ensure more active participation of civil society with the adoption of new Rules for consultations in drafting legal regulations in Institutions of BiH (Official Gazette of BiH, no. 5/17) and the work has continued on regulation of the area of registration of associations and supervision over their work.

Council of Ministers of Bosnia and Herzegovina, at its 93rd session, held on March 8, 2017, adopted the Action Plan for Implementation of Priorities from the EU Report on BiH for 2016. In cooperation with the Institutions in BiH, DEI prepared three quarterly reports on implementation of measures from the Action Plan, which were submitted to the Parliamentary Assembly of BiH and the EU Commission after they were adopted by the Council of Ministers of BiH.

Council of Ministers of BiH adopted the Action Plan for the Implementation of the Communication Strategy for informing the public on the EU Accession Process for 2017, which aims at effective communication and informing the public on the process of the European Integration.

Also, as part of the EU integration activities, during 2017, meetings were held of the Sub-committee on economic and financial affairs and statistics on 25 - 26 January 2017 and 14 - 15 November 2017; Special group for Public Administration Reform on February 1, 2017; Sub-committee on innovation, information society and social policy on February 09, 2017; second meeting of the Stabilization and Association sub-committee on January 31, 2017; second meeting of the Sub-committee on internal market and competition and consumer protection on September 19, 2017; second meeting of the Sub-committee on trade, industry, customs and taxation on October 24, 2017; Sub-committee on agriculture and fisheries on October 25, 2017; Sub-committee for transport, energy, environment and regional development on November 30, 2017 and the Sub-committee on justice, freedom and security.

Investments of DCF members in 2017

DCF members active in the Democracy and governance sector in 2017 are EU, USA/USAID, Sweden / Sida, Germany, Switzerland, Netherlands, UN, United Kingdom, Norway, Czech Republic, EBRD, Croatia, Slovenia and Canada.

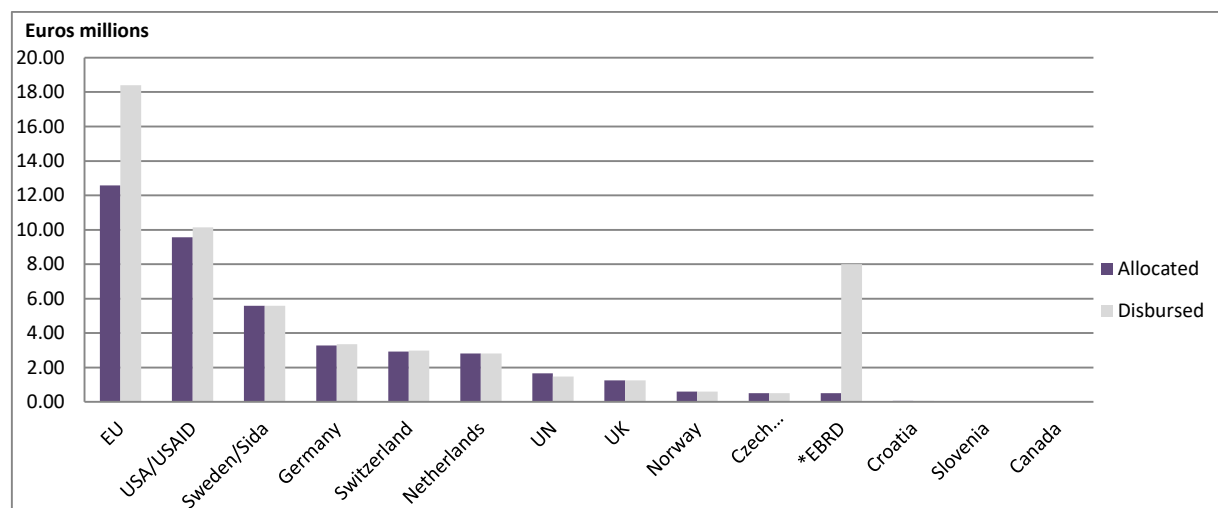
Total allocations of DCF members to the sector in 2017 amounted to €41.37 million, out of which €40.87 million in the form of grants and €0.50 million in the form of loans.

Total disbursements of DCF members to the sector in 2017 amounted to €55.21 million, out of which €47.21 million in the form of grants and €8.00 million in the form of loans.

Figure 1.1. compares grants allocated and disbursed ODA grants, according to the amount of the invested funds, as well as allocated and disbursed loan funds from the European Bank for Reconstruction and Development (EBRD).

Leading donors in the sector in 2017, who allocated i.e. disbursed largest amounts were EU, USA/USAID and EBRD, followed by Sweden /Sida, Germany, Switzerland, Netherlands, UN and United Kingdom.

Figure 1.1. Allocated and disbursed grants per donors in 2017



*Note: EBRD loan

Figure 1.2. presents the structure of total allocated ODA funds in 2017 per sub-sectors. Democracy and governance sector consists of 11 sub-sectors.

Out of total allocated funds in 2017, 80,6% was allocated in three sub-sectors: Civil society 55%, Public Administration Reform 16,9% and Decentralization and Sub-national government 8,6%. Sub-sectors that did not have funding are not presented in the chart.

Figure 1.2. Total allocated ODA per sub-sectors in 2017

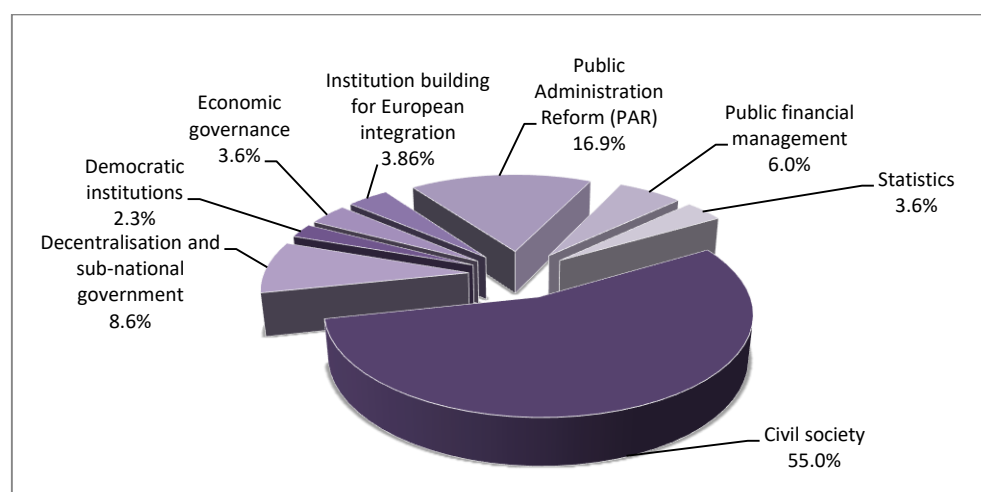
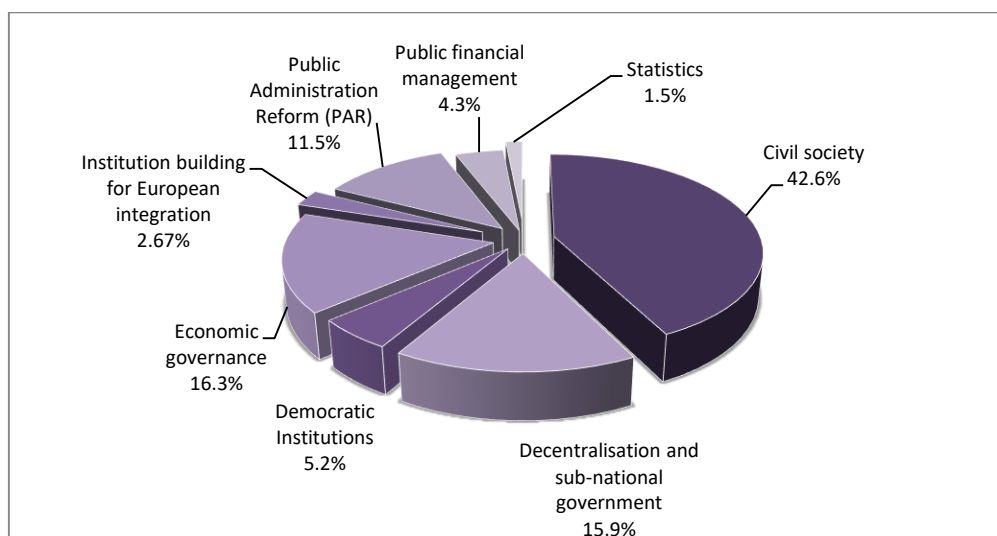


Figure 1.3. presents the structure of total allocated ODA funds in 2017 per sub-sectors.

Out of total disbursed funds in 2017, 74,8% was disbursed in three sub-sectors: Civiln society 42,6%, Economic governance 16,3% and Decentralization and Sub-national government 15,9%. Sub-sectors that did not have funding are not presented in the chart.

Figure 1.3. Total disbursed ODA per sub-sectors in 2017



Ten major projects in the sector that allocated or disbursed funds in 2017, are listed below:

PROJECT TITLE	Donor/Creditor	Total Project Value (Euros millions)
Strengthening Associations of Municipalities and Cities in Bosnia and Herzegovina	Sweden /Sida	29.00
Strengthening of Public Institutions	Germany	10.31
Local Governance - Integrated Local Development Project and Municipal Training Project	Switzerland, UN	9.83
(CSSP) Civil Society Sustainability Project	USA/USAID	8.34
FIF - Sparkasse Bank - BH SME CSF	EBRD	8.00
MEASURE, USAID/Bosna i Hercegovina (BiH) Monitoring and Evaluation Support Activity	USA/USAID	7.75
Strengthening the Role of Local Communities/Mjesne zajednice (MZs) in Bosnia and Herzegovina	Switzerland, Sweden/Sida, UN	7.71
Bosnia and Herzegovina Sub-National Investment Climate Project - LIFE	UK	7.27
FIF - Intesa SanPaolo Bank - BH SME-CSF	EBRD	7.00
Explosive Ordnance and Remnants of War Destruction Project	Germany, Netherlands, UN, USA/USAID	6.35

All projects are available in the Donor Coordination Forum Database, via the following link:

<http://dmd.donormapping.ba/dmd/faces/dmdPublicStart>

Future activities

Bosnia and Herzegovina should continue the process of strengthening democracy and governance, through strengthening of democratic institutions and inclusive democratic processes, strengthening

the role of civil society, and implementing activities to achieve further progress in reforms, crucial for the process of the European and Euro-Atlantic integration. Based on the responses of BiH Institutions from all levels of government, as well as in line with the recommendations of the European Commission's 2017 Report for Bosnia and Herzegovina, further efforts should be made in the following period:

- continue activities on harmonization of the legislation of Bosnia and Herzegovina with the EU *acquis*;
- adopt the new strategic framework for Public Administration Reform in BiH (PAR) and the Action Plan for implementation of the PAR Strategy;
- establish joint performance-based monitoring and reporting system, in order to assess the progress made in PAR and ensure the sustainability of the PAR Fund;
- adopt Public Finance Management Reform Strategy in BiH;
- continue improvements in the area of drafting and implementation of program budgeting at all levels of government in BiH;
- establish the methodology for determining debt levels and excessing budget deficit (Excessive Deficit Procedure Report – EDP);
- strengthen mid-term and annual strategic planning system in Bosnia and Herzegovina;in Bosnia and Herzegovina;
- continue strengthening the capacities of institutions responsible for European integration in BiH;
- strengthen development and coordination policies in support to the EU integration process;
- continue activities on strengthening the external audit system and directorates for direct taxation;
- continue activities for improvement in the areas of accounting, book keeping and reporting of budget users and treasury system at all levels of government in BiH;
- implement preparation and drafting of bylaws based on the new Law on Customs and Tax Policy in BiH;
- undertake activities to strengthen the coordination of international development aid and strengthen the partnership with development partners in BiH (donors, creditors);
- develop tools to create preconditions for establishing common accountability system between BiH institutions and the donor community, with the view to improve the aid effectiveness in BiH;
- continue activities on further improvement in the field of electronic public procurement;
- strengthen the statistical system and capacities for producing reliable statistics in BiH, through further harmonization of statistics with the EU legislation and capacity building of relevant institutions at all levels of government in BiH;
- ensure implementation of effective human resources management system in Institutions in Bosnia and Herzegovina.

DCF members active in the sector in 2017	USA/USAID, EU, Norway, Germany, Switzerland, Sweden/Sida, UN, Japan, Netherlands, Slovenia, Croatia, Czech Republic, United Kingdom
Other key international organizations	Organization for Security and Cooperation in Europe; Council of Europe, the Geneva Centre for the Democratic Control of Armed Forces; INTERPOL; EUROPOL; European Union Forces; USA Department of Justice International Criminal Investigative Training Assistance Program; European Police College; Association of European Police Colleges; Catholic Relief Services; Office of the High Representative; European Agency for the Management of Operational Cooperation at the External Borders; International Committee of the Red Cross; Save the Children Norway; Regional Cooperation Council; OPEC Fund for International Development /OFID; South East and East Europe Clearinghouse for Control of Small Arms and Light Weapons (SEESAC); Caritas Switzerland, Care International; Hilfswerk Austria International
Key government partners	Council of Ministers of BiH, Government of FBiH, Government of RS; Government of BD BiH; BiH Ministry of Justice; BiH Ministry of Civil Affairs; Federal Ministry of Justice; Ministry of Justice of RS; cantonal ministries of justice; Judicial Commission of BD BiH; Ministry of Security of BiH; Ministry of Human Rights and Refugees of BiH; BiH Prosecutor's Office; High Judicial and Prosecutorial Council; the BiH Court; Judicial and Prosecutorial Training Centers in FBiH and RS; State Investigation and Protection Agency of BiH; Border Police of BiH; Ministry of Foreign Trade and Economic Relations of BiH; The Institution of Human Rights Ombudsman/Ombudsmen of BiH; Notary Chamber of FBiH and RS; Directorate for Coordination of Police Bodies of BiH; Directorate for the Coordination of Police Bodies of BiH; Agency for police Support of BiH; Police Academies in FBiH and RS; Federal Ministry of Interior; Ministry of Interior of RS; cantonal ministries of interior; cantonal ministries of education; The Personal Data Protection Agency of BiH; Agency for Forensic and Expert Examinations of BiH; Civil Protection Agencies at the entity and BD BiH level; Federal Ministry of Health; Ministry of Health and Social Welfare of RS; departmet of Health of BD BiH; Agency for gender Equality of BiH; Gender centers of FBiH and RS; Council of National Minorities in BiH.
Total allocation/disbursement to the sector in 2017 by DCF members	Total allocated € 29.42 million –in a form of grants Total disbursed € 31.58 million –in a form of grants Out of total ODA in 2017, 7% was allocated and 7% was disbursed in the sector.
Legal framework and sector strategies adopted in 2017	The Law on Changes to the Criminal Code of FBiH (FBiH Off. Gazette No. 75/17); The Law on the Protection of Persons Who Report Corruption (RS Off. Gazette No. 62/17); The Law on Changes to the Law on Weapons and Ammunition (RS Off. Gazette No. 18/17); The Law on Changes and Amendments to the Law on Infringement of RS (RS Off. Gazette No. 100/17); The Law on Changes and Amendments to the Law on RS Courts (RS Off. Gazette No. 100/17); The Law on Changes and Amendments to the Law on Criminal Proceedings of RS (RS Off. Gazette No. 91/17); The Law on Changes and Amendments to the Law on Anti-Corruption, Organized and Most Complex Forms of Economic Crime (RS Off. Gazette No. 91/17); The Law on Experts of RS (RS Off. Gazette No. 74/17); The Law on Changes to the Law on Notaries in RS (RS Off. Gazette No. 68/17); The Criminal Code of RS (RS Off. Gazette No. 64/17); The Law on Changes and Amendments to the Law on Salaries of Employees in the Ministry of Interior of RS (RS Off. Gazette No. 62/17); The Law on Changes to the Law on Extra- Judicial Procedure of BD BIH (BD BIH Off. Gazette No. 36/17); The Law on Changes and Amendments to the Law on Restitution of Abandoned Property (BD BIH Off. Gazette No. 9/17).

	<p>Strategy for Combating Organized Crime in BiH (2017-2020); Action Plan for Addressing Roma Issues in the Fields of Employment, Housing and Health Care for 2017-2020; Action Plan for Implementation of the <i>Integrated Border Management Strategy</i> for 2017.</p> <p>Previously adopted legal framework and sector strategies are available on: www.donormapping.ba</p>
	<p>Judicial Reform: Forum of Donors Annual coordination meeting organized by the BiH Ministry of Justice and BiH – EU Structural Dialogue on Justice. Donor coordination is maintained every 6 months by the European Union Delegation (EUD) as part of a structural dialogue, as well as sub-committee meetings in the Justice sector with the participation of the High Judicial and Prosecutorial Council and the Ministry of Justice.</p> <p>EUD regularly organizes meetings for coordination of international judiciary sector.</p> <p>Regular bilateral coordination meetings of international and local partners.</p> <p>Penitentiary Reform: <i>ad hoc</i> coordination, project-based bilateral meetings.</p> <p>War Crimes: Regular bilateral coordination meetings with international and local partners, including EUD, Switzerland, USA, Ministry of Justice, Prosecutor's Offices. <i>Ad hoc</i> coordination, project-based.</p> <p>Fight against Organized Crime: informal <i>ad hoc</i> coordination, project-based and mostly bilateral / multilateral, self-organizing meetings between donors.</p> <p>Fight against Corruption: regular donors and policy coordination meetings are co-chaired by the Agency for Prevention of Corruption and for Coordination of the Fight against Corruption and the EUD.</p> <p>The UN maintains regular bilateral coordination meetings with international and local partners.</p> <p>Police reform: informal <i>ad hoc</i> coordination, project-based.</p> <p>Migration and Asylum: formal donor coordination is led by the Coordination body on BiH immigration issues.</p> <p>Border Management and Security: Informal <i>ad hoc</i> coordination, project-based.</p> <p>Roma: Roma Committee with the Council of Ministers of BiH represents formal coordination body.</p> <p>Refugees and IDPs: Informal <i>ad hoc</i> coordination, project-based and mostly bilateral / multilateral</p> <p>LGBTI: Informal <i>ad hoc</i> coordination, project-based.</p> <p>National Minorities: informal <i>ad hoc</i> coordination, project-based.</p> <p>Intercommunity Relations: informal <i>ad hoc</i> coordination, project-based.</p> <p>Freedom of expression and media freedom: Informal <i>ad hoc</i> coordination, project-based.</p> <p>Property Rights: Informal <i>ad hoc</i> coordination, project-based.</p> <p>Data Protection: Informal <i>ad hoc</i> coordination.</p> <p>Donors active in the sector and BiH Institutions from all levels of government regularly attended Donor Coordination Forum meetings (DCF meetings) hosted by BiH Ministry of Finance and Treasury/Sector for Financial Planning of Development and Coordination of International Economic Aid.</p>

Overview of activities in 2017

Rule of law and fundamental rights sector presented in this Report is based on the sector-based reporting methodology defined in the IPA II regulation, for the period 2014 – 2020.

Rule of law and fundamental rights sector consists of sixteen sub-sectors:

- Judicial reform,
- Penitentiary reform,
- War crimes,
- Fight against organized crime,
- Fight against corruption,
- Police reform,
- Migration and asylum,
- Border management and security,
- Roma,
- Refugees and IDPs,
- LGBTI,
- National minorities,
- Intercommunity relations,
- Freedom of expression and media freedom,
- Property rights and
- Data protection.

Activities related to the improvement of the Rule of law and fundamental rights sector in 2017, were focused at further strengthening of independence, accountability, efficiency and harmonization of the judicial system in Bosnia and Herzegovina that will ensure the rule of law and equal access to justice for all.

Council of Ministers of BiH, on the 94th session held on March 15, 2017, adopted the Action Plan for implementation of the Justice Sector Reform Strategy in BiH for the period 2014-2018 (JSRS), harmonized with the entity governments and the Judicial Commission of Brcko District BiH. The Action Plan defines a set of reform measures that will be implemented in the course of 2017 and 2018 by the competent institutions at all levels in BiH in the fields of judiciary, execution of criminal sanctions and access to justice, with the aim to improve the efficiency of their work and better application of international standards in the Justice sector.

In 2017, two ministerial conferences of justice ministers were organized in Bosnia and Herzegovina, the president of the High Judicial and Prosecutorial Council of BiH (HJPC) and the Judicial Commission of Brcko District BiH (held on March 8, 2017 and June 6, 2017).

In order to operationalize the mechanisms for monitoring and evaluation for implementation of the JSRS AP in BiH, Working Procedures of the Ministerial Conference and its bodies were adopted at the second conference, as an important step in continuation of the reform initiatives in the Justice sector in BiH.

In 2017, "*Weeks of Judicial Settlement*" were organized in all courts in Bosnia and Herzegovina, with the aim to promote the resolving of cases by settlement. As a result of promotion of judicial settlement, the number of cases resolved this way in BiH has increased if compared to the previous period.

Amendments to the Law on Civil Procedure have been adopted at most levels of BiH government, with the aim to improve its efficiency. In Republika Srpska, a set of laws on courts, prosecutors' offices and procedural laws were adopted in 2017.

In the Federation of BiH in 2017, normative activities were carried out in the preparation of legal and bylaw legislation in the field of judiciary as well as the set of bylaws were adopted related to bankruptcy, enforcement proceedings, corruption and organized crime and domestic violence (Official Gazettes of FBiH, no. 29/17, 55/17 and 57 / 17). Also, activities on amendments to the FBiH Criminal Code have been completed.

The Law on Civil Procedure of Brcko District BiH is in the procedure of adoption, and the Law on Changes to the Law on Extra-Judicial Procedure of Brcko District BiH was adopted in September 2017(Official Gazette of Brcko District BiH, no. 36/17).

In 2017, activities on strengthening the capacities of judicial institutions at all levels of BiH authorities continued through training of prosecutors in areas related to corruption and organized and economic crime. Specialized training is provided in areas of cybercrime, criminal and forensic financial research.

The new Agreement on Cooperation between the Council of Ministers of BiH and the non-governmental sector in BiH was approved and signed at the 116th session of the BiH CoM on September 26, 2017, which established the legal framework that will ensure more active participation of civil society in drafting of legal regulations in BiH Institutions as well as enhanced the institutional framework for creating an incentive environment for development of the civil society in BiH.

The BiH Law on Execution of the Criminal Sanctions, Detention and Other Measures has been changed and amended several times in the past period, in order to be harmonized with the European standards.

The new draft Law on Execution of Criminal Sanctions, Detention and Other Measures in Republika Srpska is in the adoption procedure at the RS National Assembly. The new draft Law on Execution of Criminal Sanctions, Detention and Other Measures in the Federation of Bosnia and Herzegovina was drafted in 2017, and has not been adopted yet.

Construction works on the *Institute for the Execution of Criminal Sanctions, Detention and Other Measures of BiH* ended in late September 2017, however technical acceptance of the facility in the Municipality of East Ilidza was not completed due to the increased costs for issuing the use permit. Equipping the facility with furniture and other specialized equipment is in progress.

Although adopted as the separate strategic document, National Strategy for Processing of War Crimes Cases in BiH constitutes a thematic domain and forms a part of the JSRS in Bosnia and Herzegovina. Since the deadline for processing of the most complex and priority war crimes cases has expired, on April 12, 2017, Council of Ministers has established the Working Group, which drafted the amendments to the National Strategy for Processing of War Crimes in BiH, by the end of 2017.

In the Euro-Atlantic integration accession process, one of the obligations is to draft the Strategy and the Action plan for Combating Organized Crime. Accordingly, Council of Ministers of BiH established the Working Group which prepared the Organized Crime Threat Assessment in BiH (OCTA). OCTA assessment was adopted by the Council of Ministers of BiH in March 2017.

Strategy for Combating Organized Crime in Bosnia and Herzegovina for the period 2017-2020 was adopted at the 117th session of the Council of Ministers of BiH, held on October 10, 2017, as an

important step in the EU integration process and as the commitment of Bosnia and Herzegovina to combat this global problem. The Strategy initiated strengthening of the capacities and cooperation of the competent institutions in BiH to combat organized crime, and further intensification of regional and international cooperation in this field.

In the anti-corruption area, activities on capacity building of institutions in BiH continued through FIA training for 400 executive staff from 171 Institutions in BiH. Within the framework of the anti-corruption theme, state officials from executive and legislative authorities from institutions in BiH and the Federation of BiH have been trained on their responsibility in supervision of implementation of anti-corruption aspects of legislation.

During 2017, the Council of Ministers, together with other levels of government in BiH, actively worked on implementation of the Action Plan for elimination of deficiencies in the fight against money laundering FATF, with the aim to remove Bosnia and Herzegovina from the FATF "gray list". Following an on-site visit in October 2017, the FATF concluded that BiH has eliminated deficiencies in the fight against money laundering and financing of terrorism. With the decision from the FATF Plenary Session in February 2018, BiH was removed from the FATF "gray list" and classified in a regular reporting regime.

During 2017, substantial measures have been undertaken to counter trafficking in human beings at all levels of authorities, in line with the Action Plan for Combating Trafficking in Human Beings in BiH for the period 2016-2019, which reflected in reduced number of identified trafficked victims. The report on the situation in the field of human trafficking in BiH and the Report on implementation of the Action Plan for Combating Trafficking in Human Beings in BiH for 2016 were adopted at the 97th session of the BiH Council of Ministers, held on April 6, 2017.

In 2017, core activities in the field of migration were focused at creating all prerequisites for the reception of asylum seekers in Bosnia and Herzegovina, in line with the adopted Strategy and Action Plan for Migration and Asylum of BiH 2016-2020 and relevant international standards. Namely, the number of stated intentions of foreigners to apply for asylum has increased significantly, particularly in the last quarter of 2017. It is estimated that this trend will continue in the upcoming period.

In 2017, a set of bylaw acts was adopted in the area of migration, in line with the Law on Foreigners regarding issuance of visas, entry and residence in BiH under special conditions, and humanitarian reasons for approval of residence in BiH (Official Gazettes of BiH, no. 15/17, 91/17, 93/17). Also, the Rulebook on Central Database on Legal Aliens was adopted (Official Gazette of BiH, no. 19/17) and the Instruction on Registration of Foreigners, Victims of Human Trafficking, with the accompanying Form for collection of data on foreigners, victims of human trafficking.

In 2017, the 2016 Migration Profile for Bosnia and Herzegovina was prepared, which was adopted by the Council of Ministers of BiH at the 98th session, held on April 12, 2017. So far, this is the ninth Migration Profile, which was distributed to all relevant organizations, institutions and embassies of the EU and countries in the region.

In 2017, the proposal was prepared of the Rulebook on Internal Organization of the BiH Border Police, in order to improve the internal structure and organization, and the procedure was conducted for obtaining necessary opinions from the competent institutions. With the modernization process, BiH Border Police is pursuing to achieve the standard that will satisfy the conditions for assuming

obligations from the future candidate status of BiH for the full-fledged membership in the European Union.

During the reporting period, several important acts in the field of small arms and light weapons control were adopted (SALW). Three bylaw acts have been adopted in the field of control of foreign trade of goods and services of strategic importance for the security of BiH, the Rulebook on keeping of the register of persons engaged in foreign trade of weapons, military equipment and goods of special purpose, the Rulebook on the form and the content of documents in the foreign trade of weapons, military equipment and goods of special purpose as well as the Instruction on the conditions and the procedure for issuing documents in foreign trade of weapons, military equipment and goods of special purpose. Regarding the supervision of the implementation of the Law on the Control of the Movement of Weapons and Military Equipment, the Decision was prepared and adopted on the list of weapons and military equipment requiring approval for their movement (Official Gazettes of BiH, no. 62/17 and 82/17).

The Coordination Committee for Control of Small Arms and Light Weapons (CC SALW) in BiH was established with the Decision of the Council of Ministers of BiH, as an interinstitutional body, with the aim to supervise the implementation of the Strategy for Control of Small Arms and Light Weapons (2016-2020). Four CC SALW working meetings were held in the previous period. The Council of Ministers of BiH adopted the Report on the work of CC SALW for 2017 at the 137th session, held on March 28, 2018.

Council of Ministers of BiH, on its 108th session held on July 19, 2017, adopted the BiH Action Plan for Addressing Roma Issues in the Fields of Employment, Housing and Health Care for the period 2017-2020 (Official Gazette of BiH, no. 67/17), which precisely defines the activities and tasks to be performed by the BiH, in line with the actual needs of Roma and available capacities of BiH.

The Report on the Implementation of the Revised Action Plan on Educational Needs of Roma for the academic year 2015/2016 was adopted at the 108th session of the Council of Ministers of BiH held on July 19, 2017. The Report was prepared on the implementation of the Revised Action Plan for Addressing Roma Issues in the Fields of Employment, Housing and Health Care 2013-2016 and the use of funds for 2016, and obtaining opinions from entity governments and relevant ministries is underway.

In the observed period, progress has been made in the area of housing conditions of Roma population (32 housing units are currently built for Roma), employment (133 Roma are employed), quality of health care, civil registration and education of Roma in BiH, whereby several hundreds of Roma families attended various forms of education in the field of health care. Also, 156 uninsured persons were introduced into the health care system in the Federation of BiH.

Council of Ministers of BiH, on the 113th session held on September 9, 2017, adopted the Draft Law on Amendments to the Law on Ombudsman for Human Rights of BiH, which will establish the independent preventive mechanism and ensure meeting the conditions for the reaccreditation of the BiH Ombudsman Institution, as well as the basis for signing of Protocols 15 and 16 of the EU Convention for the Protection of Human Rights and Freedoms.

Regarding the process of strengthening of Bosnia and Herzegovina cooperation with the diaspora, Council of Ministers of BiH, at its 99th session held on April 18, 2017, adopted the document "The

Policy of Relations with the BiH Diaspora"(Official Gazette of BiH, No. 38/17). This is the first document to institutionalize the cooperation with the diaspora and define the principles governing BiH institutions in cooperation with the diaspora. The implementation of this document includes institutions at all levels of government within their competence, in order to respond to diaspora needs and demands in a quality manner. Also, in 2017, activities were initiated on preparation of the Strategy for Cooperation with Diaspora which is planned to be adopted at the end of 2018.

Also, in 2017, the issue has been raised related to the exchange of registry books between the competent entity authorities, as precondition for full exercise of citizens' rights to own personal documents and also for completing the electronic registry books and later for the exchange of data between the competent entity authorities and Brcko District BiH.

The Rulebook on Industrial Security has been considered and adopted at the 106th session of the CoM BiH, which was held on June 22, 2017 (Official Gazette of BiH, no. 55/17).

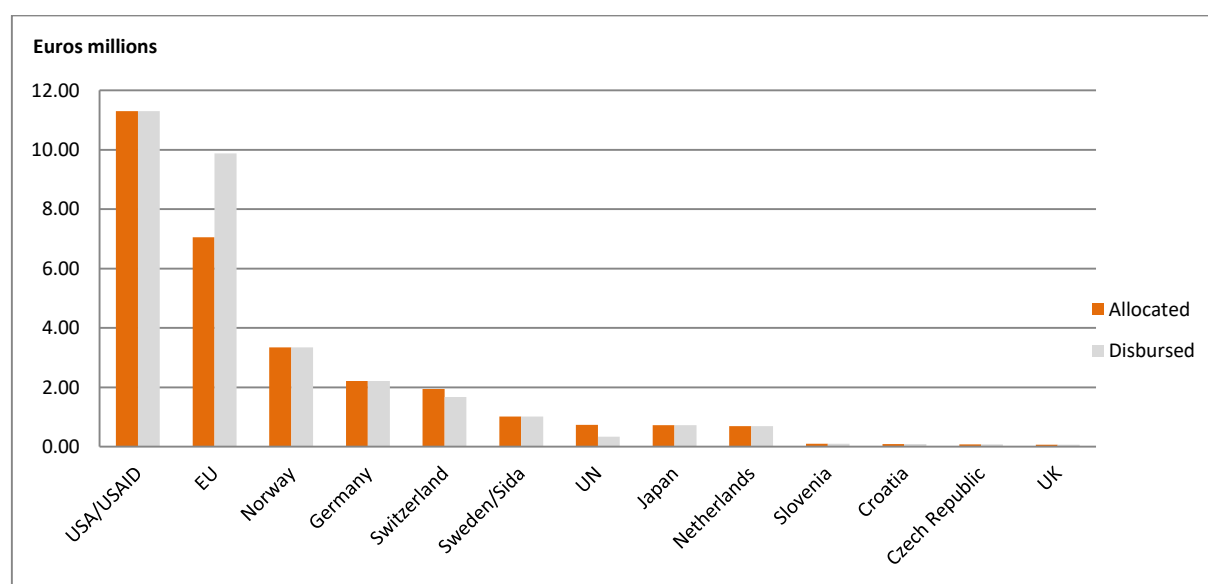
Investments of DCF members in 2017

DCF members active in the Rule of law and fundamental rights sector in 2017 are SAD/USAID, EU, Norway, Germany, Switzerland, Sweden/Sida, UN, Japan, Netherlands, Slovenia, Croatia, Czech Republic and United Kingdom.

Total allocations of DCF members to the sector in 2017 amounted to €29.42 million, while total disbursements amounted to €31.58 million, all in the form of grants.

Figure 2.1. compares allocated and disbursed ODA funds, according to the amount of invested funds of each individual donor. Leading donors in the sector in 2017, who allocated i.e. disbursed largest amounts, were USA/USAID and EU, followed by Norway, Germany, Switzerland and Sweden/Sida.

Figure 2.1. Allocated and disbursed grant funds per donors in 2017



Rule of law and fundamental rights sector consists of 16 sub-sectors. Figure 2.2. presents the structure of total allocated ODA funds per sub-sectors.

Out of total allocated funds in 2017, 87.8% was allocated in three sub-sectors: Judicial reform 52.1%, Intercommunity relations 30.1% and Fight against organized crime 5,6%. Sub-sectors that did not have funding are not presented in the chart.

Figure 2.2. Total allocated ODA per sub-sectors in 2017

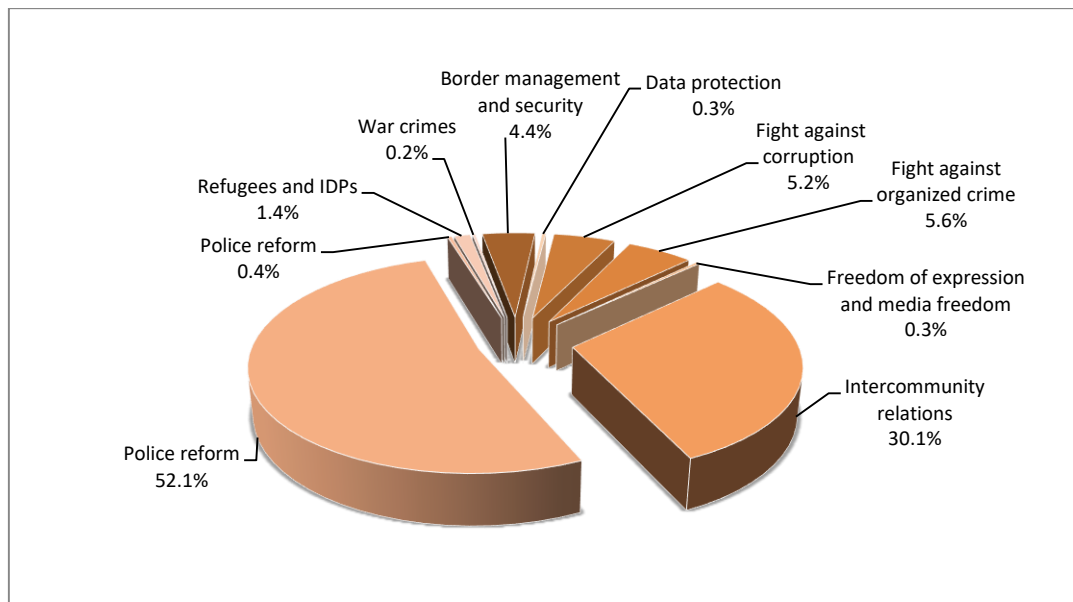
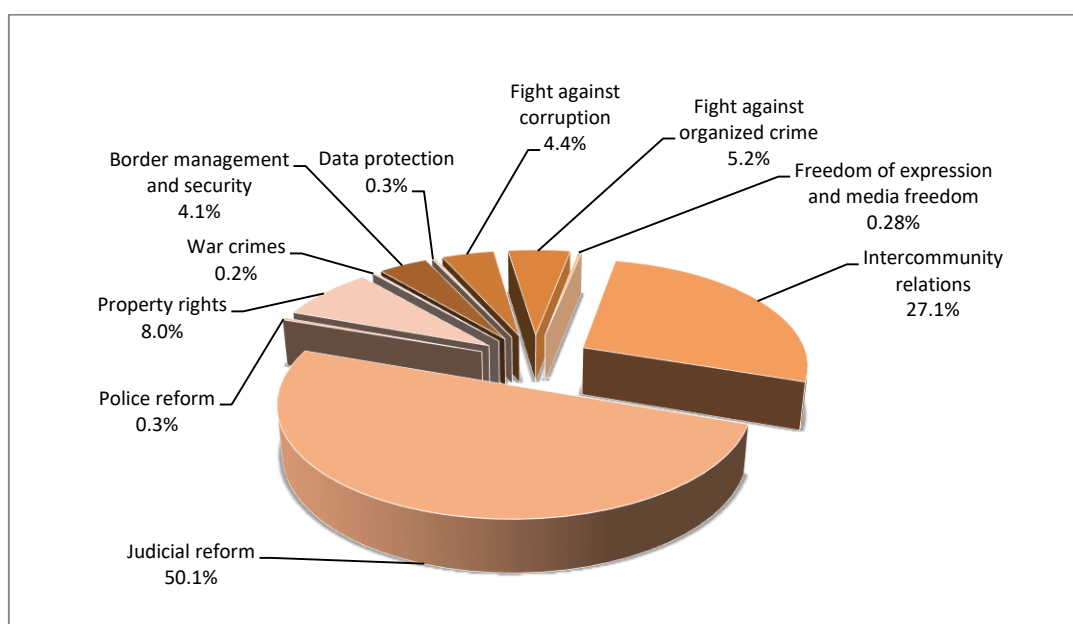


Figure 2.3. presents the structure of total disbursed ODA funds per sub-sectors in 2017. Out of total disbursed funds in 2017, the largest disbursements were recorded subsectors Judicial reform 50.1 %, Intercommunity relations 27.1% and Property rights 8%.

Figure 2.3. Total disbursed ODA per sectors in 2017



Ten major projects in the sector that allocated or disbursed funds in 2017, are listed below:

PROJECT TITLE	Donor/Creditor	Total Project Value (Euros millions)
(ICITAP) Assistance to Law Enforcement Agencies (total value of the project will be determined)	USA/USAID	43.84
(OPDAT) Overseas Prosecutorial Development, Assistance and Training (total value of the project to be determined,	USA/USAID	16.24
NADR CWD Department of State Demining and Small Arms Destruction Program	USA/USAID	10.24
USAID's Justice Project in Bosnia and Herzegovina (BiH)	USA/USAID	8.57
Support to durable solutions of Revised Annex VII DPA Implementation Strategy	EU	7.00
(SGISP) Strengthening Governing Institutions and Processes	USA/USAID	6.35
OPA Fund for Interethnic Reconciliation and Youth	USA/USAID	6.28
(EXBS) Export Control and Border Security (Total value of the project to be determined)	USA/USAID	5.80
Construction/reconstruction of Municipal, Cantonal Court and Prosecutors Office in Tuzla, Federation of Bosnia and Herzegovina, Bosnia and Herzegovina, Lot 1 (Tuzla)	EU	4.33
Support to the Justice for Children Reform in BiH – Phase 2	Switzerland, Sweden/Sida	4.00

All projects are available in the Donor Coordination Forum Database, via the following link:

<http://dmd.donormapping.ba/dmd/faces/dmdPublicStart>

Future activities

In the forthcoming period, it is necessary to continue the strengthening of the judicial system, independence and efficiency of the judiciary in Bosnia and Herzegovina and harmonize domestic with the EU legislation. Based on the responses of BiH Institutions from all levels of government and DCF members who participated in preparation of this Report, as well as in line with the recommendations of the European Commission, further efforts should be made in the following period:

- continue harmonization of domestic with the EU legislation;
- continue activities to increase the independence and efficiency of judiciary in BiH;
- continue activities to ensure organizational, infrastructural and material-technical requirements for the work of judicial institutions in BiH;
- continue activities to the infrastructure and conditions in institutes (for execution of criminal sanctions, detention and other measures) in BiH;
- continue activities on development of effective tools for combating organized crime, economic crime, human trafficking, drugs and weapons and combating corruption;
- continue strengthening BiH Border Police in order to have improved border control and prevent illegal entries into BiH territory;
- initiate activities on preparation of the new strategic documents in the area of integrated border management for the period 2019-2021;
- continue strengthening of institutions capacities in the field of migration and asylum, and intensify the fight against smuggling of migrants;

- strengthen capacities of competent institutions in BiH to combat terrorism;
- ensure continued implementation of Annex VII of the Dayton Peace Accords, with an emphasis on the Regional Housing Program;
- continue engagement in addressing Roma issues in the area of housing;
- implement the activities from the Action Plan 2017-2020 and the Framework Action Plan for Roma Educational Needs, and ensure financing of the educational needs of Roma;
- continue strengthening the capacity for forensic examinations and expert appraisals, within the capacity building for combating organized crime and terrorism;
- as soon as possible ensure accreditation of forensic laboratories, and hence membership in the ENFSI (*European Network of Forensic Science Institutes*);
- continue to harmonize weapons regulations in BiH with EU legislation;
- carry out activities to adopt the document Roadmap for Control of Small Arms and Light Weapons in South East Europe.

