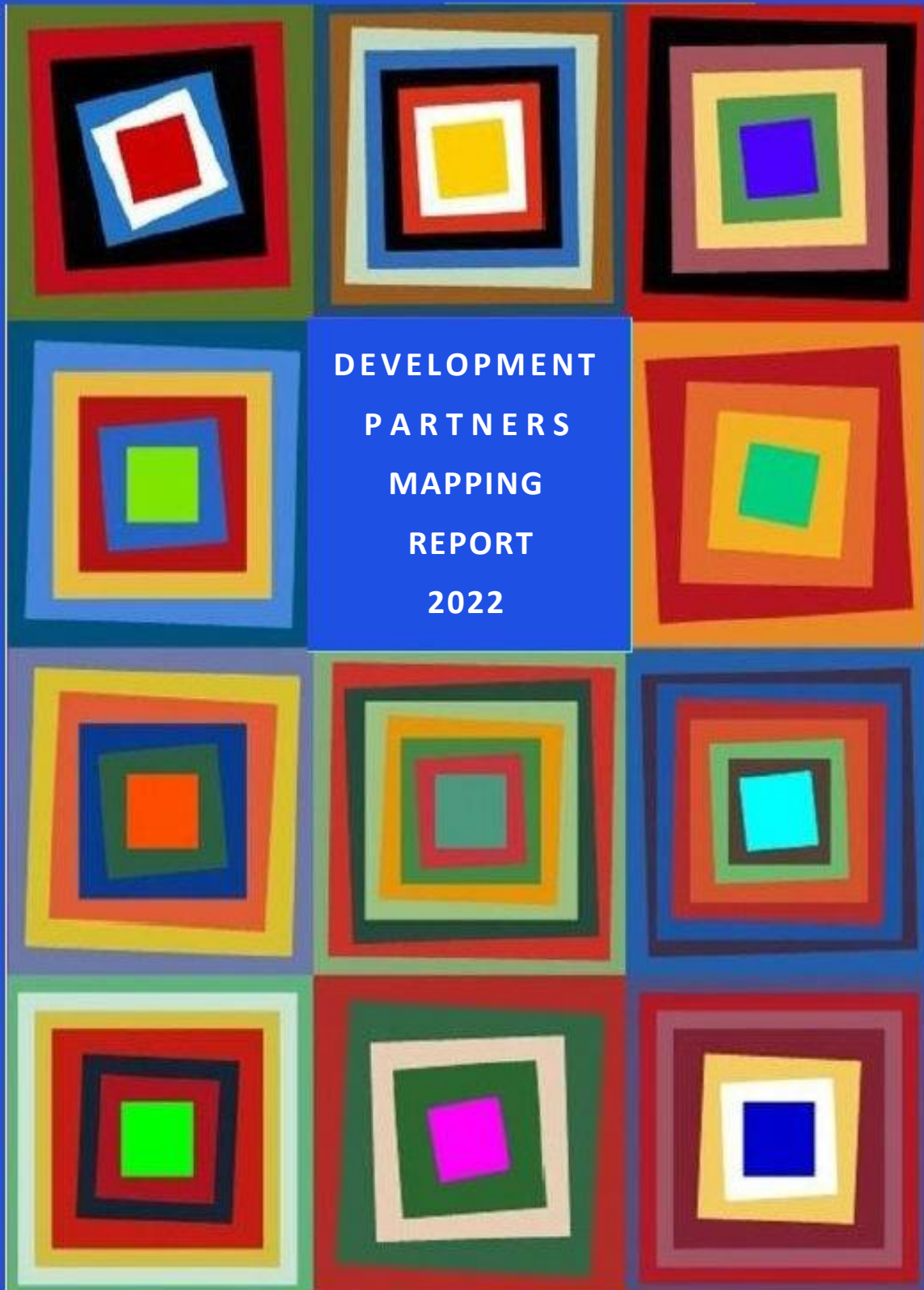




Bosnia and Herzegovina
Ministry of Finance and Treasury



DEVELOPMENT
PARTNERS
MAPPING
REPORT
2022

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AICS	Italian Agency for Development Cooperation
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	Centre for Civil Society Promotion
CDC	Centers for Disease Control and Prevention
CEB	Council of Europe Development Bank
CEI	Central European Initiative
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
CoM BiH	Council of Ministers of Bosnia and Herzegovina
COVAX	Covid-19 Vaccines Global Access
CRA	BiH Communications Regulatory Agency
CREDO	Competitive Regional Economic Development
CRS	Catholic Relief Services
CS	Civil Society
CSO	Civil Society Organisations
DAC	Development Assistance Committee
DCF	Development Partners Coordination Forum
DEI	Directorate for European Integration of BiH
DEP	Directorate for Economic Planning of BiH
DFID	UK Department for International Development
DIA	Deposit Insurance Agency of Bosnia and
EASA	European Aviation Safety Agency
EBRD	European Bank for Reconstruction and
EC	European Commission
ECB	European Central Bank
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
ENFSI	European Network of Forensic Science Institutes
EQF	European Qualifications Framework for Lifelong Learning
ERA	European Research Area
ERDF	European Regional Development Fund
ERP	Economic Reform Programme

EU	European Union
EUD	Delegation of the European Union to BiH
EUFOR	European Union Forces
EUROPOL	European Union Agency for Law Enforcement Cooperation
EUROSTAT	Statistical Office of the European Union
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
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
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
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 Project
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	BiH Intelligence Security Agency
OSCE	Organization for Security and Cooperation in Europe
PAR	Public Administration Reform
PARCO	Public Administration Reform Coordinator's Office
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	Republika 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
SFD	Saudi Fund for Development
Sida	Swedish Int. Development Cooperation Agency
SIPA	BiH State Investigation and Protection Agency
SIPPO	Swiss Import Promotion Programme
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>
UK	United Kingdom
UN	United Nations
UNCT	UN Country Team
UNDAF	United Nations Development Assistance Framework
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 Organisation
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
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 the Development Partners Coordination Forum (DCF), has prepared the ***Development Partners Mapping Report for 2022 (DMR 2022)***.

The Report provides a comprehensive overview of projects and programs supported with the Official Development Assistance (ODA) funds by the members of the Development Partners Coordination Forum, the information on the latest development activities and reforms implemented in the priority sectors in Bosnia and Herzegovina during 2022, as well as the planned development activities.

Development Partners Mapping Report 2022 was prepared on the basis of responses from Questionnaires submitted by the Institutions in Bosnia and Herzegovina and members of the Development Partners Coordination Forum in BiH and other relevant strategic documents. Financial part of the Report is based on the data from the DMD database, where development partners have entered their new projects as well as updated the data on ongoing projects.

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 the development partners activities are focused at supporting the realization of BiH priorities related to the EU integration process. The Ministry of Finance and Treasury of BiH has retained the IPA II classification in the Development Partners Mapping Report 2022.

In that regard, the Report also provides the analysed overview of the Official Development Assistance (ODA), channelled to the following priority sectors in Bosnia and Herzegovina:

- **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 members of the Development Partners Coordination Forum, play a significant role in this process, through provision of the financial support to the reform activities and programs.

The efficient and effective use of ODA funds as well as the establishing of the mutual partnership are of crucial importance for the success of the reforms in Bosnia and Herzegovina. In line with this, in 2022, Ministry of Finance and Treasury launched the activities to further improve the efficiency of the use of the international aid in Bosnia and Herzegovina.

After adoption by the Council of Ministers of Bosnia and Herzegovina, ***Development Partners Mapping Report for 2022*** will be available at the website of the Ministry of Finance and Treasury of Bosnia and Herzegovina www.mft.gov.ba and the Development Partners Coordination Forum www.donormapping.ba.

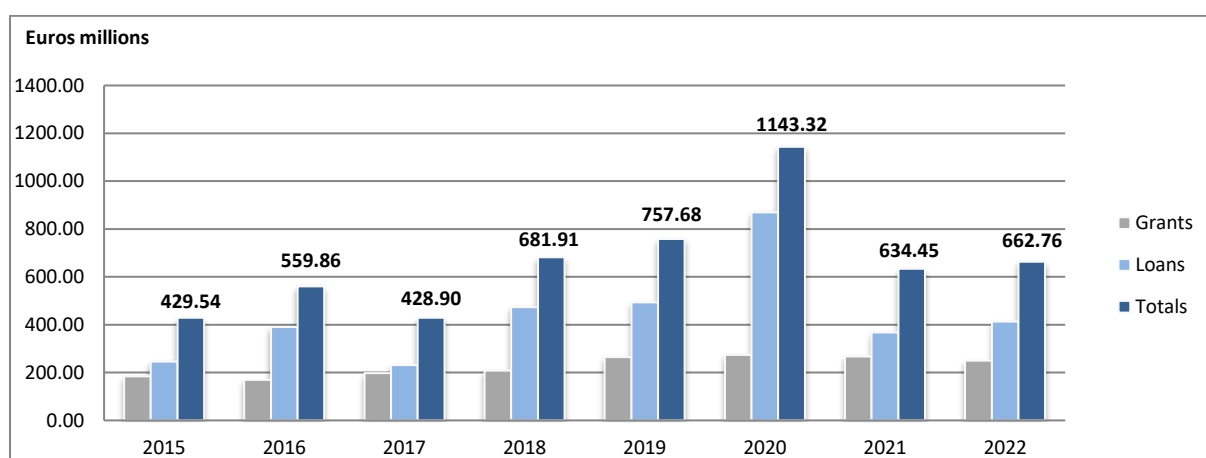
The Ministry of Finance and Treasury of BiH would like to thank the Institutions in Bosnia and Herzegovina and the development partners, DCF members for their active participation in the preparation of the Development Partners Mapping Report 2022.

I Summarized overview of ODA allocations and disbursements

In 2022, total Official Development Assistance (ODA) allocations for Bosnia and Herzegovina amounted to € 662.76 million, out of which € 249.70 million or 37.7% of grant funds, while € 413.06 million or 62.3% of loan funds, which compared to 2021, indicates the increase of € 28.3 million or 4.5%. (Figure 1.).

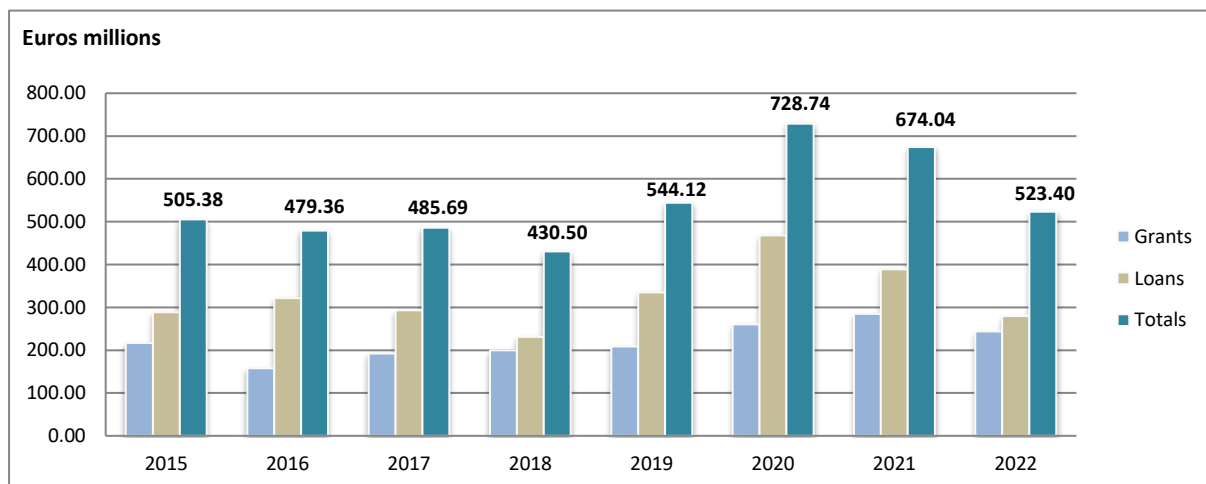
The amount of total allocated funds in 2022 maintained continuous trend and slight increase compared to 2021 along with partial change in the structure of total allocated funds caused by the increase of loan funds in the amount of € 46.1 million and the decrease in allocated grant funds by € 17.8 million.

Figure 1. Total ODA allocations in the period 2015-2022 in BiH



Total disbursements of ODA funds in 2022 amounted to € 532.40 million, out of which € 243.70 million or 46.6% of grant funds and € 279.70 million or 53.4% of loan funds, indicating the decrease if compared to the previous period. If compared to 2021, the decrease in total ODA disbursements amounts to € 150.6 million. The decrease was caused by reduction of disbursed loans for € 109.4 million, as well as disbursed grant funds for € 41.2 million, which could be the result of the dynamics of loan disbursements signed in previous years. (Figure 2.)

Figure 2. Total ODA disbursements in the period 2015-2022 in BiH



Comparison of total allocated and disbursed ODA funds in BiH for the period 2015-2022 is presented in the Figure 3.

Figure 3. Total allocated and disbursed ODA in the period 2015-2022 in BiH

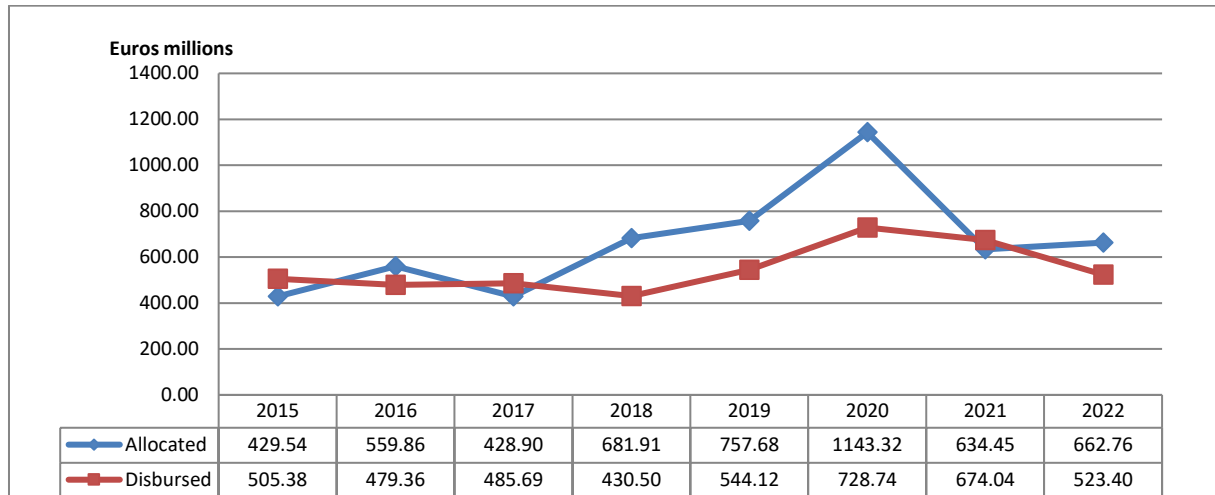


Figure 4. presents the participation ratio of bilateral and multilateral development partners in total ODA allocations, for the period 2015 – 2022. Out of total ODA allocations in 2022, in the amount of € 662.76 million, bilateral development partners allocated € 137.98 million or 21%, while multilateral development partners allocated € 524.78 million or 79%.

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

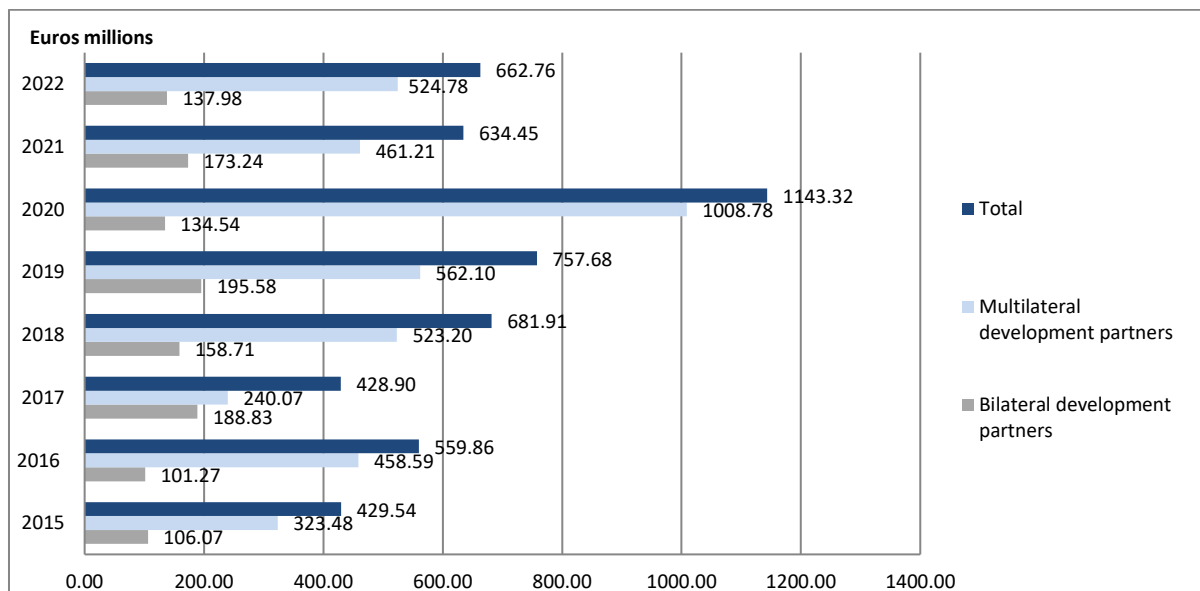
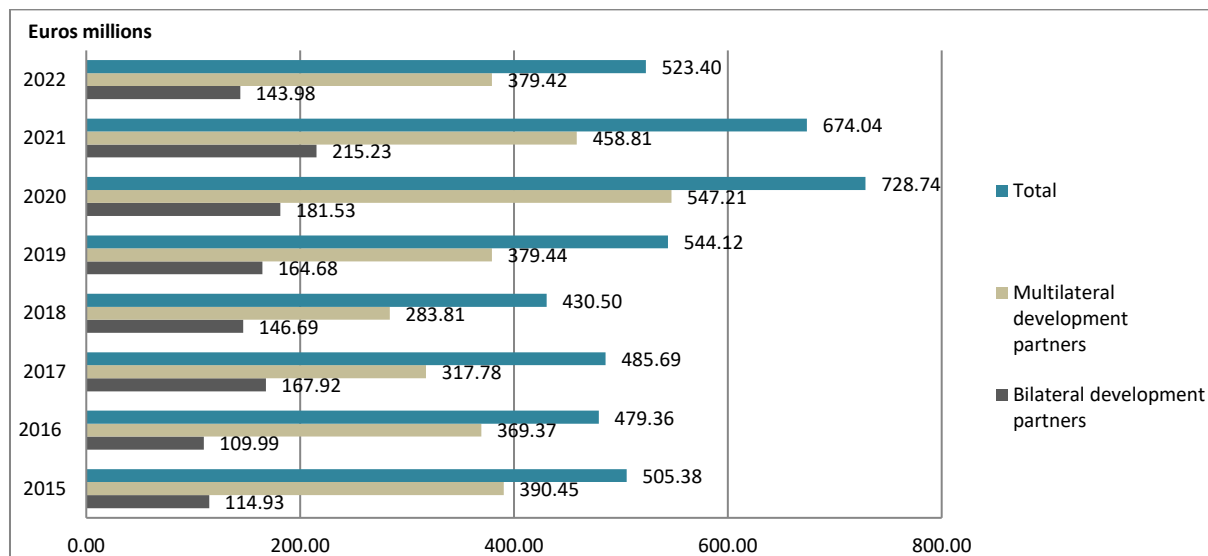


Figure 5. Participation of bilateral and multilateral development partners in total ODA disbursements per years



Participation ratio of bilateral and multilateral development partners in total ODA disbursements per years for the period 2015 – 2022 is similar to the ratio of ODA allocations, presented in Figure 4. Out of total ODA disbursements, multilateral development partners participated with 72%, while bilateral development partners with 28%.

II Overview of allocated and disbursed grants and loans per development partners

In 2022, total grant funds of € 249.70 million were allocated and € 243.70 million were disbursed. Figures 6. and 7. present allocated and disbursed grant funds by development partners, according to the amount of the invested funds. Leading development partners in 2022, who allocated i.e. disbursed largest amounts were the EU, USA/USAID, Sweden, UN, Switzerland and Croatia.

Figure 6. Allocated grant funds per development partners in 2022

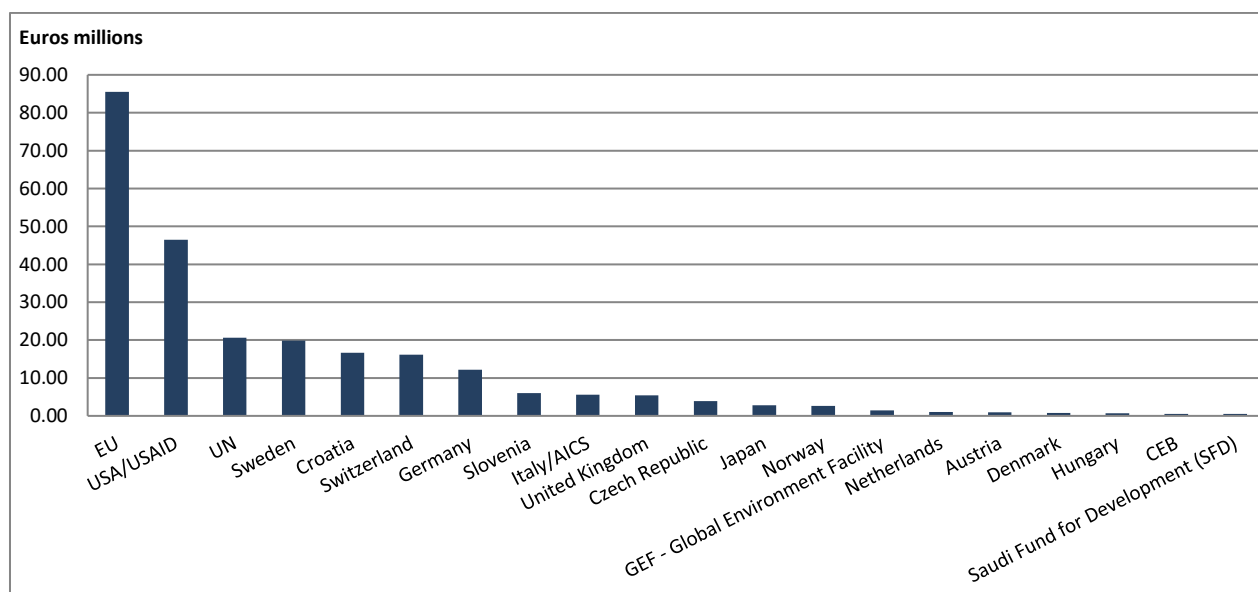
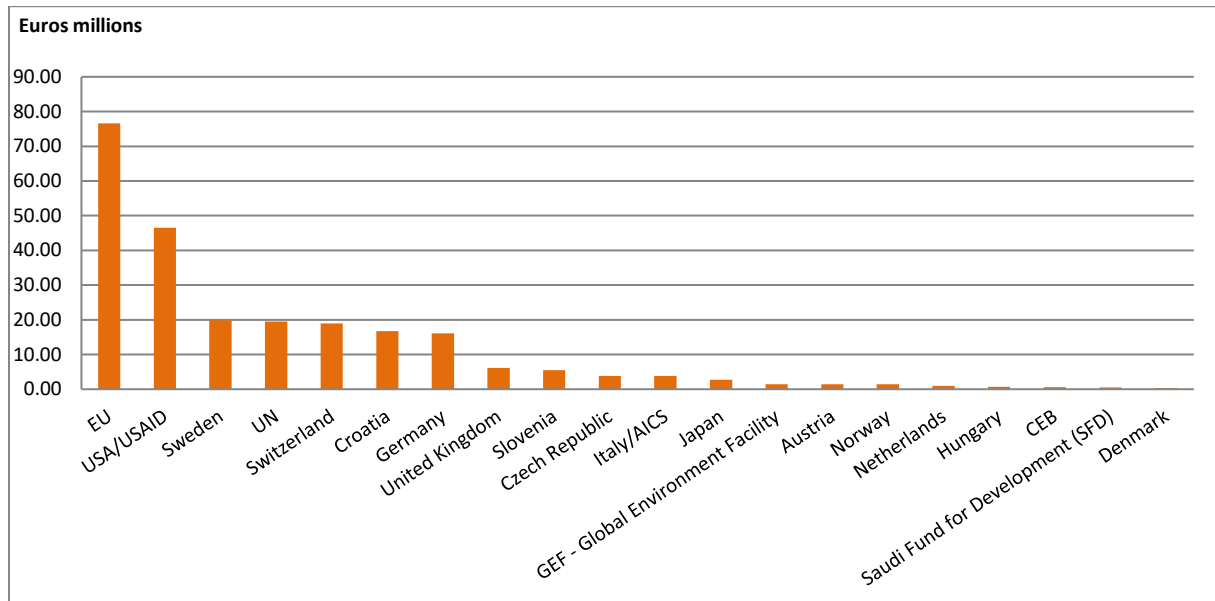


Figure 7. Disbursed grant funds per development partners in 2022



In 2022, total loan funds of € 413.06 million were allocated and € 279.70 million were disbursed.

Figures 8. and 9. present allocated and disbursed loan funds in 2022. Creditors in 2022 were the European Bank for Reconstruction and Development (EBRD), European Investment Bank (EIB), The World Bank (WB), Switzerland and Germany.

Figure 8. Allocated funds per creditors in 2022

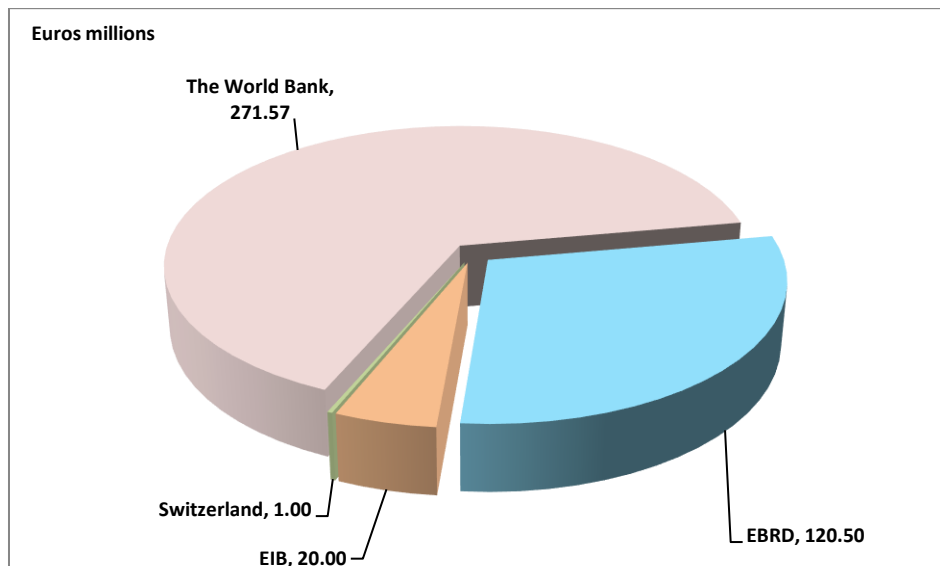
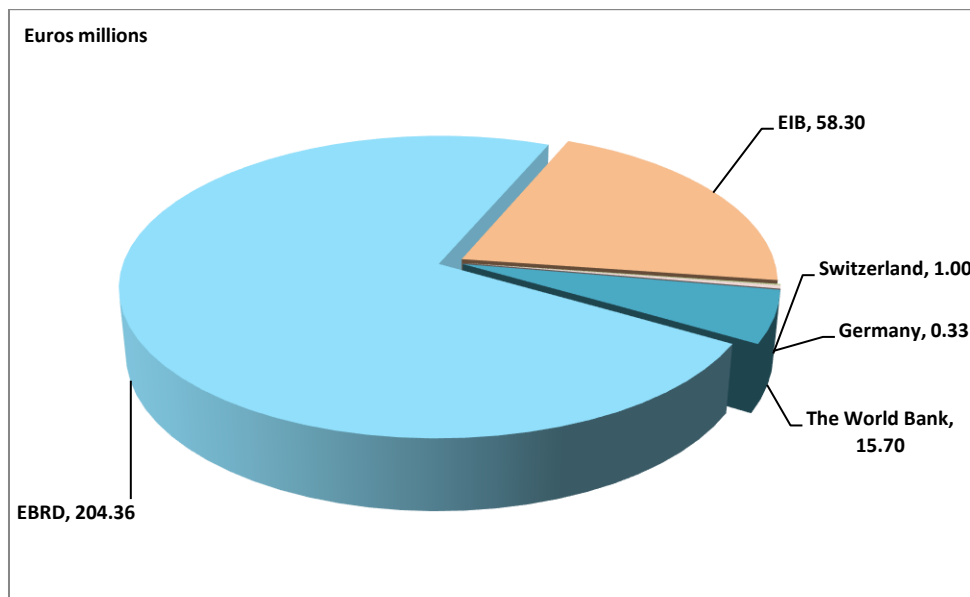


Figure 9. Disbursed funds per creditors in 2022



III Overview of ODA allocations and disbursements per sectors

In 2022, total ODA allocations in Bosnia and Herzegovina in IPA II sectors amounted to € 662.76 million, out of which € 249.70 million in the form of grants and € 413.06 million in the form of loans. (Figures 10. and 11.)