DCF members active in the sector in 2017	EU, EIB, Germany, EBRD, UN, Sweden/Sida, Slovenia, Czech Republic, Italy/ Italian Agency for Development Cooperation (AICS), Croatia, Switzerland
Other key international organizations	Global Environment Fund, Western Balkans Investment Framework, Danish Emergency Management Agency, Organization for Security and Cooperation in Europe; Climate Change Fund.
Key government partners	CoM of BiH; Government of FBiH; Government of RS; Government of BD BiH; BiH Ministry of Foreign Trade and Economic Relations; Ministry of security of BiH; Ministry of Finance Treasury BiH; BiH State Regulatory Agency for Radiation and Nuclear Safety; BiH Mine Action Centre; Federal Ministry of Environment and Tourism; Federal Ministry of Physical Planning; Federal Ministry of Agriculture, Water Management and Forestry; Sava River Basin District Agency in FBiH; Agency for Adriatic Sea Water District in FBiH; Federal Civil Protection Administration; Environmental Protection Fund in FBiH; Ministry of Spatial Planning, Civil Engineering and Ecology of RS; Ministry of Agriculture, Forestry and Water Management of RS; Ministry of Interior of RS; Republic Administration for Civil Protection of RS; Public Institution "Vode Srpske"; Environmental Protection and Energy Efficiency Fund of RS; Department for Agriculture, Forestry and Water Management of BD BiH; Department for Spatial Planning and Property Rights Matters of BD BiH; Department of Public Security of BD BiH; cantonal and municipal governments, together with public companies and public utility companies.
Total allocation / disbursement to the sector in 2017 by DCF members	<p>Total allocated €50.85 million – €40.85 million in a form of grants and €10.00 million in a form of loans.</p> <p>Total disbursed €55.67 million – €24.52 million in a form of grants and €31.15 million in a form of loans.</p> <p>Out of total ODA in 2017, 12% was allocated and 13% was disbursed in the sector.</p>
Legal framework and sector strategies adopted in 2017	<p>The Law on Changes and Amendments to the Law on Waste Management (FBiH Off. Gazette No. 92/ 17); The Law on Changes and Amendments to the Law on Air Protection (RS Off. Gazette No. 46/17); The Law on Changes and Amendments to the Law on Protection and Rescue in Emergency Situations (RS Off. Gazette No. 46 /17); The Law on Changes and Amendments to the Water Law (RS Off. Gazette No. 74/17); The Law on "Drina" National Park (RS Off. Gazette No. 63/17); The Law on Changes and Amendments to the Law on Utility Services (RS Off. Gazette No.100/17).</p> <p>Strategy and Action Plan for Protection of Biodiversity of BiH (2015-2020); Environmental Approximation Strategy for BiH (EASBiH); Waste Management Strategy of RS 2017-2026; Environmental Protection Strategy of BD BiH 2016-2020.</p> <p>Previously adopted legal framework and sector strategies are available on www.donormapping.ba</p>

<p>Coordination with and among donors</p>	<p>Climate Action: Exchange of information between stakeholders based on informal <i>ad-hoc</i> coordination and project-based bilateral meetings.</p> <p>Water Supply and Waste Water: to some extent, MoFTER is leading the donor coordination. <i>Ad-hoc</i> coordination among donors.</p> <p>Water Resources Management: To some extent, MoFTER is leading the donor coordination. <i>Ad-hoc</i> coordination among donors.</p> <p>Waste Management: to some extent, MoFTER is leading the donor coordination. <i>Ad-hoc</i> coordination among donors.</p> <p>Nature Protection: to some extent, MoFTER is leading the donor coordination. <i>Ad-hoc</i> coordination among donors.</p> <p>Air Quality and Noise: Informal <i>ad hoc</i> coordination.</p> <p>Industrial Pollution and Chemicals: Informal <i>ad hoc</i> coordination, mostly project-based.</p> <p>Environment Horizontal Standards: Informal <i>ad hoc</i> coordination, mostly project-based.</p> <p>Civil Protection: <i>Ad hoc</i> coordination, participants are the EU Ministry of Security, UN and other international organizations and other major international donors in the sub-sector.</p> <p>Donors active in the sector and BiH Institutions from all levels of government regularly attended Donor Coordination Forum meetings (DCF meetings) hosted by BiH Ministry of Finance and Treasury/Sector for Financial Planning of Development and Coordination of International Economic Aid.</p>
--	--

Overview of activities in 2017

Environment and climate action sector presented in this Report is based on the sector-based reporting methodology defined in the IPA II regulation, for period 2014 – 2020.

Environment and climate action sector consists of nine sub-sectors:

- Climate action,
- Water supply and waste water,
- Water resources management,
- Waste management,
- Nature protection,
- Air quality and noise,
- Industrial pollution and chemicals,
- Environment horizontal standards and
- Civil protection.

Environment and climate action is a specific area, closely linked to other sectors such as energy, tourism and transport, thus falling under the competence of institutions at all levels in Bosnia and Herzegovina. At the same time, this is an area that requires significant investments in building of institutional capacities and infrastructure and high level of compliance with the European Union norms and standards, in terms of harmonization of legal and bylaw acts with the EU regulations.

According to the ECRAN Report on monitoring of the EU Environmental Acquis (2015-2016) transposition and implementation, certain degree of progress has been achieved in this area in Bosnia and Herzegovina. However, it is necessary to continue activities towards the thorough transposition and harmonization of legislation at all levels of government in BiH with horizontal and sector environmental acquis, and continue strengthening administrative capacities and cooperation of all institutions involved in environmental issues.

Council of Ministers of BiH, on its 103rd session held on May 30, 2017, adopted the Environmental Approximation Strategy for BiH (EAS BiH). EAS, together with the relevant implementing documents adopted by the Federation of BiH, Republika Srpska and Brcko District BiH, identifies the framework needed for harmonized approach at the country level in the legal harmonization and implementation of the environmental protection acquis.

Prior to the adoption of the Environmental Approximation Strategy, the strategies at the level of both entities and the Brcko District were revised and adopted. With the adoption of EAS BiH, yet another obligation is fulfilled in the EU accession process, and preconditions are met to use the pre-accession assistance in this area.

In 2017, activities were initiated for adoption of the Amendment to the Barcelona Convention and four protocols, the ratification of the MARPOL Convention, the ratification of the Convention on Migratory Species (CMS), EUROBATS (Agreement on conservation of the European bats population) and the AEWA (Agreement on the Conservation of African-Eurasian Migratory Waterbirds) as well as the ratification of the ACCOBAMS Convention on the Conservation of Whales in the Mediterranean Sea (Agreement on the Conservation of Cetaceans in the Black Sea, Mediterranean Sea and Contiguous Atlantic Area). Also, GMO amendment to the Aarhus Convention is in the process of ratification.

In the area of water resources management in BiH, activities were undertaken in 2017 on preparation of entity river basins management plans. Two planning documents have been prepared in Republika Srpska: River Basin (district) Management Plan of Sava River RS (2018-2021) and the River Basin (district) Management Plan of Trebisnjica River RS (2018-2021), adopted at the 163rd session of Republika Srpska Government, held in March 2018. In the Federation of Bosnia and Herzegovina, Water Management Plan for the Adriatic Sea water district in the FBiH (2016-2021) and the Water Management Plan for the Sava River Basin in the Federation of BiH (2016-2021), are prepared and in the adoption procedure. In February 2017, the Government of Brcko District BiH adopted the Water Management Plan for the Sava River Basin. The new law on water in the Brcko District BiH is under preparation.

These strategic documents define integrated water management at the level of the river basin districts and contain the general characteristics of the river basin, the environmental objectives for surface and groundwater, the program of environmental protection measures and other important elements for water management.

The area of waste management in Bosnia and Herzegovina, in accordance with the allocation of competencies, is regulated by the entity laws and a set of bylaws that regulate various waste aspects and categories, in line with European directives in the field of environmental protection and the principles of sustainable development. The transposition of the Framework Directive on Waste in BiH is relatively advanced. Republika Srpska adopted the new Law on Waste Management in 2013, while in 2017 the Federation of BiH adopted the amendments to the Law on Waste Management in the FBiH.

The Waste Management Strategy of Republika Srpska for the period 2017-2026 was adopted in July 2017 (Official Gazette of RS, no. 67/17). The Strategy defines the long-term goals of the waste management and provides conditions for rational and sustainable waste management in the RS.

Competent entity and BD BiH institutions, although committed to improve the efficiency as well as transposing and applying the EU acquis for environmental management of waste, are facing the lack of capacity for effective implementation and monitoring of the waste management activities

In 2017, most significant developments in environmental protection refer to the ratification of the SEA Protocol. Namely, in May 2017, the Parliamentary Assembly of Bosnia and Herzegovina adopted the Decision on granting the consent for ratification of the Convention on the Protection of Migratory Species of Wild Animals, the CMS (at the 44th session of the House of Representatives and the 28th session of the House of Peoples).

Council of Ministers of BiH, on its 93rd session held on March 8, 2017, brought the Decision on the conditions and manner of implementation of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) in BiH, which defines the manner in which licenses are issued for trading of the endangered wild flora and fauna species, i.e. all types listed in the CITES Appendices. Also, the template for CITES licenses was made and regulated for BiH and the competent institutions at all levels in BiH are responsible for the implementation of the said Decision.

Council of Ministers of BiH, on its 102nd session held on May 23, 2017, adopted the Strategy and the Action Plan for Protection of Biodiversity of Bosnia and Herzegovina for the period 2015-2020, as a key document in the field of nature protection. The Strategy and the Action Plan provide the appropriate guidelines to relevant institutions for development planning and decision making for undertaking

activities on all biodiversity issues and establishing indicators for monitoring the progress in the measures implementing process and strengthening environmental awareness in BiH. Thereby, Bosnia and Herzegovina has demonstrated its commitment to fulfilling its obligations at the international level, related to the conservation of nature and the rational management of natural resources.

Bosnia and Herzegovina ratified the United Nations Framework Convention on Climate Change (UNFCCC) in September 2000, and has already begun undertaking measures to address climate change. On that basis, in May 2017, the UNFCCC Secretariat was provided with the third national report and the second biennial report (SBUR) on the greenhouse gas emissions in Bosnia and Herzegovina².

The Paris Agreement on Climate Change (SG BiH, MU 01/17) was signed by the BiH in 2016 and entered into force in 2017, after ratification by the BiH Presidency. The main objective of the agreement is to limit global warming, strengthen capacity to combat climate change, develop "green" technologies and globally reduce greenhouse gas emissions by 2030.

Bosnia and Herzegovina is extremely exposed to the risks of natural or other disasters and mostly to the risks of floods, wildfires, landslides, earthquakes and droughts, and since the prevention is of exceptional importance, it is necessary to strengthen the ability of BiH access to the EU civil protection mechanism. Accordingly, the procedure was initiated in 2017 for adoption of the Program for development of the protection and rescue system at the level of institutions and bodies in BiH, setting out strategic goals and specific activities that will contribute to boosting of the protection and rescue system in Bosnia and Herzegovina in the forthcoming period.

Investments of DCF members in 2017

DCF members active in the Environment and climate action sector in 2017 are EU, EIB, Germany, EBRD, UN, Sweden/Sida, Slovenia, Czech Republic, Italy/ Italian Agency for Development Cooperation (AICS), Croatia and Switzerland.

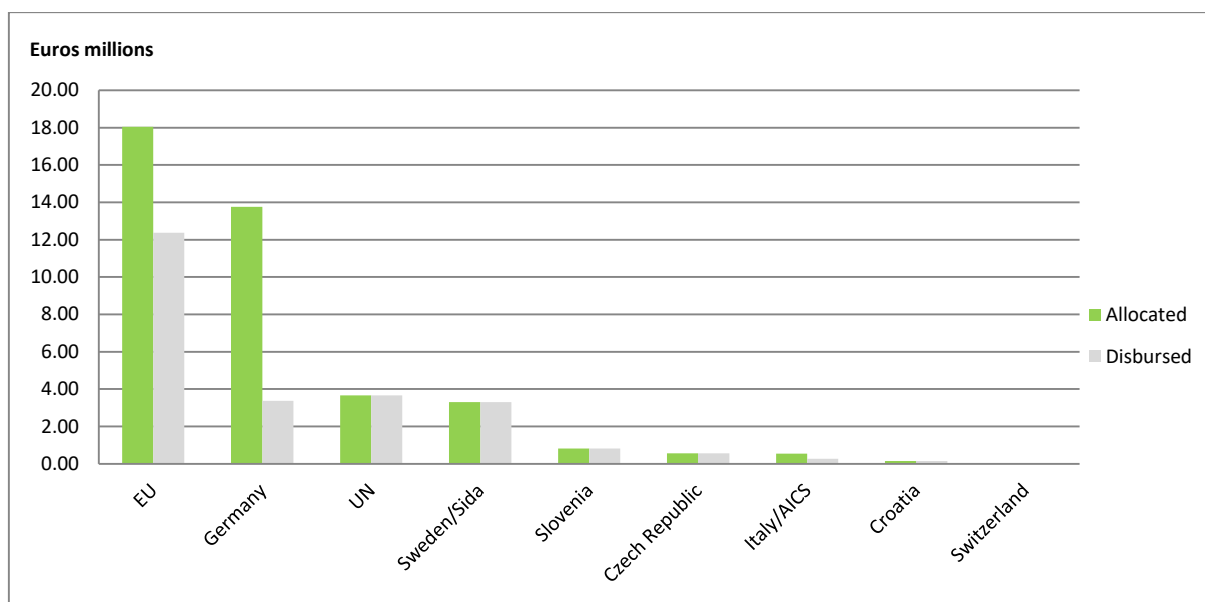
Total allocations of DCF members to the sector in 2017 amounted to €50.85 million, out of which €40.85 million in the form of grants and €10.00 million in the form of loans.

Total disbursements to the sector in 2017 amounted to €55.67 million, out of which €24.52 million in the form of grants and €31.15 million in the form of loans.

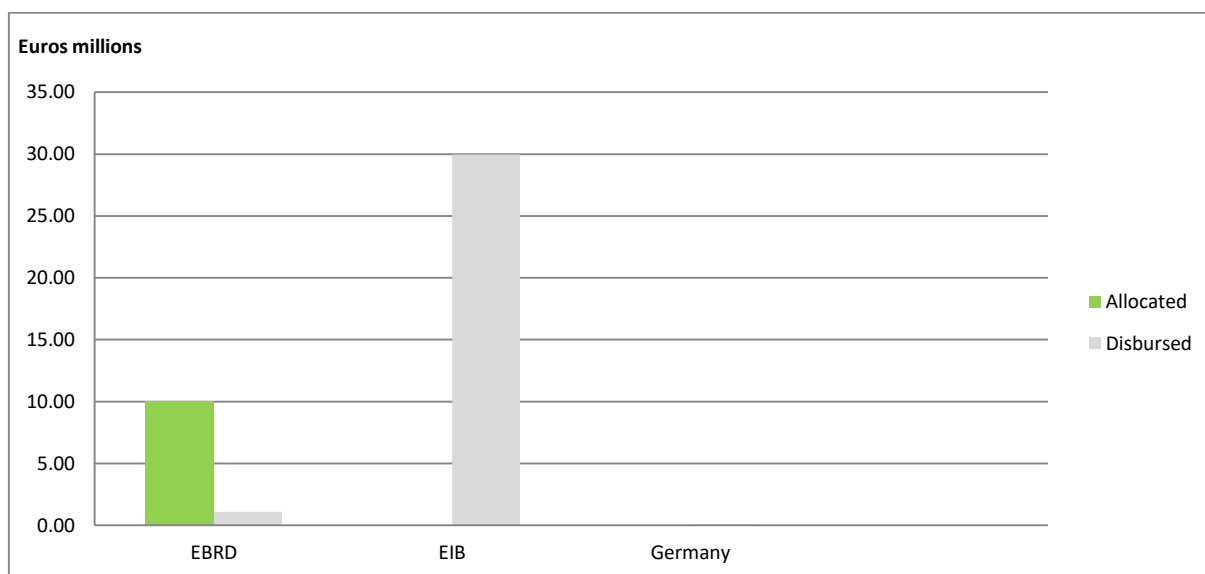
Figure 3.1. compares grants allocated and disbursed per donors, according to the amount of invested funds. Leading donors in the sector in 2017, who allocated i.e. disbursed largest amounts were EU and Germany, followed by the UN and Sweden /Sida.

Figure 3.1. Allocated and disbursed grant funds per donors in 2017

²http://www.ba.undp.org/content/bosnia_and_herzegovina/bs/home/presscenter/articles/2017/07/19/usvojen-tre-i-nacionalni-izvje-taj-bih-i-drugi-dvogodi-nji-izvje-taj-o-emisiji-stakleni-kih-plinova-bih.html



Grafikon 3.2. Allocated and disbursed loans per creditors in 2017



Environment and climate action sector consists of 9 sub-sectors. Figure 3.3. presents the structure of total allocated ODA funds per sub-sectors.

Out of total allocated funds in 2017, 94.1% was allocated in three sub-sectors: Water supply and waste water 46.7%, Civil protection 40.3% and Environment horizontal standards 7.2%.

Figure 3.3. Total allocated ODA per sub-sectors in 2017

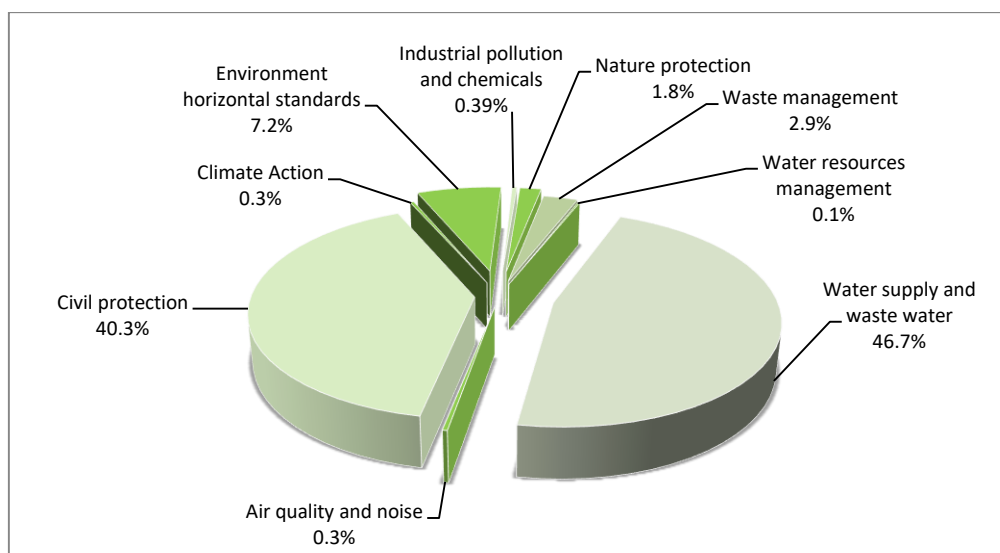
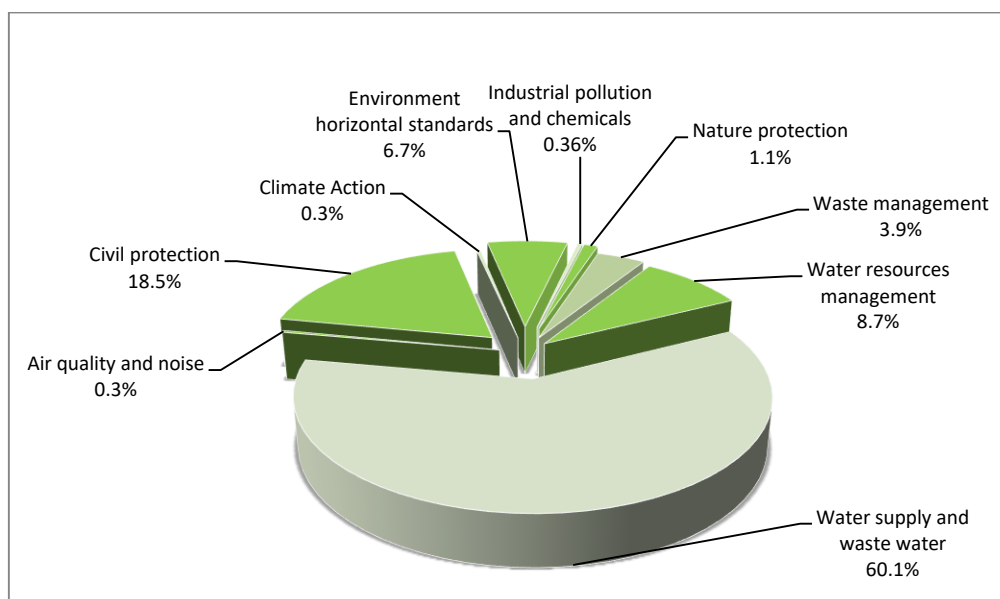


Figure 3.4. presents the structure of total disbursed ODA funds per sub-sectors in 2017. Out of total disbursed funds in 2017, 87.3% was disbursed in three sub-sectors: Water supply and waste water 60.1%, Civil protection 18.5% and Water resources management 8.7%.

Figure 3.4. Total disbursed ODA per sectors in 2017



Ten major projects in the sector that allocated or disbursed funds in 2017, are listed below:

PROJECT TITLE	Donor/Creditor	Total Project Value (Euros millions)
WATER AND SANITATION RS	EIB	62.50
WATER AND SANITATION FEDERATION BIH	EIB	60.00
EMERGENCY FLOOD RELIEF AND PREVENTION	EIB	55.00
EU Flood Recovery Programme	UN	49.68
Water Supply and Waste Water Programme in BiH II	Germany	43.98
Waste Water Treatment Bihac	Germany	20.44
Green Economic Development – Environment	UN, Sweden/Sida	17.20
Water and sanitation RS, Bosnia and Herzegovina	EU	10.00
GrCF: Sarajevo Water	EBRD	10.00
Flood recovery - Housing Interventions in Republika Srpska (RS)	EU	6.80

All projects are available in the Donor Coordination Forum Database, via the following link:
<http://dmd.donormapping.ba/dmd/faces/dmdPublicStart>

Future activities

Bosnia and Herzegovina should continue with further improvement in the area of Environment and climate policy through aligning legislation and by-laws with the norms and standards of the European Union and building and strengthening capacities in this area. Based on the responses of BiH Institutions from all levels of government, as well as in line with the recommendations of the European Commission, further efforts should be made in the following period:

- implement Environmental Approximation Strategy for BiH (EASBiH);
- improve coordination between the competent institutions at the level of BiH and entities;
- prepare Nacional plan for energy and climate;
- implement activities based on international conventions and protocols, and implement ongoing projects in the area of water resources;
- harmonize methodologies for risk assessment from natural and other disasters in BiH;
- draft the Disaster Risk Reduction Strategy in BiH;
- undertake activities to raise awareness and animate the population in the area of disaster/accidents risk reduction and response in case of major accidents;
- constantly renew the equipment for protection and rescue at all levels of government in BiH;
- continue harmonization of legislation with EU directives in areas of collection, transport and disposal of waste materials;
- continue building an institutional framework at entity (ministerial), cantonal (cantonal ministries) and local (municipal) level;
- carry out activities to close the existing municipal landfills.

DCF members active in the sector in 2017	EBRD, EIB, The World Bank, EU, Croatia
Other key international organizations	Western Balkans Investment Framework; South East Europe Transport Observatory; Regional Cooperation Council; International Civil Aviation Organization; International Union of Railways; Japan International Cooperation System (JICS)
Key government partners	Ministry of Communications and Transport of BiH; Directorate for Civil Aviation of BiH; Air Navigation Services Agency of BiH; Railways Public Corporation in BiH; Federal Ministry of Transport and Communications; Public Enterprise Road Directorate of FBiH; Public Enterprise Motorways of FBiH; Ministry of Transport and Communications of RS; Public Enterprise Motorways of RS; Government of BD BiH; Public Enterprise Railroads of FBiH; Public Enterprise Railroads of RS.
Total allocation / disbursement to the sector in 2017 by DCF members	<p>Total allocated €89.30 million – out of which €0.27 million in a form of grants and €89.04 million in a form of loans.</p> <p>Total disbursed €68.16 million – out of which €4.19 million in a form of grants and €63.97 million in a form of loans.</p> <p>Out of total ODA in 2017, 21% was allocated and 16% was disbursed in the sector.</p>
Legal framework and sector strategies adopted in 2017	<p>The Law on Changes and Amendments to the Law on Basic Safety on Road Traffic in BiH (BiH Off. Gazette No. 8/17); The Law on Changes and Amendments to the Law on Basic Safety on Road Traffic in BiH (BiH Off. Gazette No. 89/17); The Law on Road Traffic in RS (RS Off. Gazette No. 47/17); The Law on the Railways of RS (RS Off. Gazette No. 19/17); The Law on Changes and Amendments to the Law on RS Railways (RS Off. Gazette No. 100/17); The Law on Termination of the Law on Traffic Safety on Roads in BD (BD BiH Off. Gazette No. 47/17).</p> <p>Transport Strategy of FBiH and conclusions which form integral part of the Transport Strategy of FBiH for the period 2016-2030 (FBiH Off. Gazette No. 22/17); Transport Strategy of Republika Srpska for the period 2016 -2030 (January 2017).</p> <p>Previously adopted legal framework and sector strategies are available on www.donormapping.ba</p>
Coordination with and among donors	<p>The EU Delegation coordinates all donors active in this sector. Currently there is no mechanism for coordination of donors in transport sector led by relevant BiH institutions. In the context of the Connectivity Agenda, National Investment Committee (NIC) was established in 2015, which also envisages the participation of relevant international financial institutions and bilateral donors.</p> <p>Donors active in the sector and BiH Institutions from all levels of government regularly attend Donor Coordination Forum meetings (DCF meetings) hosted by BiH Ministry of Finance and Treasury/Sector for Planning of Financial Development and Coordination of International Economic Aid.</p>

Overview of activities in 2017

Transport sector presented in this Report is based on the sector-based reporting methodology defined in the IPA II regulation, for the period 2014 – 2020.

Transport sector consists of nine sub-sectors:

- Transport connectivity,
- Transport efficiency,
- Air transport,
- Inland waterways transport,
- Maritime transport,
- Rail transport,
- Road transport,
- Multimodal transport and
- Urban mobility.

Transport sector in BiH represents the cornerstone for its economic development and is one of the conditions related to the regional connectivity and the European integration process. Part of the BiH road network also has the international strategic importance, due to its inclusion in the South East Europe Transport Observatory (SEETO) which is integrated into the Trans-European Transport Networks in the Balkans (TEN-T), where most of the traffic of international importance is taking place.

In 2017, Bosnia and Herzegovina achieved some progress in the Transport sector, primarily through signing of the Treaty on establishing of the transport community between the countries of the Western Balkans and the EU (TCT), which sets out the conditions for the new dynamics of cooperation between the EU and the region.

Within the "Berlin Process", the fourth annual Summit of Western Balkans leaders was held in Trieste on July 12, 2017, which among other things, focused on realization of specific measures in the field of transport and energy with the aim to better link the regional infrastructure, economy and people. On this occasion, TCT Treaty was signed between the five Western Balkans countries and the EU. In September 2017, Bosnia and Herzegovina signed the SEE Transport Community Treaty with the European Union.

For Bosnia and Herzegovina, four important infrastructure projects were approved for financing (construction of the 5-C highway, section Ponirak-Vraca, i.e. Zenica -Tunel, section Zenica-Gracanica, section Johovac-Rudanka and Luka Brcko) in support to the phased harmonization of infrastructure with the standards of the European Union. Initial project implementation is conditioned with the signing of the TCT Treaty.

With the adoption of the Framework Transport Strategy of Bosnia and Herzegovina 2016-2030 in July 2016, window of opportunities was opened for financing of infrastructure projects from the EU and International Financial Institutions. This is of utmost importance if taken in consideration that in the previous period investments in the transport sector were reduced, both from domestic and external sources of financing. Since this sector is largely dependent on the EU assistance, particularly in the preparatory phases of certain projects, as well as in capacity development of competent institutions,

it is expected that, after signing of contracts financed from IPA 2017, more substantial recovery of this sector in BiH will be initiated in 2018.

Entity transport strategies were adopted at the beginning of 2017, i.e. the Transport Strategy of the Federation of BiH for the period 2016-2030 (Official Gazette of FBiH no. 22 / 17, dated March 24, 2017) and the Transport Strategy of the Republika Srpska for the period 2016-2030 (Official Gazette of RS, no. 20/17). Both entity strategies aim at improving and developing the transport infrastructure, financially sustainable and harmonized with EU standards and laws, in order to establish the sustainable transport system at the territory of the Federation of BiH and Republika Srpska.

Road transport is still the most common type of transport of goods and people in Bosnia and Herzegovina, and consequently plays an important role in its socio-economic development. In 2017, a set of legal acts were adopted in this area (Official Gazettes of BiH, no. 8/17 and 89/17) and by-laws in the domain of road safety in BiH, international and inter-entity road transport, in accordance with the provisions of the (EC) Regulation no. 1071/2009 (Official Gazettes of BiH, no. 15/17, 54/17, 59/17).

Also, strategic documents were prepared, IPA 2017 Action Document (IPA 2017 AD) and Sector Planning Document for IPA II 2018-2020 (SPD) for the Transport sector in Bosnia and Herzegovina.

In the reporting period, Bosnia and Herzegovina fully participated in the „Connectivity Agenda“ and continued to implement all short-term horizontal measures ("soft measures"), aimed at aligning with the regional policy and technical standards as well as establishing the competitive and efficient transport system in the country.

In the area of air transport, the Multilateral Agreement on Establishing of the European Common Aviation Area (ECAA), officially entered into force on December 1, 2017, after the European Union finalized its internal legal procedures. ECAA Agreement aims to create the European Common Aviation Area based on free access to the market, equal competition conditions and common rules, including areas of flight safety, aviation security, air traffic management and environmental protection.

By signing the ECAA Agreement, Bosnia and Herzegovina made the commitment to align its legislation with the EU regulations and take over the (EU) Regulation No. 996/2010 of the European Parliament and the Council from September 20, 2010, on investigations and prevention of incidents and accidents in civil aviation and suspension of Directive 94/56 / EC.

In 2017, activities were initiated on drafting legislation related to civil aviation security with the aim to regulate this area, thereby ensuring high degree of general security and enhancing public confidence in air traffic. In recent years, significant progress has been made in transposition of regulations and their implementation into BiH legislative framework, which was repeatedly confirmed by inspections of the European Commission representatives.

Preliminary draft was prepared of the Law on Security Investigations in Civil Aviation, which is currently set up for public consultations. The adoption of this law would ensure the swift implementation of effective and quality investigations and eliminate the deficiencies observed in the findings of the International Civil Aviation Organization (ICAO) and the European Aviation Safety Agency (EASA) during their audits in BiH. Preliminary draft law stipulates the establishing of the Office for Security Investigations in Civil Aviation, which will by establishing of the proactive security procedures based on evidence, contribute to the security of air traffic in Bosnia and Herzegovina.

Also, activities were launched on preparation and drafting of the new Law on Civil Aviation. The law is in the phase of responding to the comments submitted by the BiH institutions and its adoption is expected by the end of 2018.

Due to the increasing volume of air traffic, the Federation of Bosnia and Herzegovina has initiated activities to reconstruct the runways and airport terminal buildings of international airports in Sarajevo, Tuzla and Mostar, which should ensure the increasing of their existing capacities and enable continuous growth, including attracting of the new airline companies and introducing new lines.

Rail transport in Bosnia and Herzegovina is facing particular challenges due to outdated infrastructure, fragmentation of services between entities and uneven regulatory framework. In 2017, positive steps were made in the volume of railway transport of passengers and goods in the Federation of BiH, which enabled the launching of activities for further improvement of the railway infrastructure. In Republika Srpska, the Law on Railways has been adopted, which also regulates the combined transport and types of combined transport as well as the management, construction, reconstruction and maintenance of the railway infrastructure.

It is expected that the implementation of the abovementioned activities will improve the integration and connectivity in the Transport sector both in the country and between Bosnia and Herzegovina and the European Union, thus contributing to creating the dynamics for economic and social development, strengthening financial and institutional capacities, and creating conditions for the construction and reconstruction of the transport infrastructure that lies on the Trans-European and Regional Core Network.

Investments of DCF members in 2017

DCF members active in the Transport sector in 2017 are EBRD, EIB, the World Bank, EU and Croatia.

Total allocations of DCF members to the sector in 2017 amounted to €89.30 million, out of which €0.27 million in the form of grants and € 89.04 in the form of loans.

Total disbursements of DCF members to the sector in 2017 amounted to €68.16 million, out of which €4.19 million in the form of grants and €63.97 in the form of loans.

Figure 4.1. compares allocated and disbursed grants by donors in line with amount of investment.

Figure 4.1. Total allocated and disbursed grants per donors in 2017

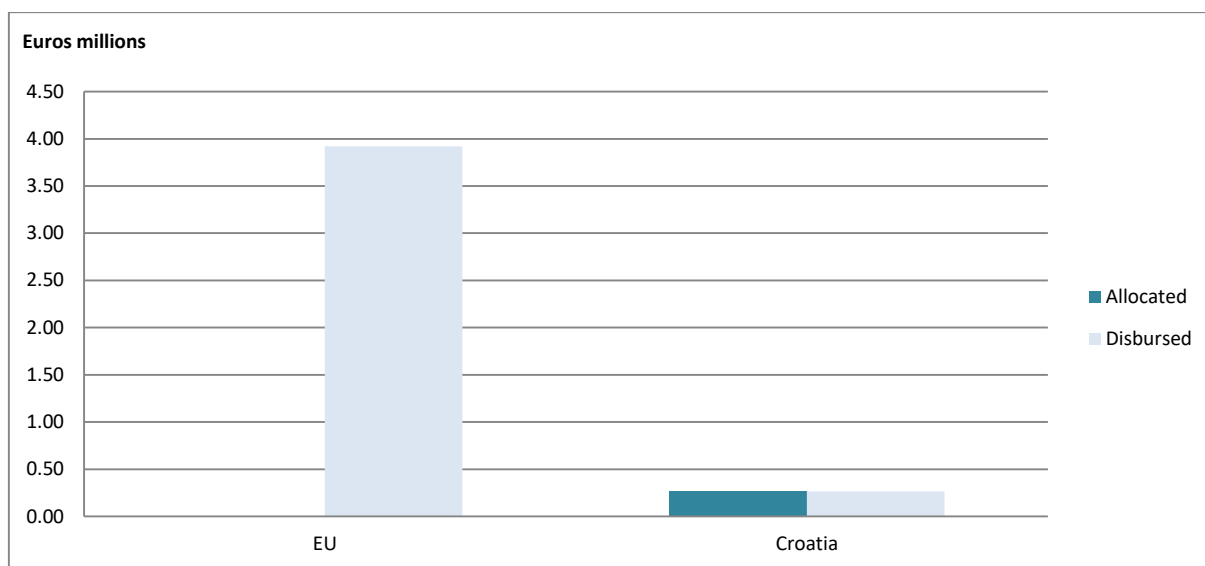
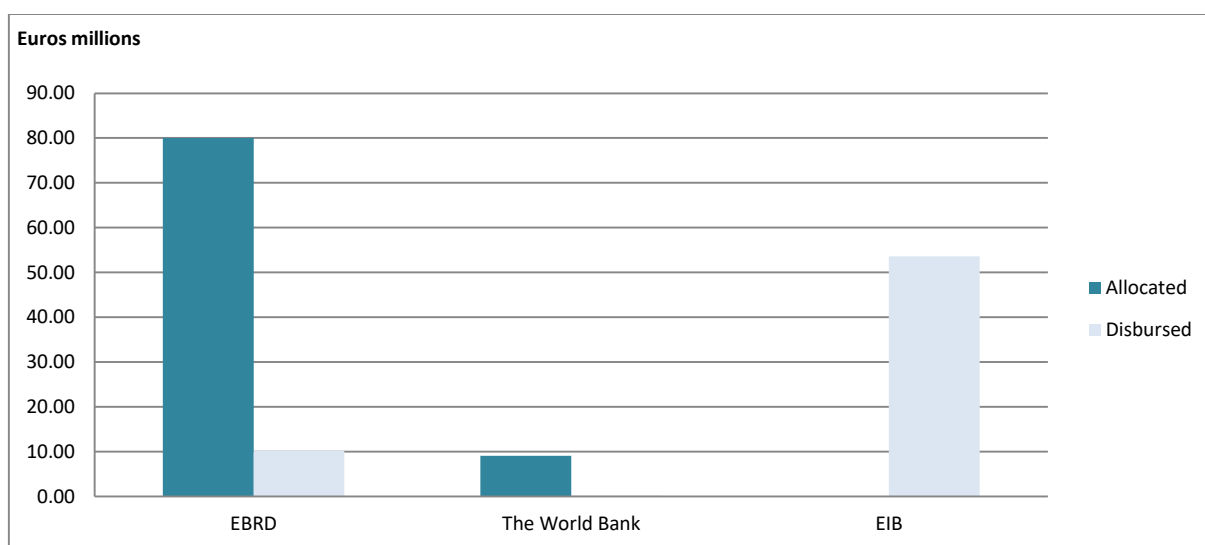


Figure 4.2. presents total allocated and disbursed loans in 2017. EBRD allocated € 80.00 million, while EIB disbursed total amount of € 53.60 million.

Figure 4.2. Allocated and disbursed loans per donors in 2017



Transport sector consists of 9 sub-sectors. Figure 4.3. presents the structure of total allocated funds per sub-sectors.

Out of total allocated funds in 2017, 90% was allocated in the sub-sector Road transport. Sub-sectors that did not have funding are not presented in the chart.

Figure 4.3. Total allocated funds per sub-sectors in 2017

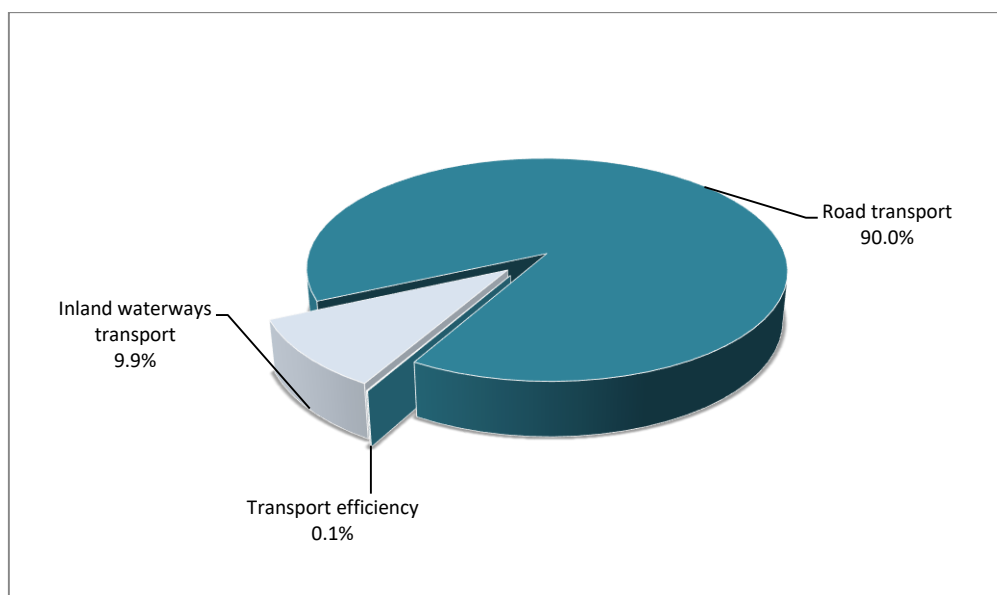
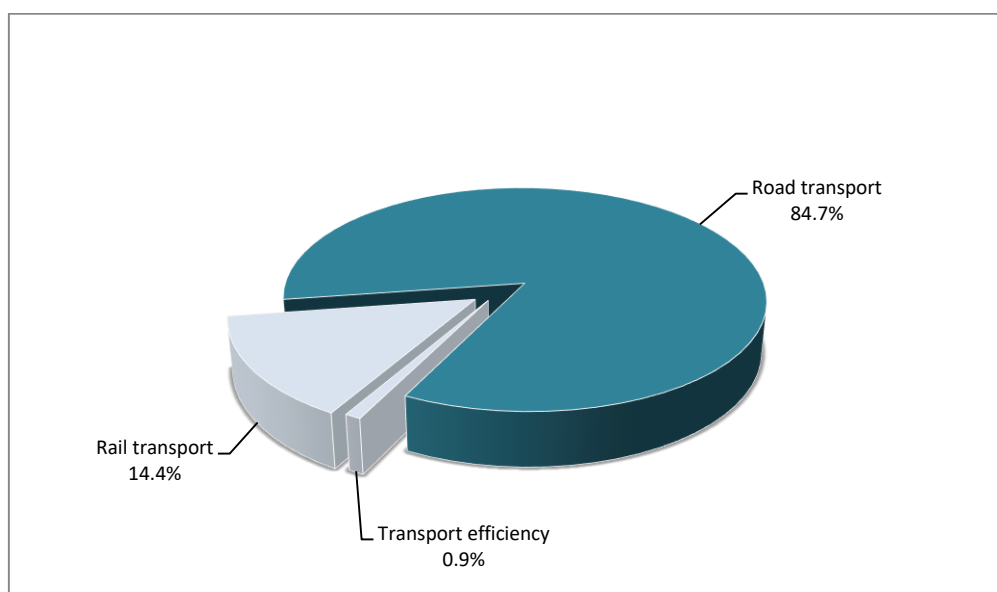


Figure 4.4. presents the structure of total disbursed funds in 2017 per sub-sectors.

Out of total disbursed funds in 2017, largest amounts were disbursed in the sub-sector Road transport 84.7%, followed by the sub-sector Rail transport 14.4%. Sub-sectors that did not have funding are not presented in the chart.