Out of total allocated funds, 85% was allocated to 5 sectors: Competitiveness and innovation 33%, Cross-cutting sector 18%, Education, employment and social policies 13% and Rule of law and fundamental rights 10% and Environment and climate action 10% while 15% was allocated in all other sectors.

Figure 10. Total ODA allocations per sectors in 2022

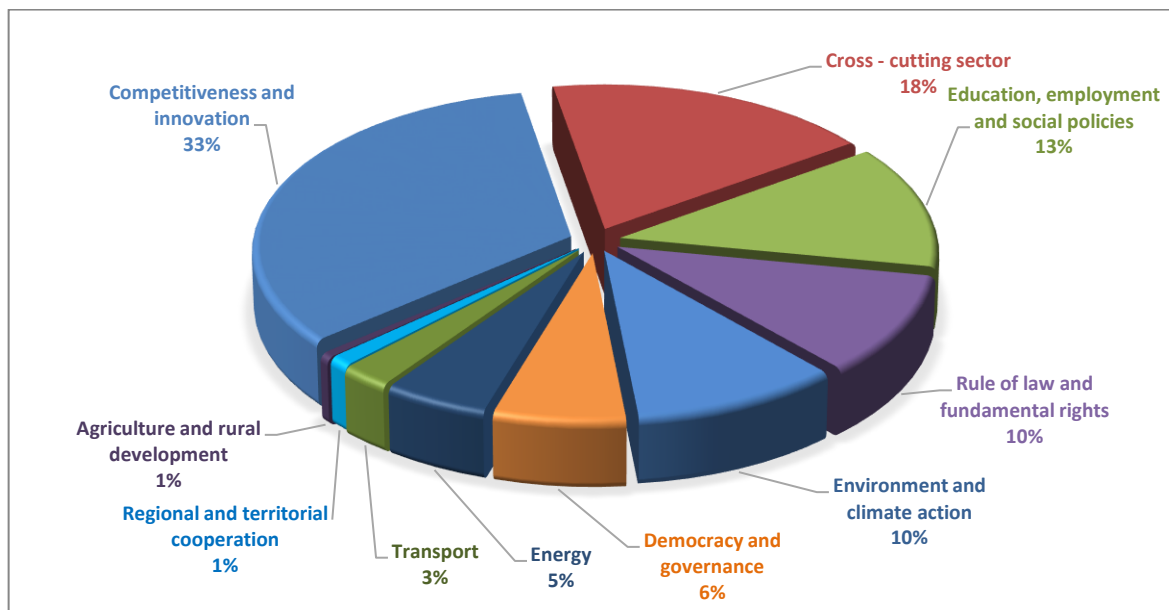
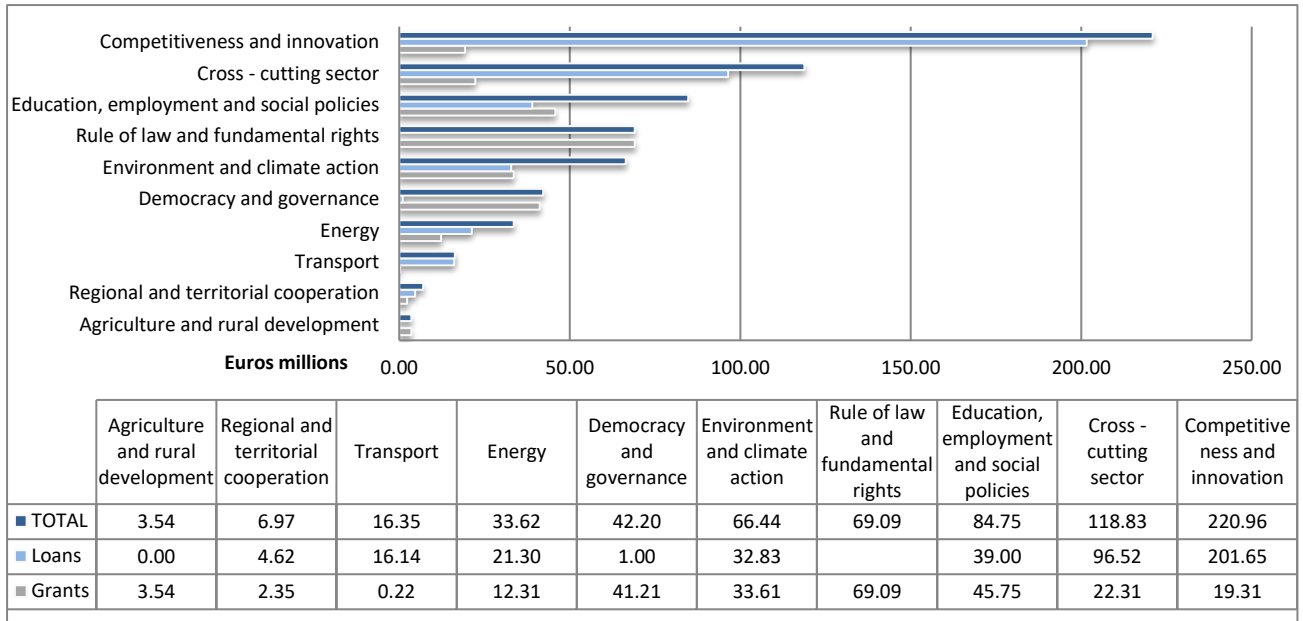


Figure 11. Participation of grants and loans in total ODA allocations per sectors in 2022



In 2022, total ODA disbursements in Bosnia and Herzegovina in IPA II sectors amounted to € 523.40 million, out of which € 243.70 million in the form of grants and € 279.70 million in the form of loans. (Figures 12. and 13.)

Out of total disbursements, 53% was disbursed to 2 sectors: Transport 29%, and Competitiveness and innovation 24%, while 47% was allocated in all other sectors.

Figure 12. Total ODA disbursements per sectors in 2022

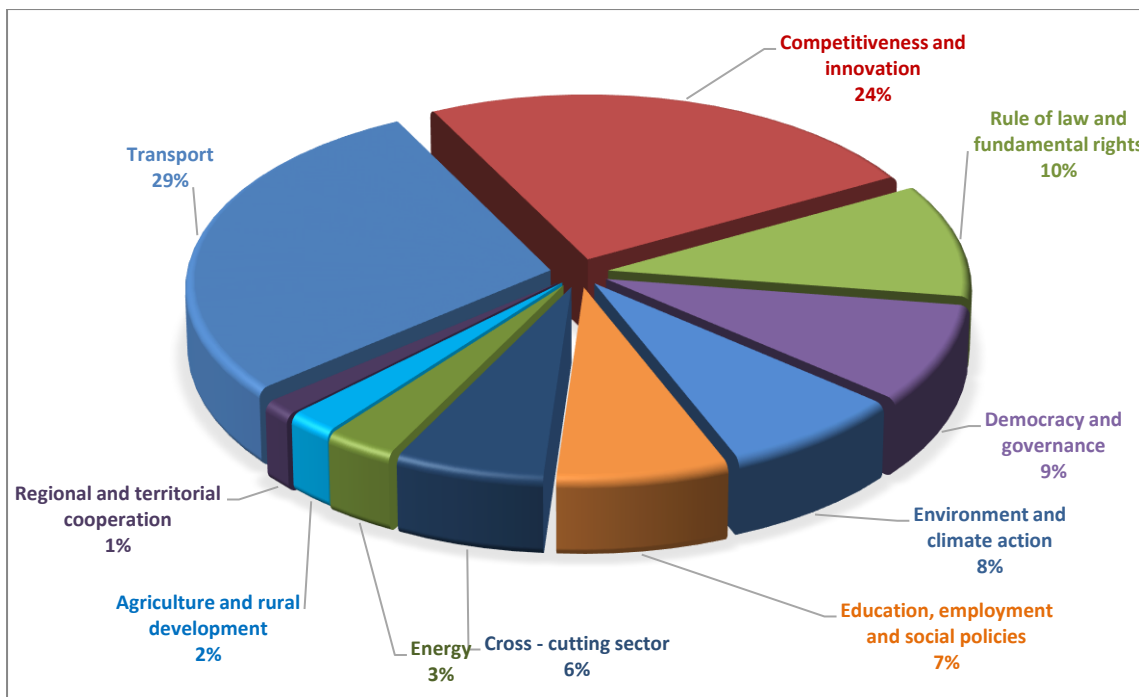
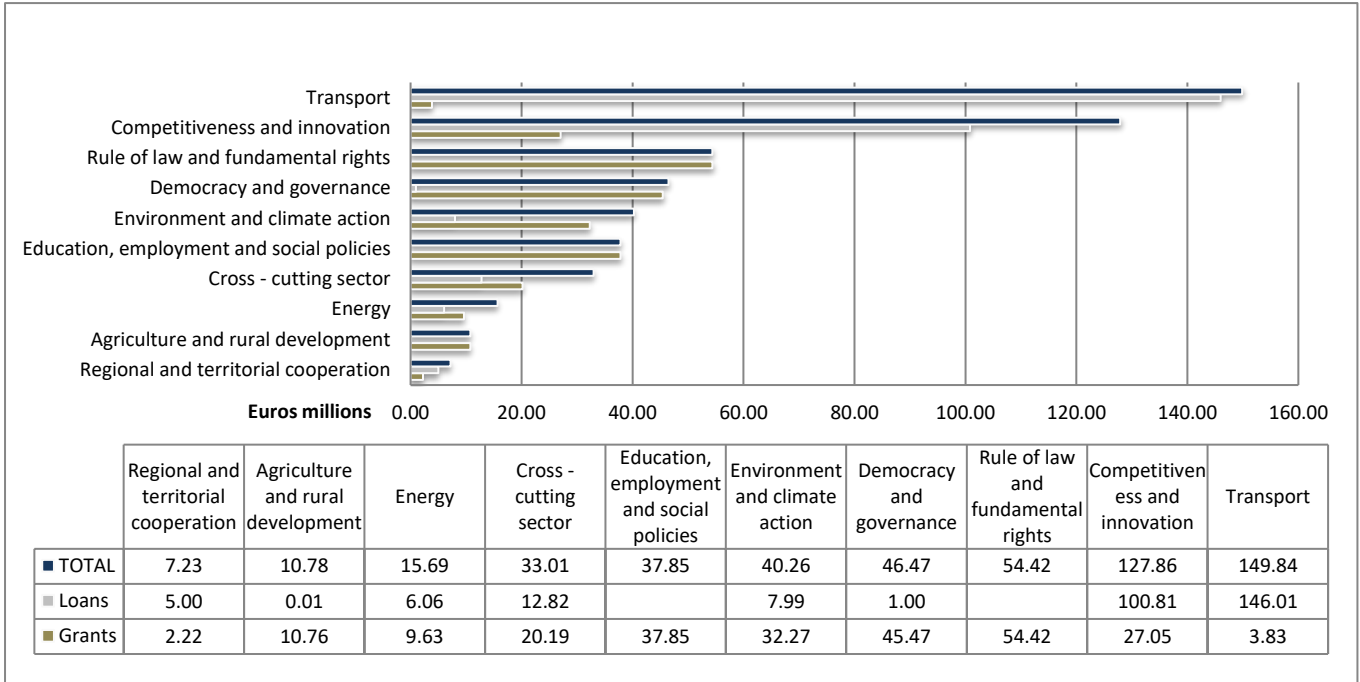


Figure 13. Participation of grants and loans in total ODA disbursements per sectors in 2022



- 1. Democracy and governance**
- 2. Rule of law and fundamental**
- 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**

<p>DCF members active in the sector in 2022</p>	<p>USA/USAID, EU, Sweden, Switzerland, UN, United Kingdom, Netherlands, Germany, Croatia, Czech Republic, Italy/AICS, Slovenia, Norway</p>
<p>Other key international organizations</p>	<p>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, Centre of Excellence in Finances, UN Population Fund, UN Children's Fund, Regional School of Public Administration, Regional Cooperation Council, Council of Europe, Western Balkans Investment Framework, <i>Deutsche Gesellschaft für Internationale Zusammenarbeit</i> (GIZ).</p>
<p>Key government partners</p>	<p>Council of Ministers of BiH; Government of the Federation of BiH; Government of Republika Srpska; Government of Brcko District 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; BiH Ministry of Foreign Trade and Economic relations; 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 of European Integration and International 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 Administration of FBiH; Tax Administration of 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 Centre; Agency for Civil Service of BiH and entity agencies for civil service; Agency for Gender Equality of BiH; Gender centres of FBiH and RS; Association of Municipalities and Cities of RS and FBiH.</p>
<p>Total allocation / disbursement to the sector in 2022 by DCF members</p>	<p>Total allocated € 42.20 million, € 41.21 million in a form of grants and € 1.00 million in a form of loans.</p> <p>Total disbursed € 46.47 million, € 45.47 million in a form of grants and € 1.00 million in a form of loans.</p> <p>Out of total ODA in 2022, 6% was allocated and 9% was disbursed in the sector.</p>