Figure 4.4. Total disbursed funds per sub-sectors in 2017



Ten major projects in the sector that allocated or disbursed funds in 2017, are listed below:

PROJECT TITLE	Donor/Creditor	Total Project Value (Euros millions)
BANJA LUKA - DOBOJ MOTORWAY	EIB	160.00
ROAD MODERNIZATION, FEDERATION BIH	EIB	103.00
BIH RAILWAYS II	EIB	86.00
Bosnia and Herzegovina Regional Railway Project	EBRD	70.00
Corridor Vc in Republika Srpska – Part 1	EBRD	70.00
Federation Road Sector Modernization Project	The World Bank	58.00
Brcko Bypass	EBRD	28.50
Sava Waterway Rehabilitation Project	The World Bank	25.24
Sarajevo Urban Roads Development Project	EBRD	22.50
Banja Luka to Doboj Motorway - loan increase	EBRD	10.00

All projects are available in the Donor Coordination Forum Database, via the following link:

<http://dmd.donormapping.ba/dmd/faces/dmdPublicStart>

Future activities

Future activities in the Transport sector should be focused to further harmonization of domestic legislation with the EU regulation as well as creating the conditions for the construction and reconstruction of the transport infrastructure that lies on the Trans-European and Regional Core Network, as well as the promotion of multimodal and sustainable transport solutions and addressing remaining non-physical barriers for movement of goods and passengers, which implies:

- continue activities on harmonization of legislation with the EU legislation/directives;
- continue activities on strengthening a single or harmonized legal and regulatory framework in BiH;
- draft regulations and align them with EU regulations and ICAO standards, apply ECAA Agreement and carry out activities from Phase I of II Protocol V of the Agreement;
- pass the Law on international and inter-entity road transport and changes and amendments to the existing legal framework in the area of transport safety;
- implement BiH Framework Transport Strategy for the period 2016-2030;
- continue activities on implementation of „soft measures“;
- adopt Traffic Safety Strategy and the Action plan;
- continue activities on development of the transport infrastructure and services network, necessary for the safe and efficient transport;
- draft updated Single list of projects for the Transport sector in Bosnia and Herzegovina;
- continue institutional strengthening and strengthening of regulatory framework with the aim to improve institutional capacities for development and implementation of the EU harmonized transport policies at all levels of government in BiH;
- implement the project „Development of database on traffic accidents in the BiH Ministry of Communications and Transport“;
- improving and upgrading the software for recording and controlling the use of issued licenses for international transport of passengers and goods;
- rehabilitation of the Sava waterway and demining of the of the Sava River right bank.

DCF members active in the sector in 2017	Germany, EBRD, The World Bank, USA/USAID, Czech Republic, Slovenia, EU and EIB.
Other key international organizations	Energy Community; South East Europe Energy Community; Western Balkans Investment Framework; Regional Cooperation Council.
Key government partners	CoM of BiH; Government of FBiH; Government of RS; Government of BD BiH; National Assembly of Republika Srpska; Ministry of Foreign Trade and Economic Relations of BiH; Ministry of Finance and Treasury of BiH; Regulatory Agency for Radiation and Nuclear Safety of BiH; State Electricity Regulatory Commission; Federal Ministry of Energy, Mining and Industry; Federal Ministry of Physical Planning; Federal Ministry of Finance; Federal Ministry of Environment and Tourism; Regulatory Commission for Energy in FBiH; <i>Operator for Renewable Energy Sources and Efficient Cogeneration</i> FBiH; Environmental Protection Fund of FBiH; Ministry of Industry, Energy and Mining of RS; Ministry of <i>Physical Planning</i> , Civil Engineering, and Ecology of RS; Ministry of Finance of RS; Ministry of Economic Affairs and Regional Cooperation of RS; <i>Ministry of Agriculture, Forestry and Water Management</i> of RS; Regulatory Commission for Energy of RS; Fund for Environmental Protection and Energy Efficiency of RS; Foreign Trade Chamber of BiH; Chamber of Economy of FBiH; Chamber of Commerce of RS; Commission for Concessions of BiH; Commission for Concessions of FBiH; Commission for Concessions of RS; Association of cities and municipalities in RS and FBiH.
Total allocation / disbursement to the sector in 2017 by DCF members	<p>Total allocated €88.87 million – €4.24 in a form of grants and €84.62 million in a form of loans.</p> <p>Total disbursed €76.99 million – €5.61 million in a form of grants and €71.38 million in a form of loans.</p> <p>Out of total ODA in 2017, 21% was allocated and 18% was disbursed in the sector.</p>
Legal framework and sector strategies adopted in 2017	<p>The Law on Changes and Amendments to the Law on Exploration and Exploitation of Oil and Gas in the FBiH (FBiH Off. Gazette No. 19/17); The Law on Energy Efficiency in the FBiH (FBiH Off. Gazette No. 22/17).</p> <p>Energy Efficiency Action Plan in BiH for the period 2016-2018, adopted on 04.12.2017. (Off. Gazette of BiH no. 40/18); Energy Efficiency Action Plan of the FBiH / EEAPF, (adopted on 10.07.2017.)</p> <p>Previously adopted legal framework and sector strategies are available on www.donormapping.ba</p>
Coordination with and among donors	<p>Energy connectivity: Informal <i>ad hoc</i> coordination, project-based and mostly bilateral / multilateral, self-organizing meetings between donors with MoFTER attendance.</p> <p>Energy efficiency: Coordination meetings between donors with MoFTER are held biannually.</p> <p>Renewable energy: There is a sub-sector DCF donor group and MoFTER, however, the meeting has not been convened for one year.</p>

	<p>Informal <i>ad hoc</i> project-based coordination.</p> <p>Joint <i>Bioenergy</i> program was initiated, following the UN bilateral meetings with GIZ and USAID.</p> <p>Oil: Informal <i>ad hoc</i> project-based coordination</p> <p>Gas: Informal <i>ad hoc</i> project-based coordination</p> <p>Electricity: Informal <i>ad hoc</i> coordination</p> <p>Nuclear safety and radiation protection: Informal <i>ad hoc</i> project-based coordination.</p> <p>Donors active in the sector and BiH Institutions from all levels of government regularly attended Donor Coordination Forum meetings (DCF meetings) hosted by BiH Ministry of Finance and Treasury/Sector for Financial Planning of Development and Coordination of International Economic Aid.</p>
--	--

Overview of activities in 2017

Energy sector presented in this Report is based on the sector-based reporting methodology defined in the IPA II regulation, for period 2014 – 2020.

Energy sector consists of seven sub-sectors:

- Energy connectivity,
- Energy efficiency,
- Renewable energy,
- Oil,
- Gas,
- Electricity and
- Nuclear safety and radiation protection.

Energy sector of Bosnia and Herzegovina is one of the most promising sectors of the economy. In terms of potentials in the energy sector, it's worth saying that BiH has more than 50 percent of unused available hydro-potentials. The precondition for large investments in the energy sector and implementation of significant projects is the harmonization of legislation with European directives, as well as the inclusion of Bosnia and Herzegovina in the regional electricity market.

In 2017, some progress was made in the preparation of strategic documents at all levels of government, in order to meet the obligations of Bosnia and Herzegovina from the Energy Community Treaty.

During 2017, BiH Framework Energy Strategy by 2035 was under preparation, which should define the course of development of the energy sector, encourage the development of clean energy and energy efficiency in the country. The adoption process of the BiH Framework Energy Strategy included the preparation of energy strategies for the Federation of BiH and the Brčko District. Last year, these strategies were in the form of draft versions, while the existing Energy Strategy of Republika Srpska by 2035 has been updated.

The Government of the Federation of BiH issued a positive opinion on the BiH Framework Energy Strategy document (Conclusion no. 958/2017, dated July 10, 2017), as well as the Government of the Brčko District of BiH (Conclusion no. 16-000084 / 17, dated November, 06, 2017). After receiving positive response from the Government of Republika Srpska, the document will be forwarded to the Council of Ministers of BiH in the adoption procedure.

In December 2017, Council of Ministers of BiH adopted the Energy Efficiency Action Plan in BiH for the period 2016-2018 (123rd session held on December 4, 2017), as an important segment of the reform process in this area and the assumed obligations from the Energy Community Treaty. The Action Plan includes measures to increase energy efficiency in all areas of electric energy production and energy for heating and cooling, as well as in the field of transmission and distribution of electric energy and gas, which should lead to energy savings and reduction of greenhouse gas emissions in the following period.

In 2017, the Federation of BiH adopted the Law on Energy Efficiency in FBiH (Official Gazette of FBiH, no. 22/17), whose purpose is to achieve the goals of sustainable energy development and meeting the international commitments undertaken by Bosnia and Herzegovina in terms of reducing the

greenhouse gas emissions. Based on this law, the Energy Efficiency Action Plan of the Federation of BiH for the period 2016-2018 was adopted (Official Gazette FBiH, no. 53/17) and the Provisional policy guidelines for implementation of the energy efficiency in the Federation of BiH (Official Gazette of FBiH, no. 53/17).

In accordance with the complex structure and shared competencies in the Federation of BiH, a Cantonal platform in the field of energy efficiency has been established with the aim to implement the Law on Energy Efficiency and Energy Efficiency Action Plans.

In Republika Srpska, the Law on Electricity is in the drafting phase, which will define the goals of the electric power policy, the conditions and the modality of carrying out the electric power activities, the development of the electricity market as well as the construction, reconstruction and maintenance of electric power facilities. The Law on Electricity has not been forwarded in the adoption procedure yet.

In 2017, the text was prepared of the Law on the Regulator of Electricity and Natural Gas, the Transmission and the Electricity Market in Bosnia and Herzegovina. The process of harmonization of the Draft Law is still in progress. The adoption of this law will create the preconditions for establishing of organized wholesale electricity market in BiH as well as its linking with the markets of the countries in the region.

The Energy Community has launched an initiative to establish the regional electricity market in six Western Balkans countries under the name "Western Balkans 6 Initiative" (WB6). The Council of Ministers of BiH, on its 93rd session held on March 8, 2017, entrusted the competent institutions in BiH to define the timeline for implementation of the measures from the Initiative, with the aim to regulate the internal market of electricity in accordance with the EU directives and the Energy Community guidelines, in order to prepare the BiH market for easier and more efficient integration with the regional electricity market. Accordingly, the Roadmap was made for implementation of the measures envisaged by the WB6 Initiative.

Also, in line with the requirements from the Third Energy Package, the new laws on gas should be adopted at entity levels, which governs the manners of organizing, regulating and functioning of the natural gas sector as well as supplying of the natural gas to the customers. In December 2017, the Government of Republika Srpska adopted the proposal of the Law on Gas and sent it to the parliamentary procedure. In the Federation of BiH, the drafting of the Law on Gas is underway and it has not been forwarded in the adoption procedure yet.

During 2017, several major energy projects were implemented in the field of renewable energy, the construction of Mesihovina wind farm, Podvelezje wind farm, Hrgud wind farm Hrgud, Janjici hydro power plant as well as the revitalization of Trebinje hydro power plant. The implementation of these projects will significantly contribute to the increase of the stability of the BiH energy system, as well as to the increase of the produced electricity from the renewable energy sources in Bosnia and Herzegovina.

In addition, in order to implement the remaining obligations from the Directive 2009/28/EC on the promotion of the renewable energy sources usage, Progress Report was prepared on implementation of the Directive 2009/28/EC, which was submitted to the Secretariat of the Energy Community in November 2017.

Investments of DCF members in 2017

DCF members active in the Energy sector in 2017, are Germany, EBRD, The World Bank, USA/USAID, Czech Republic, Slovenia, EU and EIB.

Total allocations of DCF members to the sector in 2017, amounted to €88.87 million, out of which, €4.24 million in the form of grants and €84.62 in the form of loans.

Total disbursements of DCF members to the sector in 2017 amounted to €76.99 million, out of which € 5.61 million in the form of grants and €71.38 in the form of loans.

Figure 5.1. compares grants allocated and disbursed per donors, according to the amount of invested funds. Leading donors in the sector in 2017, who allocated i.e. disbursed largest amounts were Germany and USA/USAID, followed by Czech Republic, Slovenia and EU.

Figure 5.1. Allocated and disbursed grant funds per donors in 2017

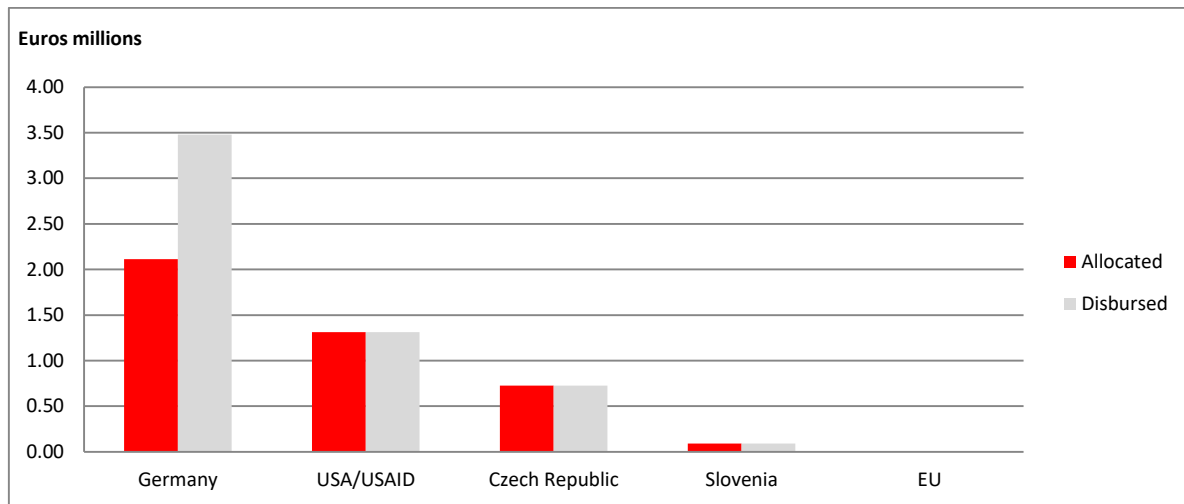
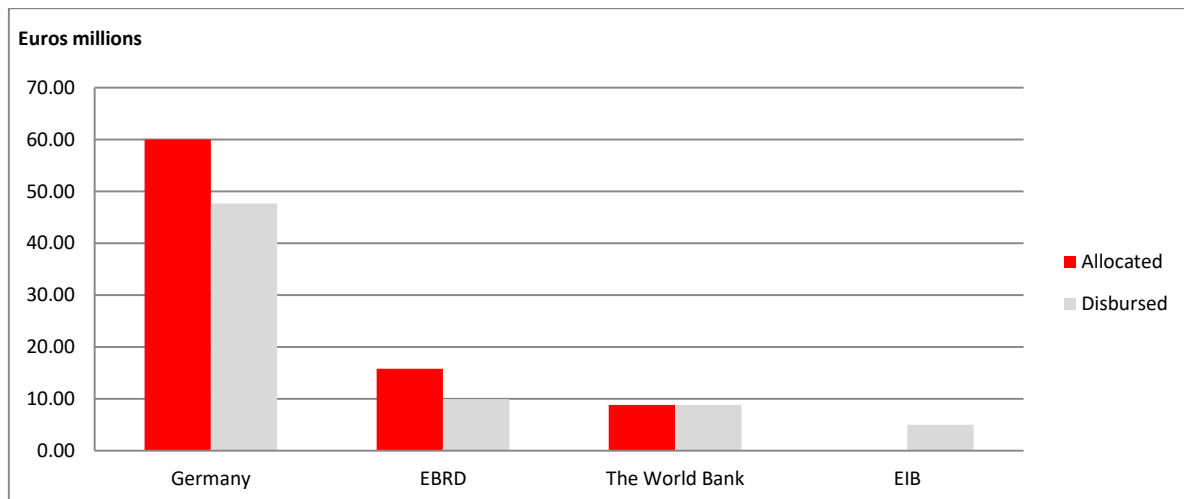


Figure 5.2. presents allocated and disbursed loans in 2017.

Figure 5.2. Allocated and disbursed loans per creditors in 2017



Energy sector consists of 7 sub-sectors. Figure 5.3. presents the structure of total allocated funds per sub-sectors.

Out of total allocated funds in 2017, 69.1% was allocated to the sub-sector Renewable Energy, 22.4% to the sub-sector Energy Efficiency and 8.4% to the sub-sector Electricity. Sub-sectors that did not have funding are not presented in the chart.

Figure 5.3. Total allocated funds per sub-sectors in 2017

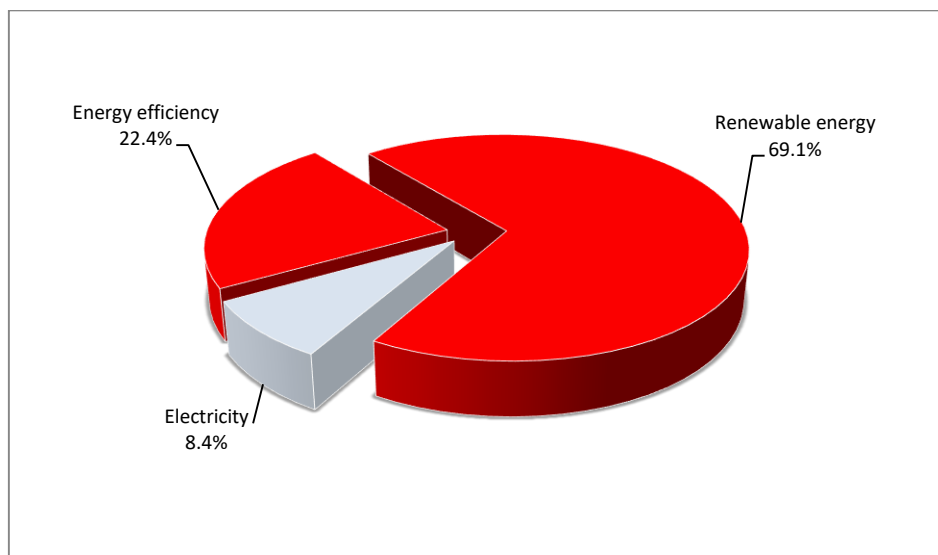
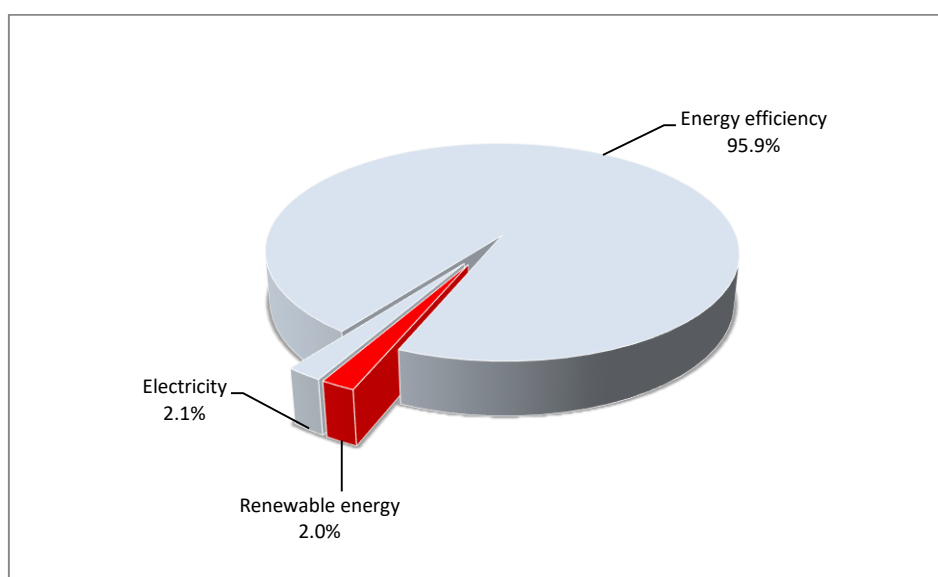


Figure 5.4. presents the structure of total disbursed funds per sub-sectors in 2017.

Out of total disbursed funds in 2017, the largest disbursements were recorded in the sub-sector Energy Efficiency 95.9%. Sub-sectors that did not have funding are not presented in the chart.

Figure 5.4. Total disbursed funds per sub-sectors in 2017



Ten major projects in the sector that allocated or disbursed funds in 2017, are listed below:

PROJECT TITLE	Donor/Creditor	Total Project Value (Euros millions)
Construction of Wind Farm Hrgud	Germany	120.05
Windpark Mesihovina	Germany	72.00
Construction of Wind Farm (WF) Podvelezje	Germany	65.00
ELECTRICITY DISTRIBUTION BIH	EIB	35.00
Distribution SCADA/DMS/OMS System	Germany	34.05
Energy Efficiency Project	The World Bank	22.90
Rehabilitation of Hydro Power Plant Trebinje, Phase 3	Germany	10.01
ISO - EMS, SCADA and IT upgrade	EBRD	8.50
GrCF: Banja Luka District Heating	EBRD	8.30
Elektrokrajina Power Distribution Project	EBRD	7.50

All projects are available in the Donor Coordination Forum Database, via the following link:

<http://dmd.donormapping.ba/dmd/faces/dmdPublicStart>

Future activities

Future activities should be focused on further adjustment of legislation in Bosnia and Herzegovina with the European standards, as well as strengthening of infrastructure and capacities of the energy sector. Based on the responses of BiH Institutions from all levels of government that participated in the preparation of this Report, as well as in line with the recommendations of the European Commission, further efforts should be made in the following period:

- adopt the BiH Framework Energy Strategy by 2035 and strengthen the cooperation of all levels of government in Bosnia and Herzegovina in the Energy sector;
- accelerate the energy sector reform by adopting laws and by-law acts, particularly in the area of electricity and gas, in accordance with the Third Energy Package;
- harmonize roles and responsibilities between the cantonal, entity and state institutions in order to effectively manage the energy sector in accordance with the constitutional competencies;
- improve institutional capacities in order to have good governance and implementation of the *acquis* in the energy sector at all levels of government, as well as develop energy and climate policies;
- continue activities towards meeting obligations under the Energy Community Treaty;
- continue strengthening of institutional capacities of competent institutions for the energy sector in BiH;
- meet the remaining obligations from the Energy Community Treaty for electricity energy and gas;

- implement the recommendations for improvement of the process for issuing licences for construction of the new energy facilities;
- improve mechanisms for sustainable financing of energy efficiency (operationalization of innovative and sustainable models);
- continue activities on development of the energy and climate plan of Bosnia and Herzegovina for the period 2020-2030;
- improve energy efficiency in industry and transport;
- carry out activities on establishing the mandatory reserves of oil in Bosnia and Herzegovina;
- initiate activities of on the use of waste for production of electrical and thermal energy

DCF members active in the sector in 2017	EBRD, EU, Croatia, Germany, Norway, Slovenia, Switzerland, Czech Republic, UN, Sweden /Sida and USA/USAID.
Other key international organizations	Western Balkans Investment Framework; Council of Europe Development Bank; Regional Cooperation Council; Switzerland Global Enterprise; European Fund for Southeast Europe; Central European Free Trade Agreement; Organization for Security and Cooperation in Europe; Regional Center for Development of Entrepreneurial Competencies.
Key government partners	CoM of BiH; Government of FBiH; Government of RS; Government of BD BiH; Ministry of Foreign Trade and Economic Relations of BiH; Ministry of Finance and Treasury of BiH; Ministry of Civil Affairs of BiH; Ministry of Justice of BiH; Ministry of Communications and Transport of BiH; Indirect Taxation Authority of BiH; Ministry of Human Rights and Refugees of BiH; Directorate for Economic Planning of BiH; Directorate for European Integration of BiH; Labour and Employment Agency of BiH; Market Surveillance Agency of BiH; Market Surveillance Agency of BiH; Deposit Insurance Agency of BiH; Central Bank of BiH; Competition Council of BiH; Foreign Trade Chamber of BiH; Export Credit Agency of BiH; State Aid Council of BiH; Institute for Intellectual Property of BiH; Communications Regulatory Agency of BiH; Institute of Metrology of BiH; Mine Action Center in BiH; Federal Ministry of Finance; Federal Ministry of Environment and Tourism; Federal Ministry of Development, Entrepreneurship and Craft, Ministry of Agriculture, Water Management and Forestry; Federal Ministry of Justice; Ministry of Finance of RS; Ministry of Trade and Tourism of RS; Ministry of Justice of RS; Ministry of Economic Relations and Regional Cooperation of RS; Ministry of Industry, Energy and Mining, Ministry of Agriculture, Forestry and Water Management of RS; Agency for Development of Small and Medium Enterprises of RS; Association of cities and municipalities; Finance Directorate of Brcko District; Department of Economic Development, Sports and Culture of Brcko District;
Total allocation / disbursement to the sector in 2017 by DCF members	<p>Total allocated €59.46 million – €41.56 million in a form of grants and €17.90 million in a form of loans.</p> <p>Total disbursed €49.76 million – €33.36 million in a form of grants and €16.40 million in a form of loans</p> <p>Out of total ODA in 2017, 14% was allocated and 12% was disbursed in the sector.</p>
Legal framework and sector strategies adopted in 2017	The Law on Changes and Amendments to the Law on Excise Tax in BiH (BiH Off. Gazzete No. 91/17); The Law on Changes and Amendments to the Law on Value Added Tax (BiH Off. Gazzete No. 33 /17); The Law on Changes and Amendments to the Law on Securities Market (FBiH Off. Gazette No. 25/ 17); The Law on Changes and Amendments to the Law

	<p>on Investment Funds (FBiH Off. Gazette No. 25/17); The Law on Insurance (FBiH Off. Gazette No. 23/17); The Law on the Single Registry of Users of Non-Contributory Cash Benefits (FBiH Off. Gazette No. 25/17); The Law on Banks (FBiH Off. Gazette No. 27/17); The Law on Development Planning and Development Management in the FBiH (FBiH Off. Gazette No. 32/17); The Law on Changes and Amendments to the Law on Internal Trade (FBiH Off. Gazette No. 79/17); The Law on the Tax System of RS (RS Off. Gazette No. 62/17); The Law on Amendments to the Law on Insurance Companies (RS Off. Gazette No. 47/17); The Law on Insurance Intermediation and Insurance and Reinsurance Brokerage (RS Off. Gazette No. 47/17); The Law on Tourism (RS Off. Gazette No. 45 /17); The Law On Hospitality Industry (RS Off. Gazette No. 45 /17); The Law on Changes and Amendments to the Law on Consumer Protection (RS Off. Gazette No. 18/17); The Law on Banks of RS (RS Off. Gazette No. 3/17); The Law on Changes and Amendments to the Law on Securities Market (RS Off. Gazette No. 3/17); The Law on Changes and Amendments to the Law on Income Tax (RS Off. Gazette No. 1/17); The Law on Termination of the Law on Special Contribution for Solidarity (RS Off. Gazette No. 1/17); The Law on Changes and Amendments to the Law on Companies (RS Off. Gazette No. 100/17); The Law on Changes and Amendments to the Law on Geological Surveys (RS Off. Gazette No. 91/17); The Law on Changes and Amendments to the Law on Tax Administration (BD BiH Off. Gazette No. 35/17); The Law on Changes and Amendments to the Law on Investment Funds (BD BiH Off. Gazette No. 18/17).</p> <p>Strategy for the Development of Science in BiH 2017-2022; Action Plan for the Implementation of the Cultural Policy Strategy in BiH with extended deadline, for the period 2017-2018; Strategy for Scientific and Technological Development of RS 2017-2021 - "Knowledge for Development"; Strategy of Trade Development in RS by 2022; Strategy for Local Self-Government Development in RS 2017-2021.</p> <p>Previously adopted legal framework and sector strategies are available on www.donormapping.ba</p>
	<p>Trade and internal market: To some extent, MoFTER is leading the donor coordination, together with self-organizing meetings between donors active in this sub-sector.</p> <p>CEFTA secretariat is organizing donor coordination for free trade.</p> <p>Private sector development: To some extent, MoFTER is leading the donor coordination.</p> <p>Self-organizing regular meetings are held between donors active in this sub-sector, mainly in the context of programming, implementation or launching specific initiatives.</p> <p>In the area of micro, small and medium enterprises there is no formal donor coordination, and coordination is based on informal <i>ad-hoc</i> basis</p>

<p>Coordination among and with donors</p>	<p>Local economic development: Donor coordination meetings, which support local development projects organized by UNDP. Informal <i>ad hoc</i> coordination, project-based and mostly bilateral / multilateral meetings.</p> <p>Research, innovation and technological development: Informal <i>ad-hoc</i> coordination.</p> <p>Information and communication technology (ICT): Informal <i>ad-hoc</i> coordination.</p> <p>Tourism and heritage: MoFTER is leading the donor coordination, within the Work group for tourism, together with self-organizing meetings between donors active in this sub-sector.</p> <p>Donors active in the sector and BiH Institutions from all levels of government regularly attended Donor Coordination Forum meetings (DCF meetings) hosted by BiH Ministry of Finance and Treasury/Sector for Financial Planning of Development and Coordination of International Economic Aid.</p>
--	--

Overview of activities in 2017

Competitiveness and innovation sector presented in this Report is based on the sector-based reporting methodology defined in the IPA II regulation, for period 2014 – 2020.

Competitiveness and innovation sector consists of six sub-sectors:

- Trade and internal market,
- Private sector development,
- Local economic development,
- Research, innovation and technological development,
- Information and communication technology (ICT) and
- Tourism and heritage.

Bosnia and Herzegovina is at an early stage in establishing a functioning market economy, whereby establishing more competitive economy and creating the new jobs remains one of the most difficult challenges for institutions at all levels of government. This implies the capacity building capable of dealing with competitive pressures and market forces at the global level, establishing of a single economic space suitable for foreign investments, harmonization of regulations with the EU as well as the implementation of economic reforms defined in the Reform Agenda in order to improve the competitiveness of BiH.

Policy makers in many countries use the Global Competitiveness Index (GCI) to measure the factors that trigger long-term growth and progress, in order to better design the strategies of economic growth in the decision making process. GCI was defined by the World Economic Forum (WEF), for analysis of competitiveness at the global level, based on the measuring of the macroeconomic competitiveness of countries.

In the Report on Global Competitiveness 2017 - 2018, Bosnia and Herzegovina is at the 103rd place, which represents an improvement for 4 places compared to the previous year, and at the same time indicates to very low level of BiH competitiveness globally. Although most areas within the Competitiveness and innovation sector recorded slight progress in the reporting period through the increased export and improved trade balance, the position of Bosnia and Herzegovina on a global scale has not changed significantly, considering that in the same period other countries have progressed faster than BiH.

In 2017, certain progress has been made in the area of information and communication technology, in the field of cyber space protection and ICT development and implementation of the Law on e-Signature.

The Council of Ministers of BiH, on its 100th session held on May 4, 2017, adopted the BiH Policy for Development of the Information Society for the period 2017-2021. Fundamental goals of this Policy are to define the direction of further and fast-paced development of the ICT sector and the broadband, secure investments in the ICT sector and the broadband, foster competition in the electronic communications market, ensure application of the most contemporary technological solutions as well as to develop the software industry in Bosnia and Herzegovina.

Also, the Council of Ministers of BiH, on its 102nd session held on May 23, 2017, adopted the Policy of the Electronic Communications Sector in BiH for the period 2017-2021, as well as the Action Plan for Implementation of the Policy, which defines the goals for development of the electronic communications sector in BiH, among which, primarily the maintenance of competitiveness at the market, further development of the infrastructure with emphasis on the infrastructure enabling the broadband services, development of electronic communications for the needs of public services, as well as the needs of the state security, defence and emergency services.

The Law on Electronic Communications of Bosnia and Herzegovina was prepared and submitted to the Council of Ministers of BiH for adoption at the end of 2017.

The implementation of the second phase of digitization in Bosnia and Herzegovina was planned in 2017. Considering that the international tender for realization of the II stage of digitalization was cancelled after the procedures were conducted, the decision was made that in 2018 tenders for the second and third phase of the digitization project in BiH should be consolidated, in order to finalize the digitization process in the forthcoming period.

In line with the obligations of BiH under the Stabilization and Association Agreement, in October 2017, the second meeting was held of the Subcommittee on trade, industry, customs and taxation between the European Union and Bosnia and Herzegovina, where topics were discussed in the area of free movement of goods, industrial policy, small and medium-size enterprises, taxation, customs and trade issues.

According to the recommendations of the European Union, it is necessary to continue activities towards creating a single economic space suitable for foreign investment, reducing and facilitating the businesses registration process; continue to harmonize the regulation on the Value Added Tax (VAT) and Excise with the latest amendments to the regulations in the EU as well as the completion of accession negotiations to the World Trade Organization (WTO).

In 2017, the Institute of Metrology of BiH adopted a set of bylaws (rulebooks) in the domain of its work. The enforcement of these bylaws will harmonize the approach to the assessment of compliance of measuring instruments in Bosnia and Herzegovina with the access to the European Union.

As in the previous years, also in this reporting period activities continued on providing support to the private sector development in BiH, through the support projects to small and medium-size enterprises and the improvement of business conditions and creating conditions for the private sector growth, as the initiator of the overall economic development of the country.

During 2017, activities were undertaken on drafting of the Revised Strategy for Development of Science and Technology in BiH for the period 2017-2022, which was adopted by the Council of Ministers of BiH at the 131st session held on January 30, 2018. The aim of the Strategy is to strengthen the role of research and development as the key element of the BiH long-term development and the development of research infrastructure in line with the international standards. The Strategy and its Action Plan are aligned with the Regional Strategy for Research and Development for Innovation in the Western Balkans. BiH is included in the Horizon 2020 program, a full member of the COST program, one of the founders of the COST association as well as it is an associate member of EUREKA.

With the adoption of the Science Development Strategy, further activities are facilitated on implementation of the priorities within the European Research Area (ERA), including Smart

Specialization, Open Access and Open Data, as well as the engaging in regional initiatives related to supporting of the regional mobility of researchers.

At entity levels, in April 2017, the Strategy for Scientific and Technological Development of Republika Srpska 2017-2021 was adopted, while the Strategy for the Development of Science 2016-2026 in the Federation is adopted as a draft. This Strategy is currently being finalized by the Government of the Federation of BiH.

In 2017, positive developments were recorded in the Tourism and heritage sub-sector. However, it is necessary to continue carrying out activities to further align with the *acquis*, as well as to promote Bosnia and Herzegovina on the regional and the global level, so that the existing tourism potential could contribute to the faster sustainable development and preservation of the natural and the cultural heritage of the country.

In November 2017, the Summit on cooperation in tourism between China and the countries of Central and Eastern Europe was held in Sarajevo. The Summit was realized as continuation of the 16 plus 1 platform on cooperation between China and countries of the SE Europe. The aim is to strengthen tourism cooperation through the preparation of a tourist route that will connect the cultural heritage of China, Bosnia and Herzegovina and the countries in the region. It is important to emphasize that the Agreement on visa waiver between BiH and China, signed in Budapest on November 27, 2017, will significantly contribute to the improvement of tourism cooperation. The agreement is in the process of ratification and will be in force from 2018.

Investments of DCF members in 2017

DCF members active in the Competitiveness and innovation sector in 2017 are EBRD, EU, Croatia, Germany, Norway, Slovenia, Switzerland, Czech Republic, UN, Sweden /Sida and USA/USAID.

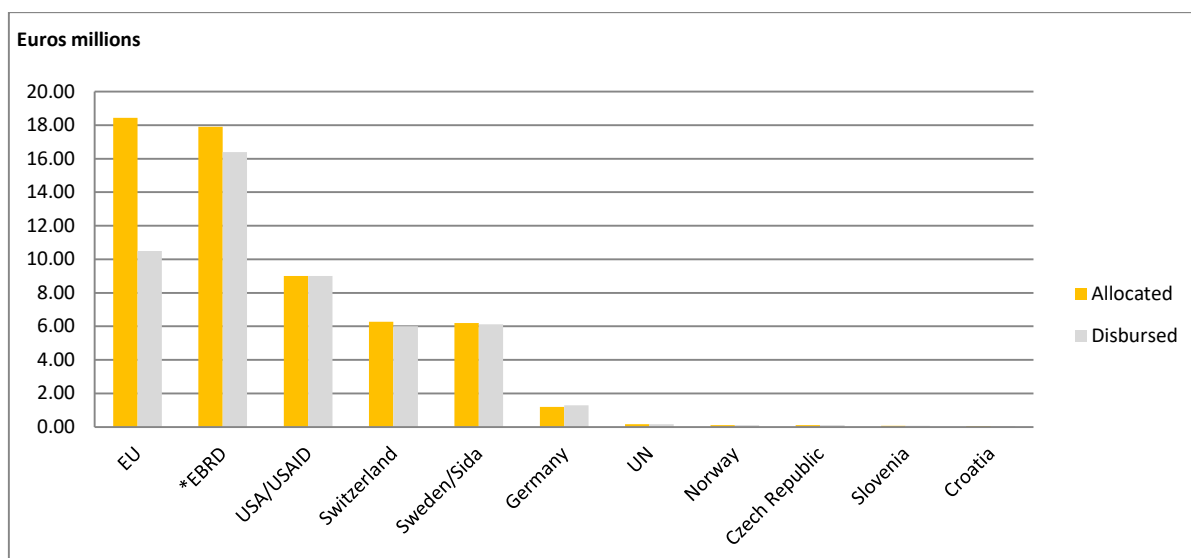
Total allocations of DCF members to the sector in 2017 amounted to €59.46 million, out of which €41.56 million in the form of grants and €17.90 million in the form of loan, from the creditor European Bank for Reconstruction and Development (EBRD).

Total disbursements of DCF members to the sector in 2017 amounted to €49.76 million, out of which €33.36 million in the form of grants and €16.40 million in the form of loan, from the creditor European Bank for Reconstruction and Development (EBRD).

Figure 6.1. compares grants allocated and disbursed per donors, according to the amount of invested funds as well as allocated and disbursed loan funds from the European Bank for Reconstruction and Development (EBRD).

Donors who allocated i.e. disbursed funds in 2017 were the EU, USA/USAID, Switzerland and Sweden /Sida.

Figure 6.1. Allocated and disbursed grant funds per donors in 2017



*Note: EBRD bank loan

Competitiveness and innovation sector consists of 6 sub-sectors. Figure 6.2. presents the structure of total allocated funds per sub-sectors. Out of total allocated funds in 2017, most of them were allocated to the sub-sector Private sector development 83.1%

Figure 6.2. Total allocated funds per subsectors in 2017

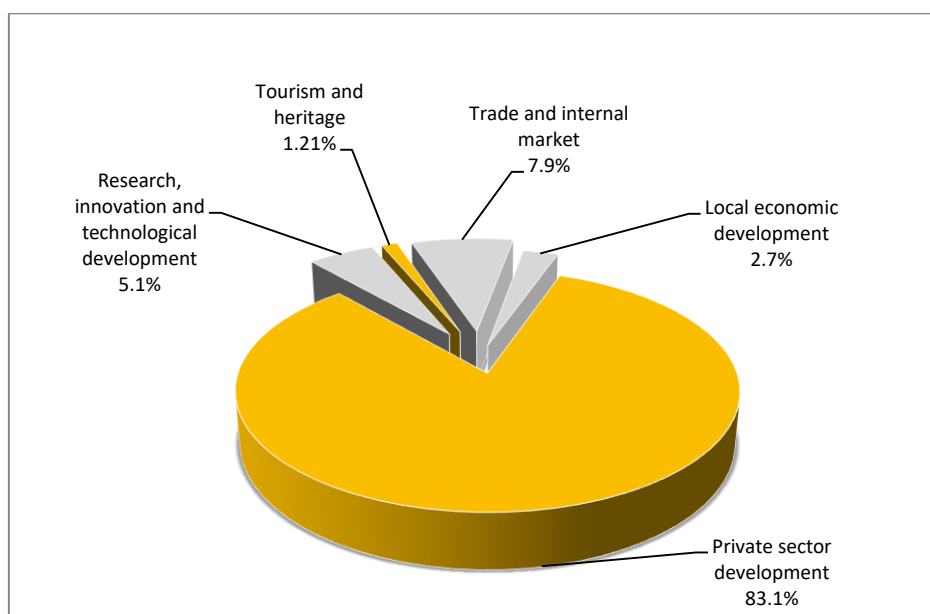
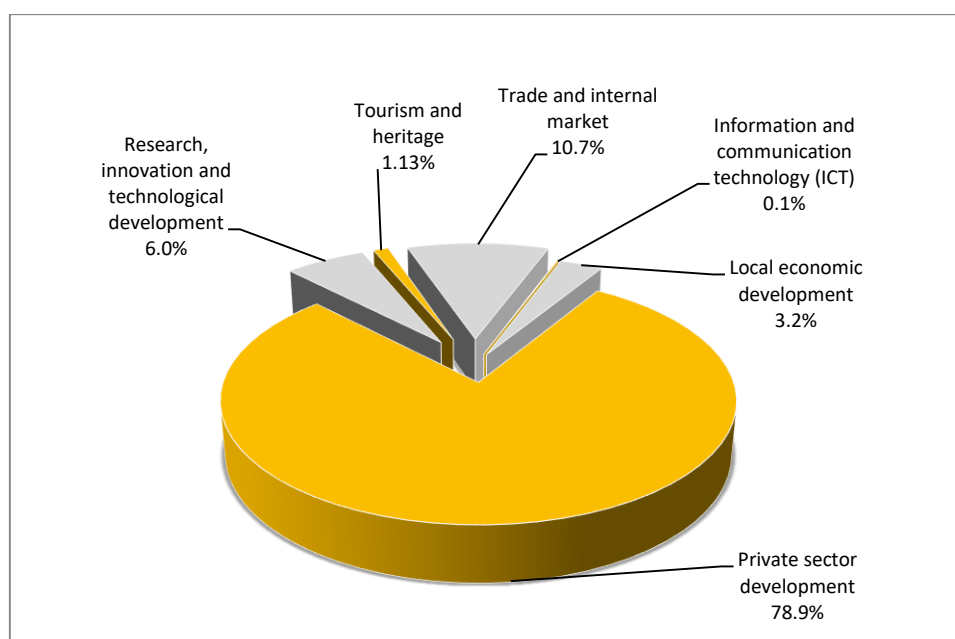


Figure 6.3. presents the structure of total allocated funds in 2017 per sub-sectors. Out of total allocated funds in 2017, most of them were allocated to the sub-sector Private sector development 78.9%.

Figure 6.3. Total disbursed funds per sub-sectors in 2017



Ten major projects in the sector that allocated or disbursed funds in 2017, are listed below:

PROJECT TITLE	Donor/Creditor	Total Project Value (Euros millions)
Fostering Agricultural Markets Activity (FARMA II)	USA/USAID, Sweden/Sida	15.97
Local development strategies	EU	15.00
Municipal Environmental and Economic Governance MEG project	Switzerland, UN	10.72
FLOODS - Recovering SMEs in flood affected areas and strenghtening their competitiveness based on local economic development partnership	EU	9.00
Floods - Programme for Local Self-Government and Economic Development in Bosnia and Herzegovina (EU ProLocal)	Germany	7.44
Bingo Expansion 2	EBRD	5.00
Bingo Expansion 3	EBRD	5.00
Financial Reform Agenda Activity (FINRA) in BiH	USA/USAID	4.93
Mainstreaming the Concept on Migration and Development into Relevant Policies, Plans and Actions in BiH: Diaspora for Development (D4D)	Switzerland, UN	4.66
Diaspora Investment Activity	USA/USAID	4.40

All projects are available in the Donor Coordination Forum Database, via the following link:

<http://dmd.donormapping.ba/dmd/faces/dmdPublicStart>

Future activities

In line with all abovementioned, it is necessary to continue additional efforts in development of the functioning market economy, as a condition for strengthening of economy competitiveness of Bosnia and Herzegovina in the region and worldwide. Particular attention should be paid to the implementation of the structural reforms in order to achieve higher level of competitiveness, as a prerequisite for economic growth and much desired employment growth, through improved cooperation between the public, private sector and civil society. Thereby, the focus should be on the integrated local economic development, particularly in the domain of export-oriented manufacturing sector, tourism and the agro-rural sector. Based on the responses of BiH Institutions from all levels of government and DCF members, which participated in the preparation of this Report, as well as in line with the recommendations of the European Commission, further efforts should be made in the following period:

- enhance the support for strengthening of BiH institutional and legal framework in line with the obligations from the SAA, WTO and CEFTA;
- improve the business environment and eliminate ineffective administrative procedures that discourage new investments and cause high transaction costs for business operations;
- improve business sophistication, through support for access to new markets, appropriate finances, applying innovation, improving product quality and improving technology;
- introduce support mechanisms for existing small and medium-sized enterprises and new entrepreneurs, by providing financial and technical support;
- strengthen the system of business infrastructure, through improving of institutional capacities for designing, monitoring and implementing activities to improve competitiveness;
- provide support to underdeveloped regions in order for them to link with the value added chains of agro-tourism value;
- facilitate access to better information and services for economic operators involved in trade;
- ensure efficient market regulation to enable free movement of goods and services and fair competition;
- improve the link between business and trade consultations and decision-making bodies and support further development of e-Government at all administrative levels;
- sign agreements on mutual recognition of qualifications and education;
- reduce trade costs through implementation of measures to promote trade and achieve implementation of services liberalization within CEFTA;
- adopt the new law regulating the field of electronic communications in Bosnia and Herzegovina, that will be in line with the current EU regulatory framework;
- draft and adopt the BiH Information and Communication Strategy, as well as the Strategy of Development of the Broadband Access in BiH, which will ensure the conditions for achieving the goals from the European Union Digital Agenda;
- draft and adopt the new law on postal services in BiH and the Strategy for Development of Postal Services in BiH, which would harmonize the BiH postal services market with the European Union postal services market, as well as improve the quality of services in this sector;
- establish a mechanism for protection of the cyber space in BiH against criminal activities by establishing the point(s) of CERT contact, for timely response in order to protect critical infrastructure in the economy and the public sector, as well as the adoption of strategy and laws on protection of the cyber space in BiH;
- adopt the Law on e-Identification and trust services for electronic transactions in BiH;

- carry out the second and third stage of the digitization project in Bosnia and Herzegovina;
- strengthen capacities in the field of science, research and innovation as well as support projects that are applied in the economy;
- adopt the Strategy of Quality Infrastructure in BiH.

DCF members active in the sector in 2017	Croatia, Slovenia, Netherlands, Switzerland, EU, UN, Germany, USA/USAID, Sweden/Sida, Japan, Italy/Italian Agency for Development Cooperation (AICS), Czech Republic, Hungary, EIB.
Other key international organizations	Council of Europe; Office of the High Representative; International Labour Organization; World Health Organisation; West Balkans Investment Framework; <i>KulturKontakt</i> Austria, European Training Foundation; Organization for Security and Cooperation in Europe; European Centre for Disease Prevention and Control; British Council; Regional Cooperation Council.
Key government partners	CoM of BiH; Government of FBiH; Government of RS; Government of BD BiH; Ministry of Civil Affairs of BiH; Ministry of Human Rights and Refugees of BiH; Ministry of Foreign Affairs of BiH; Ministry of Foreign Trade and Economic Relations of BiH; Ministry of Defence of BiH; Labor and Employment Agency of BiH; Agency for Development of Higher Education and Quality Assurance of BiH; Agency for Pre-school, Primary and Secondary Education of BiH; Centre for Information and Recognition of Documents in the Area of Higher Education of BiH; Agency for Gender Equality of BiH; Directorate for European Integration; The Institution of Human Rights Ombudsmen of BiH; Mine Action Centre in BiH; Federal Ministry of Labour and Social Policies; Federal Ministry of Health; Federal Ministry of Development, Entrepreneurship and Craft, Ministry of Education and Science; Federal Ministry of Culture and Sports; Federal Employment Bureau; Gender Centre of FBiH and RS; Ministry of Education and Culture of RS; Ministry of Health and Social Welfare of RS; Ministry of Family, Youth and Sports of RS; Ministry of Labour, War Veterans and Disabled Persons' Protection of RS; Ministry of Economic Relations and Regional Cooperation of RS; Ministry of Science and Technology of RS; Employment Bureau of RS; Employment Bureau of BD BiH; Department for Education of BD BiH; Employers' Association of RS and FBiH; cantonal ministries of education, cantonal ministries of health.
Total allocation / disbursement to the sector in 2017 by DCF members	<p>Total allocated €21.47million in a form of grant.</p> <p>Total disbursed €48.49 million – out of which €26.18 million in a form of grants and €22.31 million in a form of loans.</p> <p>Out of total ODA in 2017, 5% was allocated and 12 % was disbursed in the sector.</p>
Legal framework and sector strategies adopted in 2017	The Law on Changes and Amendments to the Law on the System for Quality Improvement, Safety and Accreditation in Health Care of FBiH (FBiH Off. Gazette No. 6/17); The Law on Changes to the Law on Collection and Partial Write-off of Debt to Sport Clubs in FBiH (FBiH Off. Gazette No. 12/17); The Law on Changes and Amendments to the Law on Salaries and Allowances in Bodies of Administration of FBiH (FBiH Off. Gazette No. 20/17); The Law on the Single Registry of Users of Non-Contributory Cash Benefits (FBiH Off. Gazette No. 25/17); The Law on Changes and Amendments to the Law on Early Preferential Retirement of Veterans from the Defensive-Liberation War of FBiH (FBiH Off. Gazette No. 90/17); The Law on Primary Education and Care (RS Off. Gazette No. 44 /17); The Law on Changes and Amendments to the Law on Consumer Protection (RS Off. Gazette No. 18/17); The Law on Termination of the Law on Special Contribution for Solidarity (RS Off. Gazette No. 1/17); The Law on

	<p>Solidarity Fund for the Diagnostics and Treatment of Diseases, Conditions and Injuries of Children Abroad (RS Off. Gazette No. 100/17); The Law on Changes and Amendments to the Law on Economic - Social Council of RS (RS Off. Gazette No. 91/17); The Law on Changes and Amendments to the Law on Salaries of Employees in the Ministry of Interior of RS (RS Off. Gazette No. 62/17); The Law on Changes to the Law on Education in Elementary and Secondary Schools in BD BiH (BD BiH Off. Gazette No. 22/17); The Youth Law of BD BiH (BD BiH Off. Gazette No. 18/17).</p> <p>Strategy for Development of Science in BiH 2017-2022; Strategy for Improving the Social Status of Persons with Disabilities in RS 2017-2026; Strategy for Scientific and Technological Development of RS 2017-2021 – " Knowledge for Development ".</p> <p>Previously adopted legal framework and sector strategies are available on: www.donormapping.ba</p>
Coordination with and among donors	<p>Education: Coordination is implemented via meetings of the Conference of Ministers of Education (CoEM). When appropriate, Ministry of Civil Affairs of BiH organizes the Coordination forum meetings of MCA BiH and international organizations involved in the education reform in BiH.</p> <p>Vocational education training: Informal <i>ad-hoc</i> coordination, project-based, bilateral/multilateral meetings.</p> <p>Lifelong learning: Informal <i>ad-hoc</i> coordination, project-based, bilateral/multilateral meetings.</p> <p>Labor market and employment: European Union Delegation holds regular coordination meetings with the EU member states.</p> <p>Equal opportunities and gender equality: UN organized the International Gender Equality Working Group.</p> <p>Social dialogue: Informal <i>ad-hoc</i> coordination, project-based, bilateral/multilateral meetings.</p> <p>Social protection: Conference for the Health sector in BiH acts as a permanent advisory and coordinating body. EU Delegation holds regular coordination meetings with donors involved in the sub-sector.</p> <p>Social inclusion and fight against poverty: EU Delegation holds regular coordination meetings with donors involved in the sub-sector.</p> <p>Education, employment and social infrastructure: Informal <i>ad-hoc</i> coordination.</p> <p>Donors active in the sector and BiH Institutions from all levels of government regularly attended Donor Coordination Forum meetings (DCF meetings) hosted by BiH Ministry of Finance and Treasury/Sector for Financial Planning of Development and Coordination of International Economic Aid.</p>

Overview of activities in 2017

Education, employment and social policies sector presented in this Report is based on the sector-based reporting methodology defined in the IPA II regulation, for period 2014 – 2020.

Education, employment and social policies sector consists of nine sub-sectors:

- Education,
- Vocational education and training (VET),
- Lifelong learning,
- Labour market and employment,
- Equal opportunities and gender equality,
- Social dialogue,
- Social protection,
- Social inclusion and fight against poverty and
- Education, employment and social infrastructure.

Bosnia and Herzegovina is facing high unemployment rates, poor capacities of labour market institutions, education system inconsistent with labour market needs and underdeveloped social protection. In order to overcome these challenges within the Reform Agenda, special focus has been placed on improving of the Education, employment and social policies sector.

In 2017, uneven progress was recorded in this sector. In the field of education, Council of Ministers of BiH, on its 123rd session held on December 4, 2017, adopted the Platform for the development of pre-school education in BiH for the period 2017-2022 (Official Gazette of BiH no. 2/18), which will serve as the framework to competent educational and other institutions for the activities in harmonization of the development policies for pre-school education in BiH with the EU standards.

Strategy for Scientific and Technological Development of Republika Srpska for the period 2017-2021- "Knowledge for Development" was adopted in April 2017 (Official Gazette of RS no. 44/17), with the view to improve the conditions for the development of science and technology by promoting excellence, which should result in improved economy competitiveness and creation of new jobs.

In Republika Srpska in February 2017, the Law on Primary Education was adopted (Official Gazette of RS, no. 44/17), which stipulates, *inter alia*, the introduction of junior graduation written exam after the completion of the ninth grade. This law also established the Council for the development of the pre-school, primary and secondary education.

In 2017, the Federal Ministry of Education and Science, in cooperation with the relevant institutions in the Federation of BiH, initiated the drafting of the new Strategic plan for the promotion of early growth and development of children in the Federation of BiH for the period 2018-2022.

After submitting an application for the full-fledged membership in the European Association for Quality Assurance in Higher Education (ENQA) in 2016, the Agency for Development of Higher Education and Quality Assurance of BiH, in the course of 2017 was subject to the external evaluation procedure on compliance with the Standards and guidelines for quality assurance in higher education. Considering that the Agency has not yet sufficiently met the prescribed standards for the full-fledged membership, an Action Plan for implementation of the ENQA panel recommendations has been made, in order to further improve the Agency's work and its future membership in ENQA.

Council of Ministers of BiH, on its 114th session held on September 12, 2017, was informed on the Information on adapting of education programs to the needs of the labour market. The information contains the proposal of measures and the Action Plan for drafting and implementation of the qualification framework in BiH until 2020, with the view to link the labour market and education. The Information was also sent to the House of Representatives of the Parliamentary Assembly of BiH.

In 2017, the new Law on Higher Education (Official Gazette of Sarajevo Canton no. 33/17) and the Law on Primary Education (Official Gazette of Sarajevo Canton no. 23/17) were adopted in Sarajevo Canton.

In the area of training, the eTwinning program was implemented in 2017, which is intended for international cooperation and training of the teaching and non-teaching staff from the preschool education to the secondary school. The program was focused to the quality of projects implemented in schools, which resulted in the increased number of projects that received the State Quality Mark (61), as well as the European Quality Mark (12). The teaching and non-teaching staff participated in the annual eTwinning Conference held in Konjic on October 12 and 13, 2017.

In the area of adult education, the Law on Adult Education of Central Bosnia Canton (Official Gazette of CBC no. 5/17), the Law on Adult Education of Herzeg Bosnia Canton (Official Gazette of HBC no. 1/17) were adopted in 2017, while the laws on adult education in Brcko District as well as Herzegovina-Neretva and Posavina Cantons are being drafted. These laws will regulate the educational area and are included in realization of goals set by the Strategic platform for development of adult education in the context of the lifelong learning in BiH for the period 2014-2020.

During 2017, the Strategy for Development of Science in BiH 2017-2022 was prepared and sent to the Council of Ministers of BiH for adoption. It contains the basic course of actions for development of the scientific research and innovation in Bosnia and Herzegovina

In the area of sport, the priorities in 2017 included the improvement of the international cooperation, the improvement of cooperation with the competent entity and cantonal authorities as well as the strengthening of the capacities and higher degree of participation of Bosnia and Herzegovina in the European Union sports programs. International cooperation has been enhanced through the implementation of the existing international agreements and participation of BiH athletes at the international scene.

During 2017, activities were undertaken on the preparation of strategic documents in the field of employment. However, the Draft Employment Strategy for BiH 2017-2020 as well as the Draft Employment Strategy in the Federation of BiH are still in the process of harmonization, while in Republika Srpska this strategic document has been adopted in 2016.

The BiH Presidency, at the 42nd session held at the end of December 2017, gave its approval for conclusion of the 2018-2019 Biennial Agreement on Cooperation between Bosnia and Herzegovina and the World Health Organization Regional Office for Europe, in the field of health. Also, cooperation with the European Centre for Disease Prevention and Control (ECDC) and the American Centres for Disease Prevention and Control (CDC) has been improved.

Council of Ministers of BiH adopted the National Annual Consumer Protection Program in BiH for 2017 (Official Gazette of BiH no. 16/17), which creates the consumer protection policy, defines priorities, sets out measures for their implementation and establishes operators to be engaged in meeting the the planned goals and tasks.

During 2017, the Agency for Gender Equality of Bosnia and Herzegovina prepared the document Gender Action Plan of BiH for the period 2018-2022, and the Action Plan for Implementation of the UN Resolution 1325 "Women, Peace and Security" 2018-2022. It is expected that the Council of Ministers of BiH should adopt these documents in 2018, thus improving coordination and strategic approach in implementation of policies aimed at achieving better equality in areas such as participation in the political, economic and public life, security, health and education.

In July 2017, Council of Ministers of BiH adopted the BiH Action Plan for Addressing Roma Issues in the areas of employment, housing and health care for the period 2017-2020 (on 108th session held on July 19, 2017). The aim of the Action Plan is to improve the institutional capacities for Roma issues, Roma employment and self-employment, living conditions of Roma population and improve the accessibility and quality of health care for the members of the Roma population.

During 2017, Mine Action Strategy of BiH 2018-2025 was prepared and underwent extensive process of consultations. Also, on its 120th session held on November 9, 2017, the Council of Ministers adopted the Draft Law on Amendments to the Law on Demining in BiH and sent it into parliamentary procedure.

The Government of the Federation of BiH, on its 131st session held on December 1, 2017, gave its approval to the Action Plan for Implementation of the Strategy for Deinstitutionalization and Transformation of Social Protection Institutions in the Federation of BiH. Action Plan advocates the multidisciplinary approach and inclusion of all the potentials of the society, through the development of partnership between the governmental and non-governmental sector involved in the welfare of beneficiaries of social protection institutions.

As part of the social protection reform in the Federation of Bosnia and Herzegovina, the Law on Foster Care in the Federation of BiH (Official Gazette of FBiH no. 19/17) was adopted in February 2017, which regulates the areas of foster care, principles of foster care, conditions, responsibilities and rights of foster children, foster parents and centres for social work.

Investments of DCF members in 2017

DCF members active in the Education, employment and social policies sector in 2017 are Croatia, Slovenia, Netherlands, Switzerland, EU, UN, Germany, USA/USAID, Sweden/Sida, Japan, Italy/Italian Agency for Development Cooperation (AICS), Czech Republic, Hungary and EIB.

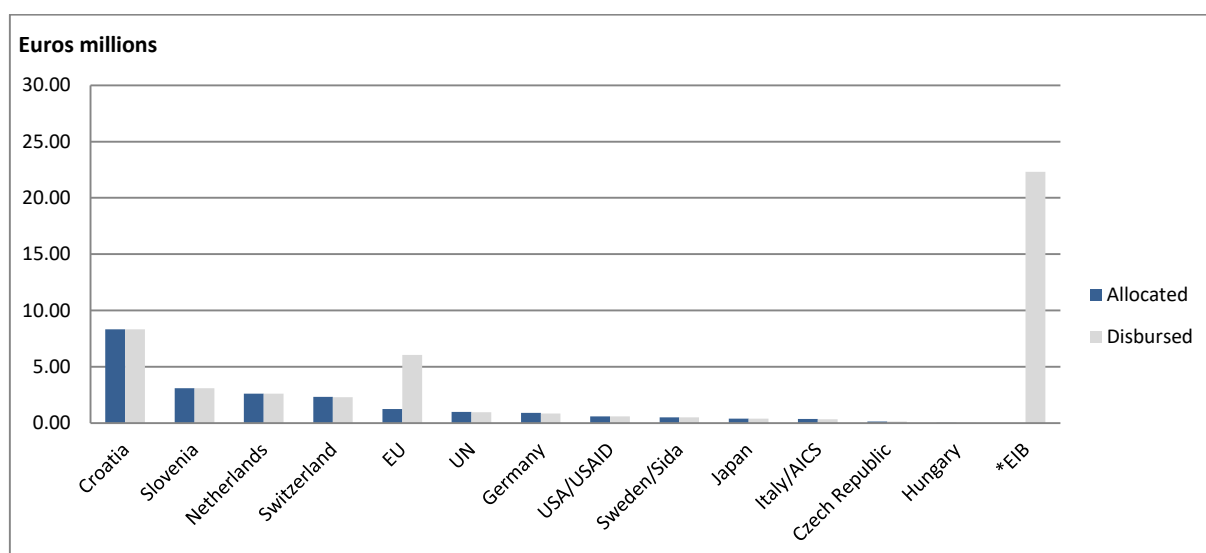
Total allocations of DCF members to the sector in 2017, amounted to €21.47 million, all in the form of grants.

Total disbursements to the sector in 2017 amounted to €48.49 million, out of which €26.18 million in the form of grants and €22.31 million in the form of loans, from the creditor European Investment Bank.

Figure 7.1. compares grants allocated and disbursed per donors, according to the amount of invested funds as well as allocated and disbursed loan funds from the European Investment Bank.

Leading donors in the sector in 2017, who allocated i.e. disbursed largest grants were Croatia, EU, Slovenia, Netherlands and Switzerland.

Figure 7.1. Allocated and disbursed funds per donors/creditor in 2017



*Note: EIB loan

Education, employment and social policies sector consists of 9 sub-sectors. Figure 7.2. presents the structure of total allocations per sub-sectors.

Out of total allocated funds in 2017, 81.4% was allocated in three sub-sectors: Education, employment and social infrastructure 32.5%, Social protection 28.3% and Vocational education and training (VET) 20.6%, while 18.7 % funds was allocated to all other sub-sectors.

Figure 7.2. Total allocated funds per sub-sectors in 2017

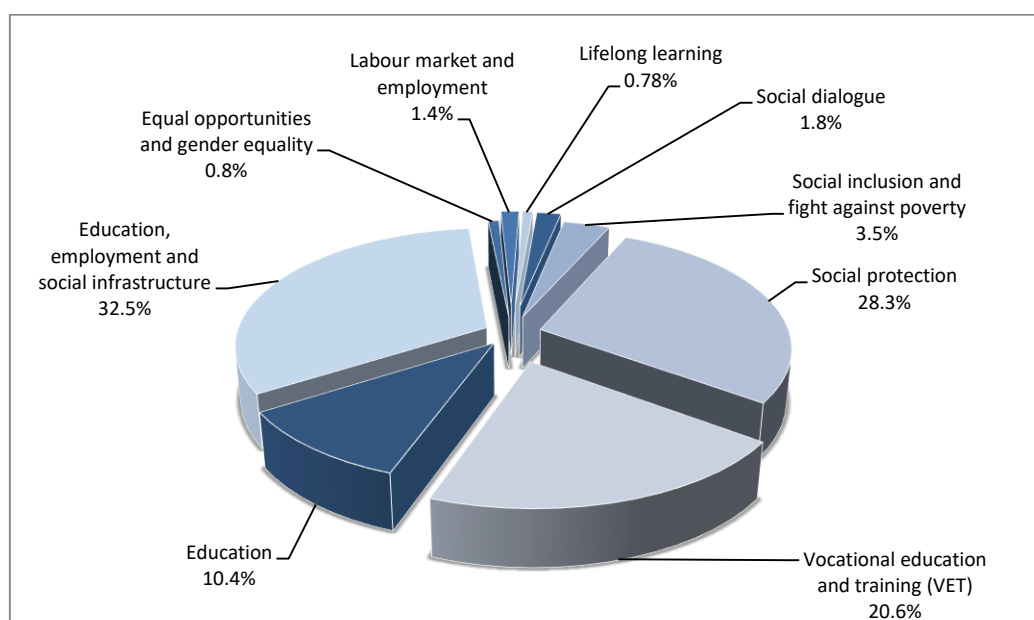
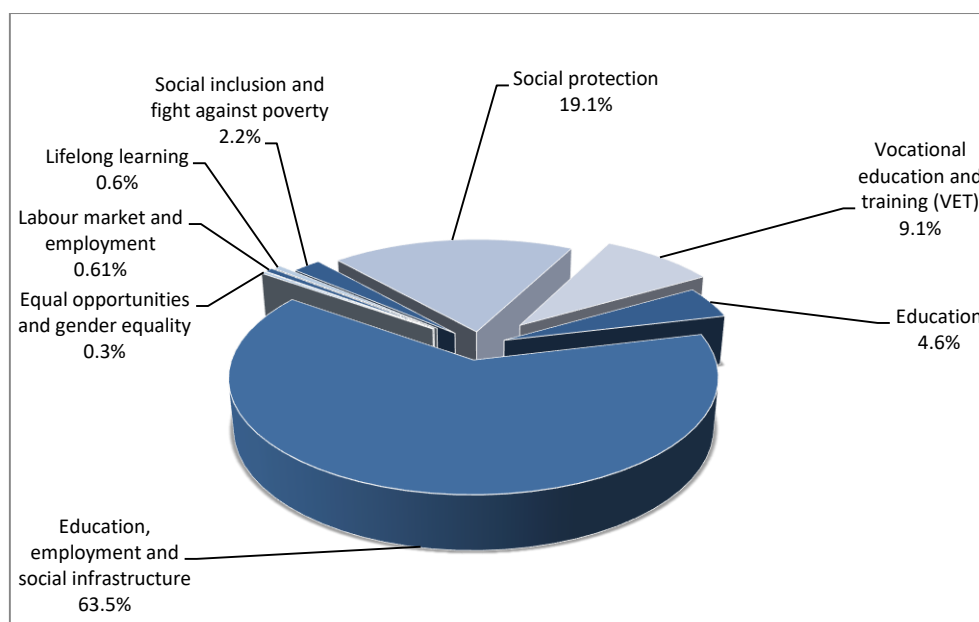


Figure 7.3. presents the structure of total disbursed funds per sub-sectors in 2017.

Out of total disbursed funds in 2017, 91.7% was disbursed in three sub-sectors: Education, employment and social infrastructure 63.5%, Social protection 19.1% and Vocational education and training (VET) 9.1%.

Figure 7.3. Total disbursed funds per sub-sectors in 2017



Ten major projects in the sector that allocated or disbursed funds in 2017, are listed below:

PROJECT TITLE	Donor/Creditor	Total Project Value (Euros millions)
RS Hospitals	EIB	115.00
Scaling up Universal Access for Most at Risk Populations in Bosnia and Herzegovina	UN	21.98
Strengthening of DOTS Strategy and Improving National Tuberculosis Programme, Including Multidrug Resistant and Infection Control, in Bosnia and Herzegovina	UN	12.88
OPA Democracy and Human Rights Education Program	USA/USAID	8.28
Skills for Jobs (SfJ)	Switzerland	5.71
Medicines and other medical supplies, University Clinical Hospital Mostar	Croatia	5.39
Support for Adult Education	Germany	4.86
Youth Employment Programme (YEP)	Switzerland	4.35
Market Makers	Switzerland	4.29
Birac Region Advancement and Cooperation (BIRAC) 2, SAR	Netherlands	3.95

All projects are available in the Donor Coordination Forum Database, via the following link:

<http://dmd.donormapping.ba/dmd/faces/dmdPublicStart>

Future activities

Socio-economic development cannot be achieved without comprehensive reforms in the Education, employment and social policies sector, thus it is necessary in the forthcoming period to continue activities on implementation of measures for further development of the labour market, improvement of situation in the fields of education, employment, social protection and social inclusion in Bosnia and Herzegovina. Based on the responses of BiH Institutions from all levels of government and DCF members, which participated in the preparation of this Report, further efforts should be made in the following period:

- continue activities on implementation of the Action Plan for preparation and implementation of the Qualification Framework in BiH 2014-2020, which is of priority importance in the field of education in BiH;
- improve infrastructure and interior fittings (equipment) at all levels of education;
- continue activities on formulation of priorities for the development of vocational education in BiH in line with the so-called Recommendations from Riga;
- improve the links between vocational schools and employers;
- introduce digitization and entrepreneurial training into BiH education system;
- enhance the collaboration of students and professors at universities in BiH with the focus on research;
- establish standards and systems in the area of continuous professional development of teachers, focused on the development of skills and human capital according to the needs of the labour market and sustainable development;
- improve reporting in the field of education;
- strengthen the efficiency of labour market institutions with particular focus on disadvantaged categories (persons with disabilities, with health or social difficulties, etc.);
- provide greater support to self-employment;
- make recommendations on recognition of foreign higher education qualifications;
- improve the capacities of centres for social work in order to better work with the beneficiaries of social protection;
- draft the law and the strategic framework for the youth area in BiH;
- improve infrastructure and equipment in higher education institutions as well as in pre-school institutions in BiH;
- continue activities on implementation of the roadmap for implementation of the EU Directives on regulated professions 2005 / 36EC and 2013 / 55EU.

DCF members active in the sector in 2017	The World Bank, UN, EU, Czech Republic, Germany, Italy/Italian Agency for Development Cooperation (AICS), Croatia, Netherlands.
Other key international organizations	International Fund for Agricultural Development; OPEC Fund for International Development/OFID; European Food Safety Authority; European Center for Disease Prevention and Control.
Key government partners	BiH CoM; FBiH Government; RS Government; BD BiH Government, Ministry of Foreign Trade and Economic Relations of BiH; Veterinary Office of BiH, Administration for Plant Health Protection of BiH; Food Safety Agency of BiH; Directorate for European Integration; Federal Ministry of Agriculture, Water Management and Forestry; Ministry of Agriculture, Forestry and Water Management of RS; Department for Agriculture, Forestry and Water Management of Brcko District.
Total allocation / disbursement to the sector in 2017 by DCF members	<p>Total allocated €11.82 million – €5.82 million in a form of grants and €6.00 million in a form of loans</p> <p>Total disbursed €11.37 million – €5.36 million in a form of grants and €6.00 million in a form of loans</p> <p>Out of total ODA in 2017, 3% was allocated and 3% was disbursed in the sector.</p>
Legal framework and sector strategies adopted in 2017	<p>The Veterinary Law of RS (RS Off. Gazette no. 75/17); The Law on Amendments to the Veterinary-Medicinal Products (RS Off. Gazette no. 75/17); The Food Law (RS Off. Gazette no. 19/17).</p> <p>Previously adopted legal framework and sector strategies are available on www.donormapping.ba</p>
Coordination with and among donors	<p>Working Group of the Ministry of Foreign Trade and Economic Relations of BiH for planning and coordination of international aid in the Sector for agriculture, food and rural development is active in coordination of donors and institutions of BiH in this sector, through regular meetings and preparation of annual reports adopted by the Council of Ministers of BiH.</p> <p>Donors active in the sector and BiH Institutions from all levels of government regularly attended Donor Coordination Forum meetings (DCF meetings) hosted by BiH Ministry of Finance and Treasury/Sector for Financial Planning of Development and Coordination of International Economic Aid.</p>

Overview of activities in 2017

Agriculture and rural development sector presented in this Report is based on the sector-based reporting methodology defined in the IPA II regulation, for period 2014 – 2020.

Agriculture and rural development sector consists of five sub-sectors:

- Rural development,
- Capacity for Common Agricultural Policy (CAP),
- Food safety, veterinary and phytosanitary,
- Fisheries and
- Forestry.

Bosnia and Herzegovina possesses outstanding climate and other conditions for the development of agricultural production, significant capacities for the development of the food industry and good preconditions for the development of organic production. Also, large percentage of the population is engaged in agriculture in a formal and an informal way, thereby the agriculture and food industry is the important branch of the economy that contributes to the economy, employment and the overall socio-economic development of the country.

In 2017, numerous activities were conducted for improvement of this sector, in order to establish the sustainable system of agriculture and rural development, which will be competitive, enable employment, social inclusion and a better living standard to farmers and rural population. Special focus is placed on the implementation of reforms in the context of the EU integration, the adoption of legislation as well as the strengthening of competitiveness in the international market.

During 2017, activities were undertaken on the preparation and development of the document Strategic Plan of Rural Development for BiH 2018-2021, which was sent in the adoption procedure to the Council of Ministers of BiH at the end of the year. Strategic Plan represents the framework for development of the Agriculture and rural development sector, through strengthening of the competitiveness of agriculture, forestry and rural areas and promoting innovation as well as harmonizing the legal framework in the area of agriculture and rural development at all levels of government with the EU legislation. Strategic Plan of Rural Development in BiH 2018-2021 was adopted at the 128th session of the BiH CoM held on January 4, 2018, which enabled the use of the EU pre-accession funds and it will positively reflect on further development of the sector in the forthcoming period.

Strategic Plan for the Development of Agriculture and Rural Areas in Republika Srpska 2016 -2020 is in implementation and includes investment in farms, marketing for food processing, human resources development, development of micro, small and medium size enterprises (MSMEs) in rural areas, rural tourism and strengthening of rural development institutions.

Medium Term Strategy for the Development of Agricultural Sector for the period 2015 – 2019 is in implementation in the Federation of BiH. During 2017, activities were carried out on preparation of the document Rural Development Program and the Action Plan for Implementation of the Rural Development Program of the Federation of BiH for the period 2018-2021, which will be adopted after being aligned with the Strategic Plan for Rural Development in Bosnia and Herzegovina (2018-2021).

In Brcko District, activities have been initiated on the preparation of the text of the Strategy for the Development of Agriculture and Rural Areas of Brcko District.

During 2017, the process of harmonization of the domestic agricultural policy was actively pursued, and accordingly the activities were undertaken to update the document "Plan of harmonization of rural development measures and general services in the agriculture of Bosnia and Herzegovina". The draft plan has been referred for consultations to the competent entity ministries and the Department for Agriculture of Brcko District and after the comments and opinions are obtained, it will be sent to the adoption procedure.

In October 2017, the second meeting of the Sub-Committee on agriculture and fisheries between the BiH and the European Union was held, where the implementation of the SAA was discussed and harmonization of regulations with the EU *acquis* in the field of agriculture and fisheries, including food safety, veterinary and phytosanitary issues. It was concluded that Bosnia and Herzegovina must continue to strengthen the institutional capacities, adopt a set of state laws on food safety and veterinary medicine and adopt the Strategic Plan of Rural Development. It is also necessary to harmonize the policies in the area of fisheries across the country and align them with the EU *acquis*.

During 2017, the activities were implemented on securing of the new markets and the export of products of plant and animal origin to the European Union market. In cooperation with the Directorate for Health and Food Audits and Analysis of the European Commission, it was negotiated to authorize Bosnia and Herzegovina to export poultry meat and poultry meat products as well as milk and fresh dairy products to the European Union market.

In BiH, the control, prevention and eradication of infectious animal diseases has been improved as well as the export potential of live animals and products of animal origin. New operational programs have been developed for the control and eradication of rabies and brucellosis for the period 2017-2021.

In 2017, the Law on Veterinary (Official Gazette of RS, no. 75/17) was adopted in Republika Srpska, thereby introducing the contemporary control measures for animal diseases. Also, Veterinary Information System of RS has been created and put into operation.

In the area of the food safety, progress has been made in implementing of recommendations from the Action Plan for the production and processing of milk and dairy products and export to the EU market, as well with the adoption of the Action Plan for the export of poultry meat and poultry meat products.

During 2017, Food Safety Agency of BiH prepared several regulations in accordance with the regulations in the European Union, which will contribute to the introduction of a modern integrated food safety system for the purpose to protect consumers and place domestic producers in an equal position with producers from the EU and regional countries (Official Gazettes of BiH, no. 62/17, 62/17, 66/17 and 92/17). In order to improve the control programs, the Agency also implemented the Program for monitoring of the pesticide residues in and on the food of plant origin, the Quality research of salt at the BiH market and Monitoring of the honey quality at the BiH market.

In February 2017, Bosnia and Herzegovina was authorized to transport fresh cattle meat through the territory of the European Union, thus enabling BiH exporters to use commercially more favourable possibilities for meat transport, mostly to Turkey and EU non-member countries.

The phytosanitary sector includes the health of plants, seeds and planting material and the protection of new sorts and products for protection of plants. Since the EU adopted the new law on plants health, this has resulted in significant changes in the sector, primarily in the field of accreditation of laboratories as well as the official controls. In the course of 2017, six new test laboratories were accredited in Bosnia and Herzegovina, out of which three laboratories are for testing of products of plant and animal origin.

In May 2017, Bosnia and Herzegovina ratified the International Convention for the Protection of New Varieties of Plants - UPOV Convention (Official Gazette of BiH - MU, no. 4/17). The ratification of this Convention fulfilled the last multilateral obligation of Bosnia and Herzegovina in the Legislative Action Plan for the Accession to the World Trade Organization (WTO).

Bosnia and Herzegovina was the partner country at the 84th International Agricultural Fair in Novi Sad in May 2017, where 60 countries presented their products and services. BiH was represented through organization of the joint performance of producers from the country, organization of conferences, round tables and business meetings. This manifestation presents strong incentive for domestic companies when entering new markets and strengthening their position within the regional and the European market.

In November 2017, an Agreement on Agriculture Cooperation was signed with the NR China. The agreement envisages the exchange of information and close cooperation between the competent institutions and the business community of the two countries in the area of agriculture and rural development, phytosanitary, veterinary and food safety issues, as well as joint promotion of the "16 + 1" cooperation in the field of agriculture.

Pursuant to the conclusions of the Council of Ministers of BiH, adopted at the 30th extraordinary session held in March 2017, activities were undertaken on urgency procedure for amending the Rulebook on Registration of Varieties in the Sort List and the Rulebook on Recognition of Agricultural Plant Varieties in Bosnia and Herzegovina, as well as for the adoption of the Rulebook on the Work of the Joint Commission for Varieties. During 2017, the process was carried out of registration of varieties, and by the end of the year, a total of 272 varieties were registered in the Sort list of Bosnia and Herzegovina.

Also, significant cooperation and coordination was achieved on the international scale within the activities related to the IPPC (International Plant Protection Convention) and the EPPO (European and Mediterranean Plant Protection Organization), as well as with the CVPO (Community Plant Variety Office). Also, good cooperation was continued with the phytosanitary services of the countries in the region.

In the course of 2017, set of bylaws was adopted within the phytosanitary area (Official Gazettes of BiH, no. 06/17, 36/17), phyto-pharmaceutical sector (Official Gazettes of BiH, no. 19/17, 48/17, 53 / 17, 80/17, 87/17), mineral fertilizers (Official Gazette of BiH, no. 54/17) and registration of varieties in the Sort list of BiH (Official Gazette of BiH, no. 29/17).

The Report on implementation of the special control program of quarantine harmful organisms on potatoes in BiH for 2016, was adopted at the 115th session of the BiH Council of Ministers held on September 18, 2017, and the Report on implementation of the Rotterdam Convention in BiH has also been considered and adopted at the 116th session of the Council of Ministers of BiH, held on September 26, 2017.

In early 2018, Bosnia and Herzegovina is expected to sign the *Malta MedFish4Ever* declaration, a multilateral strategy proposed by the European Union, with a view to achieve the sustainable use of fish resources and protection of marine environment. The declaration envisages joint activities aimed at restoring fisheries to the sustainable level, ensuring jobs in this sub-sector and developing fisheries across the Mediterranean, which was signed by the countries of the northern and the southern coasts of the Mediterranean Sea.

Investments of DCF members in 2017

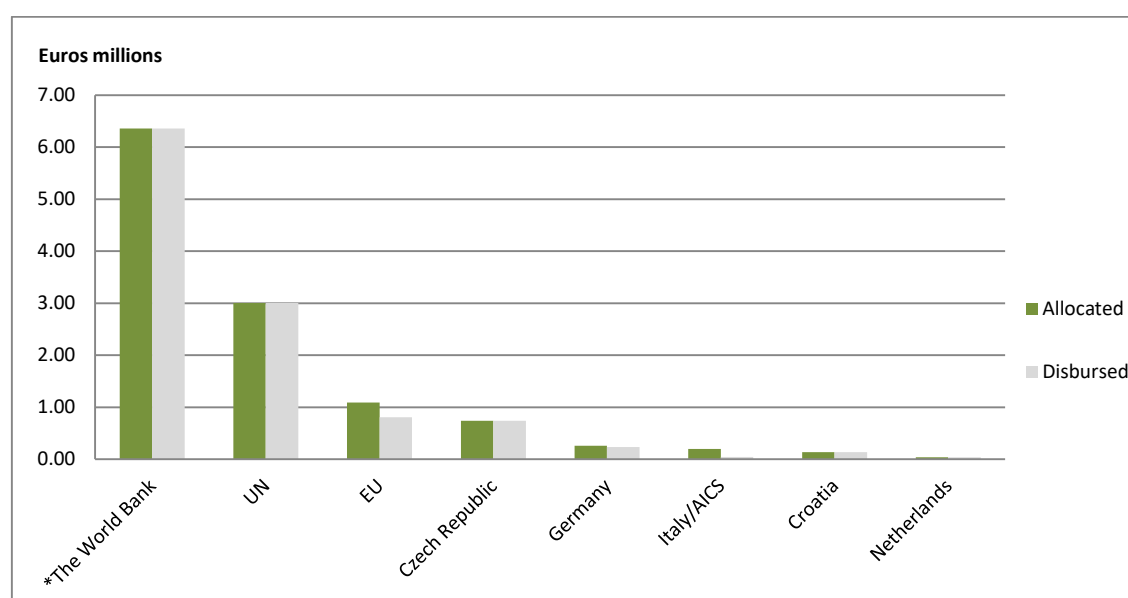
DCF members active in the Agriculture and rural development sector 2017 were EU, Croatia, Germany, Czech Republic, Netherlands, Italy/Italian Agency for Development Cooperation (AICS), UN and The World Bank.

Total allocations of DCF members to the Democracy and governance sector in 2017 amounted to €11.82 million, out of which €5.82 million in the form of grants and €6.00 million in the form of loans, from the creditor The World Bank.

Total disbursements of DCF members to the sector in 2017 amounted to €11.37 million, out of which €5.36 million in the form of grants and €6.00 million in the form of loan, from the creditor The World Bank.

Figure 8.1. compares grants allocated and disbursed per donors, according to the amount of invested funds, as well as allocated and disbursed loan funds from The World Bank. Leading donors who allocated i.e. disbursed largest amounts was UN, followed by the EU and Czech Republic.

Figure 8.1. Allocated and disbursed funds per donors/creditor in 2017



*Note: The World Bank – loan

Agriculture and rural development sector consists of 5 sub-sectors. Figure 8.2. presents the structure of total allocated funds per sub-sectors.

Out of total allocated funds in 2017, 95.8% was allocated to two sub-sectors: Rural development 83.1% and Food safety, veterinary and phytosanitary 12.8%, while total of 4.2% funds was allocated to other sub-sectors.