**Legal framework and
sector strategies
adopted in 2022**

The Law on the Budget of Institutions of Bosnia and Herzegovina and International Obligations of Bosnia and Herzegovina for 2022 (BiH Off. Gazette No. 42 /22); The Law on Amendments to the Law on Excise Taxes in BiH (BiH Off. Gazette No. 50 /22); The Law on Amendments to the Law on Salaries and Allowances in Institutions of Bosnia and Herzegovina (BiH Off. Gazette No. 59 /22); The Law on Changes to the Labour Law in the Institutions of Bosnia and Herzegovina (BiH Off. Gazette No. 59 /22); Decision on Temporary Financing of the Federation of Bosnia and Herzegovina for the period January - March 2022 (FBiH Off. Gazette No. 6/22); The Law on Amendment to the Law on Allocation of Public Revenues in the Federation of Bosnia and Herzegovina (FBiH Off. Gazette No. 17/22); The Law on the City of Orasje (FBiH Off. Gazette No. 17/22); The Law on the City of Lukavac (FBiH Off. Gazette No. 17/22); The Law on the City of Konjic (FBiH Off. Gazette No. 17/22); The Law on the City of Bosanska Krupa (FBiH Off. Gazette No. 17/22); The Law on the City of Zavidovici (FBiH Off. Gazette No. 17/22); The Law on the City of Stolac (FBiH Off. Gazette No. 17/22); The Law on Changes and Amendments to the Law on Pension and Disability Insurance (FBiH Off. Gazette No. 19/22); The Budget of the Federation of Bosnia and Herzegovina for 2022 (FBiH Off. Gazette No. 25/22); The Law on Free Zones in the Federation of Bosnia and Herzegovina (FBiH Off. Gazette No. 25/22); The Law on Execution of the Budget of the Federation of Bosnia and Herzegovina for 2022 (FBiH Off. Gazette No. 25/22); The Law on Extraordinary Adjustment of Pensions Achieved Under the Law on Service in the Armed Forces of Bosnia and Herzegovina (FBiH Off. Gazette No. 25/22); The Law on Changes and Amendments to the Law on Budgets in the Federation of Bosnia and Herzegovina (FBiH Off. Gazette No. 25a/22); The Law on Changes and Amendment to the Law on Early Preferential Retirement of Veterans from the Defensive-Liberation War (FBiH Off. Gazette No. 29/22); The Law on Changes and Amendments to the Law on the Rights of Veterans and Members of Their Families (FBiH Off. Gazette No. 29/22); The Law on Changes and Amendments to the Law on the Rights of Demobilised Veterans and Members of Their Families (FBiH Off. Gazette No. 29/22); The Law on Changes and Amendments to the Law on Special Rights of Recipients of War Acknowledgements and Medals and Members of Their Families (FBiH Off. Gazette No. 29/22); The Law on Financial Consolidation and Restructuring of Public Health Institutions in the Federation of Bosnia and Herzegovina (FBiH Off. Gazette No. 34/22); The Law on Changes to the Labour Law (FBiH Off. Gazette No. 44/22); The Law on Changes and Amendments to the Law on Tax Administration of the Federation of Bosnia and Herzegovina (FBiH Off. Gazette No. 44/22); The Law on Material Support for Families with Children in the Federation of Bosnia and Herzegovina (FBiH Off. Gazette No. 55/22); The Law on Changes and Amendments to the Law on Administrative Procedure (FBiH Off. Gazette No. 61/22); The Law on Amendment to the Law on Determination of Populated Settlements and on Changes in the Names of Populated Settlements in Certain Municipalities (FBiH Off. Gazette No. 61/22); The Law on Amendment to the Law on Land Registers of the Federation of Bosnia and Herzegovina (FBiH Off. Gazette No. 61/22); The Law on Organizations and Representative Organizations of Persons with Disabilities and Civilian Victims of War (FBiH Off. Gazette No. 61/22); The Law on Amendments to the Law on Land Survey and Cadastre (FBiH Off. Gazette No. 61/22); The Law on Amendments to the Law on Real Estate Survey and Cadastre (FBiH Off. Gazette No. 61/22); The Law on Changes and Amendment to the Law on Salaries and Other Allowances of Judges and Prosecutors in the Federation of Bosnia and Herzegovina (FBiH Off. Gazette No. 61/22); The Law on Changes and Amendments to the Law on Salaries of

Employees in Public Institutions in the Field of Health in Republika Srpska (RS Off. Gazette No.132 /22); The Law on Changes to the Law on Salaries of Employees in Public Services of Republika Srpska (RS Off. Gazette No.132 /22); The Law on Amendments to the Law on Contributions (RS Off. Gazette No. 132 /22); The Law on Amendment to the Law on Pension and Disability Insurance (RS Off. Gazette No. 132 /22); The Law on Changes and Amendments to the Law on the Fund and Financing of Environmental Protection of Republika Srpska (RS Off. Gazette No.132 /22); The Law on Changes and Amendments to the Law on Compulsory Health Insurance (RS Off. Gazette No. 132 /22); The Law on Changes and Amendment to the Law on Republic Administration (RS Off. Gazette No.132 /22); The Law on Changes to the Law on Salaries of Employees in Judiciary Institutions of Republika Srpska (RS Off. Gazette No. 132 /22); The Law on Changes to the Law on Salaries of Employees in the Ministry of Interior of Republika Srpska (RS Off. Gazette No. 132 /22); The Law on Changes to the Law on Salaries of Employees in the Field of Higher Education and Student Standards of Republika Srpska (RS Off. Gazette No. 132 /22); The Law on Changes to the Law on Salaries of Employees in Administrative Bodies of Republika Srpska (RS Off. Gazette No. 132 /22); The Law on Changes to the Law on Salaries of Employees in Primary and Secondary Schools and Student Dormitories in Republika Srpska (RS Off. Gazette No. 132 /22); The Law on Changes to the Law on Salaries of Employees in the Field of Culture of Republika Srpska (RS Off. Gazette No. 132 /22); The Law on Metrology in Republika Srpska (RS Off. Gazette No.132 /22); The Law on Support for Unemployed Parent of Four or More Children in Republika Srpska (RS Off. Gazette No. 132 /22); The Law on Termination of the Law on Special Republic Taxes (RS Off. Gazette No. 132 /22); The Law on Execution of the Budget of Republika Srpska for 2023 (RS Off. Gazette No. 112 /22); The Law on Changes and Amendments to the Law on Execution of the Budget of Republika Srpska for 2022 (RS Off. Gazette No.106 /22); The Law on Changes and Amendments to the Law on Legalization of Illegally Constructed Buildings (RS Off. Gazette No. 93 /22); The Law on Compulsory Health Insurance (RS Off. Gazette No. 93 /22); The Law on Changes to the Law on Salaries of Employees in Judiciary Institutions of Republika Srpska (RS Off. Gazette No. 68/22); The Law on Changes to the Law on Salaries of Employees in the Ministry of Interior of Republika Srpska (RS Off. Gazette No. 68/22); The Law on Changes to the Law on Salaries of Employees in the Field of Higher Education and Student Standards of Republika Srpska (RS Off. Gazette No. 68/22); The Law on Changes to the Law on Salaries of Employees in Administrative Bodies of Republika Srpska (RS Off. Gazette No. 68/22); The Law on Changes to the Law on Salaries of Employees in Primary and Secondary Schools and Student Dormitories (RS Off. Gazette No. 68/22); The Law on Changes to the Law on Salaries of Employees in the Field of Culture of Republika Srpska (RS Off. Gazette No. 68/22); The Law on Salaries of Employees in Public Institutions in the Field of Health in Republika Srpska (RS Off. Gazette No. 68 /22); The Law on Salaries of Employees in Public Services of Republika Srpska (RS Off. Gazette No. 68/22); The Law on Geological Surveys (RS Off. Gazette No. 64/22); The Law on Changes and Amendments to the Law on Investment Funds (RS Off. Gazette No. 64 /22); The Law on Changes and Amendments to the Law on the Securities Market (RS Off. Gazette No. 63/22); The Law on Changes to the Law on the Fund for Development and Employment of Republika Srpska (RS Off. Gazette No. 56/22); The Law on Audio-Visual Media (RS Off. Gazette No. 56/22); The Law on Amendments to the Law on Employment of Foreign Citizens and Stateless Persons (RS Off. Gazette No. 56/22); The Law on Changes and Amendment to the Law on Republic

Administration (RS Off. Gazette No. 56/22); The Law on Salaries and Allowances of Judges and Public Prosecutors in Republika Srpska (RS Off. Gazette No. 56/22); The Law on Changes and Amendments to the Law on Contributions (RS Off. Gazette No. 56/22); The Law on Changes to the Law on Income Tax (RS Off. Gazette No. 56/22); The Law on Changes and Amendments to the Law on Execution of the Budget of Republika Srpska for 2022 (RS Off. Gazette No. 53/22); The Law on Interbank Fees for Payment Transactions Based on Credit Cards (RS Off. Gazette No. 38 /22); The Law on Changes and Amendments to the Law on Domestic Payment Transactions (RS Off. Gazette No. 38/22); The Law on Changes to the Legislative Decree on the Compensation Fund of Republika Srpska (RS Off. Gazette No. 37/22); The Law on the City of Laktasi (RS Off. Gazette No. 37/22); The Law on Changes and Amendments to the Law on Tax Procedure of Republika Srpska (RS Off. Gazette No. 37/22); The Law on Changes and Amendments to the Law on Territorial Organization of Republika Srpska (RS Off. Gazette No. 37/22); The Law on Changes to the Law on Pension and Disability Insurance (RS Off. Gazette No. 15 /22); The Law on Amendments to the Law on Republic Administration (RS Off. Gazette No. 15/22); The Fiscalization Law (RS Off. Gazette No. 15/22); The Law on Determining the Origin of Property and Special Property Tax (RS Off. Gazette No. 15/22); The Law on Amendments to the Law on the Securities Market (RS Off. Gazette No. 11/22; The Law on Changes to the Law on Salaries and Other Allowances of Attorneys and Deputy Attorneys in the Public Attorney's Office of BD BiH (BD BiH Off. Gazette No. 1/22); Decision on Adoption of the Budget of BD BiH for 2022 (BD BiH Off. Gazette No. 1/22); The Law on Social Entrepreneurship of BD BiH (BD BiH Off. Gazette No. 3/22); The Law on Changes to the Law on Banks in BD BiH (BD BiH Off. Gazette No. 3/22); The Law on Lottery Games of BD BiH (BD BiH Off. Gazette No. 6/22); The Law on Changes to the Law on Public Companies in BD BiH (BD BiH Off. Gazette No. 10/22); The Law on Changes to the Law on Legal Entities Established by Brcko District (BD BiH Off. Gazette No. 10/22); The Law on Regulation of Prices in BD BiH (BD BiH Off. Gazette No. 13/22); The Law on Changes to the Labor Law of BD BiH (BD BiH Off. Gazette No. 15/22); The Law on Changes and Amendments to the Law on Audit of Public Administration and Institutions in BD BiH (BD BiH Off. Gazette No. 15/22); The Law on Changes to the Law on Bankruptcy (BD BiH Off. Gazette No. 16/22); The Law on Civil Service in Public Administration Bodies of BD BiH (BD BiH Off. Gazette No. 17/22); The Law on Salaries and Other Allowances of Judges and Prosecutors in BD BiH (BD BiH Off. Gazette No. 17/22); The Law on Income Tax (BD BiH Off. Gazette No. 17/22); The Law on Changes and Amendments to the Law on Holidays of BD BiH (BD BiH Off. Gazette No. 19/22); The Law on Amendment to the Law on Execution of BD BiH Budget for 2022 (BD BiH Off. Gazette No. 21/22); The Law on Changes to Law on Members of the Assembly of BD BiH (BD BiH Off. Gazette No. 21/22); The Law on Changes and Amendments to the Law on Salaries and Other Allowances of Attorneys and Deputy Attorneys in the Attorney's Office of BD BiH (BD BiH Off. Gazette No. 21/22); The Law on Changes and Amendments to the Law on Salaries and Other Allowances of Judges and Prosecutors in BD BiH (BD BiH Off. Gazette No. 21/22); The Law on Changes and Amendments to the Law on Salaries and Allowances of Employees in the Police of BD BiH (BD BiH Off. Gazette No. 21/22); The Law on Amendments to the Law on Salaries and Allowances of Employees in the Judiciary of BD BiH (BD BiH Off. Gazette No. 21/22); The Law on Changes to the Law on Salaries and Allowances of Budgetary Users in the Assembly of BD BiH, Electoral Commission of BD BiH and Office for Audit of Public Administration and Institutions in BD BiH (BD BiH Off. Gazette No. 21/22); The Law

on Changes and Amendments to the Law on Salaries and Other Allowances in Public Administration Bodies and Institutions of BD BiH (BD BiH Off. Gazette No. 21/22); The Law on Changes and Amendment to the Law on Income Tax (BD BiH Off. Gazette No. 21/22); The Law on Changes to the Law on Planning, Designing and Development of BD BiH (BD BiH Off. Gazette No. 21/22); The Law on Changes and Amendments to the Law on Lottery Games in BD BiH (BD BiH Off. Gazette No. 24/22); The Law on Amendments to the Law on Public Property in BD BiH (BD BiH Off. Gazette No. 36/22); The Law on Changes to the Law on Finance Directorate of BD BiH (BD BiH Off. Gazette No. 36/22); The Law on Changes and Amendments to the Law on Income Tax (BD BiH Off. Gazette No. 38/22); The Law on Changes and Amendments to the Law on Property and Other Real Rights of BD BiH (BD BiH Off. Gazette No. 44/22); The Law on Changes and Amendments to the Law on Associations and Foundations of BD BiH (BD BiH Off. Gazette No. 44/22); The Law on Changes to the Law on Income Tax (BD BiH Off. Gazette No. 45/22); The Law on Changes to the Law on Salaries and Allowances in Public Administration Bodies and Institutions of BD BiH (BD BiH Off. Gazette No. 45/22); The Law on Changes to the Law on Salaries and Allowances of Budgetary Users in the Assembly of BD BiH, Electoral Commission of BD BiH and Office for Audit of Public Administration and Institutions in BD BiH (BD BiH Off. Gazette No. 45/22); The Law on Changes to the Law on Salaries and Allowances of Employees in the Police of BD BiH (BD BiH Off. Gazette No. 45/22); The Law on Changes to the Law on Salaries and Allowances of Employees in the Judiciary of BD BiH (BD BiH Off. Gazette No. 45/22); The Law on Changes to the Law on Salaries and Allowances of Judges and Prosecutors in BD BiH (BD BiH Off. Gazette No. 45/22); The Law on Changes to the Law on Salaries and Other Allowances of Attorneys and Deputy Attorneys in the Attorney's Office of BD BiH (BD BiH Off. Gazette No. 45/22); The Law on Changes to the Law on Securities (BD BiH Off. Gazette No. 45/22); The Law on Execution of BD BiH Budget for 2023 (BD BiH Off. Gazette No. 48 /22.

Migration Profile of BiH for 2021; Economic Reform Program of Bosnia and Herzegovina 2022-2024 (ERP BiH 2022-2024); Medium-Term Debt Management Strategy of BiH for the period 2021 – 2024; Framework Budget Document of Institutions of Bosnia and Herzegovina for the period 2022-2024; Framework Budget Document of Institutions of Bosnia and Herzegovina for the period 2023-2025; Strategy for Legal Protection of the Interests of BiH in Connection with the Disposal of Radioactive Waste and Spent Nuclear Fuel at Trgovska Gora Location; Strategic Framework of BiH Institutions by 2030; Strategy for Improvement of the Public Financial Management in BiH Institutions 2021-2025; Comprehensive Strategy for Public Financial Management of Bosnia and Herzegovina 2021-2025; Strategy for Development of Human Resources in the Civil Service Structures of FBiH; Development Strategy of the Federation of BiH 2021 – 2027; Debt Management Strategy 2022 – 2024; Framework Budget Document of the Federation of BiH 2023-2025; Economic Reform Programme of Republika Srpska for the period 2023-2025; Framework Budget Document of Republika Srpska 2023-2025; Communication Strategy of Brcko District Government 2021-2024; Framework Budget Document of Bd blh 2023-2025.

Previously adopted legal framework and sector strategies are available on www.donormapping.ba

<p>Coordination among and with development partners</p>	<p>Democratic institutions: Functional exchange of information between stakeholders based on informal <i>ad-hoc</i> coordination, together with self-organized meetings between development partners.</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 development partners.</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 development partners.</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>Development partners active in the sector and BiH Institutions from all levels of government regularly attended Development Partners 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>
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Overview of activities in 2022

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. The Ministry of Finance and Treasury of BiH has retained the IPA II classification in the Development Partners Mapping Report 2022.

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.

The Council of Ministers of Bosnia and Herzegovina, at its 63rd extraordinary session held on March 23rd, 2022, adopted the Economic Reform Program of Bosnia and Herzegovina (ERP) for the period 2022-2024, which includes the medium-term macroeconomic and the fiscal framework as well as an overview of THE structural reforms in the period 2022-2024. Key reform measures in the Economic Reform Program are harmonized with the Framework for realization of the Sustainable Development Goals in BiH and include good governance and public sector management, society of equal opportunities and smart growth. National Assembly of Republika Srpska adopted the ERP 2022-2024 already in December 2021. The Government of the Federation of Bosnia and Herzegovina, at its 311th session held on April 14th, 2022, adopted the Economic Reform Program for the period 2022-2024. Key reform measures relate to economic growth and improvement of competitiveness of the Federation of Bosnia and Herzegovina.

The Government of Republika Srpska adopted the Economic Reform Program of Republika Srpska for the period 2023-2025 at the special 39. session held on February 29, 2022. National Assembly of Republika Srpska adopted the Economic Reform Program of Republika Srpska for the period 2023-2025 at the at the special 7. Session held on November 02, 2022. Durinfg 2022, coordinators from all levels of government worked on harmonization of the BiH Economic Reforms Program for the period 2023-2025 into an integral document with the aim that Republika Srpska remains clearly visible in the entire process.

The Council of Ministers of BiH, at its 57th session held on November 9th, 2022, adopted the Strategic Framework of Institutions of Bosnia and Herzegovina until 2030, with particular emphasis on goals aimed towards transparent, efficient and responsible public sector and creating society of equal opportunities. In this fashion, the implementation of the Sustainable Development Goals should be improved through the strategic goals of the Institutions of Bosnia and Herzegovina, which will represent a portfolio of guiding goals for the preparation of the Mid-Term Work Program of the Council of Ministers of Bosnia and Herzegovina and medium-term and annual planning documents of the Institutions of Bosnia and Herzegovina.

In November 2022, the sixth meeting of the Subcommittee on Economic and Financial Issues and Statistics was held between Bosnia and Herzegovina and the European Union, whereby it was concluded that increasing prices and rising inflation were also recorded in Bosnia and Herzegovina in 2022, as a consequence of the global flows. The European Commission welcomed the progress achieved in the area of financial control, particularly related to the implementation of the Internal Financial Control Strategy in the public sector in both entities. In the upcoming period, the Commission expects from the Institutions in Bosnia and Herzegovina to improve the business environment by simplifying the administrative procedures, increasing the transparency and efficiency of the public sector, and publishing complete and consistent countrywide data in timely manner, particularly in the area of public finances.

Upon the initiative of the Delegation of the European Union, and with the consent of all levels of government in Bosnia and Herzegovina, the implementation of PEFA was initiated in 2022. Public Expenditure and Financial Accountability Assessment (PEFA) is a holistic and objective methodology consisting of the set of indicators for measuring performance across 31 key components of Public Financial Management (PFM) and as such is the most comprehensive evaluation tool in the domain of public financial management.

During 2022, the Ministry of Defense of Bosnia and Herzegovina brought a series of documents that contribute to the improvement of functioning of the defense system of Bosnia and Herzegovina, and thus to the improvement of the overall democratic environment, both within the defense system of Bosnia and Herzegovina and in society as a whole. The adoption of these documents significantly contributes to the qualitative improvement of the management process function within the defense system of Bosnia and Herzegovina.

Public Administration Reform is one of the key priorities of the accession process, and public administration capable of adopting and implementing the European Union *acquis* is one of the most important prerequisites for the membership in the European Union. In the course of 2022, the activities were implemented anticipated with the Strategic Framework for Public Administration Reform in BiH 2018-2022 and the associated Action plan. However, at the same time an agreement was reached by all levels of the government in Bosnia and Herzegovina to extend the validity of the Strategic Framework for the next five years, until the end of 2027. Although the document "**Common Platform on the Principles and Implementation of the Public Administration Reform in BiH**", which would significantly facilitate reform activities in this area, was not adopted during 2022, in the reporting period activities were implemented through previously planned projects and cooperation with the development partners.

During 2022, the Ministry of Justice of Bosnia and Herzegovina included the activities from the Action Plan of the Strategic Framework for Public Administration Reform in its planning documents. Also, the Ministry of Justice of Bosnia and Herzegovina participates in the work of the Special Working Group for the Public Administration Reform, and makes its contribution by chairing it at the political level.

Public Administration Reform Coordinator's Office in BiH (PARCO) begun preparatory activities at the end of 2022, for implementation of the *EU4PAR* project, which should contribute to implementation of activities from the Strategic Framework for Public Administration Reform in BiH related to strengthening the policy-making and planning systems, improvement of public administration organization, as well as further strengthening of PAR coordination.

At the end of 2022, Public Administration Reform Coordinator's Office in BiH started the preparation of the Report on Implementation of the Action Plan of the Strategic Framework for Public Administration Reform in BiH for the period 2020-2022, and data collection was done for the first time through the new information system for monitoring and reporting (PAR M&R). Based on the preliminary data, it was concluded that some progress has been made in all five reform areas. However, in the upcoming period it will be necessary to make additional efforts on better coordination of institutions.

In cooperation with the USAID, the implementation of the E-government project in Bosnia and Herzegovina continued in 2022, which helps to harmonize the legislative and legal framework of electronic government with the European Union directives. USAID's *E-government project* provided the software, hardware and technical assistance for e-signatures, e-construction permits, inspection services, social register and public procurement processes throughout Bosnia and Herzegovina. Improvement and efficient administration will have an immediate, positive impact on citizens and businesses in Bosnia and Herzegovina.

The Council of Ministers of BiH, at its 54th session on July 28th, 2022, adopted the Proposal of the Comprehensive Public Finance Management Strategy in Bosnia and Herzegovina for the period from 2021-2025. With the adoption of the Comprehensive Strategy, Bosnia and Herzegovina fulfils its obligations in the field of European integration and at the same time follows the recommendations of the international organizations and institutions. Individual Public Finance Management strategies, adopted earlier by the competent governments, serve as the main guideline for strengthening the legal and institutional framework and the public finance management system at all levels of government, in line with the European Union requirements and the international standards. Reforms related to the management of public finances in BiH, in this strategic document, rely on six pillars, 30 measures and 278 activities, which will be implemented by the end of 2025. The adoption of this Strategy will enable the use of the budget support from the Instrument for Pre-Accession Assistance (IPA).

The Government of Republika Srpska, at its 185th session held on September 1st, 2022, and the Government of the Federation of Bosnia and Herzegovina, at its 336th session held on October 27th, 2022, adopted the Annual Report on realization of the Public Finance Management Strategy for 2021. With the adoption of these reports, in 2021 the implementation was controlled of the planned activities, and based on them, the Action Plan of measures and related activities for the next planning period was revised.

Implementation of the EUD Project ***Further Support to Public Finance Management in Bosnia and Herzegovina***, financed by the EU IPA, was realized during 2022. The beneficiaries of the Project are the Ministry of Finance and Treasury of Bosnia and Herzegovina, the Ministry of Finance of the Federation of Bosnia and Herzegovina, the Ministry of Finance of Republika Srpska and Finance Directorate of Brcko District.

The goal of the Project is to improve the Public Finance Management in BiH, through increasing the effectiveness of expenditures, with the expected results of improved program budgeting process and harmonization with the process of the medium-term policy planning at all levels of government in BiH. The Project should also enable that the capacities for human resources for planning of the program budget are strengthened at all levels of the government in BiH.

In the course of 2022, Ministry of Finance and Treasury, Ministry of Finance of Republika Srpska and the Federal Ministry of Finance of Bosnia and Herzegovina continued the establishing of the program budgeting. The program budget connects all phases in the budgeting process and improves the budgeting system in terms of ensuring the implementation of the defined strategic goals and mid-term government policies, as well as introducing the greater transparency and accountability.

During 2022, the activities that were undertaken and that contributed to the improvement in the field of the medium-term planning related to defining the program budgeting elements and the medium-term work plan of the institution, whose program classification of expenditures and expenses of the institutions of Bosnia and Herzegovina consists of the main programs, programs, program activities and projects.

During 2022, representatives of the Ministry of Finance and Treasury of Bosnia and Herzegovina, in cooperation with the DEP, worked on the amendments and changes to the Decision on the Procedure for the Medium-Term Planning, Monitoring and Reporting in the Institutions of Bosnia and Herzegovina.

In the course of 2022, in the Ministry of Finance and Treasury of Bosnia and Herzegovina, the Ministry of Finance of Republika Srpska and the Federal Ministry of Finance of Bosnia and Herzegovina, the implementation has begun of the EUD projects **Management of Public Investments for Results: Public Investment Planning and Management System - PIPMS**, within which the analysis was done of the situation (GAP analysis) of the public investment projects management system in institutions of Bosnia and Herzegovina, Republika Srpska and the Federation of Bosnia and Herzegovina. This analysis aims to provide the general analysis of the current state of the Public Investment Management (PIM) system in Bosnia and Herzegovina and provide the guidelines for further elaboration of the system's structural and technical improvements. Also, the analysis was done pertaining to the needs and the use of the Public Investment Management Information System - PIMIS. The analysis of the current situation is the starting point for drafting of the short-term and the long-term improvement plan for PIMIS.

The Council of Ministers of BiH, at its 50th session held on May 26th, 2022, adopted the Framework Budget Document of the Institutions of Bosnia and Herzegovina for the period 2022-2024, which includes the medium-term budget framework of Institutions of BiH and the preliminary draft of the budget of Institutions of Bosnia and Herzegovina for 2022, as well as estimates of expenditures for 2023 and 2024. Among other things, Framework Budget Document prioritizes the continuation of reforms related to meeting the conditions for the European Partnership, further implementation of the Stabilization and Association Agreement (SAA), and securing funds for implementation of the general elections in 2022 and local elections in 2024, as well as securing the necessary funds for implementation of the multi-annual projects of the budget users in this period.

In addition, the Council of Ministers of BiH, at its 57th session held on November 9th, 2022, adopted the Framework Budget Document of Institutions of Bosnia and Herzegovina for the period 2023-2025, which will be harmonized with the Global Framework of Fiscal Balance and Policies in BiH for the period 2023-2025. The Government of Republika Srpska, at its 176th session held on June 30th, 2022, adopted the Framework Budget Document of Republika Srpska for the period 2023–2025. The Government of the Federation of Bosnia and Herzegovina, at its 321st session held on June 30, 2022, adopted the Framework Budget Document of the Federation of BiH for the period 2023-2025.

upon adoption by the Fiscal Council of Bosnia and Herzegovina, the Government of Republika Srpska and the Government of the Federation of Bosnia and Herzegovina adopted in June 2022 their framework budget documents for the period 2023-2025.

The Parliamentary Assembly of Bosnia and Herzegovina, at its 30th session held on June 27th, 2022, adopted the budget for 2022, the National Assembly of Republika Srpska, at its 26th extraordinary session held on December 15th, 2021, adopted the budget for 2022 and the Parliament of the Federation of Bosnia and Herzegovina, at its 10th extraordinary session held on April 1st, 2022, adopted the budget for 2022.

The Parliamentary Assembly of Bosnia and Herzegovina, at its 4th emergency session held on February 29th, 2023, adopted the budget for 2023, the National Assembly of Republika Srpska, at its 37th special session held on November 2nd, 2022, adopted the budget for 2023 and the Parliament of the Federation of Bosnia and Herzegovina adopted the budget for 2023 at its 2nd emergency session held on January 27th, 2023.

The Council of Ministers of Bosnia and Herzegovina, on June 1st 2023, adopted the Public Investment Program of the Institutions of Bosnia and Herzegovina for the period 2023-2025. The Government of Republika Srpska, on February 15th 2022, adopted Public Investment Program of Republika Srpska for the period 2023-2025. The Government of the Federation of Bosnia and Herzegovina, on October 27th 2022, adopted the Public Investment Program of the Federation of BiH for the period 2023-2025.

The Federal Ministry of Finance of Bosnia and Herzegovina, adopted in 2022 the Register of Budget Beneficiaries of the Federation of Bosnia and Herzegovina, which represents the data of all budgetary administration bodies that are classified as the budget beneficiaries, and which meet the conditions prescribed by the Rulebook on Establishing and Maintaining the Register of Budget Beneficiaries of the Federation of Bosnia and Herzegovina.

The Council of Ministers of BiH, at its 54th session held on July 28th, 2022, adopted the Medium-Term Debt Management Strategy of BiH for the period 2021-2024, whereby the debt structure, debt assessment, as well as debt management goals and guidelines for reaching the set goals are presented. The Strategy was prepared on the basis of the medium-term debt management strategies of Republika Srpska, Federation of Bosnia and Herzegovina and Brcko District of Bosnia and Herzegovina.

In the area of taxation, Indirect Taxation Authority of BiH continued the drafting of the law and by-law acts that will contribute to harmonization of legislation in the field of indirect taxes with the European Union (BiH Off. Gazette, no. 47/22, 74/22, 85/22 and 87/22). The draft of the new Law on Value Added Tax of Bosnia and Herzegovina has been sent for consideration to the competent authorities, whose opinion is a prerequisite for the adoption of this law. In addition, the working group for drafting of the new Excise Law has been harmonizing the working document with the relevant EU directives.

In the course of 2022, with the amendments to the Rulebook on implementation of the Law on Value Added Tax of Bosnia and Herzegovina, the conditions were improved for using the free zones to attract investments, since the exemptions and conditions for exemption from payment of the value added tax for the delivery of goods to free zones were prescribed in more details.

During 2022, Tax Administration of Republika Srpska initiated numerous activities in order to improve the productivity through the improvement of business processes and appropriate redistribution of resources, which ultimately led to more efficient collection of public revenues. The most important

results achieved in 2022 are record collection of taxes, the reduction of tax debt and strengthening of electronic services. Significant activity that took place in 2022 is the inclusion of the Tax Administration of the Republika Srpska in the project of the Government of the Republika Srpska, ***Optimization of Administrative Procedures and Formalities at the Republic Level***.

The Tax Administration of the Federation of Bosnia and Herzegovina prepared the Report for 2022 in line with the Decree on three-year and annual work planning, monitoring and reporting in the Federation of Bosnia and Herzegovina. The Report in question includes the overview of the activities undertaken in order to realize the priority and the strategic goals, which resulted in a positive growth and development trend in all segments of activity.

In the area of customs policy, activities have continued during the reporting period on harmonizing the law and by-law regulations with the new customs regulations of the European Union (BiH Off. Gazette, no. 6/22, 35/22, 46/22, 53/22 and 64/22). From August 1st, 2022, the Decision on Enforcement of the Law on the Customs Policy in Bosnia and Herzegovina is applied as well as the New Computerised Transit System (NCTS), the trans-European customs information system that enables the exchange of data between customs authorities and economic entities through the electronic data exchange system.