Figure 8.2. Total allocated funds per sub-sectors in 2017

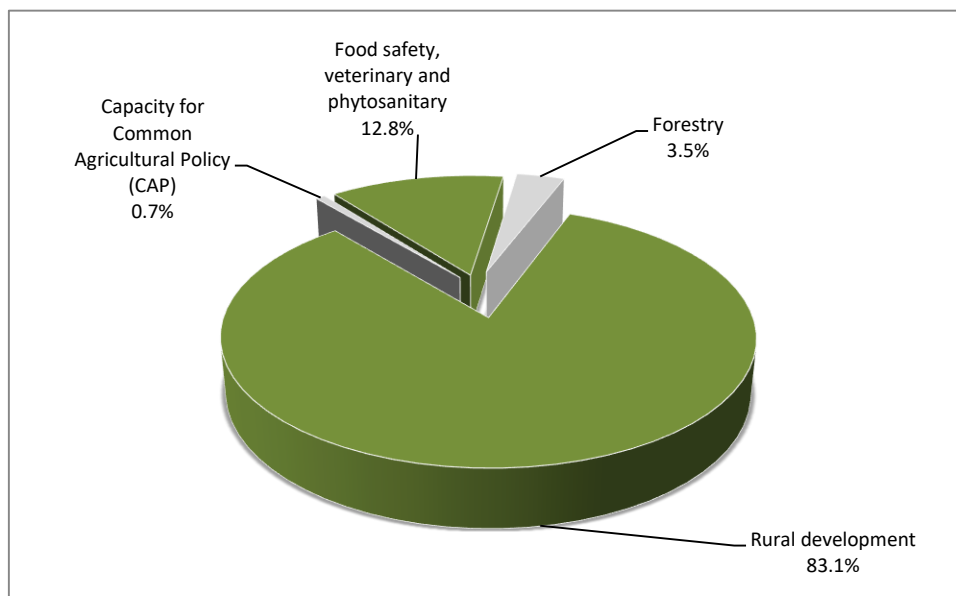
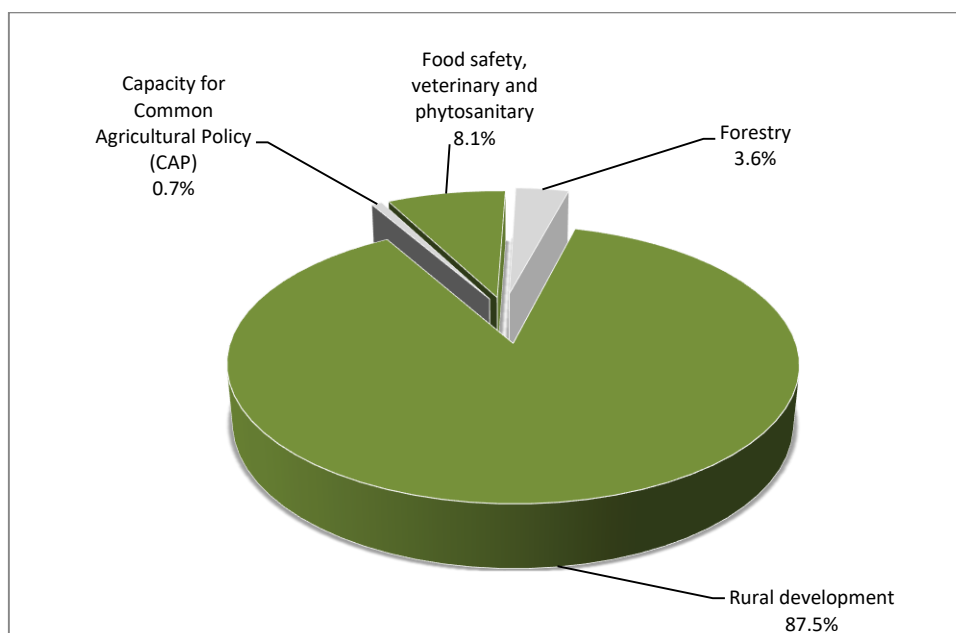


Figure 8.3. presents the structure of total disbursed funds per sub-sectors in 2017.

Out of total disbursed funds in 2017, the largest disbursements were recorded in the sub-sector Rural development 87.5%.

Figure 8.3. Total disbursed funds per sub-sectors in 2017



Ten major projects in the sector that allocated or disbursed funds in 2017, are listed below:

PROJECT TITLE	Donor/Creditor	Total Project Value (Euros millions)
Irrigation Development Project	The World Bank	28.62
Local Integrated Development Project	UN	7.47
Srebrenica Regional Recovery for Economic Development (SRRP) IV	UN, Netherlands	6.86
Global Environmental Facility (GEF) Sustainable Forest and Landscape management	The World Bank	4.01
High-quality, GMO-free soya from the Danube region	Germany	1.37
EU support to supply and distribution of rabies vaccination baits for autumn 2017 and spring 2018 campaigns in Bosnia and Herzegovina	EU	1.09
Development of Environmental logging and forest management in Bosnia and Herzegovina	Czech Republic	0.74
Development of a System for Breeding Beef Cattle in Bosnia and Herzegovina	Czech Republic	0.72
Technical assistance in coordination of animal disease control and eradication program in BiH – Phase III	EU	0.59
Institutional Support for Certification and Control of Plant Material	Czech Republic	0.50

All projects are available in the Donor Coordination Forum Database, via the following link:

<http://dmd.donormapping.ba/dmd/faces/dmdPublicStart>

Future activities

In the forthcoming period, activities should be continued on improving of the rural development and creating an efficient, sustainable and innovative agricultural and food sector in BiH, which will be competitive at the international market, which will ensure employment and a better living standard for agricultural producers. Based on the responses gathered from BiH Institutions from all levels of government as well as members of DCF that participated in the preparation of this Report, further efforts should be made in the following period:

- adopt the Strategic Plan for Rural Development of BiH and open the possibility of using the EU pre-accession funds for agriculture and rural development;
- strengthen the competitiveness of agriculture, forestry and rural areas by increasing the level of investments and improving the transfer of knowledge and the promotion of innovation;
- improve the quality of life in rural areas through the creation of new sources of income and the improvement of physical infrastructure;
- improve the institutional system and capacities in the sector of agriculture, food safety, veterinary and phytosanitary policy;
- harmonize the legal framework in the agriculture, food safety, veterinary and phytosanitary policy with the European Union legal framework;
- strengthen advisory services to farmers in Bosnia and Herzegovina;

- improve agricultural statistics and the information system;
- upgrade inspection and control services and laboratories through adoption of standardized procedures and methods of accreditation.
- develop and adopt the Strategic Plan for Rural Development in BiH and agree to establish the national structure for obtaining pre-accession assistance in the agricultural sector through the Instrument for Pre-Accession Assistance for rural development;
- further harmonize BiH systems of official veterinary and phytosanitary controls with the European standards;
- additionally upgrade BiH administrative capacities, in particular inspection services and laboratories.

DCF members active in the sector in 2017	/
Other key international organizations	Regional Cooperation Council; Energy Community OF Southeast Europe; South East Europe Transport Observatory; Central European Free Trade Agreement.
Key government partners	Council of Ministers of BiH; Government of FBiH; Government of RS; Government of BD BiH; institutions, agencies, directorates at all levels of government in BiH, in line with their sectoral competencies
Total allocation / disbursement to the sector in 2017 by DCF members	Total allocated €0.00 million – in a form of loan Total disbursed €0.00 million – in a form of loan
Legal framework and sector strategies adopted in 2017	/
Coordination with and among donors	<p>Single mechanism for donor coordination does not exist.</p> <p>For regional investments, donor coordination takes place in the context of the Western Balkans Investment Framework (WBIF) and partly in the context of the National Investment Committee (NIC).</p> <p>Donors active in the sector and BiH Institutions from all levels of government regularly attended Donor Coordination Forum meetings (DCF meetings) hosted by BiH Ministry of Finance and Treasury/Sector for Financial Planning of Development and Coordination of International Economic Aid.</p>

Overview of activities in 2017

Regional and territorial cooperation sector presented in this Report is based on the sector-based reporting methodology defined in the IPA II regulation, for period 2014 – 2020.

Regional and territorial cooperation sector consists of four sub-sectors:

- Horizontal support to sector policies and reforms,
- Regional structure and networks,
- Regional investment support and
- Territorial cooperation.

Continuous strengthening of regional cooperation of the Western Balkans countries is one of the prerequisites for further prosperity and improvement of the living conditions of their citizens. In the context of the current economic situation, regional cooperation contributes to the strengthening of the economic, cultural and social ties and it is the key factor in the overall stability of the Western Balkans and South East European countries.

In 2017, Bosnia and Herzegovina actively participated in regional initiatives established with the aim to use the joint forces for fostering of growth in the Western Balkans, including the South East European Cooperation Process (SEEC), the Regional Cooperation Council (RCC), the Central European Free Trade Agreement (CEFTA) and the Western Balkans 6 Initiative.

Accordingly, BiH participated in the high-level SEEC Summit, held in Dubrovnik on June 29 and 30, 2017. Joint declaration was adopted at the summit, with conclusions related to the support for candidate countries and potential candidates on their path to the EU, economic cooperation and development of the overall region. It was pointed out that the process of the European integration will not be completed until all SEEC participants become a part of the European Union.

RCC, with headquarters in Sarajevo is one of the most important institutions that encourages the development of regional cooperation and provides support to the political, economic, social and institutional reforms in the region. Being the operational branch of the SEEC, RCC makes positive efforts to develop the progress, employment and improve competitive conditions in the countries of the region and has proved to be an important instrument for improving of the cooperation and development in the region.

The Berlin Process and the Western Balkans 6 Initiative have contributed to further strengthening of awareness on the need for cooperation in the region, tighter economic, infrastructural and business connections and an increase in the economic growth and development of the countries in the region.

The meeting of Western Balkans prime ministers was held on March 16, 2017, in Sarajevo as preparation for the upcoming Summit in Trieste, pinpointing to the problems that all Western Balkans countries are facing, such as unemployment, organized crime and corruption. Joint statement was adopted expressing the commitment for continuation of the regional cooperation, and supporting the initiative to create the common market as part of the Western Balkans convergence process towards the EU.

As part of the "Berlin Process", the fourth annual Summit of the Western Balkans countries representatives was held in Trieste on July 12, 2017, which was also attended by the delegation of Bosnia and Herzegovina. The key topics discussed at this Summit were the infrastructure, transport,

energy and the prospect of connecting of the Western Balkans for the purpose of the regions' economic recovery.

The Summit supported the proposed Multiannual Action Plan for the Regional Economic Area in the Western Balkans (MAP), whose implementation should enable the uninterrupted flow of goods, services, capital and qualified labor force in the period 2017-2020, and make the region more attractive for investments and trade. MAP arises from the commitments undertaken under the CEFTA and the South East Europe Development Strategy by 2020 (SEE 2020), in line with the CEFTA and the EU rules and principles, which are reflected in the Stabilization and Association Agreements (SAAs) of the Western Balkans countries.

During this Summit, in the area of transport the Treaty was signed on Establishing the Transport Community between the five Western Balkans countries and the EU (TCT), which established conditions for the new cooperation dynamics between the EU and the region. Bosnia and Herzegovina signed the Treaty on Accession to the Transport Community in September 2017 in Brussels, and thus became the part of a very important project, which will enable the overall infrastructure to be gradually harmonized with the norms and standards applicable in the European Union.

With the inclusion of Bosnia and Herzegovina in the Transport Community, financing has been approved for four exceptionally important projects (construction of the corridor V-C section), in total value of EUR 256.00 mil and also included EUR 46.00 mil grant funds, whose implementation will start in the forthcoming period.

During the Summit, the first joint institution was opened in the region, the Permanent Secretariat of the Western Balkans Chamber Investment Forum (WB CIF) based in Trieste, established by the six chambers of commerce of the Western Balkans countries. The Secretariat will address the regional economic initiatives and represent the interests of the business community as well as promote the region as an investment destination.

The meeting of Regional Economic Area Coordinators was held in Brussels on October 31, 2017. At this meeting, the progress has been discussed on the realization of the measures envisaged by the MAP, as well as programs, activities and plans for activities for 2017 and 2018 were presented, as an important step in improvement of coordination and harmonization of activities towards the efficient achievement of the goals from the MAP.

With the Decision of the Council of Ministers of Bosnia and Herzegovina (125th session held on December 22, 2017), the National Coordinator for the Western Balkans Regional Economic Area Project as well as sub-coordinators for the areas of trade, mobility, investment and digital integration were appointed, for the period of implementation of the Action Plan for establishing of the Western Balkans Regional Economic Area (Official Gazette of BiH, no. 2/18).

In the past years, activities have been particularly intensified on strengthening of the regional cooperation in implementation of the joint activities on promotion of gender equality in various areas, particularly in implementation of the UN Resolution 1325 "Women, Peace and Security" and the Council of Europe Convention on Preventing and Combating Violence Against Women and Domestic Violence (Istanbul Convention).

In May 2017, the meeting of the Regional Coordination Committee of the Balkans Regional Network was held in Zagreb, where representatives of the gender institutional mechanisms from Bosnia and

Herzegovina, Croatia, Serbia, Macedonia and Montenegro participated, in order to reach the agreement on implementation of joint regional initiatives and activities. The meeting was concluded with the elaboration of the project concept for the sustainability of the Balkans Regional Network.

In 2017, Bosnia and Herzegovina fully participated in the Connectivity Agenda and continued to use the appropriate EU funds, for example the Transnational Project Attractive Danube, which focused on presentation of situation of the environmental, anthropological, socio-cultural, economic / human and institutional aspect, as well as the Western Balkans Investment Framework (WBIF) for infrastructure and investment projects, and the support funds within the Multiannual Cooperation Program (MCP), for all four subsectors of the Regional and territorial cooperation.

In addition, there is an ongoing support to regional cooperation through various projects implemented in the PAR area (for example: Regional School of Public Administration Reform), PFM, statistics, customs, judiciary, fight against organized crime, migration management, human rights and protection of minorities, Roma integration, Regional Housing Program, etc.

The goal of the Cross-border Cooperation (CBC) is to promote good neighbourly relations and through joint local and regional initiatives, encourage the socio-economic development in the border areas, contributing to the promotion of cooperation in priority areas such as employment, labour mobility, development of small and medium-size enterprises, trade and investments, social and cultural inclusion, environmental protection and promotion of sustainable transport, improvement of public infrastructure, tourism and cultural and natural heritage

Bosnia and Herzegovina participates in three bilateral cross-border cooperation programs with Croatia, Serbia and Montenegro, in one cross-border cooperation program with the member states - IPA Adriatic Program, as well as in two transnational cooperation programs South-East Europe (SEE) and Mediterranean (MED).

For the territorial cooperation programs (IPA II 2014-2020), currently the funds are operational for technical assistance within the Program: BiH - Montenegro, Serbia - BiH, INTERREG Croatia - BiH - Montenegro and INTERREG MED. The first call for proposals within the IPA II Program Serbia-BiH 2014-2020 was published in 2017, while in all other territorial cooperation programs (IPA II 2014-2020) the first calls were announced earlier, and for transnational cooperation programs, MED and DANUBE, second calls were published in 2017.

In addition to implementation of the Cross-Border Cooperation Programs (CBC), comprehensive technical assistance - Cross-border Institutional Building - CBIB + Phase II - has been provided to all Western Balkans countries with the aim to improve regional coordination and harmonization and exchange of the experience in cross-border cooperation among the of the World Bank member countries. Also, uninterrupted transition was supported from the IPA I program to IPA II in the domain of the cross-border cooperation.

In 2017, the capacities of governance structures as well as of grants beneficiaries from the cross-border cooperation programs were improved, through the series of ongoing trainings, supplying handbooks and guidelines for designing, implementation and monitoring of the Cross-Border Cooperation Programs (CBC).

Previous high-level summits reaffirmed the European perspective of the Western Balkans countries, supported the regional cooperation as a result of good neighbourly relations and led to the progress

in resolving of bilateral issues as well as in the areas of youth cooperation and connectivity and in transport and energy.

Future activities

Regional cooperation is the key condition for the European perspective of the countries in the region still affected by the consequences of tragic conflicts. Reconciliation is of crucial importance for the region stability on the path to the EU association. In this context, it is necessary to:

- continue strengthening regional cooperation and good neighbourly relations;
- in line with the conclusions of the WB6 Summit leaders in Trieste, activities should be carried out on implementation of the adopted MAP;
- expand the „Connectivity Agenda" to include measures to better connect the region's infrastructures, economies and people;
- continue activities to harmonize BiH legislation with the EU regulations, which should have a positive impact on attracting of foreign investments in the Western Balkans region;
- implement the Strategy for Western Balkans which European Commission intends to publish in February 2018;
- ratify the Additional Protocol 5 of CEFTA Agreement, which will further facilitate trade between CEFTA country signatories.

DCF members active in the sector in 2017	EBRD, EU, Slovenia, Switzerland, Czech Republic, Italy/Italian Agency for Development Cooperation (AICS), UN, The World Bank, Sweden/Sida
Total allocation/ disbursement to the sector in 2017 by DCF members	<p>Total allocated €29.11 million – €6.23 million in a form of grants and €22.88 million in a form of loans.</p> <p>Total disbursed €27.12 million – €6.84 million in a form of grants and €20.28 million in a form of loans.</p> <p>Out of total ODA in 2017, 7% was allocated and 6% was disbursed in the sector.</p>
Legal framework and sector strategies adopted in 2017	Legal framework and sector strategies adopted in 2017 are presented for each individual sector within this Report.
Coordination with and among donors	Donors active in the sector and BiH Institutions from all levels of government regularly attended Donor Coordination Forum meetings (DCF meetings) hosted by BiH Ministry of Finance and Treasury/Sector for Financial Planning of Development and Coordination of International Economic Aid.

Investments of DCF members in 2017

Cross – cutting sector replaced the so called Temporary sector, defined for projects which donors were not able to classify within the sectors existing in the PIMIS/DMD database.

DCF members active in the Cross-cutting sector in 2017 are EBRD, EU, Slovenia, Switzerland, Czech Republic, Italy/Italian Agency for Development Cooperation (AICS), UN, The World Bank and Sweden/Sida.

Total allocations of DCF members to sector in 2017 amounted to €29.11 million, out of which € 6.23 million in the form of grants and € 22.88 million in the form of loans.

Total disbursements of DCF members to the sector in 2017 amounted to €27.12 million, out of which €6.84 million in the form of grants and €20.28 million in the form of loan.

Figure 10.1. compares grants allocated and disbursed per donors, according to the amount of invested funds of each individual donor. Leading donor who allocated i.e. disbursed largest grants in 2017 is Switzerland.

Figure 10.1. Allocated and disbursed grant funds per donors in 2017

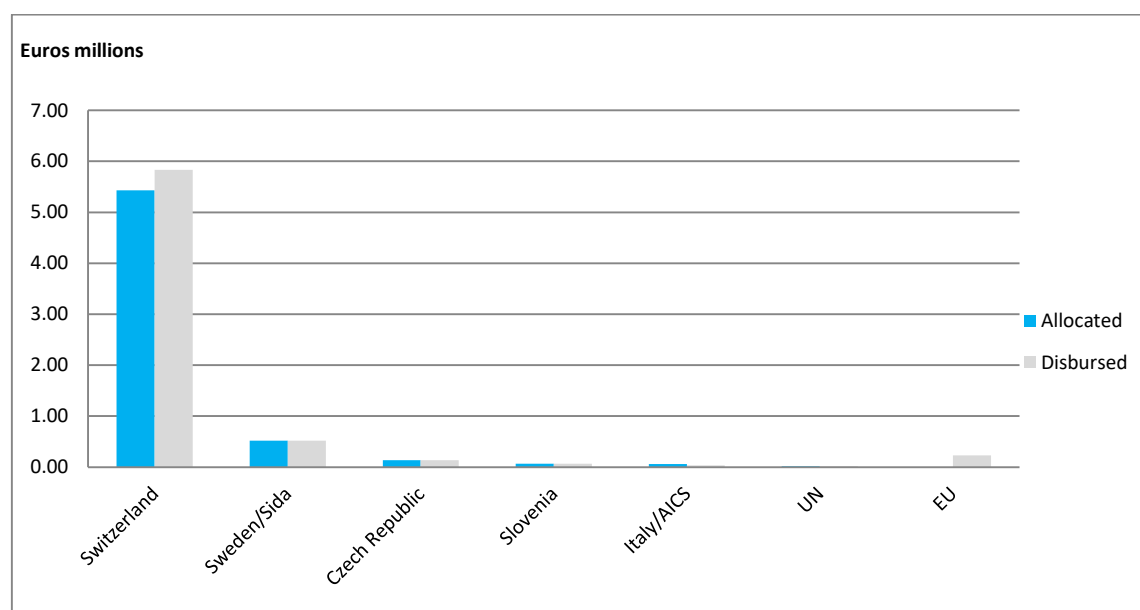
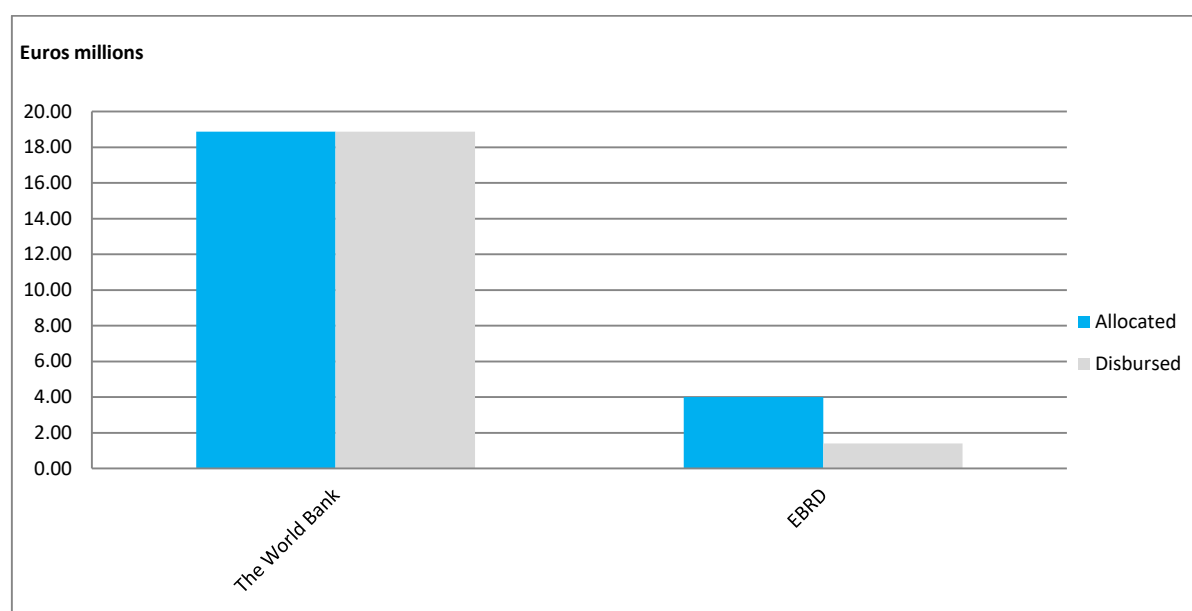


Figure 10.2. presents loans allocations and disbursements in 2017. Creditors in this sector are The World Bank and the European Bank for Reconstruction and Development (EBRD).

Figure 10.2. Allocated and disbursed loans per creditors in 2017



Ten major projects in the sector that allocated or disbursed funds in 2017, are listed below:

PROJECT TITLE	Donor/ Creditor	Total Project Value (Euros millions)
Flood Emergency Recovery Project	The World Bank	71.56
Real Estate Registration Project	The World Bank	24.60
Floods - Drina Flood Protection Project	The World Bank	17.17
Flood Recovery Housing Intervention in RS	UN	6.90
Reducing Health Risk Factors in Bosnia and Herzegovina	Switzerland	5.95
Mental Health Project in Bosnia and Herzegovina, Phase 2	Switzerland	5.13
Strengthening Nursing in BiH	Switzerland	4.46
Strengthening Nursing in BiH	Switzerland	4.40
Western Balkans SME platform: ENEF	EBRD	4.20
GEFF-Western Balkans-UniCredit Bank Mostar	EBRD	4.00

All projects are available in the Donor Coordination Forum Database, via the following link:

<http://dmd.donormapping.ba/dmd/faces/dmdPublicStart>

Croatia

Czech Republic

France

Germany

Hungary

Italy / Italian Agency for Development Cooperation (AICS)

Japan

The Embassy of the Kingdom of the Netherlands

The Royal Norwegian Ministry of Foreign Affairs

Slovenia

Sweden/Swedish International Development Cooperation Agency (Sida)

Switzerland

United States of America/United States Agency for International Development (USA/USAID)

European Bank for Reconstruction and Development (EBRD)

European Union (EU)

European Investment Bank (EIB)

United Nations (UN)

The World Bank

International Finance Corporation in Bosnia and Herzegovina (IFC)

Croatia

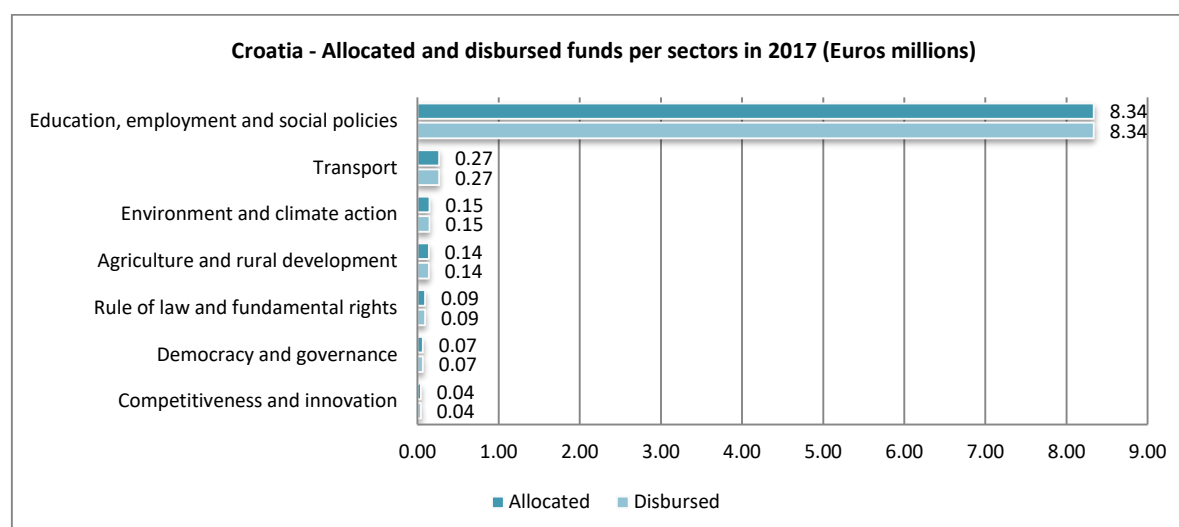
Policy approach

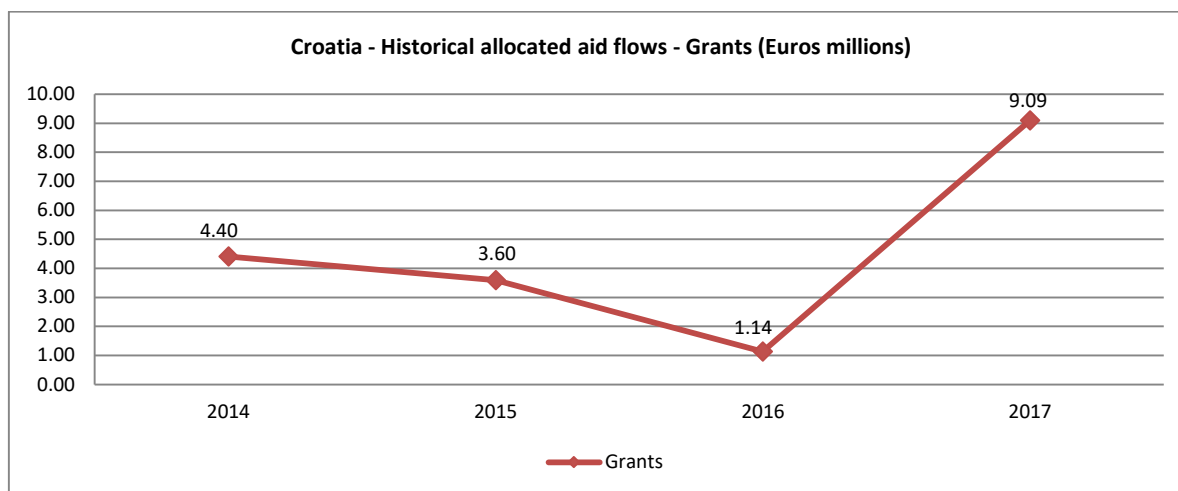
National Strategy for Development Cooperation of the Republic of Croatia for the term 2017 - 2021, defines Bosnia and Herzegovina as one of its priority countries, while Education, employment and social policies falls under the sectorial priorities of Croatia's development assistance. Ministry of Foreign and European Affairs serves as a national coordinating body for development cooperation and humanitarian assistance abroad. Croatia will continue to streamline its development assistance to Bosnia and Herzegovina based on the National Strategy priorities.

Key activities in 2017

The Government of Croatia **allocated € 9.09 million and disbursed € 9.09 million in 2017 in the form of grant** to the following sectors: Education, employment and social policies, Transport, Environment and climate action, Agriculture and rural development, Rule of law and fundamental rights, Democracy and governance and Competitiveness and innovation.

The increase in the overall amount is based on the strengthened reporting mechanism in the Republic of Croatia, including through the CRS (Creditor Reporting System) Report for 2017, which was submitted to the OECD DAC for the first time in November 2018. The CRS report enhances Croatia's donor profile globally, including in Bosnia and Herzegovina.





Medium and long-term approach

Based on the National Strategy sectorial priorities, Croatia will continue financing projects in the field of education, health, culture and post-conflict reconstruction and relief, in particular in the field of housing and veterans resocialization, psychosocial support and employment. Our aim is to continue the policy of consolidation by reducing the number of projects and enlarging the existing ones.

Donor coordination efforts

N/A

Contact information:

Embassy of Croatia in Bosnia Herzegovina

Address: Ulica Maršala Tita 28

71000 Sarajevo, BiH

Phone: + 387 33 277 111

Fax: + 387 33 472 434

E-mail: croemb.sarajevo@mvpei.hr

Web address: <http://ba.mvep.hr/hr/>

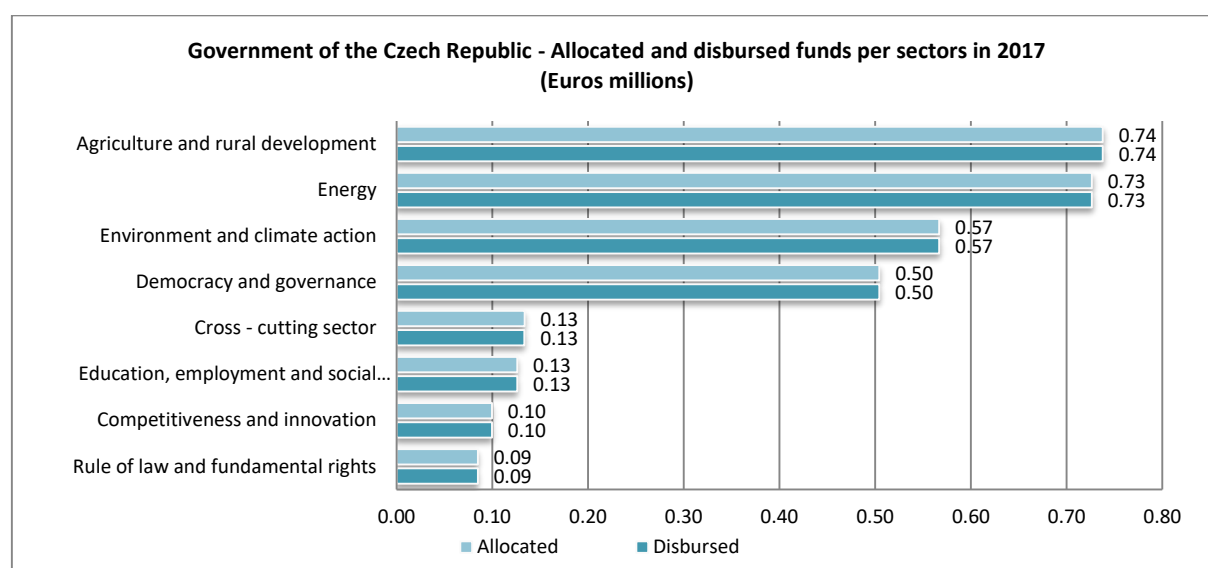
Czech Republic

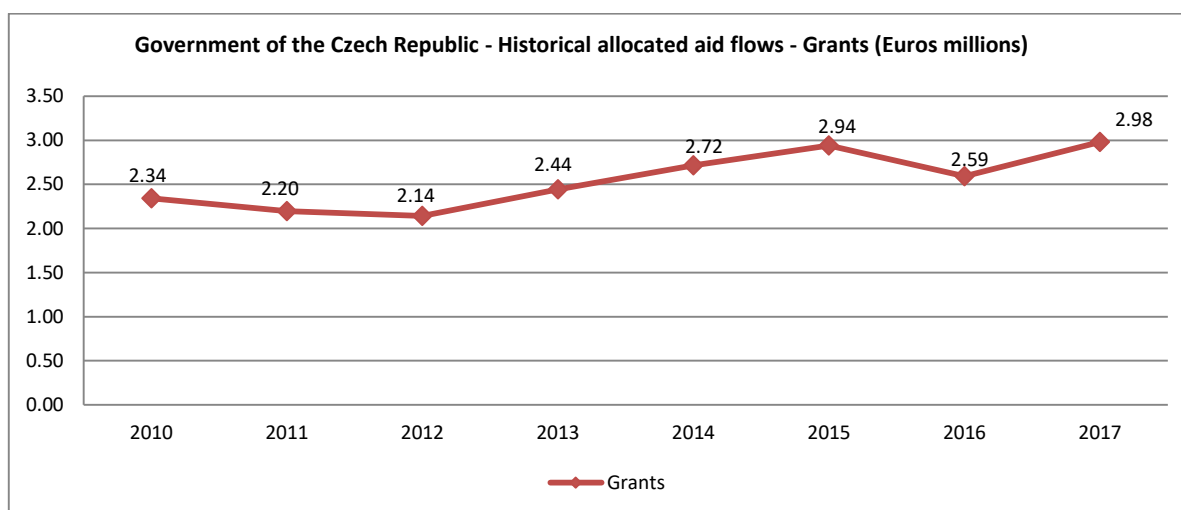
Policy approach

Bosnia and Herzegovina has been among the long-term priorities of the Czech Republic and as such, has been included within the Development Cooperation Strategy of the Czech Republic 2010-2017 among programme priority countries for development cooperation. Current Development Cooperation Programme of the Czech Republic with Bosnia and Herzegovina, launched in 2011, defines the following priority sectors: water supply and sanitation; general environmental protection; energy generation and supply; government and civil society; health; agriculture, forestry and fishing. The cooperation should primarily take advantage of the Czech Republic's experience with the process of post-communist socio-economic transition and European integration, thus bringing additional value added.

Key activities in 2017

The Government of the Czech Republic allocated **€ 2.98 million and disbursed € 2.98 million in 2017 in the form of grant** to the following sectors: Agriculture and rural development, Energy, Environment and climate action, Democracy and governance, Cross - cutting sector, Education, employment and social policies, Competitiveness and innovation and Rule of law and fundamental rights.





Medium and long-term approach

In the year 2017, Czech Republic already started with preparation of a new development strategy for Bosnia and Herzegovina and identification of a new projects that were supposed to start with the implementation in 2018. The new Bilateral Development Cooperation Program of the Czech Republic 2018-2023 builds on the Czech Republic's existing development cooperation and partnership with Bosnia and Herzegovina (BiH) and responds to the country's needs and development priorities. It addresses the objectives of the Development Cooperation Strategy of the Czech Republic 2018-2030 while respecting the Sustainable Development Goals (SDGs) under the 2030 Agenda for Sustainable Development as well as the principles of the Global Partnership for Effective Development Cooperation. The programme reflects past experience, including project and sector evaluations carried out during the previous cooperation programme. It takes into account the conclusions and recommendations for Czech development cooperation stemming from the 2016 OECD Peer Review.

Long-term Czech development cooperation will focus on the following three priority areas in which it will pursue the relevant SDGs:

I. Economic growth

Increasing the share of renewable energy generation in areas with optimum conditions

The aim is to support renewable energy generation and energy self-sufficiency. This will involve promotion of sustainable and affordable energy sources (building of biomass heating systems, installation of solar collectors for water heating, photovoltaic panels, geothermal energy systems) supporting development of strategic framework for sustainable use of renewable energy sources.

II. Sustainable management of natural resources

Improving the protection, use and development of water sources, water quality and access to quality drinking water, eliminating pollution and improving wastewater management including systematic measures.

The aim is to assist in bringing wastewater treatment systems in line with EU standards. This will involve the building of technical infrastructure and, most importantly, transfer of know-how to end recipients, taking into account principles of affordability, full costs recovery and operational efficiency.

III. Good democratic governance

Building efficient, accountable and transparent institutions at all levels of public administration

Strong and transparent institutions have a key role to play in the process of transition to democratic and pluralist society. The added value of Czech development assistance in BiH lies mainly in the Czech Republic's own experience of transition and integration into Euro-Atlantic structures. The Czech Republic will support BiH's public administration, promote good governance and assist in alignment with EU standards and legislation (in relevant chapters of the *acquis* relevant to the programme, including Chapter 12: Food safety, veterinary and phytosanitary policy). Assistance to BiH as to the EU integration process will be emphasized in the programme. The transfer of transition experience will also contribute to social and economic development and equal opportunities for all. Regarding to this cooperation the Czech Republic will support capacity building in extension services and technical assistance by development of supporting systems for agriculture.

Czech development cooperation with Bosnia and Herzegovina takes place in the following forms:

Major development cooperation projects managed by the Czech Development Agency - These are usually 2-3 year-long projects, whose implementing bodies are selected by the Czech Development Agency. The cooperation should primarily take advantage of the Czech Republic's experience with the process of post-communist socio-economic transition and European Integration, thus bringing additional value added.

Small local projects, which allow small and targeted development activities - unlike major projects, small local projects are implemented by local organizations selected by the Embassy of the Czech Republic in Sarajevo and their implementation must take place within the year for which they were approved.

Transition programme, aimed at support to democracy and human rights, using the Czech Republic's recent experience with social transition and democratization of the country. Applicants for this Program must be Czech organisations, which, in the course of the implementation of the project, have to cooperate with their B-H counterparts.

Local transition project, which allows small and targeted development activities in the field of transformation and human rights.

The Jiri Dienstbier Journalism Fellowship is a joint program of the Ministry of Foreign Affairs of the Czech Republic and RFE/RL, funded by the Ministry. Launched in 2014, it is inspired by Jiri Dienstbier Sr.'s contributions to the fields of journalism, foreign policy and human rights, and intended to further RFE/RL's legacy of promoting more just and open societies through journalism.

Scholarship programme, offers several scholarship programs for B-H students who intend to study at Czech public universities (in Czech or English languages). Programmes in Czech language cover the majority of fields of study and all three stages of university studies.

Other instruments: Temporary Expert Assignment; program B2B (Programme for the Private Sector); Placement of Czech Teachers for Development Countries; Trilateral Development cooperation, Program on Security Cooperation of the Ministry of the Interior, Aid For Trade of Czech Ministry of Industry and Trade, Humanitarian aid, Support of the Czech Rep. in the field of demining through ITF.

Donor coordination efforts

Apart from the DCF chaired by the BiH Ministry of Finance and Treasury, the Czech Republic takes part in the informal donor coordination meeting organized by UN, and EU coordination meetings organized by Delegation of the EU in Sarajevo. Sectoral donor coordination meetings in the field of agriculture (organized by the BiH Ministry of Foreign Trade and Economic Relations), biomass (organized by UNDP), health donor coordination organized by Swiss embassy, UNDP coordination on local governance.

Contact information:

Embassy of the Czech Republic

Address: Franjevačka 19

71000 Sarajevo, BiH

Phone: +387 33 587 050

Fax: +387 33 587 060

E-mail: sarajevo@embassy.mzv.cz

Web address: <http://www.mzv.cz/sarajevo>

France

Policy approach

The French Embassy in Bosnia and Herzegovina is implementing different programs, following priorities designed by the French Ministry of Foreign Affairs in order to support the country in its efforts towards European integration. The work is carried out according to four main links, with an integrated approach: Interior security, technical cooperation including governance and high education and scientific cooperation, culture and civil society including Francophonie, *reprise de l'acquis*.

Some of these activities are financed with a large support of the European Union (including TAIEX), some others are financed directly by French government and French local collectivities.

Medium and long-term approach

The Government of France will continue to finance projects in the field of education and linguistic cooperation, and to support civil society and institutions.

Donor coordination efforts

The Government of France representatives are participating in all donor coordination efforts, including sector working groups such as friends of National Museum, EUNIC, etc.

Contact information:

Cooperation and Culture Office, French Embassy

Address: Mehmed-bega Kapetanovića Ljubušaka 16

71000 Sarajevo, BiH

Phone: +387 33 282 700

Fax: +387 33 282 711

E-mail: catherine.palpant@diplomatie.gouv.fr

Web address: www.ambafrance-ba.org

Germany

Policy approach

Germany is committed to assist BiH on its long path towards the EU, to overcome its various obstacles and to support taking the steps spelled out in BiH Reform Agenda and their vision ahead. Building on decades of economic co-operation, this today particularly requires an overall focus on fostering private investment schemes and adapting its business climate accordingly. Foremost, this is BiH development into a functioning market economy with private investments and a stable macro-economic outlook, efficient administrative and governmental structures, the alignment of its related legal system with the EU *acquis* and the overcoming of the aftermath of war.

For this purpose, the German government has provided and will provide bilateral development assistance to BiH directly and through several implementing agencies and non-governmental organizations. The most prominent are: *Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)* for technical assistance and *KfW Entwicklungsbank* (Development Bank) for financial assistance. In addition, AHK (Chamber of Commerce) promotes German investments and bilateral trade. CIM integrated experts are working in a number of private sector organizations and NGOs. Projects are also implemented through political foundations and other German institutions represented in BiH. The Embassy oversees and co-ordinates these efforts and implements some funds directly.