In 2022, Indirect Taxation Authority of BiH participated in realization of the UN project ***Support to Implementation of the Roadmap for Sustainable Solution to Illegal Possession, Misuse and Trade of Small Arms and Light Weapons (SALW) and their Ammunition in the Western Balkans*** through activities carried out by the UNDP offices, which aimed to strengthen the capacity of border services to integrate border management in the fight against the illegal trade in small arms and light weapons, with special emphasis on strengthening the capacity of the BiH customs service.

During 2022, the European Union continued to provide support and build capacity for further harmonization of the customs and tax legislation, procedures and standards with the European Union *acquis*, which is necessary in order to create better conditions for more effective legislation and thereby contribute to more effective functioning of the Indirect Taxation Authority, particularly in the area of combating customs and fiscal frauds, as well as other negative effects on revenue collection.

In the field of statistics, implementation of the activities has continued in 2022 defined in the document ***"Strategic Directions for Development of the Statistics of Bosnia and Herzegovina 2030"***, which primarily refers to harmonization of the official statistics of Bosnia and Herzegovina with the standards of the European Union and the EUROSTAT. In 2022, Report of the European Commission on Bosnia and Herzegovina, it is stated that some progress has been made in the field of statistics, especially by completing the survey on income and living standards. In the future period, it is necessary to improve the provision of timely, comprehensive national statistics on state finances, national accounts and the labor market.

The Agency for Statistics of Bosnia and Herzegovina and the entity statistical offices conducted joint activities in 2022 on implementation of several projects of development partners, which will enable the development of the statistical system in Bosnia and Herzegovina, as well as its alignment with the best European practices.

In 2022, Republika Srpska Institute of Statistics adopted the Medium-Term Work Plan of the RS Institute of Statistics for the period 2022-2024. The Medium-Term Work Plan defines the expected goals, performance measures and results of the RS Institute of Statistics. It was adopted at the 33rd special session of the Government of Republika Srpska held on March 24th, 2022.

During 2022, the Institute for Statistics of Republika Srpska continued to improve various statistical areas within the statistics, mostly through expert support within ongoing projects, particularly the business statistics and the Statistical Business Register, Structure of Business Statistics as well as the Labor Market Statistics.

During 2022, the FBiH Statistics Institute realized the strategic goal **Production and dissemination of statistical data**. By achieving this goal, statistical research was conducted in the areas of *Demography and Social Statistics* and *Sectoral Statistics*. In the area of *Macroeconomic Statistics*, an agreement was reached on the basis of the signed Memorandum of Cooperation with the Financial - Information Agency FIA on downloading the necessary financial data from the forms of financial reports for 2022.

During 2022, the European Union provided its assistance in preparation of **the Strategic Directions in the Development of Statistics of Bosnia and Herzegovina (2030)**. The new Strategy is considered as the optimal and necessary solution considering the need to introduce the new measures and instruments to harmonize the system of official statistics and the functioning of the official statistics of Bosnia and Herzegovina through harmonization with the European legal framework.

The Agency for Statistics of Bosnia and Herzegovina, is a part of the Project **Improvement of the Statistics of Education at all Levels of the Government in Bosnia and Herzegovina**, in the statistics of higher education from the school year 2022/2023, introduced the corrected forms for students who enrolled and completed their studies in all three study cycles in Republika Srpska.

During 2022, the UN in Bosnia and Herzegovina supported the strengthening of the capacities of statistical institutions and educational authorities, thus enabling the collection of more reliable and high-quality statistical information, which improves the policy planning and budget allocation throughout the country.

The Central Bank of Bosnia and Herzegovina continued its activities during 2022 on harmonization of the statistical practice with the European and international standards and introducing the EU statistical standards and methodologies. **The Twinning project for BiH** was implemented, which improves the statistical system under which the methodology and test compilation of the monthly balance of payments and the geographical distribution of the balance of payments for respective countries are developed.

Furthermore, the Central Bank of BiH continued the implementation of the **Program for Strengthening of the Central Bank Capacities in the Western Balkans**, with a view to integrate in the European System of Central Banks, whose purpose is to strengthen the monetary and financial stability in the region through further strengthening of institutional capacities of central banks in the Western Balkans, as well as the improvement of the network of contacts and strengthening institutional dialogue. Also, with the support of the Development Instrument of the European Fund for Southeast Europe (EFSE DF), pilot project was realized of cooperation with secondary schools on implementation of the financial education, with the goal to better inform and acquire knowledge on modern technologies and digital payment possibilities available on the market of Bosnia and Herzegovina.

The Council of Ministers of Bosnia and Herzegovina, at its 54th session held on July 28th, 2022, adopted the **Report on Implementation of the Agreement between the Council of Ministers of Bosnia and Herzegovina and Non-Governmental Organizations for 2021**. This Agreement defines the priorities that will correspond better with the new challenges for Bosnia and Herzegovina and opportunities for cooperation between the Council of Ministers of Bosnia and Herzegovina and Non-Governmental

Organizations. In this regard, the cooperation between the institutions of Bosnia and Herzegovina and Non-Governmental Organizations is not the purpose in itself, but rather serves the purpose of greater participation of citizens and Non-Governmental Organizations in the processes of creation and implementation of public policies, recognizing the different but complementary roles played by BiH institutions, citizens and NGOs in this process. This creates the conditions for making the quality public policies and their effective implementation.

The Council of Ministers of Bosnia and Herzegovina, at its 57th session held on November 9th, 2022, adopted the **Action Plan for Implementation of the Initiative Partnership for Open Government**, with the accepted correction of the Ministry of Justice that this document refers to the period from 2022-2024.

During 2022, the Ministry of Justice of Bosnia and Herzegovina continued to monitor the implementation of the **Unified Rules for Legislative Drafting in Institutions of Bosnia and Herzegovina and the Rules for Consultation in Legislative Drafting** and cooperate with Civil Society Organizations when drafting policies and regulations within their jurisdiction.

The Advisory body of the Council of Ministers of Bosnia and Herzegovina held a meeting is on November 29th 2022, with the Sector for Legal Aid and Development of Civil Society, whereby it was agreed that in the forthcoming period, activities related to the preparation and drafting of the **Strategy for Creating an Incentive Environment for Development of Civil Society** will be intensified.

Special focus of the European Union during 2022 was the establishment of the strategic and institutional framework, as well as building the capacity of authorities at all levels in Bosnia and Herzegovina to involve the concerned public and civil society in the development and implementation of policies. The transparency of public financing of the civil society was additionally encouraged through the activities of the **RELOAD Project**, which is implemented by the UNDP, as well as the further adoption of the LOD methodology.

According to the European Union Report, the main obstacles in 2022 were recorded in the lack of true commitment of BiH to formulate its policies towards the civil society and improve institutional mechanisms of cooperation with the civil society, as well as the involvement of the concerned public and Civil Society Organizations in the development of policies.

In the field of public procurement, significant progress was achieved during 2022 through improvement of the legislation and development of numerous functionalities of the E-procurement system. In September 2022, **the Law on Changes and Amendments to the Law on Public Procurement of BiH** was adopted (BiH Off. Gazette, no. 59/22). The adoption of this law was an important prerequisite for drafting of the new legal document that will further harmonize the field of public procurement with the European directives and best practices. Also, the activities are underway on the development of the new **Strategy for the Development of the Public Procurement System in Bosnia and Herzegovina for the period 2023-2027**, whose adoption is expected during 2023.

During the reporting period, the BiH Public Procurement Agency continued the implementation of the **EU IPA Project Strengthening the Public Procurement System in BiH**. This Project envisaged the education for over 2000 public procurement officers in Bosnia and Herzegovina in the next two years.

Bosnia and Herzegovina concluded with the European Commission the Framework Agreement on Financial Partnership between the European Commission and Bosnia and Herzegovina on special

arrangements for implementation of the financial assistance of the Union to Bosnia and Herzegovina within the framework of the Instrument for Pre-Accession Assistance IPA III, which entered into force in September 2022.

In the course of 2022, Directorate for European Integration of BiH continued to participate in the work of the **Regional Network of Institutions Responsible for the EU integration**, which was established as a part of the GIZ Project "**Promoting the EU integration in the Western Balkans**". Within this Network, in February 2022, the Operational Plan was adopted for implementation of the planned activities in the upcoming period. The goal of this Project is to strengthen the capacity of bodies responsible for the European integration in the Western Balkans countries, in order to advance the management of the accession processes to the European Union.

The Council of Ministers of Bosnia and Herzegovina, at its 57th session on November 9th, 2022, adopted the **Action Plan** of the Council of Ministers of Bosnia and Herzegovina for implementation of the **Communication Strategy for Informing the Public on the Process of Accession of Bosnia and Herzegovina to the European Union in 2022**.

In 2022, the Directorate for European Integration of BiH was in the final phase of implementation of the database development project for monitoring, evaluation and reporting system (MERSA) and the database for harmonization with the EU regulations (LIS). The Legal Information System (LIS) was implemented with the financial assistance of Sweden, which will become operational at the beginning of 2023 and significantly improve the coordination and reporting on harmonization of regulations in Bosnia and Herzegovina with the European Union *acquis*.

In line with the Stabilization and Association Agreement regulations, Bosnia and Herzegovina and the European Union held four subcommittee meetings during 2022: the sixth meeting of the *Subcommittee on Economic and Financial Issues and Statistics* on November 14th and 15th, 2022, the sixth meeting of the *Subcommittee on Justice, Freedom and Security* on December 8th and 9th, 2022, the sixth meeting of the *Subcommittee on Innovation, Information Society and Social Policy* on October 20th, 2022 and the sixth meeting of the *Subcommittee on Agriculture and Fisheries* on June 16th, 2022.

One of the European Union support areas to IDDEEA was in the field of information technologies. During 2022, the European Union provided the funds and technical assistance in order to help IDDEEA to modernize its IT infrastructure, including the development of new software systems and implementation of the new hardware. This enabled IDDEEA to improve its services, increase efficiency and safety. The European Union has provided training and technical assistance to IDDEEA staff in order to improve their skills and knowledge in various areas, including information technology, data protection and customers support. This enabled IDDEEA to provide better services to citizens and improve its internal operations.

Investments of DCF members in 2022

DCF members active in the Democracy and governance sector in 2022 are USA/USAID, EU, Sweden, Switzerland, UN, United Kingdom, Netherlands, Germany, Croatia, Czech Republic, Italy/AICS, Slovenia, and Norway.

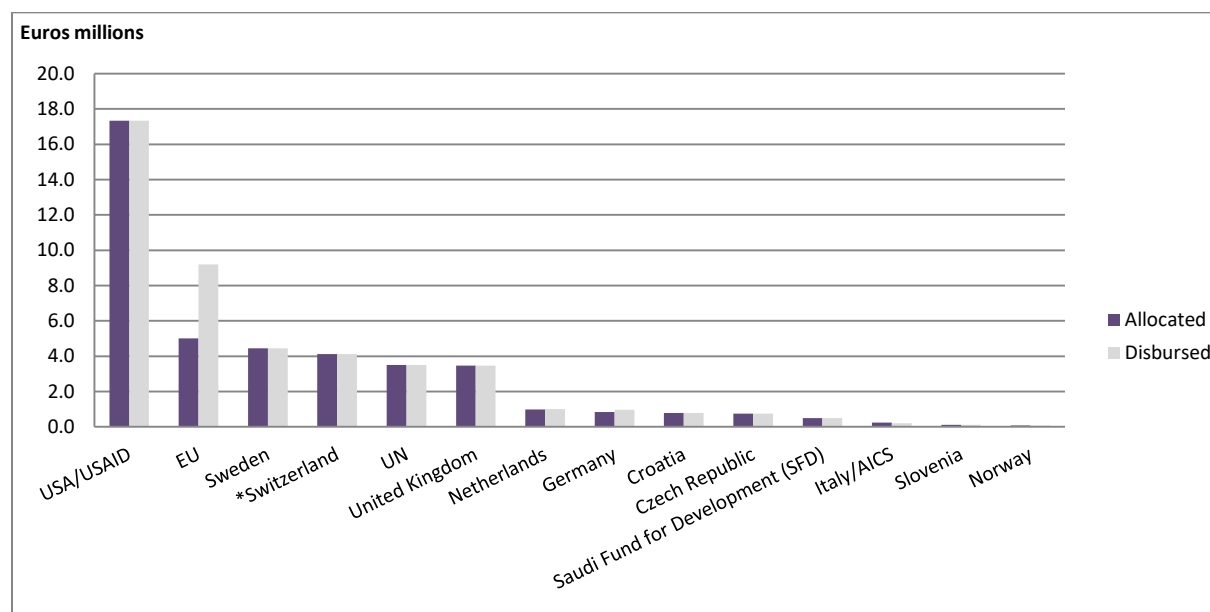
Total allocated funds of DCF members to the Democracy and governance sector in 2022 amounted to € 42.20 mil, out of which € 41.21 mil in the form of grants and € 1.00 mil in the form of loans.

Total disbursed funds for the Sector in 2022 amounted to € 46.47 mil, out of which € 45.47 mil in the form of grants and € 1.00 mil in the form of loans.

Figure 1.1. compares grants allocated and disbursed ODA grants, according to the amount of the invested funds of each individual development partner.

Leading development partners in the sector in 2022, who allocated i.e. disbursed largest amounts were USA/USAID, EU and Sweden, followed by Switzerland, UN and United Kingdom.

Figure 1.1. Allocated and disbursed grants per development partners in 2022



*Note: Switzerland loan

Figure 1.2. presents the structure of total allocated ODA funds in 2022 per sub-sectors. Democracy and governance sector consists of 11 sub-sectors.

Out of total allocated funds in 2022, 86.5% was allocated the sub-sectors: Civil society (43.6%), Democratic institutions (32.6%) and Decentralization and sub-national government (10.2%), while 13.5% was allocated in other subsectors. Sub-sectors that did not have funding are not presented in the chart.

Figure 1.2. Total allocated ODA per sub-sectors in 2022

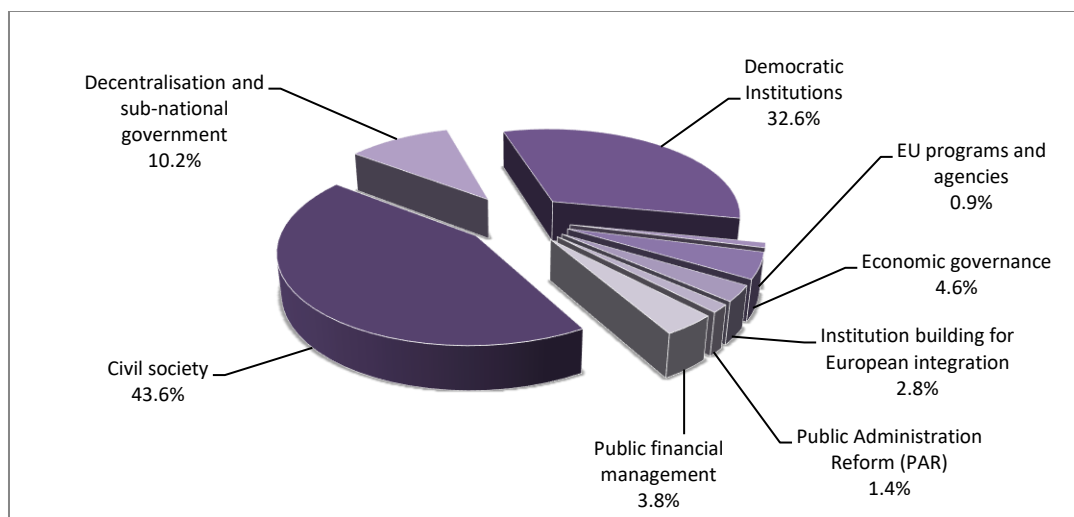
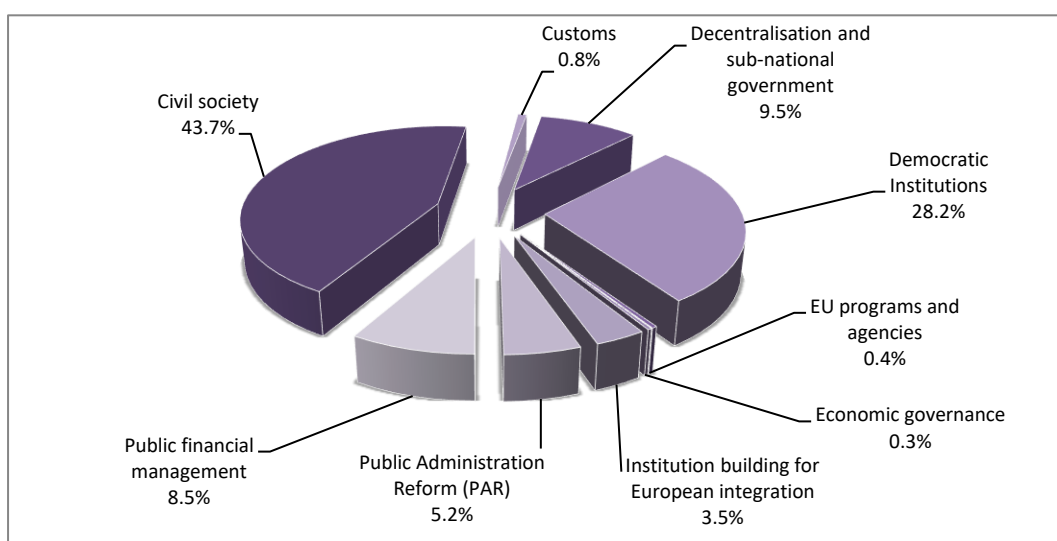


Figure 1.3. presents the structure of total allocated ODA funds in 2022 per sub-sectors.

Out of total disbursed funds in 2022, 89.9% was disbursed in the four sub-sectors: Civil society (43.7%), Democratic institutions (28.2%), Decentralization and sub-national government (9.5%), and Public financial management (8.5%), while 10.1 % was disbursed in other subsectors. Sub-sectors that did not have funding are not presented in the chart.

Figure 1.3. Total disbursed ODA per sub-sectors in 2022



Ten major projects in the sector that allocated or disbursed funds in 2022

PROJECT TITLE	Development partner	Total Project Value (mil EUR)
USAID Local Governance Assistance Activity (LGAA)	USA/USAID	11.66
Explosive Ordnance and Remnants of War Destruction Project	UN, Norway, UK, Saudi Faund for Devolpment (SFD)	11.26
Municipal Environmental and Economic Governance (MEG)	Switzerland	11.24
USAID/BiH E-governance activity	USA/USAID	10.01
USAID/BiH INSPIRE – Human Rights activity	USA/USAID	8.42
Strengthening the Role of Local Communities (MZ)	Switzerland	8.14
Strengthening the Role of Local Communities/Mjesne Zajednice in Bosnia and Herzegovina 2020–2024 (Phase II)	Switzerland, Sweden, UN	7.58
(USAID) Judiciary Against Corruption Activity	USA/USAID	7.50
(USAID) PRO Future (II) Trust, Understanding and Responsibility for the Future	USA/USAID	7.50
(USAID) Administrative support	USA/USAID	6.50

All projects are available in the Development Partners 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 as well as implementing activities to achieve further progress in the reforms crucial for the process of the European and Euro-Atlantic integration. Based on the responses of BiH Institutions from all levels of government and DCF members who participated in preparation of this Report, further efforts should be made in the following period:

- further strengthening of Public Finance Management and timely implementation of measures in the Comprehensive Public Finance Management Strategy in BiH for the period 2021-2025, as well as individual PFM strategies of all levels of government in BiH;
- provide quality, comparable and timely official statistical data as well as adapt them to the European Union standards in the areas of quality management, statistical protection and data confidentiality;
- harmonize the VAT and excise duties regulations in relation to EU regulations, in line with the dynamics of the EU accession process and the requirements of the legal and business environment in BiH;
- develop and adopt the Strategy for Development of the Public Procurement System in Bosnia and Herzegovina for the period 2023-2027;

- continue further development of electronic public procurement in BiH, as well as adopt the legislation that will enable the transposition of the EU directives on public procurement and good practices into the BiH legal system;
- fulfil the key priorities from the Opinion of the European Commission on Bosnia and Herzegovina's request for membership in the European Union, and continue activities on harmonizing the legislation of Bosnia and Herzegovina with the EU *acquis*;
- intensify the process of implementing and monitoring the implementation of the Public Administration Reform;
- in the field of customs regulations, it is necessary to adopt the legislation and bylaw legislation, with the aim to further harmonize the customs regulations of BiH with the new customs regulations of the European Union;
- undertake activities on further improvement of electronic business and communication methods with the taxpayers, expansion of the work methods and determination of the risk in taxpayers' business;
- harmonize the legislation in the field of indirect taxes with the *acquis*;
- undertake communication activities in line with the Action Plan for Implementation of the Communication Strategy for Informing the Public on BiH's Accession to the European Union.

DCF members active in the sector in 2022	EU, USA/USAID, Italy/AICS, Sweden, Norway, UN, Switzerland, United Kingdom, Czech Republic, Germany, Croatia, Slovenia
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, International Organization for Migration (IOM), UN Office on Drugs and Crime (UNODC), International Commission on Missing Persons (ICMP), Turkish International Cooperation and Development Agency (TIKA) .
Key government partners	Council of Ministers of BiH; Government of the Federation of BiH; Government of Republika Srpska; Government of Brcko District 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 Centres 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; department 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 2022 by DCF members	Total allocated € 69.09 million – in a form of grants Total disbursed € 54.42 million –in a form of grants Out of total ODA in 2022, 10% was allocated and 10% was disbursed in the sector.
Legal framework and sector strategies adopted in 2022	The Law on Protection of the Right to Trial within a Reasonable Time Before the Court of Bosnia and Herzegovina (BiH Off. Gazette No. 40 /22); The Law on Amendments to the Law on Salaries and Allowances in Institutions of Bosnia and Herzegovina (BiH Off. Gazette No. 59 /22); The Law on Changes to the Labour Law in the Institutions of Bosnia and Herzegovina (BiH Off. Gazette No. 59 /22); The Law on Changes and Amendments to the Law on Public Procurement (BiH Off. Gazette No. 59 /22); The Law on Extraordinary Adjustment of Pensions Achieved Under the Law on Service in the Armed Forces of Bosnia and Herzegovina (FBiH Off. Gazette No. 25/22); The Law on

Changes and Amendment to the Law on Early Preferential Retirement of Veterans from the Defensive-Liberation War (FBiH Off. Gazette No. 29/22); The Law on Changes and Amendments to the Law on the Rights of Veterans and Members of Their Families (FBiH Off. Gazette No. 29/22); The Law on Changes and Amendments to the Law on the Rights of Demobilised Veterans and Members of Their Families (FBiH Off. Gazette No. 29/22); The Law on Changes and Amendments to the Law on Special Rights of Recipients of War Acknowledgements and Medals and Members of Their Families (FBiH Off. Gazette No. 29/22); The Law on Organizations and Representative Organizations of Persons with Disabilities and Civilian Victims of War (FBiH Off. Gazette No. 61/22); The Law on Changes and Amendment to the Law on Salaries and Other Allowances of Judges and Prosecutors in the Federation of Bosnia and Herzegovina (FBiH Off. Gazette No. 61/22); The Law on Changes and Amendments to the Law on Administrative Procedure (FBiH Off. Gazette No. 61/22); The Law on Changes to the Law on Salaries of Employees in Judiciary Institutions of Republika Srpska (RS Off. Gazette No. 132 /22); The Law on Changes to the Law on Salaries of Employees in Judiciary Institutions of Republika Srpska (RS Off. Gazette No. 68/22); The Law on Changes to the Law on Salaries of Employees in the Ministry of Interior of Republika Srpska (RS Off. Gazette No. 68/22); The Law on Salaries and Allowances of Judges and Public Prosecutors in Republika Srpska (RS Off. Gazette No. 56/22); The Law on Amendments to the Law on Republic Administration (RS Off. Gazette No. 15/22); The Law on Changes to the Law on Salaries and Other Allowances of Attorneys and Deputy Attorneys in the Public Attorney's Office of BD BiH (BD BiH Off. Gazette No. 1/22); The Law on Changes to the Law on Infringements of BD BiH (BD BiH Off. Gazette No. 6/22); The Law on Salaries and Other Allowances of Judges and Prosecutors in BD BiH (BD BiH Off. Gazette No. 17/22); The Law on Changes and Amendments to the Law on Salaries and Other Allowances of Attorneys and Deputy Attorneys in the Attorney's Office of BD BiH (BD BiH Off. Gazette No. 21/22); The Law on Changes and Amendments to the Law on Salaries and Other Allowances of Judges and Prosecutors in BD BiH (BD BiH Off. Gazette No. 21/22); The Law on Changes and Amendments to the Law on Salaries and Allowances of Employees in the Police of BD BiH (BD BiH Off. Gazette No. 21/22); The Law on Amendments to the Law on Salaries and Allowances of Employees in the Judiciary of BD BiH (BD BiH Off. Gazette No. 21/22); The Law on Changes to the Law on Salaries and Allowances of Employees in the Police of BD BiH (BD BiH Off. Gazette No. 45/22); The Law on Changes to the Law on Salaries and Allowances of Employees in the Judiciary of BD BiH (BD BiH Off. Gazette No. 45/22); The Law on Changes to the Law on Salaries and Allowances of Judges and Prosecutors in BD BiH (BD BiH Off. Gazette No. 45/22); The Law on Changes to the Law on Salaries and Other Allowances of Attorneys and Deputy Attorneys in the Attorney's Office of BD BiH (BD BiH Off. Gazette No. 45/22).

Migration Profile of BiH for 2021; Strategy in the Field of Migration and Asylum for the period 2021-2025; Strategy of BiH for Prevention and Fight Against Terrorism for the period 2021-2026.

Previously adopted legal framework and sector strategies are available on: www.donormapping.ba

**Coordination among
and with development
partners**

Judicial Reform: Forum of Donors Annual coordination meeting organized by the BiH Ministry of Justice and BiH – EU Structural Dialogue on Justice. Development partners 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.

EUD regularly organizes meetings for coordination of international judiciary sector.

Regular bilateral coordination meetings of international and local partners.

Penitentiary Reform: *ad hoc* coordination, project-based bilateral meetings.

War Crimes: Regular bilateral coordination meetings with international and local partners, including EUD, Switzerland, USA, Ministry of Justice, Prosecutor's Offices. *Ad hoc* coordination, project-based.

Fight against Organized Crime: informal *ad hoc* coordination, project-based and mostly bilateral / multilateral, self-organizing meetings between development partners.

Fight against Corruption: regular development partners 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.

The UN maintains regular bilateral coordination meetings with international and local partners.

Police reform: informal *ad hoc* coordination, project-based.

Migration and Asylum: formal coordination of development partners is led by the Coordination body on BiH immigration issues.

Border Management and Security: Informal *ad hoc* coordination, project-based.

Roma: Roma Committee with the CoM of BiH represents formal coordination body.

Refugees and IDPs: Informal *ad hoc* coordination, project-based and mostly bilateral / multilateral

LGBTI: Informal *ad hoc* coordination, project-based.

National Minorities: informal *ad hoc* coordination, project-based.

Intercommunity Relations: informal *ad hoc* coordination, project-based.

Freedom of expression and media freedom: Informal *ad hoc* coordination, project-based.

Property Rights: Informal *ad hoc* coordination, project-based.

Data Protection: Informal *ad hoc* coordination.

Development partners active in the sector and BiH Institutions from all levels of government regularly attended Development Partners 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.

Overview of activities in 2022

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. The Ministry of Finance and Treasury of BiH has retained the IPA II classification in the Development Partners Mapping Report 2022.

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.

On December 8th and 9th, 2022, Bosnia and Herzegovina and the European Union held the sixth meeting of the Subcommittee on Justice, Freedom and Security, where European Commission representatives pointed out that the adoption of the new *Law on the High Judicial and Prosecutorial Council of BiH and the Law on the Courts of BiH* harmonized with the European standards, as well as the new Justice Sector Reform Strategy is crucial for improving the functioning of the judiciary. In Bosnia and Herzegovina, it is necessary to improve the procedures in the areas of appointment, integrity, education and evaluation of the work of judges and prosecutors and to establish a credible mechanism for verification of assets of judicial office holders.

In order to increase the degree of independence of the judiciary in Bosnia and Herzegovina, as well as to meet the recommendations of the European Commission, the dialogue has continued in 2022 at the political and technical level in the field of justice and on drafting of the Law on the High Judicial and Prosecutorial Council of Bosnia and Herzegovina.

The Council of Ministers, at its 57th session held on November 09th, 2022, adopted the **Action plan for Implementation of the "Open Government Partnership " Initiative 2021-2023**. The Action plan includes precisely defined measures and activities that the institutions of Bosnia and Herzegovina should implement by the end of 2023, focused at strengthening the transparency and openness of public authorities, involvement and empowering citizens and civil society, fight against corruption and use of the new technologies for improvement of the quality of services that public administration provides to citizens.

According to the 2022 European Union annual report, Bosnia and Herzegovina lacks political commitment in the reform of the judiciary. Poor functioning of the judicial system continues to threaten the rights of citizens, the fight against corruption and organized crime.

From December 2022, the High Judicial and Prosecutorial Council (HJPC) continued to organize regular coordination meetings with donors and international partners that provide support to the judiciary of Bosnia and Herzegovina.