Socio-Economic Priorities – Private Sector Development

Against B-H largest bilateral trade volume annually exceeding currently € 1.7 billion and an overall German investment totals € 350 million. Still situated in BiH since its independence, German companies overall provide for the strongest German potential to stimulate private sector development in Bosnia and Herzegovina. *Inter alia*, activities are accompanied by AHK and its assistance in supportive programmes and by the Standing Working Group on bilateral business, established by the respective Ministries of Economics in May 2017. Ongoing programs implemented by GIZ build, *inter alia*, capacities in the B-H public and private sector for strengthening competitiveness of selected business locations (10 municipalities), their specific sectors and as well as their respective small and medium enterprises in BiH. In addition to competitiveness in metal and wood processing and tourism sectors, this program promotes the establishment of agricultural value chains for selected fruit and vegetables products with a potential comparative advantage.

For a cross-sector engagement to support innovation in private sector, the German government co-funds together with the EU a programme including a granting scheme for local private companies through GIZ (EU ProLocal). A new co-funded program, EU4Business, was launched in April 2018. It provides support to private sector development with financial help and technical assistance. In order to improve employability, the TVET (technical and vocational education and training) project introduces important elements of Germany's dual TVET system (*Duale Berufsausbildung*). The project was extended from single cantonal level to include several locations in both entities. It aims at the introduction of a cooperative and competence based TVET System which will better respond to the needs of the labour market. Involvement of the private sector and cooperation between schools and companies in TVET delivery is an essential element.

A regional project aims at improving the national implementation of regionally agreed trade facilitation and promotion reforms and improved access of trade-oriented companies to information and know-how on trade facilitating instruments. At the same time, it enhances public-private dialogue on barriers to trade which have been selected and prioritised by the private sector and promotes the use of regional platforms to jointly develop or disseminate good practice solutions for addressing trade barriers.

Focus Sector (1): Energy

The Energy sector in BiH stands out for one of the most promising sectors for economic investment and growth, as much as for a core need of service for the public to be fully secured in Bosnia and Herzegovina and to further pursue an environmentally healthy and climate change sensitive path.

Until today, activities have focused on German governmental support for the rehabilitation of existing and construction of new hydro-electric power plants and the introduction of new renewable energy technologies (wind energy). Various large-size projects of KfW Development Bank in RS and the Federation BiH with a total financing volume of more than € 400 million are in different phases of implementation. These projects of German Financial Cooperation are most importantly related to hydropower and wind power generation. In 2017, a loan agreement of EUR 60 million was signed between KfW and the Government of BiH for the construction of Windfarm Hrgud, the first such project to be implemented by Elektroprivreda RS.

A project on renewable energy is implemented by GIZ since end of 2015. The objective of this project is to improve the framework conditions for the increased use of renewable energies in BiH. The project cooperates with all relevant partners at entity as well as state level. Besides the improvement of the legal framework, licensing and permitting regime as well as monitoring of the NREAP, the project works on energy modelling and scenarios. It develops options for support schemes reform, frame conditions for increased sustainable application of small hydropower and use of biomass in electricity and heating generation.

Focus Sector (2): Environment

With reference to the adopted country-wide strategy on environment, activities in this sector are – beyond their immediate environmental effect and their assistance to meet climate change goals – essential to improve the general conditions to allow for private sector development not only in the environmental sector itself, but those depending on it. Primarily, this may include the production and processing of agricultural and natural goods with their standards required as much as tourism.

- *Energy efficiency*

The ongoing GIZ supported project aims at capacity development for energy efficiency (fulfilling requirements of Energy Community, monitoring and data management, legislative framework and its implementation, implementation of energy efficiency measures) at municipal, cantonal and entity level and in close coordination with MoFTER. Energy efficiency is also subject of a SEE regional project. KfW Development Bank is also currently preparing energy efficiency programmes, both in the area of residential buildings and public buildings.

- *Water supply and waste water*

KfW Development Bank still has an ongoing portfolio in this sector both in the RS and the Federation BiH. The project “Waste Water Treatment Bihac” was completed in 2017, while a grant agreement amounting to EUR 13.5 million was signed for the construction of a new waste water treatment plant in Zenica.

- *Biodiversity*

The Open Regional Fund SEE on Biodiversity aims at enhancing capacities to better value ecosystem services, to collect and manage biodiversity information for monitoring and reporting purposes. The project co-operates with public and NGO partners in the region to establish a transboundary ecosystem management.

Public Administration Reform and Rule of Law Affairs

The German engagement with Bosnia and Herzegovina in Public Administration Reform tackles the pertinent issue of improving service delivery of public administration, also needed to allow for investment and growth of the private sector. A GIZ-supported project co-operates with PARCO, DEI and other selected public institutions at state level. These institutions are supported in order to apply the principles of public administration for transparent, accountable, effective and efficient public service delivery. Along the same lines, a GIZ regional project supports the process towards business friendliness of Municipalities and was able to award “Business Friendly Certificates”. The newly created, bilateral Standing Working Group on Business Co-operation between the German Ministry of Economics and MoFTER including their respective Trade Chambers is similarly pointing towards initiating specific public reforms needed to especially establish more solid grounds for private foreign investment.

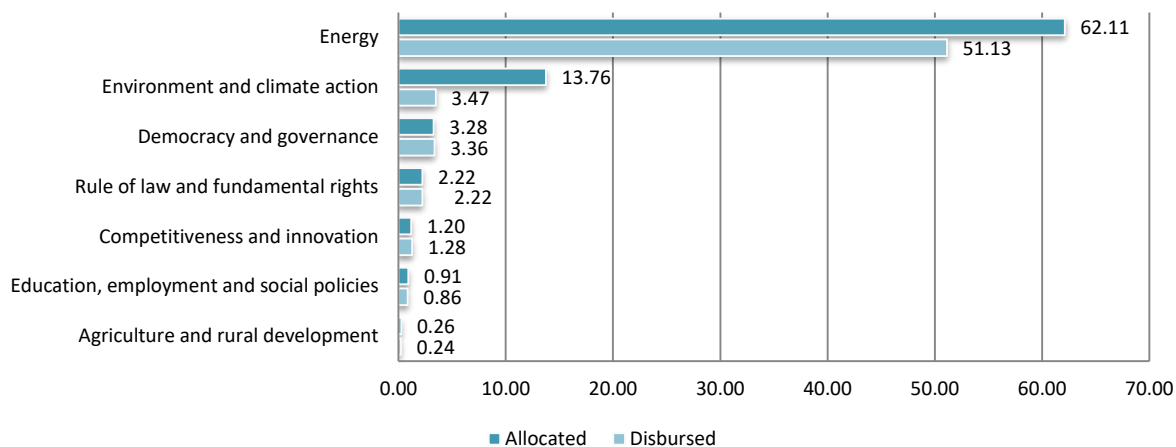
As suggested in the B-H Reform Agenda and any vision ahead, a strong, reliable and independent judicial system is an indispensable prerequisite of further development. So far, different legal reform issues have been dealt with in a regional GIZ-project for South Eastern Europe. Finally, a regional project supports capacity development within the region with regard to EU accession, integration processes and the management of IPA funds. All regional projects also cooperate with partners in BiH.

Key activities in 2017

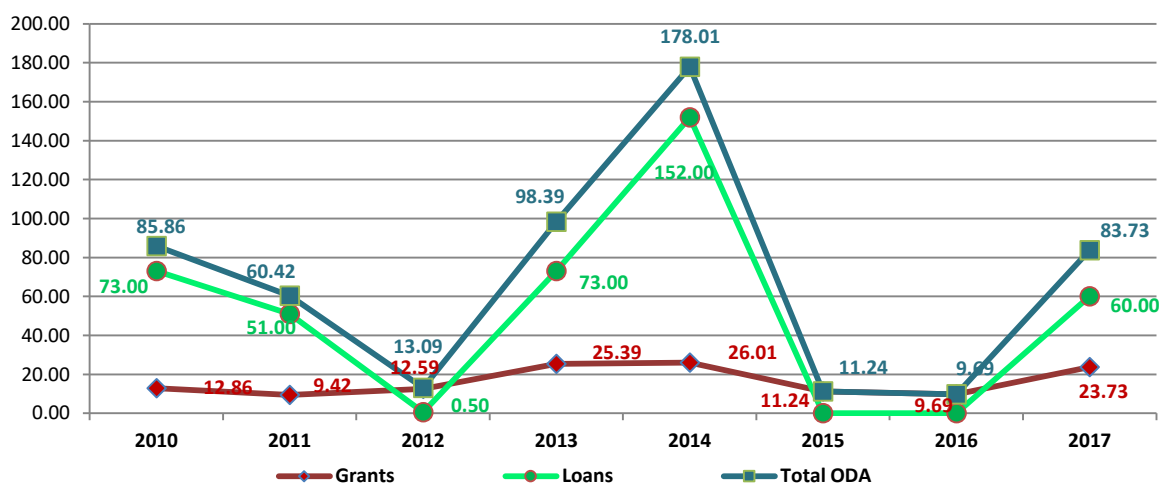
German government **allocated € 83.73 million³ and disbursed €62.56 million in 2017 in the form of grant and loan** to the following sectors: Energy, Environment and climate action, Democracy and governance, Rule of law and fundamental rights, Competitiveness and innovation, Education, employment and social policies and Agriculture and rural development. The German activities are framed along B-H Engagement for Reform and their Vision ahead, and its commitment to the Berlin+ Process. They are integral elements of the path of Bosnia and Herzegovina toward EU accession.

³German Development Bank KfW reports allocations by year of signing of loan or financing agreement

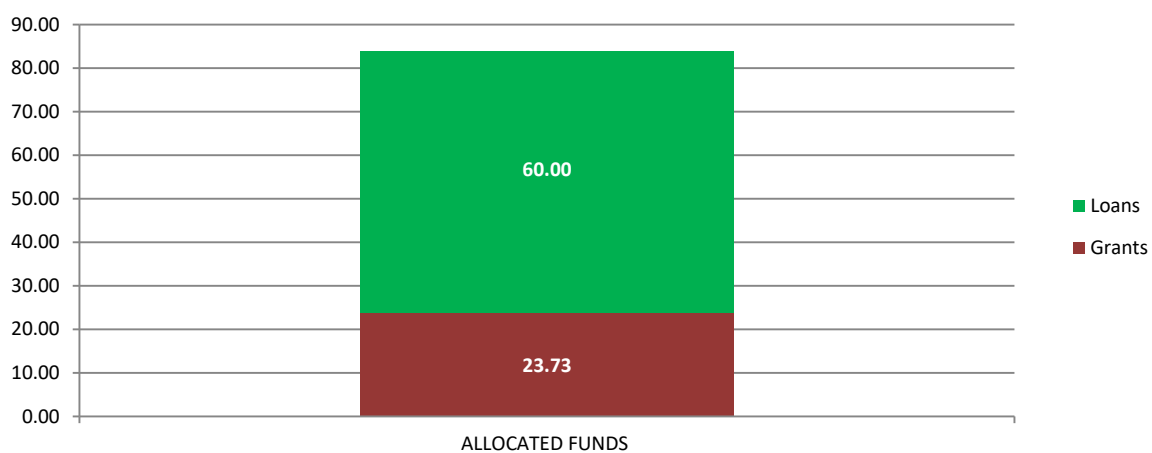
Government of Germany - Allocated and disbursed funds per sectors in 2017 (Euros millions)



Government of Germany - Historical allocated aid flows - grants and loans (Euros millions)



Government of Germany - Comparison of Loans and Grants- 2017 (Euros millions)



Medium and long-term approach

In the context of the Berlin Process and Bosnia's EU perspective, Germany will continue its path from a traditional donor to a stronger facilitator of investments and rely on enhancing BiH largest bilateral trade volume of currently about € 1.7 billion per annum and various forms of private investments. This would require mutual efforts in developing markets and adjusting the institutional setting.

Against this background, the German government will continue its commitment for technical and financial co-operation, primarily under the headers of (1) local economic and private sector development with (2) energy efficiency and renewable energy and (3) further sectors of business development according to developments on the BiH side, as well as (4) democracy and public administration, especially including (5) the rule of law. In all projects regional cooperation will remain an important aspect of German cooperation.

Donor coordination efforts

Co-ordination among donors and investors are overseen by the German Embassy and eventually assigned to specialized agencies as GIZ and KfW Development Bank. Aside regular participation in the Donor Coordination Forum, they also coordinate among EU Member States (Aid Coordination Meeting organized by the EU-Delegation).

KfW Development Bank, in all three active sectors of bilateral German Financial Cooperation (renewable energy and energy efficiency, municipal infrastructure and SME/microfinance), coordinates with BiH partners at State, Entity and Municipal levels and with other relevant donor agencies. GIZ participates in several sector coordination groups with those donors and implementing agencies that have interventions in the sector (local governance, energy efficiency and renewable energy group, agricultural sector group with MoFTER, Public administration reform with PARCO).

Contact information:

Embassy of the Federal Republic of Germany in Bosnia and Herzegovina

Economic Counsellor: Sebastian Damm

Address: Skenderija 3

71 000 Sarajevo, BiH

Phone: +387 33 565 349

E-mail: sebastian.damm@diplo.de

Web addresses: www.sarajewo.diplo.de

GIZ Office Bosnia and Herzegovina

Head of GIZ BiH: Dr. Brigitte Heuel-Rolf

Address: Zmaja od Bosne 7, Importanne Centar O3/IV

71 000 Sarajevo, BiH

Phone: +387 33 957 500

Fax: +387 33 957 501

E-mail: brigitte.heuel-rolf@giz.de

Web address: www.giz.de

KfW-Office Bosnia and Herzegovina

Head of KfW BIH: Dr. Matthias Schmidt-Rosen

Address: Zmaja od Bosne 7, Importanne Centar O3/V

71 000 Sarajevo, BiH

Phone: +387 33 592 415/416

Fax: +387 33 592 517

E-mail: Matthias.Schmidt-Rosen@kfw.de

Web address: www.kfw.de

AHK (German Chamber of Commerce Abroad in Bosnia and Herzgovina)

Acting Head of Operations in BIH: Amra Surkovic

Address: Fra Anđela Zvizdovića 1/B 19

71 000 Sarajevo, BiH

Phone: +387 33 295 918

Fax: +387 295 920

E-mail: amra.surkovic@ahk.ba

Web address: www.bosnien.ahk.de



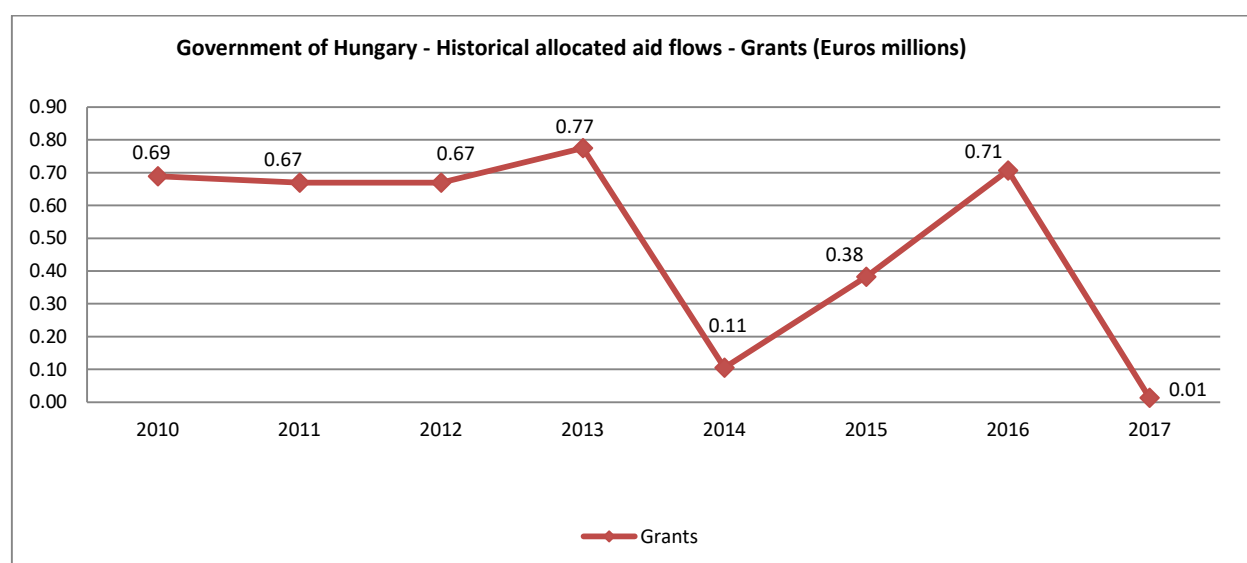
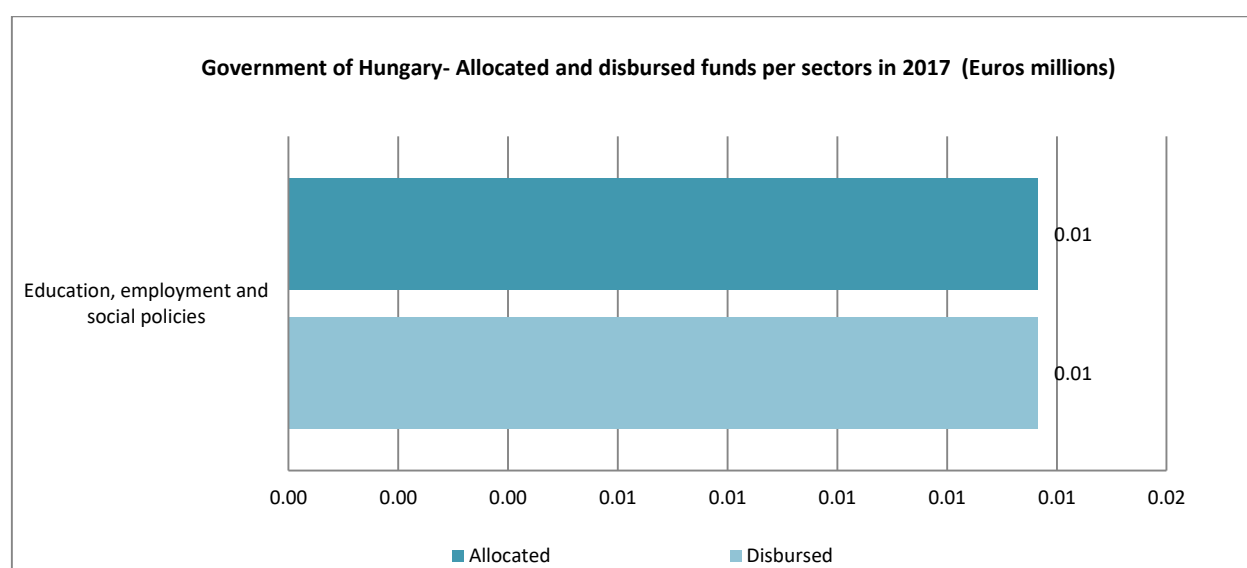
Hungary

Policy approach

A key element of the Hungarian approach is to use the specific experience gained during Hungary's democratic transition (i.e. to market economy, to democratic functioning state) and its Euro-Atlantic integration (i.e. EU-integration, NATO-integration, regional cooperation) processes.

Key activities in 2017

The Government of Hungary **allocated € 0.01 million and disbursed € 0.01 million in 2017 in the form of grant** to the following sector: Education, employment and social policies.





Medium and long-term approach

The Government of Hungary positive approach is based on the following considerations:

- Hungary's stabilizing economy opens wider possibilities also in international development cooperation.
- Western-Balkan countries, including Bosnia and Hercegovina constitute a region of outstanding importance and of strategic partnership.
- Hungary would like to seek to finance initiatives, which supports the stability, the reconciliation and the peaceful co-existence in Bosnia and Herzegovina.

Donor coordination efforts

Hungary is involved in donor coordination through its embassies in the partner countries and as an EU member state, Hungary is particularly engaged in EU coordination both in Brussels and in the partner countries.

The Government of Hungary is targeting an increased participation in Twinning and TAIEX programs.

Contact information:

The Embassy of Hungary

Address: Splitska 2,

71000 Sarajevo

Phone: +387 33 205 302

Fax: +387 33 268 930

E-mail: mission.sjj@mfa.gov.hu

Web address: <https://sarajevo.mfa.gov.hu/>

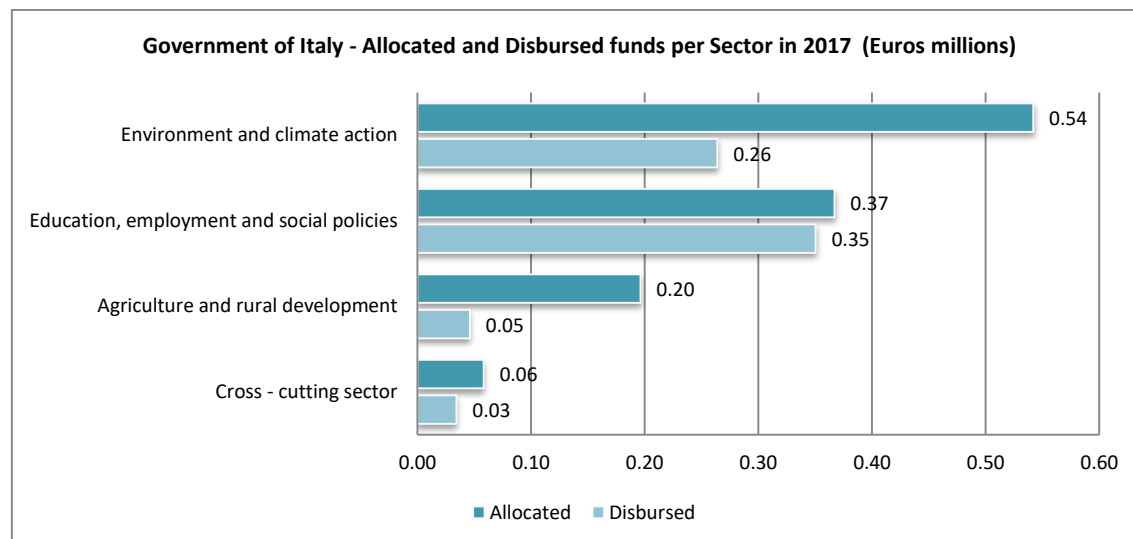
Italy / Italian Agency for Development Cooperation (AICS)

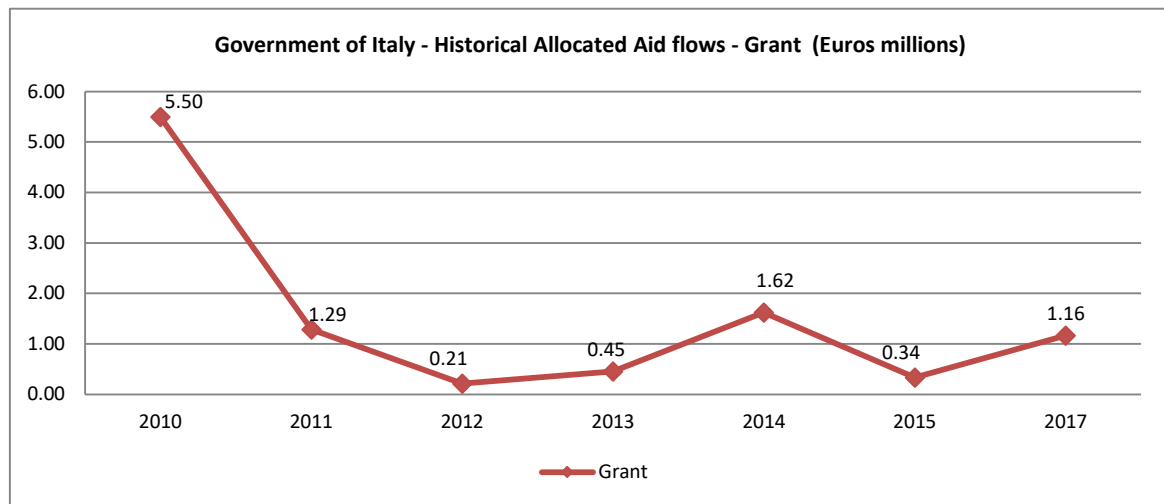
Policy approach

Bosnia and Herzegovina is included among the twenty priority countries of the Italian Development Cooperation. The areas of activity of the Italian Development Cooperation Agency (AICS) are various and focused on poverty reduction and improvement of socio-economic conditions. The Italian Cooperation focuses on supporting sustainable development particularly in sectors like agricultural and rural development, environment and sustainable tourism, local development and civil protection. The activities carried out until now confirm the commitment towards the consolidation of democratic processes and, indirectly, towards the protection of human rights, democracy, rule of law, good governance and the promotion of a culture of peace, based on multi-ethnic cohabitation. Actions of the Italian Cooperation are all addressed to facilitate the process of integration and access of Bosnia and Herzegovina to the European Union. Projects are financed through both bilateral and multi-lateral channels with the relevant participation of Italian NGOs and decentralized cooperation (Regions, Provinces and other local institutions) always aiming at creating synergies and sustainable partnerships between local and Italian actors both at private and at public level.

Key activities in 2017

The Government of Italy **allocated € 1.16 million and disbursed € 0.69 million in 2017 in the form of grants** to the following sectors: Environment and climate action, Education, employment and social policies, Agriculture and rural development and Cross - cutting sector.





Medium and long-term approach

BiH is included among the twenty priority countries of the Italian Cooperation. Consequently our goal is to increase in the next years our activities in the country, supporting the process of accession of BiH to EU and creating as much as possible linking and cooperation among Italian excellences, both private and public, and local institutions and organizations. In this framework priority areas of intervention will be: Environment and local development, Sustainable tourism, Rural development, Phytosanitary, Civil protection.

Donor coordination efforts

At the moment we participate only in the DCF but we plan as soon as possible to join some of the sector working groups operating in our areas of intervention.

Contact information:

Italian Agency for Development Cooperation (AICS)

Address: Čekaluša 51

71000 Sarajevo, BiH

Phone: +387 33 560 170

Fax: +387 33 667 227

E-mail: segreteria.sarajevo@aics.gov.it

Web addresses: <http://aicstirana.org/>



Japan

Policy approach

According to Japan's Country Development Cooperation Policy for Bosnia and Herzegovina (revised in July, 2017), basic policy of Japanese ODA for Bosnia and Herzegovina consists of 2 points: Assistance for Social Stabilization and Economic Development. Japan supports the stability and sustainable economic growth of Bosnia and Herzegovina, mainly in such areas where Japan's high technology and rich knowledge can be utilized and also supports its efforts to join the EU.

According to the Country Development Cooperation Policy for BiH, priority areas are as follows:

(1) Peace Consolidation and Ethnic Reconciliation

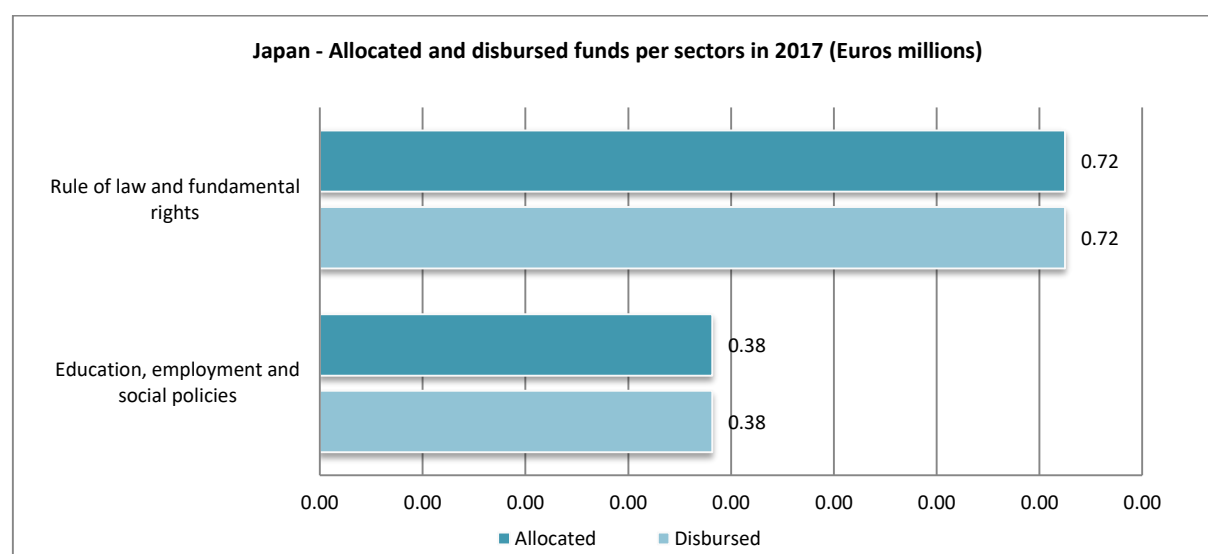
Japan will provide support in the fields such as ethnic reconciliation, improvement of health, sanitation and educational services, removal of land mines and unexploded ordnances, in order to contribute to the consolidation of peace.

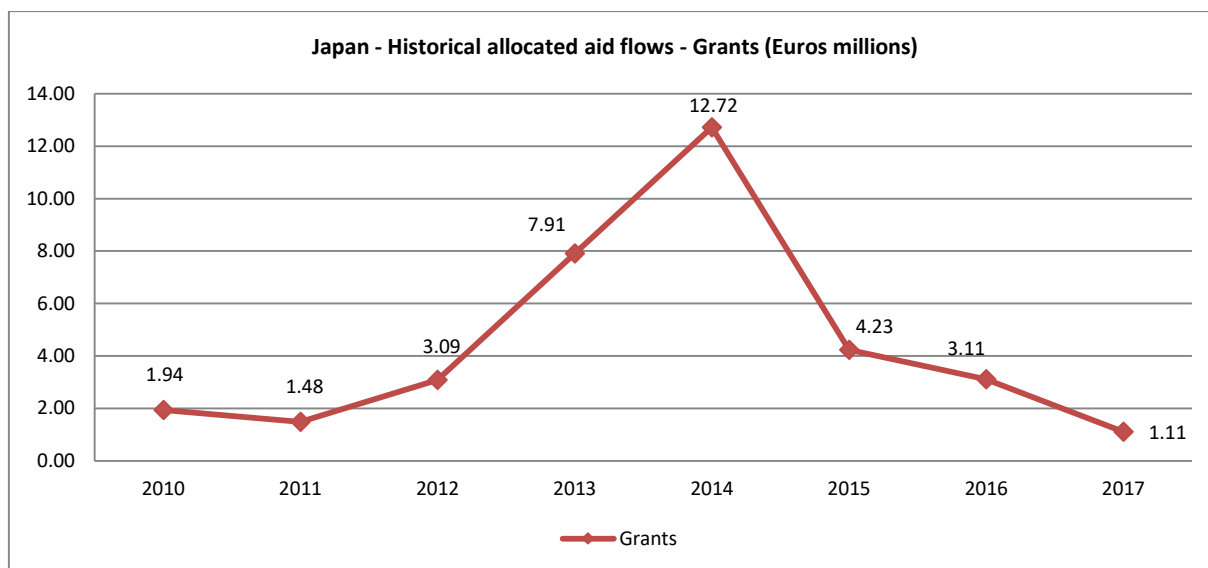
(2) Environmentally Friendly and Sustainable Economic Development

In order to make full use of rich nature of Bosnia and Herzegovina and to make economic growth achieved after the war sustainable, Japan will utilize its excellent technologies and knowledge as much as possible and also support mainly the fields of environmental conservation, tourism promotion and the development of small and medium enterprises.

Key activities in 2017

The Government of Japan **allocated € 1.11 million and disbursed € 1.11 million in 2017 in the form of grant** to the following sectors: Rule of law and fundamental rights and Education, employment and social policies.





Medium and long-term approach

As medium and long-term approach, Japan supports the following sectors:

Education

From 1997 to 2017, the Government of Japan has granted 28,513,048 EUR in total under four types of schemes; General Grant Aid, Grant Assistance for Grassroots Human Security Projects (GAGP), Grant Assistance for Cultural Grassroots Projects (GACGP) and Technical Cooperation. Under General Grant Aid, GAGP and GACGP projects, altogether 94 primary schools and other institutions have been supported for constructing, reconstructing and rehabilitating their school buildings, sports halls and laboratories, equipping school furniture and providing heating systems. On the other hand, under the Technical Cooperation projects, more than 110 high schools and other institutions have been granted for informatics curriculum modernization, improving IT Education or technical and so on.

Health

From 1997 to 2017, the Government of Japan has granted 82,608,727 EUR in total under three types of schemes; General Grant Aid, Grant Assistance for Grassroots Human Security Projects (GAGP) and Non-Project Grant Aid. Altogether 164 Health Care Centers and Hospitals have been supported for reconstructing of buildings, providing medical equipment, ambulance vehicles and improving medical services.

Demining

From 1997 to 2017, the Government of Japan has granted at least 9,306,093 EUR in total for demining under three types of schemes; General Grant Aid, Grant Assistance for Grassroots Human Security Projects (GAGP) and Technical Cooperation. Under these schemes, altogether 25 demining projects have been supported for provision of demining equipment, demining work, raising mine awareness and mine risk education. 27 municipalities, cities and organizations became recipients from these projects.

Environment

In May 2017, construction of the flue gas desulphurization (FGD) plant has started at Ugljevik Thermal Power Plant. This project is funded by Japanese ODA loan (E/N was signed in 2009) amounting up to 12.633 billion yen (approx. 200 million KM). The planned construction period is about 3 years. FGD is expected to reduce drastically sulfur dioxide that pollute the air and will also contribute to the protection of environment in BiH and improving the health condition of nearby residents.

The Government of Japan granted 500 million Japanese Yen (approx. 7.2million KM) to BiH Government for purchasing 120 Japanese next generation vehicles (40 clean-diesel and 80 hybrid vehicles). These vehicles were delivered to 120 social and welfare institutions in the Federation of BiH, RS and Brčko District.

Consolidation of peace/ethnic reconciliation

In November 2016, JICA (Japan International Cooperation Agency) started a technical cooperation project in Mostar for confidence building through physical education. This project consists of two components: to support Agency for Preschool, Primary and Secondary Education of BiH (APOSO) with formulating the common core curriculum for physical education, and to support sports association plan and activities for the promotion of the interaction of different ethnic groups.

Development of the private sector

In September 2017, JICA started a technical cooperation project “The Project on Establishment and Promotion of Mentoring Service for Small and Medium Enterprises in the Western Balkans (Phase 2)” to improve mentor services of SME assistance organizations in Serbia, Bosnia and Herzegovina, Montenegro and Macedonia.

JICA also has been offering and implementing training courses in Japan for BiH officials.

Disaster Risk Reduction/Disaster Management

JICA also has been offering and implementing training courses in Japan for BiH officials.

Donor coordination efforts

Informal Donor Coordination Group Meeting

Mine Action Board of Donors Meeting (UNDP and BiH Ministry of Civil Affairs)

Contact information:

Embassy of Japan, Economic and Economic Cooperation Section

Address: Bistrik 9

71000 Sarajevo, BiH

Phone: +387 33 277 500

Fax: +387 33 209 583

E-mail: japanbih@sx.mofa.go.jp

Web address: http://www.bosnia.emb-japan.go.jp/itprtop_en/index.html

Japan International Cooperation Agency (JICA) Sarajevo Office, c/o Embassy of Japan

Address: Bistrik 9
71000 Sarajevo, BiH
Phone: +387 33 220 190
Fax: +387 33 220 192
E-mail: jica.bh@bih.net.ba; bk_oso_rep@jica.go.jp
Web address: <https://www.jica.go.jp/bosnia/english/index.html>
www.jica.go.jp/balkan/english/office/about/index.html

The Embassy of the Kingdom of the Netherlands

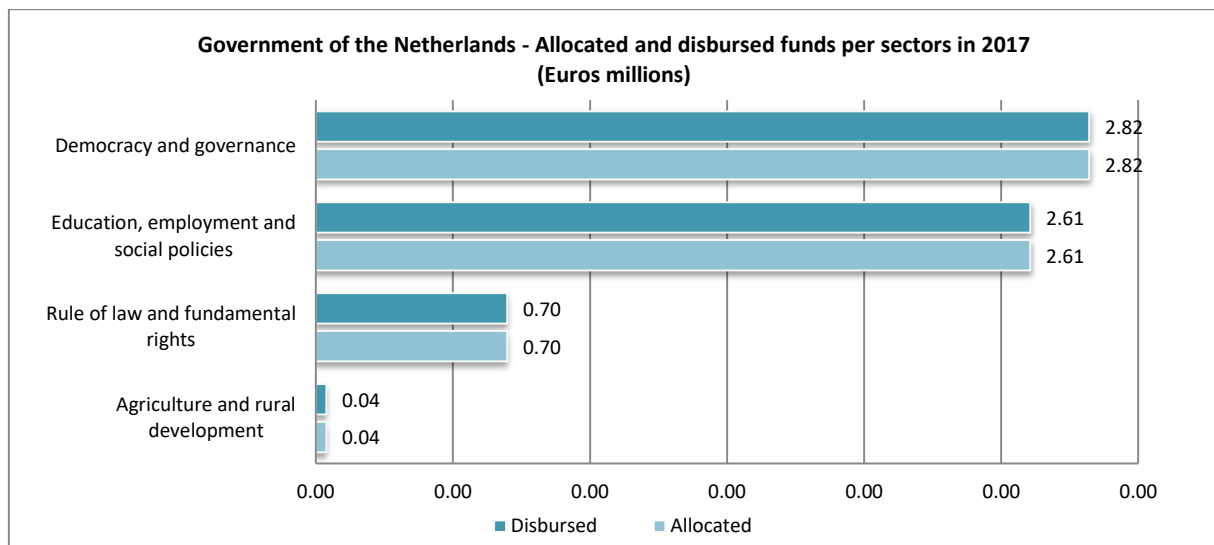
Policy approach

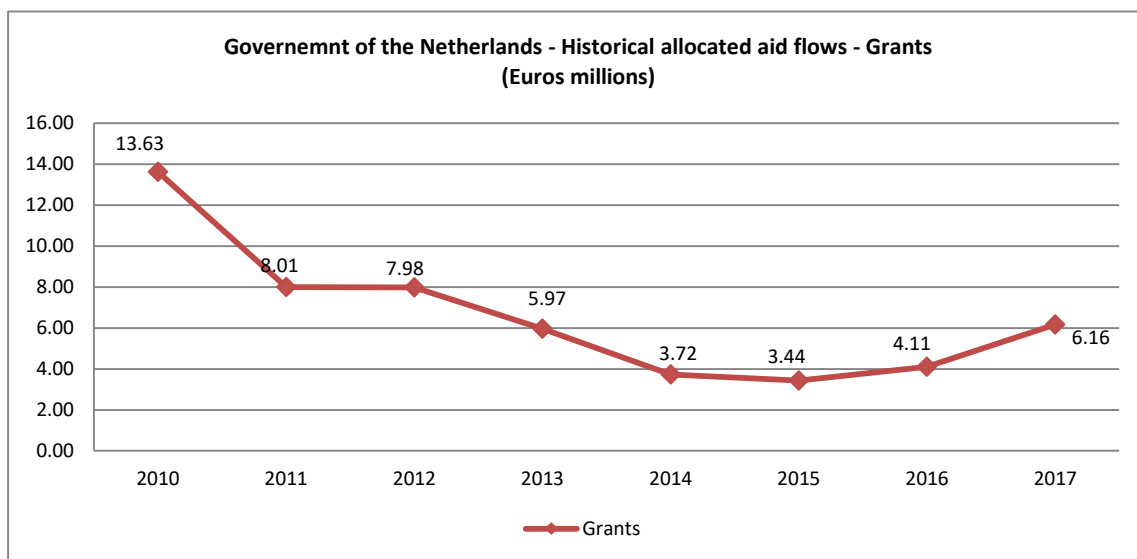
Bosnia and Herzegovina is one of the 36 partner countries worldwide that the Netherlands has a substantive bilateral development cooperation programme with. In the past the Netherlands focused predominately on the facilitating of minority return and creating stability in the aftermath of the war. In the last three years the programme shifted to the creation of sustainable, transparent and accountable governance structures in line with criteria prescribed by the EU accession process and concentrating on the development of a business climate inclusive of private sector development and foreign direct investment.

By the end of 2011 bilateral development assistance for Bosnia and Herzegovina has phased-out and transformed from more traditional development relationship into a relationship geared towards EU accession. This new relationship comes with its own instruments, such as the programme for societal transformation (MATRA), for which Bosnia and Herzegovina has qualified since January 2008.

Key activities in 2017

The Government of the Netherlands **allocated € 6.16 million and disbursed € 6.16 million in 2017 in the form of grant** to the following sectors: Democracy and governance, Education, employment and social policies, Rule of law and fundamental rights and Agriculture and rural development.





Medium and long-term approach

The overall priorities of the Embassy is European integration of BiH, especially the developments in the area of Rule of Law.

The Embassy will continue supporting Bosnia and Herzegovina's EU pre-accession process with the emphasis on the development of democracies governed by the Rule of Law.

The Embassy remain dedicated to Srebrenica and to the whole region focusing on a further reduction of the economic and social disparity between the Srebrenica-region and Bosnia-Herzegovina (BiH) in general.

Donor coordination efforts

Besides participating in DCF, the Embassy has a good cooperation with other donors active in the sectors of common interest.

Contact information:

The Embassy of the Kingdom of the Netherlands

Address: Grbavička 4

71000 Sarajevo, BiH

Phone: +387 33 562 600

Fax: +387 33 223 413

E-mail: sar@minbuza.nl

Web addresses: www.minbuza.nl; www.mfa.nl/sar

The Royal Norwegian Ministry of Foreign Affairs

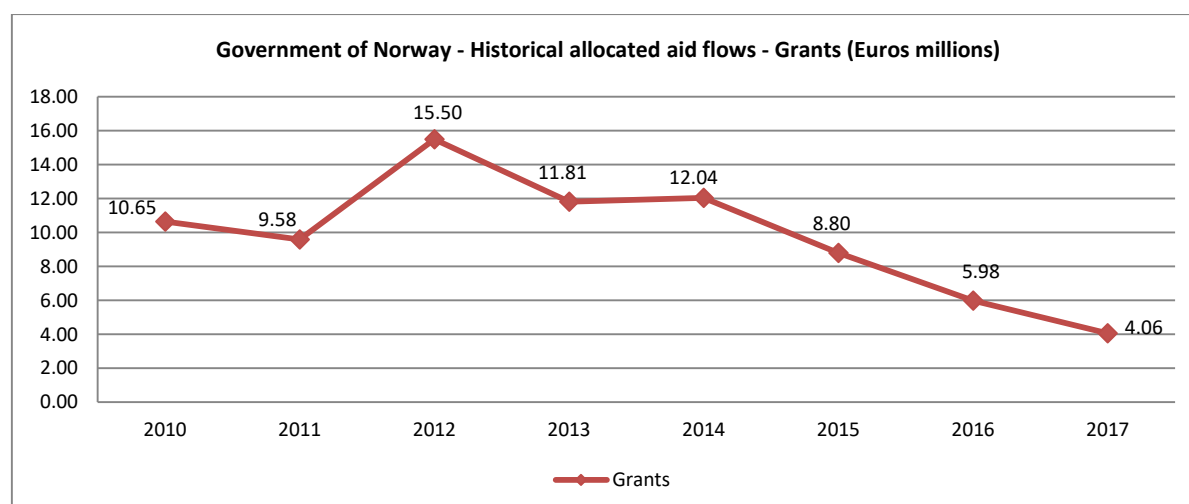
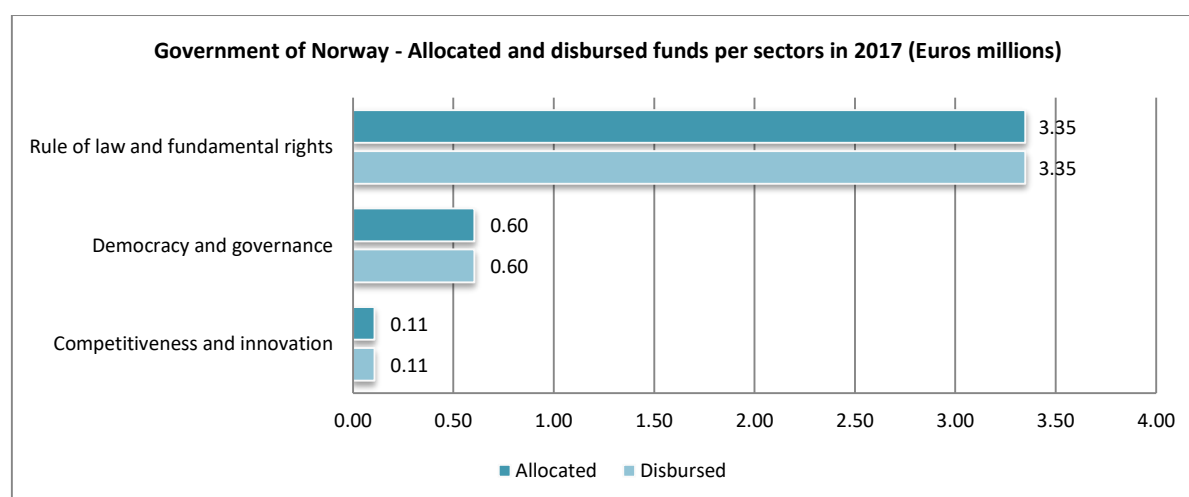
Policy approach

Much of Norwegian development cooperation internationally involves long-term assistance in the form of grants. Norwegian long-term development cooperation in general emphasizes both bilateral assistance, channelled directly to the governments of partner countries, and multilateral assistance, which is channelled through the UN system and development banks. Norway also provides significant assistance through international, local and Norwegian non-governmental organisations.

Norwegian cooperation with Bosnia and Herzegovina has evolved over the years from humanitarian assistance and reconstruction to supporting political and administrative reforms and Euro-Atlantic integration. This involves support to institution building and judicial reform. The Government intends to continue assistance to Bosnia and Herzegovina.

Key activities in 2017

The Government of Norway allocated **€ 4.06 million** and disbursed **€ 4.06 million** in 2017 in the form of grant to the following sectors: Rule of law and fundamental rights, Democracy and governance and Competitiveness and innovation.



Medium and long-term approach

We expect to continue with the current initiatives within the following priority areas:

- Good governance, including justice and security sector reform
- Human rights, peace and reconciliation
- Economic development
- Strengthening civil society

Donor coordination efforts

Embassy of Norway participates in Working groups on Gender Equality and Women Empowerment, Judiciary and Security.

Contact information:

The Embassy of the Kingdom of the Norway

Address: Ferhadija 20

71000 Sarajevo, BiH

Tel: +387 33 25 40 00

Fax: +387 33 66 65 05

E-mail: emb.sarajevo@mfa.no

Web-address: www.norveska.ba

Slovenia

Policy approach

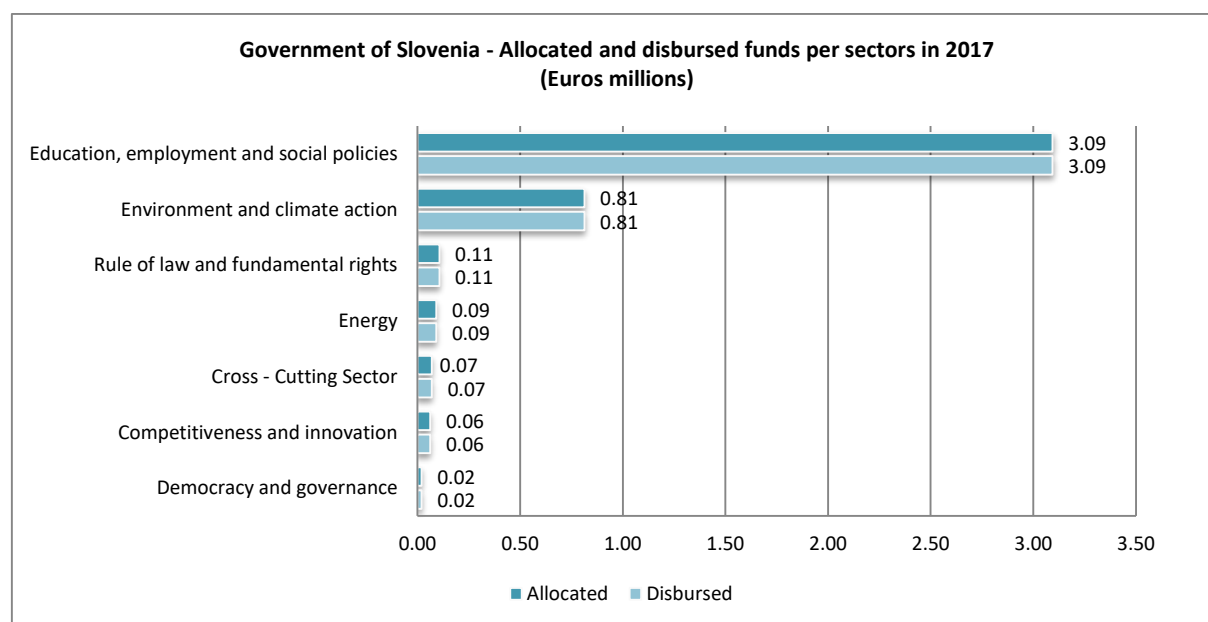
Resolution on Development Cooperation and Humanitarian Assistance of the Republic of Slovenia, adopted in September 2017, defines the thematic priorities of Slovenia's Development Cooperation, which encompass:

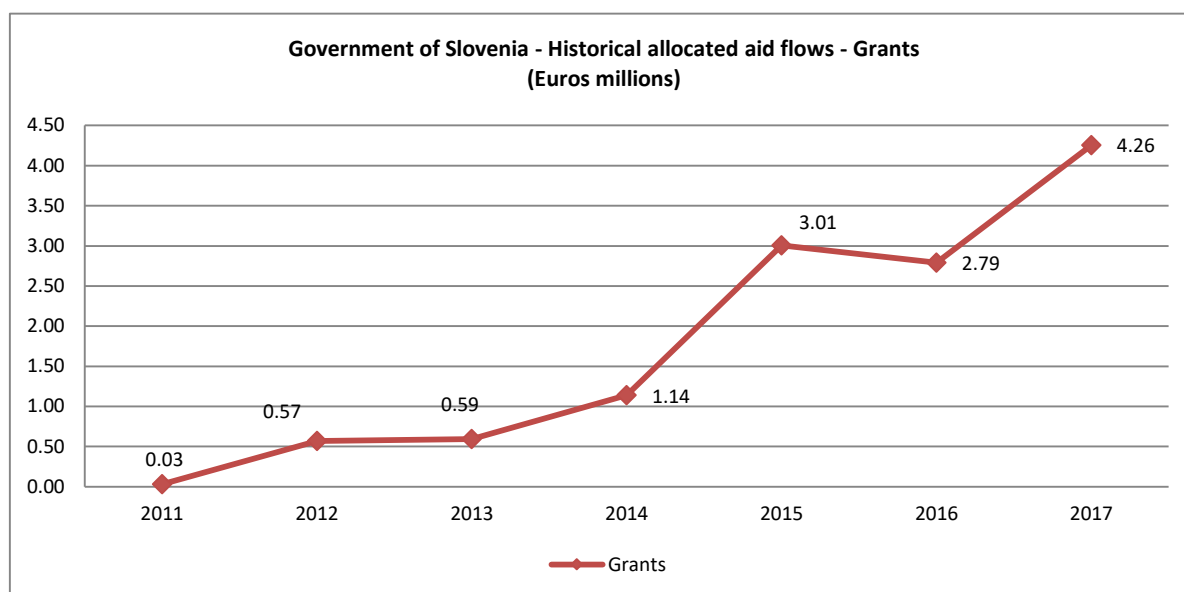
- promotion of peaceful and inclusive societies, with a particular emphasis on good governance, equal opportunities, including gender equality, and quality education;
- fight against climate change, focused on the sustainable management of natural and energy resources.

The target areas of development cooperation are listed in the bilateral "Agreement on development cooperation between the Government of the Republic of Slovenia and the Council of Ministers of Bosnia and Hercegovina" which will be revised upon a renewal of the legal and strategic framework on Slovenia's Development Cooperation and humanitarian assistance. The Framework Programme of international development cooperation and humanitarian aid of the Republic of Slovenia for the period 2016 and 2019 operationalizes planned activities, which in the case of BiH include the following sectors: Education, employment and social policies, Environment and climate action, Competitiveness and innovation, Rule of Law and Fundamental Rights, Cross - Cutting sector and Democracy and governance.

Key activities in 2017

Government of Slovenia allocated **€ 4,26 million** and **disbursed € 4,26 million in 2017 in the form of grant** to the following sectors: Education, employment and social policies, Environment and climate action, Rule of law and fundamental rights, Energy, Cross - cutting sector, Competitiveness and innovation and Democracy and governance.





Medium and long-term approach

Based on the Resolution on Development Cooperation and Humanitarian Assistance of the Republic of Slovenia, Slovenia is preparing a Strategy on development cooperation and humanitarian assistance. It will define into more detail goals and principles, geographic and thematic focus of future Slovenian development co-operation, humanitarian aid, strategic orientation towards international organisations, institutional set-up for effective development co-operation, partnerships, awareness-raising and results-management.

In the medium term Slovenia will continue to offer its support to Bosnia and Herzegovina in more or less the same sectors as in the previous period, where Slovenia has comparative advantage. Slovenia will focus on strengthening the rule of law and good governance, particularly in the context of EU integration and environmental protection, and with an emphasis on sustainable water management, as well as on prevention, mitigation and adaptation to climate change. Slovenia can also provide support in improving the technical expertise of civil servants, especially on the harmonisation of legislation with the EU acquis. Slovenia will also continue to support projects in the field of mine action and school and peer mediation in Bosnia and Herzegovina. In line with the effectiveness principle of ownership, we remain open to receive proposals for cooperation from Bosnia and Herzegovina.

In line with the Protocol between the Government of the Republic of Slovenia and the Council of Ministers of Bosnia and Herzegovina on Cooperation in the Field of Education (Official Gazette of the Republic of Slovenia – International Agreements, No. 6/14) and the rising interest of students from Bosnia and Herzegovina to study in Slovenia, this field will foreseeably continue to play an important part of the development co-operation.

Donor coordination efforts

Slovenia participates in meetings of donors in different formats. Slovenia does not participate in sector working groups but has bilateral contacts with other donor agencies where necessary.

Contact information:

Embassy of the Republic of Slovenia

Address: Maglajska 4

71000 Sarajevo, BiH

Phone: (+) 387 33 251 770

Fax: (+)387 33 251 773

E-mail: sloembassy.sarajevo@gov.si

Web address: www.sarajevo.veleposlanistvo.si/

Sweden/Swedish International Development Cooperation Agency (Sida)

Policy approach

The Swedish Cooperation with Bosnia and Herzegovina is guided by the Result Strategy for Sweden's reform cooperation with the Western Balkans – Albania, Bosnia and Herzegovina, Kosovo, Macedonia, Montenegro and Serbia. The strategy covers 2014-2020.

(<http://www.swedenabroad.com/en-GB/Embassies/Sarajevo/Development-Cooperation/Policy/>)

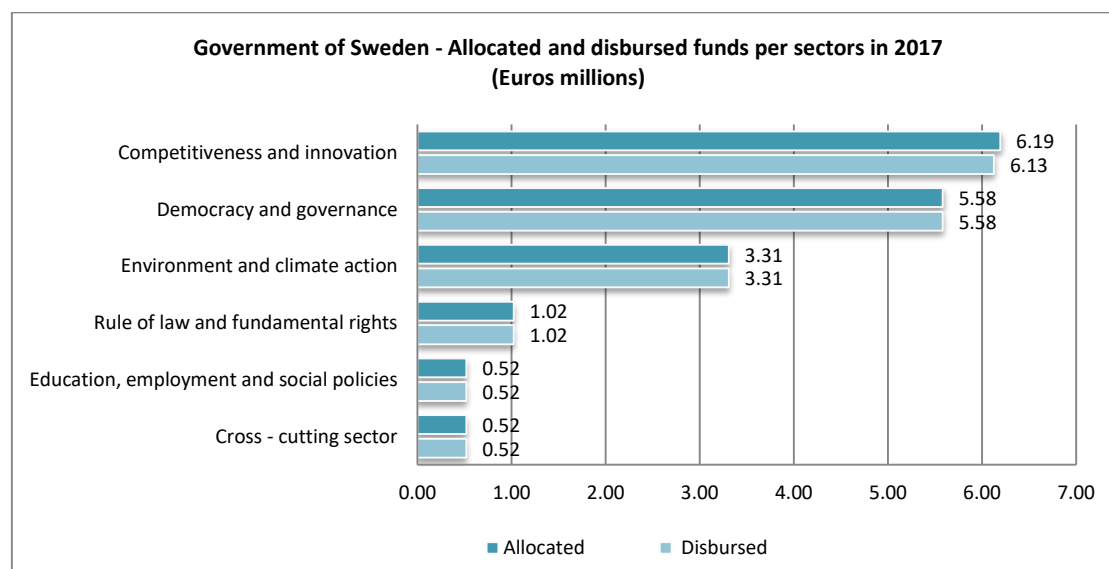
Sida focuses on three main areas: economic development; democracy, human rights and gender equality; and environment. In addition, priority sectors are environment and gender with an analysis in all projects and programmes and some specific targeting contributions. Support to youth and projects together with youth is a special focus.

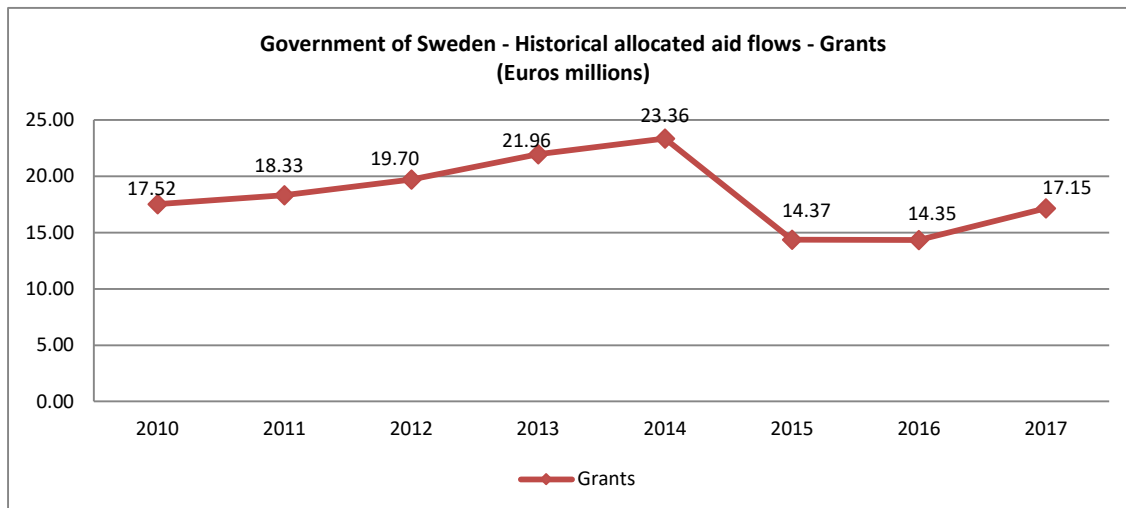
In order to increase aid efficiency and facilitate EU integration the strategy promotes:

- Better coordination with the EC and the IPA program;
- Increased use of the country's own systems for planning, implementation and follow-up;
- Increased use of program-based approaches.

Key activities in 2017

The Government of Sweden **allocated € 17.15 million and disbursed € 17.08 million in 2017 in the form of grant** to the following sectors: Competitiveness and innovation, Democracy and governance, Environment and climate action, Rule of law and fundamental rights, Cross - cutting sector and Education, employment and social policies.





Medium and long-term approach

The Results Strategy aims to assist the countries in the Eastern Partnership, the Western Balkans and Turkey to forge closer links with the EU. An increase in allocations can be expected in the coming years if the reform agenda is continuously being implemented without delays. The strategy ends in 2020 but the expectations are to continue the cooperation with Bosnia Hercegovina.

The activities in the Western Balkans are expected to result in the following:

- 1) Enhanced economic integration with the EU and development of market economy
- 2) Strengthened democracy, greater respect for human rights and a more fully developed state under the rule of law
- 3) A better environment, reduced climate impact and enhanced resilience to environmental impact and climate change

Donor coordination efforts

The Government of Sweden participates in most of the donor coordination initiatives. i.e. Agriculture, Local Governance Donor Coordination Forum, Anti-corruption Donor Coordination Forum, Rule of Law Donor Coordination forum, PAR Donor Coordination Forum, EU Councilors coordination forum and other relevant sector meetings. The Government of Sweden fully supports all initiatives to coordinate donor interventions and prevent overlapping activities.

Contact information:

Embassy of Sweden

Address: Embassy of Sweden, Ferhadija 20

71000 Sarajevo, BiH

Phone: +387 33 276 030

Fax: +387 33 267 060

E-mail: ambassaden.sarajevo@gov.se

Web addresses: www.sida.se;

www.swedenabroad.se



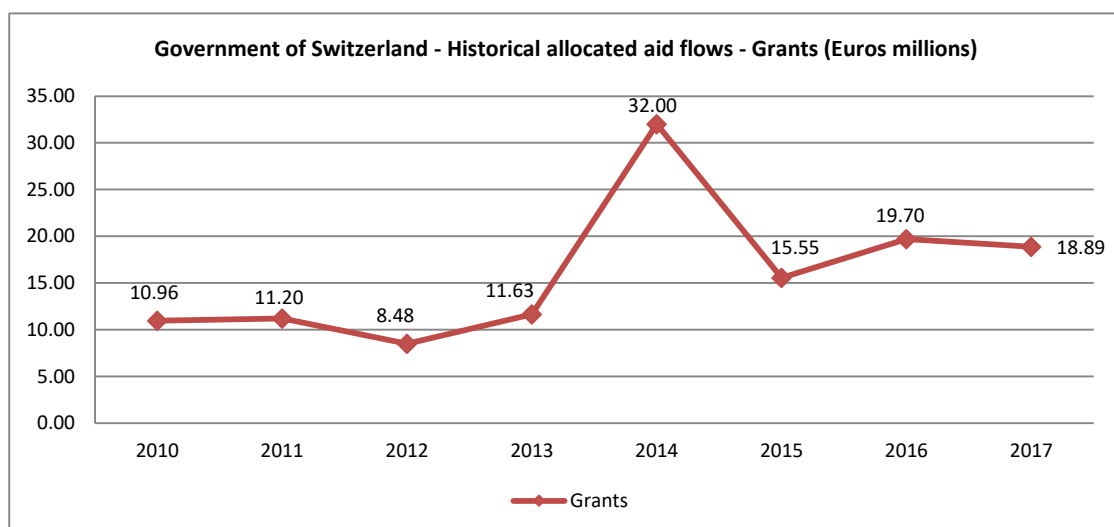
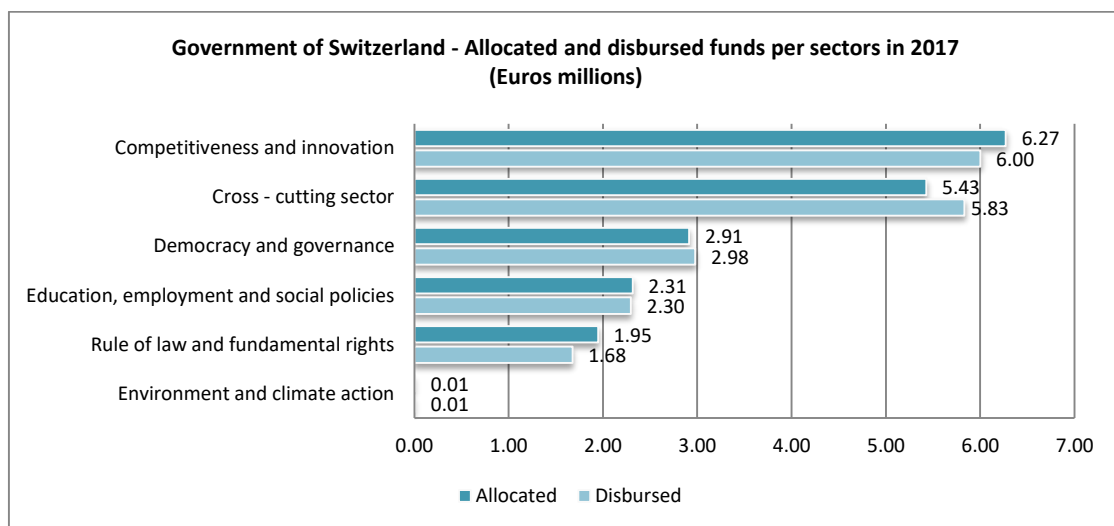
Switzerland

Policy approach

The Government of Switzerland provides its support to reforms in Bosnia and Herzegovina within the framework of the Swiss Cooperation Strategy BiH 2017-2020. A particular focus is given to support the establishment of supportive normative frameworks at all institutional levels and quality services to citizens, responsive to their needs, particularly of the most vulnerable and excluded population.

Key activities in 2017

The Government of Switzerland **allocated € 18.89 million and disbursed € 18.79 million in 2017 in the form of grant** to the following sectors: Competitiveness and innovation, Cross - cutting sector, Democracy and governance, Education, employment and social policies, Rule of law and fundamental rights and Environment and climate action.



Medium and long-term approach

In the mid-term period Switzerland will maintain its focus on the decentralization and local governance. Municipal investments will be fostered through budget support to the municipalities based on performance, particularly in the environmental and economic sectors. Civil society and citizens will continue to be empowered for participation in democratic processes. Engagement of citizens in municipal decision-making, the provision of quality services and the implementation of local development initiatives will be supported through the sub-municipal units (Mjesna zajednica) as spaces for citizens' participation and social inclusion. Support to setting up functional vertical cooperation mechanisms for development planning between all institutional levels will be continued. Strengthening capacities of the two entity associations of municipalities and cities for representing and advocating for interests of their member municipalities and influencing relevant policies and regulations will be also continued.

Investments in infrastructure for drinking water and wastewater treatment and institutional strengthening of public utilities will remain in focus. Switzerland, together with KfW, supports the rehabilitation of water supply and sanitation systems in the towns of Tuzla and Zenica and prepares to support the construction of the new facilities for wastewater treatment in Zenica and Gradiska. Partnership with the UN agencies will be launched to support introduction of an integrated model of disaster risk governance at the local level in order to protect development gains from the impact of disasters but also to avoid or reduce future economic losses and harmful consequences of disasters on human lives.

Support to the High Judiciary and Prosecutorial Council of BiH continues with an aim to raise efficiency, effectiveness and accountability of the judiciary and increase access to justice for all citizens. The establishment of a functional and sustainable institutional set up in BiH's Juvenile Justice System will be further enhanced. Support to the State authorities in BiH will focus at further improving of the management of regular and irregular migration in BiH, including effective readmission of returnees, immigration and asylum procedures, proper treatment of migrants, and border control. The support to developing efficient mechanisms for connections and cooperation with diaspora will be continued, providing better services for diaspora at different levels and fostering business to business cooperation and know-how transfer with diaspora.

In the field of employment, interventions will continue to address new and better employment opportunities by creating a favorable economic environment for businesses with the engagement of public and private sector, including the Diaspora. Swiss Youth Employment Portfolio will continue to work on the three major aspects around the labor market (skills gap, connection gap, jobs gap). Young people's employment will be supported through an improved intermediation system within Public Employment Services. The development of social enterprises and support to self-employment of youth and their engagement in local community projects will be continued.

Switzerland will continue to work through International Financial Institutions on creating better regulatory frameworks on national and entity levels for private sector growth and better export opportunities, also as result of more transparent and efficient public financial management schemes. Support to debt restructuring and efficient insolvency procedures creating opportunities to indebted companies to save jobs and remain in the market will continue to be provided. Business support

organizations will be assisted in developing efficient and client oriented export promotion services. Counselling services provided by municipalities to over-indebted citizens will continue to be supported, increasing financial literacy of the population.

Support to the health sector reforms and improvement of primary health care services will be continued. Strengthened focus will be put on health promotion, changing the population's health-related behaviour, and on cost-containments of the health system. The role of local communities in creating health-promoting environment will be strengthened. Successfully developed community nursing models, targeting specifically excluded and poor persons, will be rolled out to other parts of the country. Support to the efficient and effective community-based mental health services will be continued for the next three years, as well as to the improvement of education of nurses and services provided by nurses. Policy dialogue will focus on creating the measures for keeping trained health professionals in BiH's health sector and on reducing health inequities in the country.

Donor coordination efforts

Government of Switzerland participates in the following donor coordination groups:

- Local Governance Donor Coordination Group
- Gender Equality and Women Empowerment Coordination Group
- Justice Sector Coordination Group
- Prosecutorial Service Donor Coordination Group
- Educational Sector Coordination Group
- Education Donor Coordination Group
- Health Donor Coordination Group

Contact information:

Embassy of Switzerland in Bosnia and Herzegovina

Address: Zmaja od Bosne 11 (RBBH, Building B)

71000 Sarajevo, BiH Phone: +387 33 275 850

Fax: +387 33 570 120

E-mail: sarajevo@eda.admin.ch

Web address: www.eda.admin.ch/sarajevo

United States of America / United States Agency for International Development (USA/USAID)

Policy approach

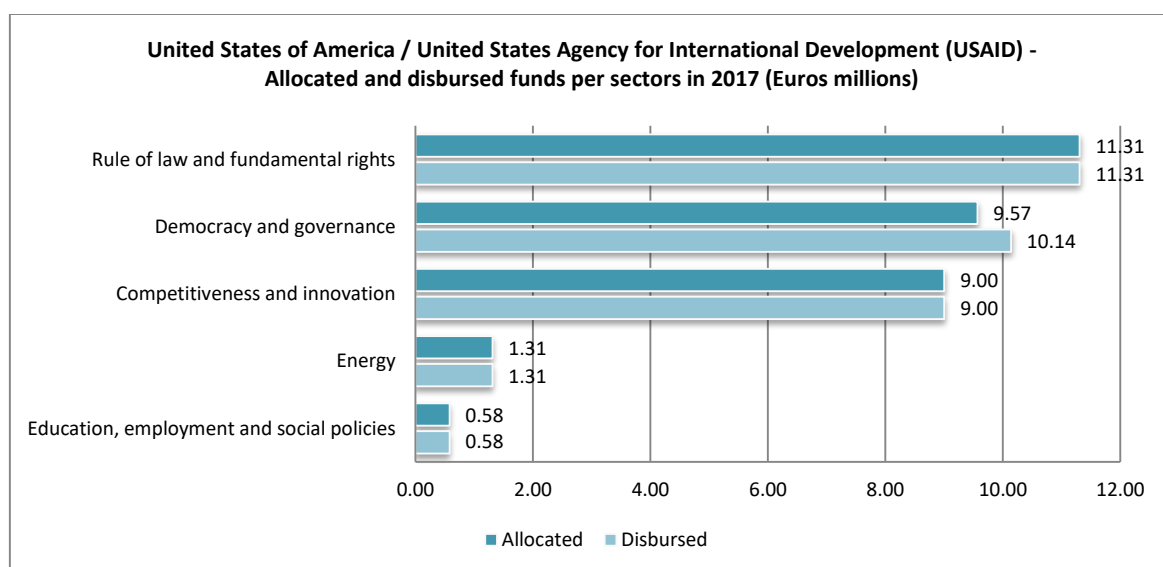
USA/USAID will increase independence, accountability, and effectiveness of the justice sector by strengthening the capacity of justice sector institutions to fight corruption and organized crime.

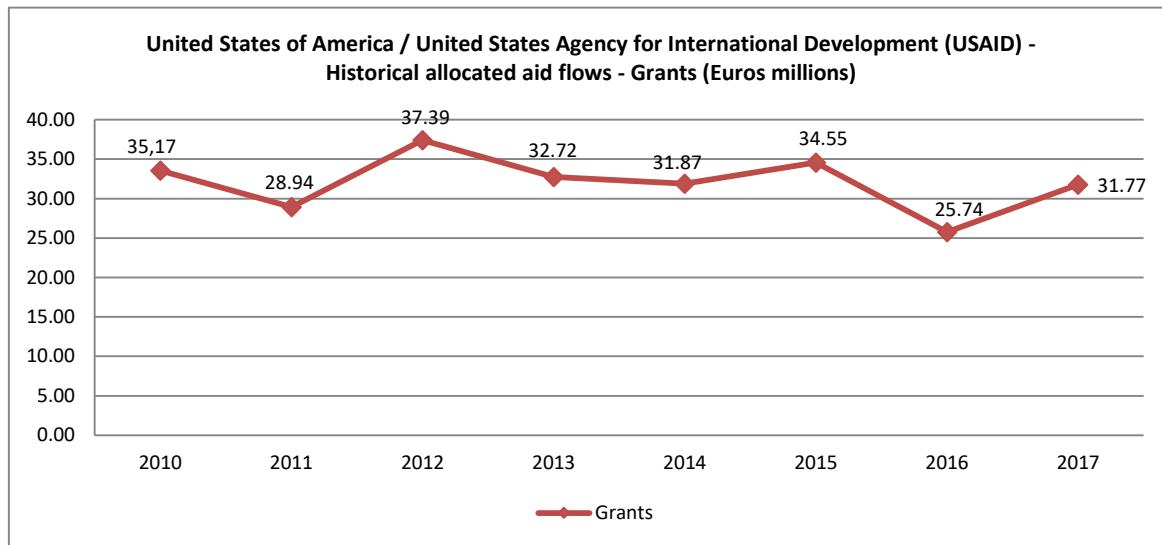
USA/USAID will also continue to promote local initiatives focused on peacebuilding and reconciliation, address the widespread corruption that permeates BiH's political system and economy, assist cross-party groupings to collaborate and communicate to the public on joint issue-based policies, help to promote human rights and encourage local civil society to be more active in public policy advocacy.

USAID will help BiH government partners and public sector institutions implement policies that promote a business environment that improves competitiveness, creates jobs, and increases incomes. USAID will continue to support reforms that align with EU requirements and International Monetary Fund benchmarks in order to increase BiH's financial and fiscal stability and integration with Western financial institutions. Through private sector programming, USAID will address specific market failures that inhibit the growth and development of small-and medium-sized enterprises (SMEs), leading to more sustainable job growth, increased economic stability, and greater integration with Western markets. USAID assistance will enable BiH to strengthen its energy security and further integrate its energy sector with regional and European markets, consistent with Energy Community requirements.

Key activities in 2017

According to the data you have entered in the Donor Mapping Database, United States of America/United States Agency for International Development (USA/USAID) allocated **€31.77 million** and disbursed **€32.35 million in 2017 in the form of grant** to the following sectors: Rule of law and fundamental rights, Democracy and governance, Competitiveness and innovation, Energy and Education, employment and social policies.





Medium and long-term approach

Projects will continue to evolve and respond to BiH's changing needs and will promote initiatives to leverage other donor resources. The United States and the United States Agency for International Development (USAID) will carry out assistance programs that help the country progress toward a harmonized economic space, improved rule of law, effective and transparent government institutions with a strong civil society, and a multi-ethnic, tolerant society.

Donor coordination efforts

USG staff participate in general coordination meetings, bilateral meetings and other forums. U.S. Mission staff will continue to participate in donor coordination meetings and sector-specific meetings including civil society, local governance, rule of law and energy to avoid overlap or duplication of efforts.

Contact information

U.S. Embassy

Address: Robert C. Frasure 1
71000 Sarajevo, BiH
Phone: +387 33 704 000
Fax: +387 33 659 722
E-mail: AshworthJM@state.gov
Web address: <http://sarajevo.usembassy.gov>

U.S. Agency for International Development (USAID)

Address: Robert C. Frasure 1
71000 Sarajevo, BiH
Phone: +387 33 704 000
Fax: +387 33 219 298
E-mail: klarson@usaid.gov
Web addresses: www.usaid.gov ; www.usaid.ba

European Bank for Reconstruction and Development (EBRD)

Policy approach

The European Bank for Reconstruction and Development is an international financial institution owned by 65 countries from five continents, as well as the European Union and the European Investment Bank.

The EBRD's objectives are to promote transition to market economies by investing mainly in the private sector, to mobilise significant foreign direct investment, to support privatisation, restructuring and better municipal services. In all of its activities, the EBRD promotes environmentally sound and sustainable development.

The EBRD's approach in addressing the complex transition challenges is based on strategies, policies and procedures. Regional diversity between the countries of operation is wide and the Bank adapts its products and sector focus so as to meet the specific market need of any particular country. Distinct country strategies are developed and followed for all countries of operation.

Furthermore, the Bank has its sectoral policies, which formally set out the strategy in the following sectors: agribusiness, energy, municipal and environmental infrastructure, natural resources, property, shipping, transport, telecom, informatics and media.

To date, the EBRD is the largest institutional investor in Bosnia and Herzegovina (BiH) with 155 projects and cumulative business volume of more than €2.1 billion.

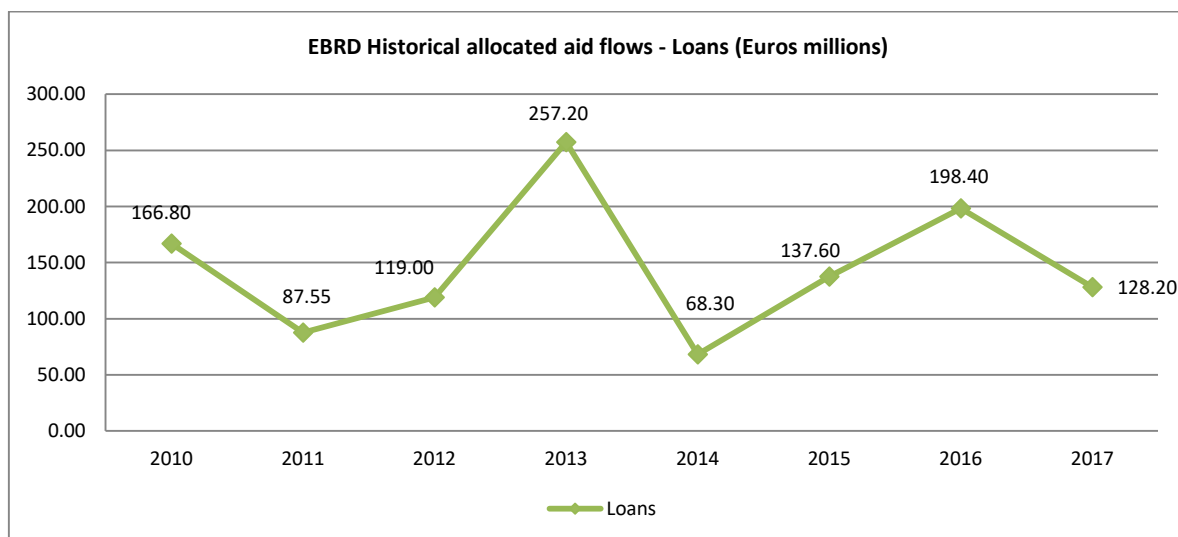
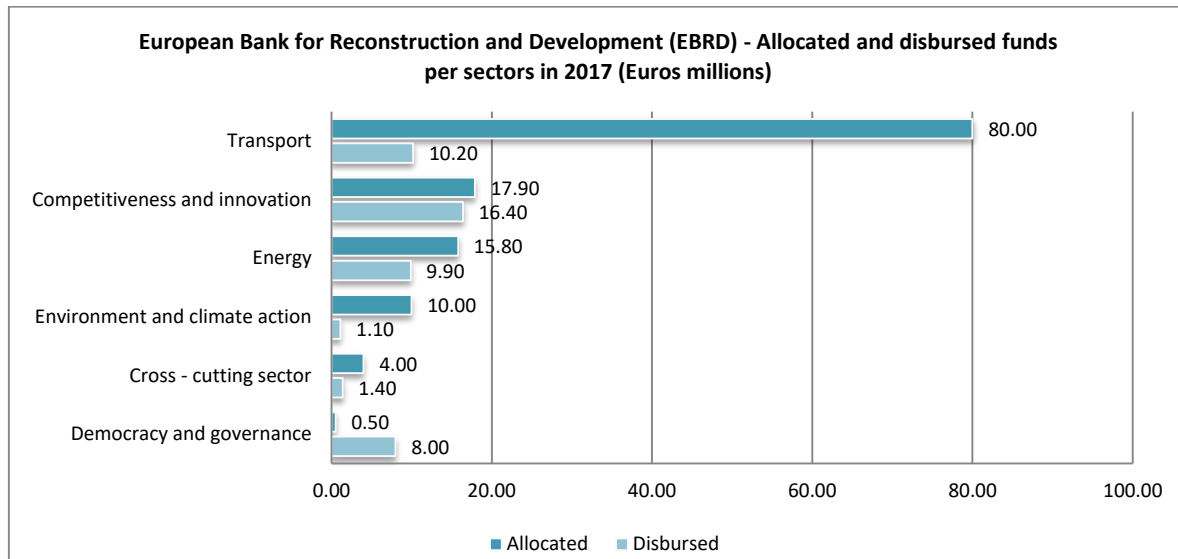
The Bank signed 13 new projects in 2017, amounting to EUR 128.2 million. Five public sector projects included (i) financing of new sections of Corridor Vc motorway in Republika Srpska of EUR 70 million, (ii) loan increase of EUR 10 million for the motorway section from Banja Luka to Doboj (iii) Elektrokrajina power distribution project of EUR 7.5 million, (iv) Sarajevo Water Project of EUR 10.0 million, and (v) EUR 8.3 million for Banja Luka District Heating Project.

Eight private sector projects were signed in 2017 amounting to EUR 22.4 million, which included investments in local companies as well as SME and energy efficiency credit lines with local banks.

The EBRD disbursed EUR 47 million to final beneficiaries in 2017.

Key activities in 2017

European Bank for Reconstruction and Development (EBRD) **allocated €128.20 million and disbursed €47.00 million in 2017 in the form of loan** to the following sectors: Transport, Competitiveness and innovation, Energy, Environment and climate action, Cross - cutting sector and Democracy and governance.



Medium and long-term approach

The new 5-year Country strategy for Bosnia and Herzegovina was approved by the EBRD Board of Directors on 5 July 2017.

The strategy sets out the following strategic priorities in Bosnia and Herzegovina in the period 2017-2022:

- Enable capacity-building and scaling up of the private sector, while promoting commercialisation of public utilities, and supporting privatisation of viable state-owned enterprises to enhance Competitiveness
- Support development of key transport and energy cross-border links with a view to promote Integration with the region while enhancing Resilience of the economy, and
- Support energy efficiency and renewable energy generation, while helping municipalities upgrade quality of services to promote Green Economy

Donor coordination efforts

In its activities in BiH, the EBRD will seek to align its operation with the priorities of local authorities and closely cooperate with other International Financial Institutions and donors, including the European Union, both by co-financing selected projects and by coordinating policy dialogue initiatives.

Contact information:

European Bank for Reconstruction and Development

Address: UNITIC, B/15

Fra Anđela Zvizdovića 1

71000 Sarajevo, BiH

Phone: +387 33 257 900

Fax: +387 33 667 950

E-mail: linkesd@ebrd.com

Web address: <http://www.ebrd.com>



European Union (EU)

Policy approach

The main strategic objective of the EU assistance remains to support BiH in its transition from a potential candidate country to a candidate country, through the membership in the European Union.

EU assistance to Bosnia and Herzegovina (BiH) has contributed to bringing the country back on the reform path necessary to move forward in the EU integration process. Bosnia and Herzegovina applied for EU membership in February 2016 and, on the basis of meaningful progress in the Reform Agenda, EU Member States asked the European Commission in September to provide its Opinion on the application. The Opinion was not provided by EC in 2017, as the additional set of questions was sent to BiH authorities by EC in June 2018.

A comprehensive Reform Agenda was adopted in July 2015 providing for a set of socio-economic, rule of law and public administration reforms. As part of the Reform Agenda implementation and with EU support, including policy advice and technical assistance, Bosnia and Herzegovina authorities have adopted and started to implement key strategic documents, notably as regards the judiciary, fight against corruption and organised crime.

Since 2007, through its national and multi-beneficiary programmes, the Instrument for Pre-Accession Assistance (IPA) addresses the political and economic requirements in the framework of the Stabilisation and Association Process (SAP) and approximation to European Standards, mainly to support Bosnia and Herzegovina in establishing regulatory systems and preparing for IPA pre-structural funds, and supports the participation in cross-border cooperation programmes with neighbouring countries and EU Member States.

To continue support for the political criteria, the EU places further emphasis on the civil society dialogue, the development of independent and professional media and the preservation of the cultural heritage. IPA assists in the fight against corruption and supports Bosnia and Herzegovina in meeting its obligations towards returnees, minorities, vulnerable groups and in implementation of the Mine Action Strategy.

Several economic indicators raise concerns, including the high unemployment rates and external imbalances. In addition, slippages in public spending create obstacles to social and economic recovery. To assist the country in complying with the economic criteria of the SAP, IPA supports stabilising the macro-economic environment and reducing and improving the quality of public spending to create a favourable business climate. The reform of the education system and of the labour market should contribute to fostering employment. Additional sectors supported under the economic requirements are trade, small and medium enterprises and local economic development.

So far, Bosnia and Herzegovina has made only limited progress in the approximation of its legislation and policies with the *acquis*. To assist the country in complying with the *acquis*-related requirements of the SAP, IPA supports the development and the implementation of strategies and policies to approximate to the European *acquis* in the areas of internal market, sectoral policies and justice, freedom and security. Support is also provided for the environment, quality infrastructure, customs and taxation.

BiH still benefits from the first two components of the Instrument for Pre-accession Assistance (IPA) available to BiH since 2007: component I for Transition Assistance and Institution Building and component II for Cross-Border Cooperation. Over the period 2007-2013, the EU allocated to BiH a total of €593 million.

The new generation of Instrument for Pre-accession Assistance (IPA) – IPA II 2014-2020 has been available to BiH as of August 2015, when the Framework Agreement between the EC and BiH was signed and ratified. The financial assistance under IPA II for BiH the period 2014-2017, foreseen in the Indicative Strategy Paper (ISP) for BiH amounts € 165.8 million (annual allocation amounts € 40 million on average).

It supports four sectors:

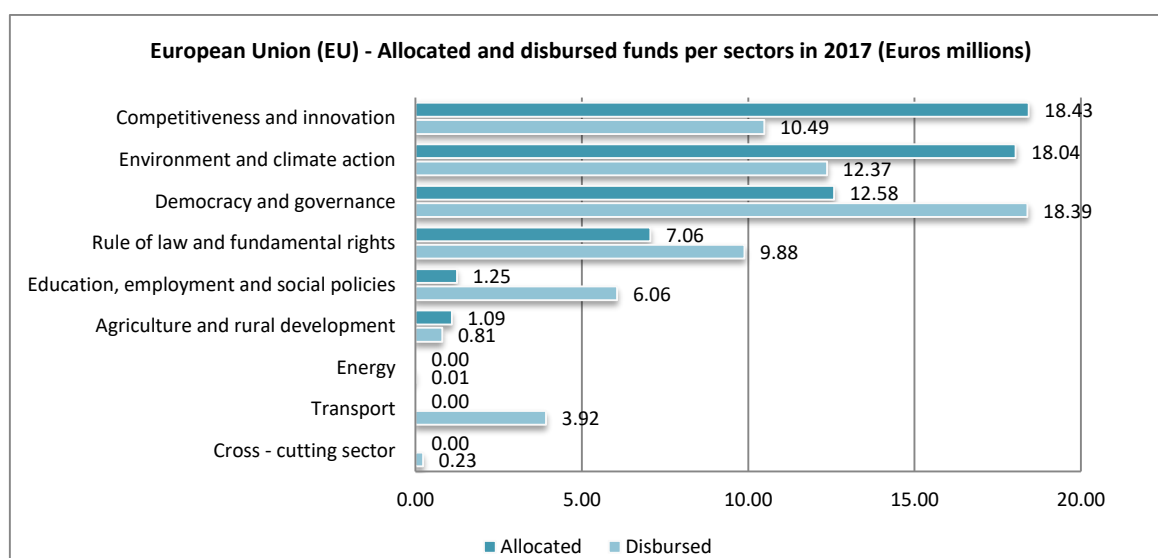
1. Democracy and governance
2. Rule of law and fundamental rights
3. Competitiveness and innovation: local development strategies
4. Education, employment and social policy

Such a limited annual allocation of IPA II 2014-2017 funds for BiH derives from the absence of sector country wide strategies in BiH in the sectors such as environment, energy and agriculture and rural development - the sectors to which greater funds are earmarked to be allocated under IPA II.

However, due to the adoption of Framework Transport Strategy of BiH 2016-2030 in July 2016, the EC swiftly revised the ISP 2014-2017 for BiH in November 2017 and allocated additional € 20 million to the IPA 2017 annual programme that amounted €60.3 million in total.

Key activities in 2017

The European Union (EU) **allocated € 58.44 million and disbursed € 62.16 million in 2017 in the form of grant** to the following sectors: Competitiveness and innovation, Democracy and governance, Environment and climate action, Rule of law and fundamental rights, Transport, Education, employment and social policies, Agriculture and rural development, Cross - cutting sector and Energy.



As per the above graph, it is to be noted that in 2017 the EU provided most of assistance in three sectors: Competitiveness and Innovation, Democracy and governance and Environment and climate action. The assistance mainly related to support BiH private sector development with a focus on export oriented, agro-rural and tourism sectors, as well as on enhancing the operational environment for MSMEs including development of local digital entrepreneurship, as well as substantial grant support; strengthening capacities of relevant BiH institutions in statistics, taxation and customs as well as of Parliamentary Assemblies at state, entity and Brcko district levels; contribution to establish a sustainable system for flood defence and recovery from flood consequences in the cross-border areas with Republic of Serbia. It also continued to support the improvement of judicial efficiency, by constructing/rehabilitating cantonal courts and prosecution offices throughout the country. The EU also provided support to strengthening capacities of BiH institutions in other areas, such as: law enforcement, education, employment, civil society, mine actions as well as the support to BiH to participate in the increased number of EU Programmes.

In addition to the national programmes, BiH benefits from the IPA I Multi-beneficiary Programmes 2007-2013, which support measures of common interest in the Western Balkans and Turkey, such as infrastructure development, institution building, the implementation of the Central European Free Trade Agreement (CEFTA), fight against organised crime, environment, energy, regional trade integration and cross-border cooperation.

The multi-beneficiary programmes support areas of key importance for European integration, such as taxation and customs, statistics, public administration via the Organisation for Economic Cooperation and Development (OECD) - Support for Improvement in Governance and Management (SIGMA) and horizontal support via the Technical Assistance Information Exchange Office (TAIEX). *Inter alia*, important achievements of the multi-beneficiary programmes include cooperation between regional prosecutors and mutual legal assistance between the courts, improved police cooperation, integrated border management and cooperation on migration issues. It also included the support to Erasmus + programmes through the cooperation between IPA countries' and EU Member States' universities in the form of mobility of students, professors and university personnel.

Assistance under the Cross-Border Cooperation component is supporting BiH's participation in IPA 2014-2020 CBC Programmes BiH – Montenegro and Serbia – BiH, its participation in the Interreg IPA CBC Croatia – BiH - Montenegro 2014 – 2020, Interreg ADRION Programme with EU Member States and other Western Balkan Countries (Albania, Montenegro and Serbia), Interreg MED Programme with EU Member States and other Western Balkan Countries (Montenegro and Albania), and Danube Transnational Programme with EU Member States, other Western Balkan Countries (Montenegro and Serbia), Ukraine and Moldova.

IPA II Multi-country programmes 2014-2020 is the new generation of IPA Multi-beneficiary programmes 2007-2013. It continues to support the regional structures and projects that were initiated and established under the IPA I MBP 2007-2013, but it also includes the substantial support for infrastructures projects in transport, environment and energy sectors under the Western Balkan Investment Framework (WBIF) instrument. The WBIF mainly focuses on co-financing mature energy and transport infrastructure projects together with loans from the international financial institutions, as part of the Connectivity Agenda/Berlin Process for WB region. The ultimate goal of the Connectivity agenda is to improve connectivity within the Western Balkans, as well as between Western Balkans

and the European Union, and hence will serve as a driver for economic growth, jobs, and new investments in the region.

Medium and long-term approach

The EU will keep supporting BiH's efforts for reform and towards compliance with EU law in order that it may become fully prepared to take on the obligations of membership to the European Union.

In medium-term period, the EU assistance will further support the public sector management reform, including public finance management, public procurement, parliaments, Economic Reform Programme as well as participation of BiH in various EU Programmes under the scope of Democracy and governance sector. It will support the effective justice, including the efforts to increase the use of alternative dispute resolution to reduce backlog of court cases, home affairs to combat illegal acts, human rights and anti-discrimination and will continue to provide support to the International Commission for Missing Persons (ICMP) under the scope of Rule of law and fundamental rights. As far as the Competitiveness and innovation: local development strategies sector is concerned, the EU assistance will focus on continuation of support to local integrated development, SMEs, environment, agriculture and rural development. In addition, following the flood disaster of spring and summer 2014, it will provide assistance to flood protection and flood risk/river management. The fourth sector, Education, employment and social policy has been identified as the sector of multiple needs for assistance, in particular in the area of employment, taking into account the link of education with employment and the important role employment plays in successful social inclusion. The fifth sector, Transport has been recently included to be supported under IPA II assistance in the medium and long term perspective.

In long-term period, EU assistance will be based on the results of Mid-term Review (MTR) of ISP whose revision started in consultation with BiH stakeholders (BiH authorities, CSOs, donors, IFI's and IO's) in autumn 2016 with the aim to identify the sectors to which EU shall contribute for IPA II financial perspective 2018-2020. The revised ISP 2014-2020 for BiH was adopted by the EC in August 2018. In addition to the four aforementioned sectors, it also includes transport, energy, environment and agriculture and rural development sectors, those that would enable BiH for greater IPA II financial allocation per annum.

Donor coordination efforts

To increase effectiveness and efficiency in the delivery of assistance through donor coordination, the European Commission and EU Member States ensure coordination of their respective assistance programmes. This coordination is extended also to the IFIs and other non-EU donors. At state-level, coordination meetings with IFIs as well as with EU and non-EU donors are organised on a regular basis. They focus primarily on strategic orientations and a national and regional dimension of IPA planning and programming. Additionally, coordination between the European Commission and EU Member States takes place on a regular basis in the context of the IPA Committee.

Close coordination is also maintained with the World Bank, EBRD, EIB and KfW in particular in the fields of transport, energy and environmental infrastructure, where the EC finances designs, studies, works and technically assists in helping to meet the conditions for investment by the IFIs. Moreover, the EU and the IFIs cooperate within the framework of the Western Balkans Investment Framework (WBIF).

In addition, the EU Delegation maintains regular cooperation with other donors through bilateral meetings and/or sector working groups related to areas of judicial reform and juvenile justice, fight against corruption, public administration reform, agriculture and rural development, energy efficiency, environment, return, gender, human rights, social protection and education, mine action, civil society and many others. The coordination mechanisms described above ensure that EU assistance and the assistance of other donors produce synergies and are, as much as possible, complementary.

The EU Delegation also supports local institutions, such as the Directorate for European Integration and the BiH Ministry of Finance and Treasury, in their donor coordination efforts.

Contact information:

The EU Delegation to Bosnia and Herzegovina

Address: Skenderija 3a

71000 Sarajevo, BiH

Phone: +387 33 254 700

Fax: +387 33 666 037

E-mail: delegation-bih@eeas.europa.eu

Web address: <http://www.europa.ba/>

European Investment Bank (EIB)

Policy approach

The European Investment Bank is the long-term financing institution of the European Union. The task of the Bank is to contribute towards the integration, balanced development and economic and social cohesion of the EU Member States. The EIB raises substantial volumes of funds on the capital markets, which it lends on favourable terms to projects furthering EU policy objectives. The EIB continuously adapts its activities to developments in EU policies. The operational plan 2012-2014 responds to an environment in which Europe has the difficult task of addressing the impact of the economic crisis while accelerating its transition to a smarter, greener and sustainable economy.

The EIB has been active in the Western Balkans since 1977 and today it is one of the largest international financiers in the region. In December 2009, the EIB launched, together with the European Commission, the Council of Europe Development Bank and the European Bank for Reconstruction and Development, the Western Balkans Investment Framework (WBIF) as a joint grant facility and a joint lending facility for priority investments in the region. The objective is to simplify access to credit by pooling and coordinating different sources of finance and technical assistance.

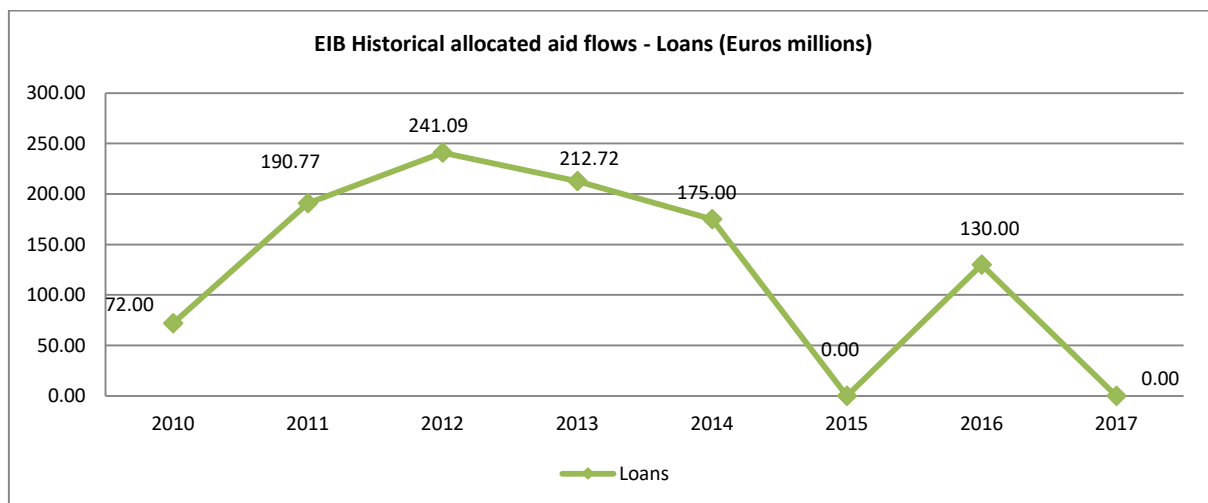
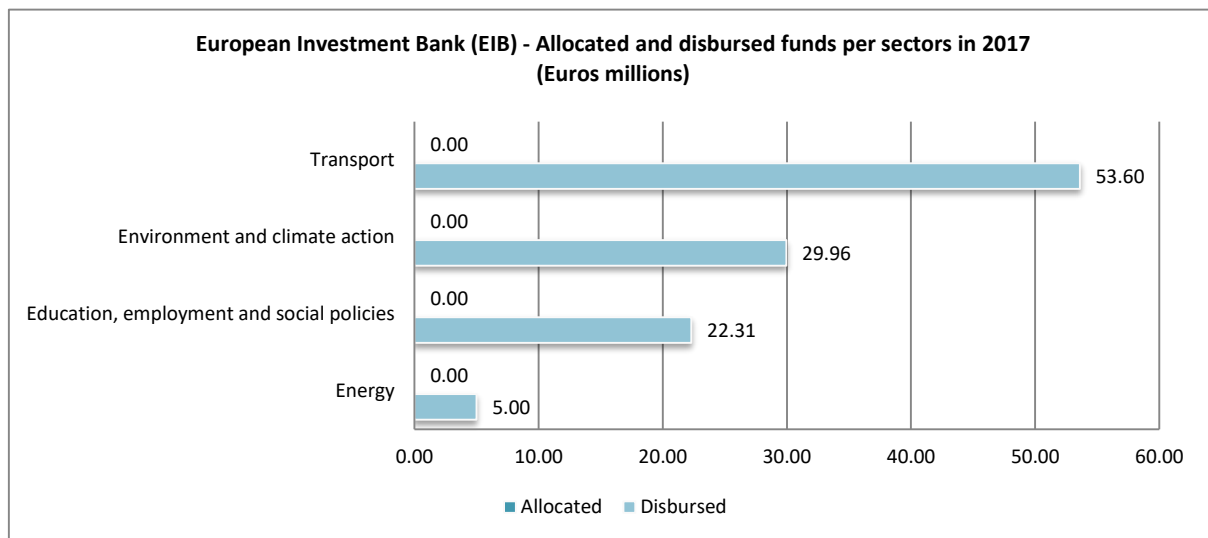
The Bank has lent over EUR 1.6 billion to support projects in Bosnia and Herzegovina since 2000. Out of this, total EUR 570 million has been used for credit lines to develop SMEs and midcaps. These are a core component of the EIB's lending priorities.

A further EUR 582 million has been used to develop the country's transport infrastructure, both regional projects and Trans European Transport Networks, which are another priority for the EIB. The bank has also contributed EUR 163 million to rebuild and improve the reliability of B-H's energy transmission networks. This was an on-going project in the last decade (source: <http://www.eib.org/projects/regions/enlargement/the-western-balkans/bosnia-herzegovina/index.htm>)

Key activities in 2017⁴

The European Investment Bank (EIB) allocated **€ 0.00 million and disbursed € 110.87 million in 2017 in the form of loan** to the following sectors: Transport, Environment and climate action, Education, employment and social policies and Energy.

⁴ The source for data on EIB donor profile and allocations for 2017 is <http://www.eib.org/en/projects/loan/list/index.htm?from=2017®ion=3§or=&to=2017&country=BA>, while the source for disbursements in 2017 are the MFIT data.



Donor coordination efforts

The EIB co-finances major projects in the region with other IFIs, particularly the EBRD, the World Bank and the Council of Europe Development Bank, as well as other bilateral donors. The EIB also continues its close cooperation with the EC and the European Agency for Reconstruction in order to prepare and co-finance projects with EU budgetary contribution provided by the new EU Instrument for Pre-Accession Assistance (IPA).

Contact information:

European Investment Bank

Address: 98-100, boulevard Konrad Adenauer,

L-2950 Luxembourg

Phone: (+352) 43 791

Fax: (+352) 43 77 04

Web address: www.eib.org



United Nations (UN)

Policy approach

The partnership agreement (United Nations Development Assistance Framework - UNDAF) between the United Nations and Bosnia and Herzegovina was approved in May 2015 for the period 2015-2019. In July 2018, the agreement has been extended until 2020 in order to better align the next UNDAF for Bosnia and Herzegovina with the election cycle in the country, the EU IPA III planning cycle, the SDGs roll-out activities as well as internal planning processes at the state and entity levels. The overall, indicative financial envelope for the UNDAF is \$265 Mil. and as of the end of 2017, \$ 196.9 was delivered through the UNDAF implementation, or 80% of the estimated total.

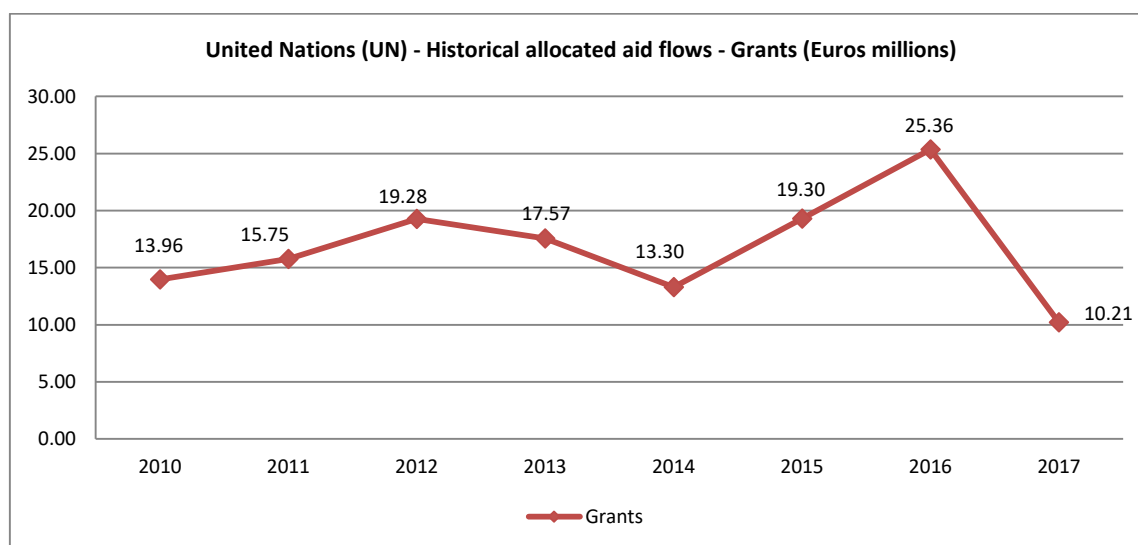
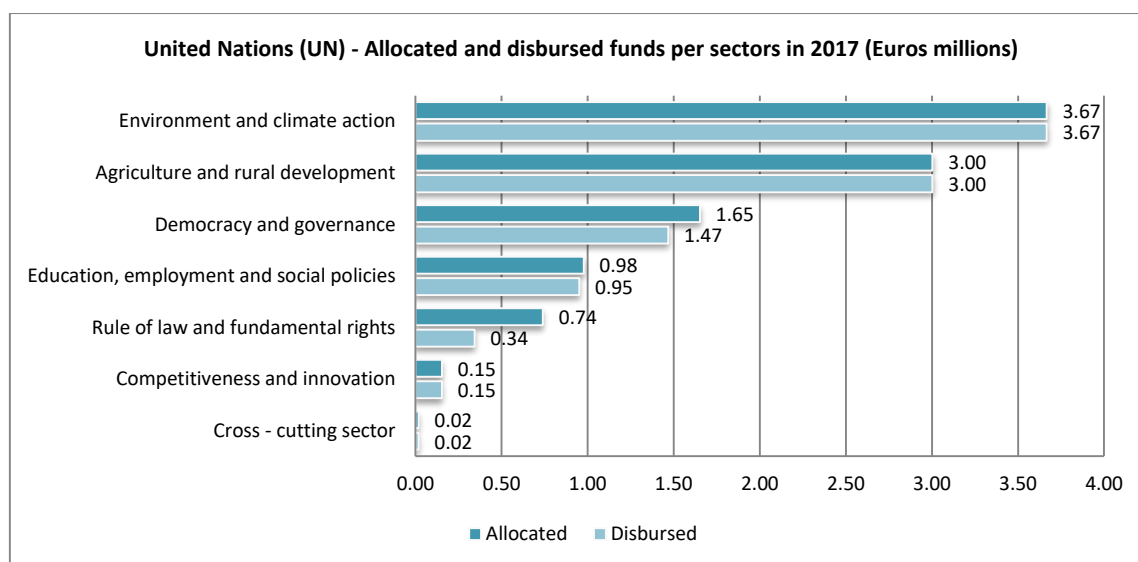
The programmatic focus of the United Nations in 2017 remained in accordance with the sectors agreed within the UNDAF, namely, Rule of Law/Human Security, Sustainable and Equitable Employment and Development, Social Inclusion and Empowerment of Women working towards the achievement of the 13 agreed strategic outcomes. The strategies outlined in UNDAF are intended to reach the most deprived and vulnerable sections of the population, and are designed to reflect the UN's commitment to assisting BiH in meeting its human rights obligations and ensuring compliance with the UN and other international treaties ratified by BiH, including the 2030 Agenda and the Sustainable Development Goals.

The overall coordination and monitoring of the UNDAF implementation is conducted through the Joint BiH/UN Steering Committee (JSC). It is co-chaired by the United Nations Resident Coordinator and the BiH Minister of Finance and Treasury and includes the UN Country Team in Bosnia and Herzegovina as well as nominated ministries from the BiH Councils of Ministers, Entity Governments and Brcko District. The primary responsibility of the JSC is to provide strategic guidance and oversight during the 2015-2019 UNDAF implementation, endorse the UNCT's operational plans and provide strategic review of the annual reports.

In the absence of the nationally defined development strategy and/or nationally defined development goals, the United Nations consults and engages the relevant authorities from the BiH Council of Ministers, the Entity Governments as well as the Brcko Districts in all of its activities in order to ensure a country-wide ownership of its activities and harmonization of the results. Where available, the reference and alignment to the existing sector strategies in the country is utilized ensuring provision of technical support to the identified needs and priorities. Through this approach, the UN strengthens its comparative advantage and ensures its political neutrality and impartiality positioning the UN as the main intergovernmental facilitator and interlocutor. Working at both ends, the policy development and grass-root initiatives implementation, the UN is uniquely positioned to strengthen the connectivity between the two – turning projects into policies and policies into actions.

Key activities in 2017

United Nations in Bosnia and Herzegovina **allocated € 10.21 million and disbursed € 9.60 million of own UN funds in 2017 in the form of grant** to the following sectors: Environment and climate action, Agriculture and rural development, Democracy and governance, Education, employment and social policies, Rule of law and fundamental rights, Competitiveness and innovation and Cross - cutting sector. In this regard, it is important to note that United Nations in Bosnia and Herzegovina implemented total amount of **€ 44.56 million** in 2017.



Medium and long term approach

Towards the end of 2018, the United Nations will be finalizing the Joint Work Plans covering the period of 2019-2020. Preparation of the biennial cycle is in line with the above mentioned and agreed UNDAF operationalizing the UNDAF Outcomes at the output and activity levels, including the corresponding budgetary frameworks. Joint Work Plans are prepared in consultations with the relevant government

counterparts from the Council of Ministers, Entity Governments and Brcko District at the technical level and subsequently formally reviewed and endorsed by the Joint Steering Committee in line with the UNDAF provisions.

Furthermore, the United Nations will embark upon another joint mid-term planning exercise in early 2019 which will define the nature and focus of the partnership between the United Nations and Bosnia and Herzegovina for the period 2021-2025. In line with the UN global policy, the next UNDAF for Bosnia and Herzegovina will be formulated in consultations with the next government in Bosnia and Herzegovina and primarily focus on assisting the BiH authorities with implementation of the 2030 Agenda and Sustainable Development Goals. To this end, the UN's current activities and accomplishments in the area of SDGs roll-out and establishment of the SDGs Framework in Bosnia and Herzegovina will serve as the basis for discussion and formulation of the next UNDAF for Bosnia and Herzegovina.

Donor coordination efforts

In line with the UNDAF provisions, the United Nations co-chairs and participates in the Joint Steering Board, which coordinates and oversees the implementation of the current United Nations Development Assistance Framework for Bosnia and Herzegovina (2015-2020). In addition to this, the United Nations is also represented and participate in the following donor coordination efforts: Local Economic Development, Education, Conference of Ministers of Education, Gender Equality and Empowerment, Mine Action, Small Arms and Light Weapons, Disaster Risk Reduction, National Museum Coordination Group, Violent Extremism, and Conference of Ministers of Health.

Contact information:

United Nations (UN)

Address: Zmaja od Bosne b.b.

71000 Sarajevo, BiH

Phone: +387 33 293 400

Fax: +387 33 552 330

E-mail: registry.ba@undp.org

Web addresses: www.ba.one.un.org



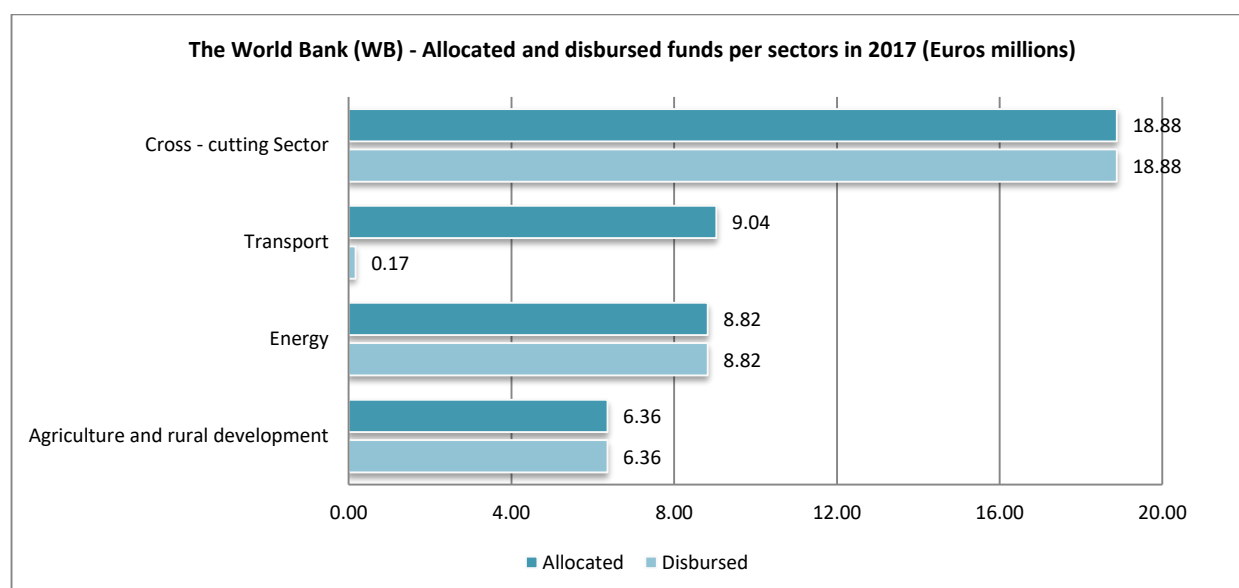
The World Bank

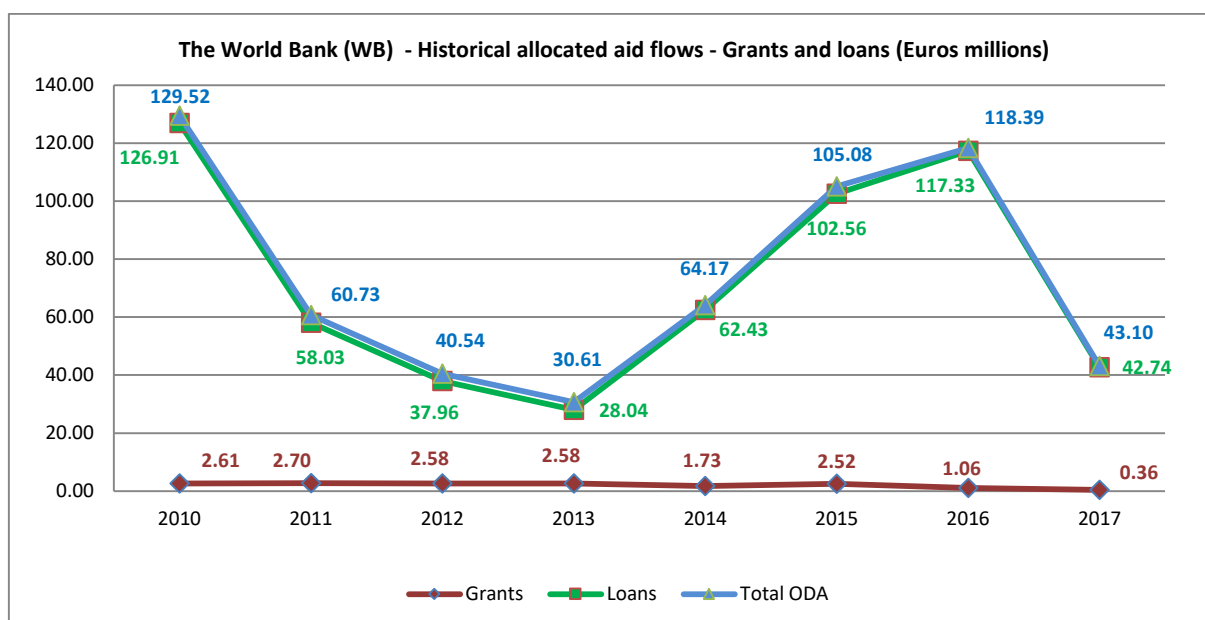
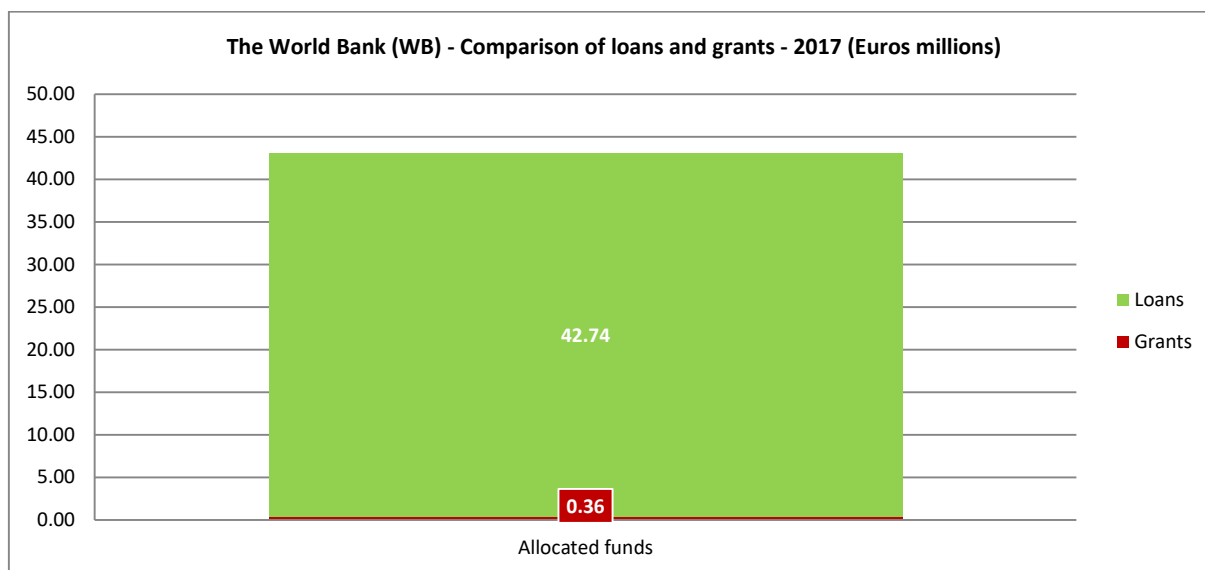
Policy approach

In December 2015, the World Bank Groups' Board of Executive Directors endorsed the WBG Country Partnership Framework (CPF) for FY16-20 **for Bosnia and Herzegovina**. The CPF has three focus areas for WBG support: increasing public sector efficiency and effectiveness, creating conditions for accelerated private sector growth, and building resilience to natural shocks. Support to **increasing public sector efficiency and effectiveness** includes improving the management and efficiency of public finances; strengthening governance and reducing fiscal burden of state owned enterprises; and improving public service delivery, such as health, water supply and sanitation. **Creating conditions for accelerated private sector growth** implies continued work on competitiveness and business environment, including building a more stable and accessible financial sector, particularly for underserved segments in the market, corporate governance and resource efficiency improvements, as well as support for greater labour market flexibility so that private companies can create more and better jobs, and upgrading key economic infrastructure, such as transport, energy and possibly ICT. Finally, **building resilience to natural shocks** largely focuses on the successful implementation of the existing portfolio of water resource management operations as well as analytic and advisory work to identify key challenges and opportunities in disaster risk management and sustainable management of natural resources. **Strengthening inclusion** is a cross-cutting theme for the entire strategy, informing the choice and design of specific operations so as to ensure that many groups in society can benefit from the structural reforms the WBG program supports.

Key activities in 2017

According to the data you have entered in the Donor Mapping Database, The World Bank (WB) allocated € **43.10 million** and disbursed € **34.23 million** in 2017 to the following sectors: Cross – cutting sector, Transport, Energy and Agriculture and rural development sector.





Medium and long-term approach

Through the strategic framework, the WBG supports reforms in three areas: (1) increasing public sector efficiency and effectiveness; (2) creating conditions for accelerated private sector growth; and (3) building resilience to natural shocks. The framework includes a cross-cutting theme of inclusion that informs the choice and design of specific interventions under the strategy, to ensure that reforms are socially sustainable, and that vulnerable groups are not left behind as new opportunities open. The WBG CPF endorses lending program in the amount of about US\$750 million over the CPF period.

Focus Area 1 – Increasing Public Sector Efficiency and Effectiveness. There has been satisfactory progress against the objective of improving management and efficiency of public finances. This area will also contribute with strengthening governance and reducing fiscal burden of SOEs through the RS Railways Restructuring Project. Through the Banking sector strengthening project will assist with implementation of the new banking sector laws in BiH.

Focus Area II – Creating Conditions for Accelerated Private Sector Growth. Real Estate Registration Project completed activities in 210 cadastral municipalities and is contributing significantly to this area and so is Energy Efficiency Project with the end goal of increasing lifetime energy savings to 650,000 MWh, and thus contributing to the objective of upgrading economic infrastructure. It is expected that the Federation Road Sector Modernization Project will also contribute to the upgrading of economic infrastructure. In the upcoming period, this focus area will contribute to supporting a competitive business environment and access to finance through a project under preparation.

Focus Area III – Building Resilience to Natural Shocks. GEF Sustainable Forest and Landscape Management is making satisfactory progress in restoring sustainable land management practices. The Second Solid Waste Management Project contributes to having 8 regional landfills operational. The Floods Emergency Recovery Project has already exceeded its target of reaching 300,000 beneficiaries, and 200 repaired public infrastructure facilities. Irrigation Development Project reached 5,000 water users with improved irrigation services and will together with the Drina Flood Protection further contribute to the achievement of this objective of building resilience to floods.

Donor coordination efforts

Besides participating in the DCF meetings, the World Bank participates in several sector level donor coordination efforts. The World Bank also has periodic coordination meetings with the international financial organizations active in Bosnia and Herzegovina as well as with other development partners, in order to maximize development outcomes of different programs through better coordination and partnership. The project teams have regular meetings with the relevant counterparts (with EC and Swedish Embassy on solid waste and waste water management; with UNDP on energy efficiency, IMF on budget support etc.)

Contact information:

The World Bank

Address: Fra Anđela Zvizdovića 1, B-17

71000 Sarajevo, BiH

Phone: +387 33 251 500

Fax: +387 33 226 945

E-mail: mail_to_bosnia@worldbank.org

Web address: www.worldbank.ba

International Finance Corporation (IFC) in Bosnia and Herzegovina

Political approach

International Finance Corporation (IFC), a member of the World Bank Group, provides comprehensive solutions to address the greatest challenges that developing countries are facing, through support designed to meet the specific needs of our partners, with special focus on infrastructure, manufacturing, agribusiness, services, and financial markets.

IFC works mainly with the private sector to encourage entrepreneurship and build sustainable businesses, advising them on a wide range of issues, including environmental, social and governance standards, energy efficiency and supply chains.

Through financial support to the private sector companies, IFC enables them to broaden their access to foreign and domestic capital markets, while through advisory activities IFC helps unlock private sector investments, essential for expanding businesses, creating new jobs, and growing economy.

Bosnia and Herzegovina became a shareholder and member of IFC in 1996. Since then, IFC's long term finance investment in Bosnia and Herzegovina totalled \$398.3 million, including \$23.1 million mobilized from our partners, in 46 projects across a variety of sectors. In addition, IFC has supported trade flows of \$52 million through its trade finance program. Our committed investment portfolio in Bosnia and Herzegovina as of 30 June 2017, is \$60.70 million.

IFC strategy in Bosnia and Herzegovina focuses on the following priorities:

Through combination of investment and advisory services, IFC will continue to partner with clients in strategic sectors crucial for country's long-term sustainable development, with focus on:

- Financial sector with a special emphasis on small and medium enterprises and energy efficiency lending
- Climate change including investments in infrastructure and energy sectors
- Agribusiness with an emphasis on food retail and manufacturing
- Value-added manufacturing
- Business infrastructure with a focus on logistics and distribution
- Sub-national finance with a focus on municipal infrastructure and waste management
- Health and education

Medium and long-term approach

IFC will explore opportunities to provide support through direct investments in real sector, general manufacturing, agribusiness, services, economic infrastructure, and distressed assets. Advisory work will support reform efforts of BH governments geared towards increased private sector activity and participation in country's economic activity. Primary focus of IFC advisory work will be on better business environment, primarily to unlock viable assets by instituting modern insolvency regimes, reduce administrative burden and cut the red tape at municipal level, strengthen investment policy and promotion, introduce advanced trade facilitation regimes, further consolidate microfinance sector, support development of quality infrastructure to encourage exports, and help companies

develop better corporate governance and resource efficiency mechanisms. Overall, over the next medium term IFC will continue to design or support initiatives that are intended to unlock private sector potential in the country.

Donor coordination efforts

IFC is actively coordinating with other donors where needed in sectors specific areas or policy level issues. Notably, IFC is involved in coordination of activities related to Reform Agenda implementation with EU and key IFIs in the country.

Contact information:

International Finance Corporation

Address: Zmaja od Bosne bb, Raiffeisen building (B building):

71000 Sarajevo, BiH

Phone: +387 33 251 555

Fax: +387 33 217 762

E-mail: SBrkic@ifc.org

Web-address: <http://www.ifc.org>

1. European Commission - Preliminary Bosnia and Herzegovina 2018 Report, which includes the period October 2016 - February 2018;
2. European Commission - Appendix in the Annex to the Commission's Implementing Regulation C(2014) dated 30/6/2014, related to the Multiannual Indicative Strategic Document for the period 2014-2020;
3. Reform Agenda for Bosnia and Herzegovina for the period 2015 – 2018;
4. Program of Economic Reforms of the Federation of BiH for the period 2016 -2018;
5. Federal Institute for Development Planning - Competitiveness 2017–2018 Bosnia and Herzegovina;
6. SIGMA monitoring report – Principles of Public Administration of Bosnia and Herzegovina - November 2017;
7. Transparency International BiH - Monitoring of Public Administration Reform in BiH: Analysis of Results in the Field of Public Finance in 2017;
8. WB Group – Western Balkans Regular Economic Report no. 13 - Vulnerability slows growth;
9. Environmental Approximation Strategy for BiH (EAS BiH).