In the period from December 11th to 17th, the UN Subcommittee for Prevention of Torture (SPT) visited Bosnia and Herzegovina. During the visit, they presented the steps that Bosnia and Herzegovina should take in order to effectively prevent the torture and abuse of persons deprived of their freedom. The SPT Delegation visited prisons, detention facilities and other places of deprivation of liberty.

The Council of Ministers, at its 57th session held on November 9th, 2022, adopted the ***BiH Strategy for Prevention and Fight Against Terrorism for the period 2021-2026***, whose goal is to establish at all government levels in Bosnia and Herzegovina the efficient, coherent and sustainable mechanism for prevention of terrorism, violent extremism and radicalization that lead to terrorism. The adoption of the Strategy was one of the international obligations of Bosnia and Herzegovina as a member of the United Nations, the Council of Europe, the Organization for Security and Cooperation in Europe (OSCE).

The Government of Republika Srpska, at its 180th session held on July 26th, 2022, adopted the Information on the Draft Strategy of Bosnia and Herzegovina for Prevention and Fight against Terrorism for the period 2021-2026, and the Government of the Federation of Bosnia and Herzegovina, at its 302nd session held on February 8th, 2022, adopted the Action Plan for the Prevention and Fight Against Terrorism for the period 2020 - 2025 in the Federation of Bosnia and Herzegovina.

In the area of the fight against trafficking in human beings, as part of the ***Strategy for Combating Trafficking in Human Beings in Bosnia and Herzegovina for the period 2020-2023***, adopted in 2020, all activities planned for 2022 have been implemented.

Within the framework of the Project ***Short-term and Medium-term Support for Strengthening Efforts in Combating Trafficking in Human Beings in BiH***, the implementation of which was supported by the Office for International Fight against Narcotics and Law Enforcement of the US Government (US DoS/INL), implemented by the International Organization for Migration (IOM), and all in cooperation with the Ministry of Security of BiH, the advanced mobile application was established, which will improve the assessment and more proactive identification of victims of human trafficking. The mobile application was created in order to facilitate and improve the identification of victims of human trafficking, which enables the engagement of citizens themselves in a proactive approach in identification of potential victims of human trafficking in Bosnia and Herzegovina.

In the domain of cyber security, at the end of 2022, Ministry of Security of BiH began the implementation of the Project ***"Strengthening Cyber Security in BiH"***, with the goal to improve the awareness, capacity and technical capabilities of authorities in Bosnia and Herzegovina in the fight against cyber crime, and to strengthen the authorities' capacity to find and confiscate the proceeds of cybercrime, prevent money laundering on the Internet and secure the electronic evidence. Also, the *Cyber Security Strategy of Bosnia and Herzegovina* and the *Law on the Network and Information Security* are in the drafting process.

The Government of Republika Srpska, at its 180th session held on July 21st, 2022, appointed two working groups, namely the Working group for preparation of the Action plan for the fight against cyber crime for the period 2023-2024 and the Working group for drafting the Action plan for protection of children from sexual abuse and exploitation for the period 2023-2024. Working group was also formed for drafting of the Action plan in the field of digital forensics in Republika Srpska for the period 2023-2024.

The Government of the Federation of Bosnia and Herzegovina, at its 345th session held on December 29th 2022, established the *Draft Law on Information Security of the Federation of Bosnia and Herzegovina* and submitted it in the parliamentary procedure. For the first time, this law regulates the field of information, e.g. the cyber security in the Federation of Bosnia and Herzegovina. As explained, cyber security requires a systematic and coordinated approach between the entities and all other interested parties in Bosnia and Herzegovina, with inevitable consideration of the fact that cyber space is a global category, which in its essence exceeds the framework of the entities' borders or other authorities.

For the purposes to establish the preventive system for prevention of money laundering and financing of terrorist activities through the misuse of transactions in the provision of the virtual currency services and wallet depository services, upon the initiative of the Ministry of Finance of Republika Srpska, the European Commission approved technical support via TAIEX instruments in the area of ***Transposition of the Provisions of the EU Directive 2018/843 in relation to virtual currency exchanges and wallet depository services providers***, with reference to past experiences.

In the area of the police reform, during 2022, the *Agency for Education and Professional Training of BiH* continued the activities on basic police training for level I and II cadets and professional training and development of police officers in Bosnia and Herzegovina. Also, the Agency continued harmonizing and proposing curricula in line with the needs of BiH police bodies, as well as other services and agencies in the field of security.

In the course of 2022, Ministry of Security of BiH participated in implementation of the Project ***"Harmonization of Legislation on Police Responsibility with the International Standards in the Western Balkans"***, which was implemented by the Geneva Center for Security Sector Governance (DCAF).

In the reporting period, Directorate for Coordination of Police Bodies of BiH continued to strengthen the communication, coordination and cooperation between police bodies in Bosnia and Herzegovina in line with the best practices and standards of the European Union, with the goal to combat all forms of crime as efficiently as possible. During 2022, several by-laws were adopted that should contribute to the improvement of the Directorate's work and better cooperation with the domestic and the international police authorities.

During the reporting period, State Investigation and Protection Agency (SIPA) of Bosnia and Herzegovina continued activities aimed at preventing, detecting and proving criminal offenses under its jurisdiction, as well as improving the inter-agency and international cooperation.

During 2022, SIPA implemented projects financed by the development partners, primarily by the EU, UNDP, OSCE and Interpol, which will further improve the material - technical and human capacities of police agencies in Bosnia and Herzegovina.

Considering the importance of the inter-agency cooperation, at the beginning of 2022, as part of the EU Project **"Strengthening of Inter-Agency Cooperation and Coordination in Bosnia and Herzegovina"**, the constitutive meeting was held of the Coordination Forum of Police Agencies Directors, which will further improve the cooperation at all government levels in Bosnia and Herzegovina.

In the area of asylum, significant progress was achieved during 2022, primarily through provision of the capacities and standards required for the reception of asylum seekers in Bosnia and Herzegovina, increased efficiency in the decision-making process on asylum requests, as well as the adoption of legislation in the area of asylum.

After consultations with the Ministry of Security of Bosnia and Herzegovina and the Ministry of Civil Affairs of Bosnia and Herzegovina, on May 4th, 2022, the Ministry of Human Rights and Refugees of Bosnia and Herzegovina adopted the **Rulebook on the Method of Obtaining Assistance in Integration into the Society of Bosnia and Herzegovina of Refugees and Foreigners under the Subsidiary Protection of Bosnia and Herzegovina**.

The Council of Ministers of BiH, at its 80th extraordinary session held on December 7th, 2022, adopted the **Strategy in the Field of Migration and Asylum for the period 2021-2025**, which was one of the European Commission recommendations for obtaining the candidate status for Bosnia and Herzegovina. The Strategy in the Field of Migration and Asylum will ensure the development of the quality migration and asylum system in Bosnia and Herzegovina, in line with the European Union standards and enable active participation in coordination of activities in these areas at the regional level.

During 2022, the Ministry of Security of Bosnia and Herzegovina continued the cooperation with the Hilfswerk International through the Project **Reducing Irregular Migration in the EU by Strengthening the Capacity of Structures Related to Migration in the Western Balkans**, financed by the Asylum, Migration and Integration Fund (AMIF) and the Federal Ministry of the Interior of the Republic of Austria. The mentioned project provided support in the development of the Strategy in the Area of Migration and Asylum and the Action plan for the period 2021-2025.

Moreover, the Council of Ministers of BiH adopted a number of by-law acts which further define the residence of foreign nationals in Bosnia and Herzegovina, as well as the issues of illegal migrants and provision of temporary reception centers in Bosnia and Herzegovina. The Council of Ministers of BiH, at its 56th session held on October 26th, 2022, adopted the **Rulebook on the Standards of Functioning and Other Issues Relevant for the Work of Centers for Reception and Accommodation of Asylum Seekers - the Asylum Center**, which further harmonized this area with the European directives and improved the standards for reception and accommodation of asylum seekers in BiH, and which ensured all the associated rights and procedural guarantees in the procedure.

The Council of Ministers of BiH, at its 54th session held on July 28th, 2022, adopted the **Migration Profile of Bosnia and Herzegovina for 2021**. By updating this Profile on annual level, Bosnia and Herzegovina meets one of the requirements from the visa liberalization process and provides insight into key trends in the field of migration.

During 2022, the Ministry of Human Rights and Refugees of Bosnia and Herzegovina established the **Coordination mechanism** between all stakeholders involved in implementation and provision of

adequate reception of citizens of Bosnia and Herzegovina who return to Bosnia and Herzegovina based on the readmission agreement, and ensured budgetary funds in order to support the local authorities for realization of the mentioned activity.

In line with the Report of the European Union Delegation in 2022, Bosnia and Herzegovina still faces numerous social problems, which must be resolved through improved systems of social protection and inclusion for all vulnerable people, children, people with disabilities and the elderly. Some progress has been made in terms of displacement and provision of permanent housing solutions within the Regional Housing Program.

In the area of border management, activities were underway during 2022 on implementation of the *Integrated Border Management Strategy and the Action plan for implementation of the Strategy for the period 2019-2023*. The Council of Ministers of BiH, at its 57th session held on November 9th, 2022, adopted the *Draft Law on Border Control* and referred it in the parliamentary procedure for adoption. This Law is fully aligned with the European directives, and its implementation will increase the overall level of border security, ensure the uninterrupted flow of people and goods across the border while preventing all forms of illegal actions related to crossing the state border, and reduce the threats directed towards the border security.

During 2022, Border Police of Bosnia and Herzegovina continued activities to strengthen capacity and achieve the best practices of the European Union countries, which will contribute to improving the conditions for free and uninterrupted movement of people and trade in goods across the border of Bosnia and Herzegovina. Border Police maintains and continuously increases the level of border checks and border surveillance, as well as the measures in prevention and fight against illegal migration and all forms of cross-border crime.

In cooperation with the development partners, several projects were implemented during 2022 that improved the material and technical equipment of the Border Police of Bosnia and Herzegovina, which will contribute to increasing the efficiency of border control operations and border surveillance.

The Council of Ministers of BiH, at its 49th session held on April 20th, 2022, adopted the ***Action plan of Bosnia and Herzegovina for Social Inclusion of Roma Men and Women for the period 2021-2025***, which aims to improve the social status and inclusion of Roma men and women in Bosnia and Herzegovina.

The Council of Ministers of BiH, at its 57th session held on November 9th, 2022, adopted the ***Proposal of the Framework Guidelines of Bosnia and Herzegovina for the period 2021-2025, for Implementation of the Leading Principles on Business and Human Rights***. The framework guidelines are based on three pillars that underline the duty of competent authorities to protect human rights, the obligations of the business sector to respect human rights, while the third pillar refers to access to legal remedies.

The Council of Ministers of BiH, at its 54th session held on July 7th, 2022, adopted the ***Action plan for Improvement of Human Rights and Basic Freedoms of LGBTI Persons in Bosnia and Herzegovina for the period 2021-2024***. The Action plan consists of three general goals, namely *Equal opportunities and prohibition of discrimination, Equal rights in all areas of life and Society which respects the diversity*.

During 2022, the Ministry of Human Rights and Refugees of Bosnia and Herzegovina made significant progress in implementing the *Istanbul Convention on Prevention and Protection From all Forms of*

Gender-Based Violence and Domestic Violence. The Mechanism for Prevention of Harassment and Harassment Based on Gender was established, and the first partial gender equality index was introduced in Bosnia and Herzegovina, in line with the European Union methodology.

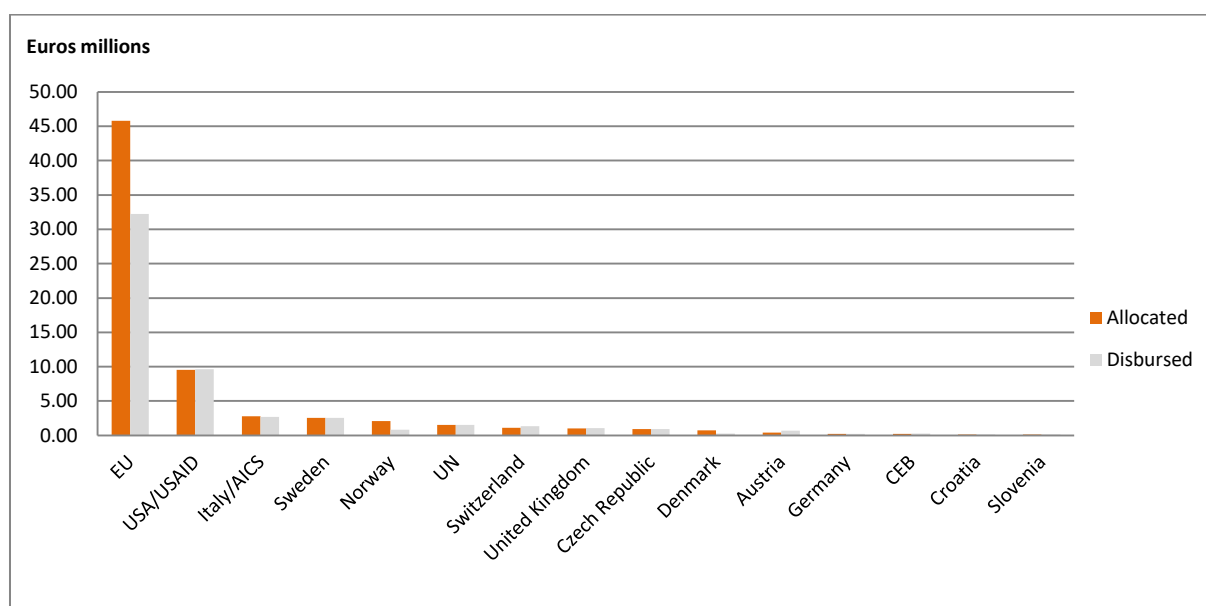
Investments of DCF members in 2022

DCF members active in the Rule of law and fundamental rights sector in 2022 are EU, USA/USAID, Italy/AICS, Sweden, Norway, UN, Switzerland, United Kingdom, Czech Republic, Germany, Croatia and Slovenia.

Total allocations of DCF members to the Sector in 2022 amounted to € 69.09 million, while total disbursements amounted to € 54.42 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 development partner. Leading development partners in the Sector in 2022, who allocated i.e. disbursed largest amounts, were the EU and USA/USAID, followed by Italy/AICS, Sweden and Norway.

Figure 2.1. Allocated and disbursed grant funds per development partners in 2022



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 2022, 92.5% was allocated in 3 sub-sectors: Migration and asylum (67.0%), Judicial reform (17.8%) and Intercommunity relations (7.7%) while the remaining 7.5 % of funds were allocated to other subsectors. Sub-sectors that did not have funding are not presented in the chart.

Figure 2.2. Total allocated ODA per sub-sectors in 2022

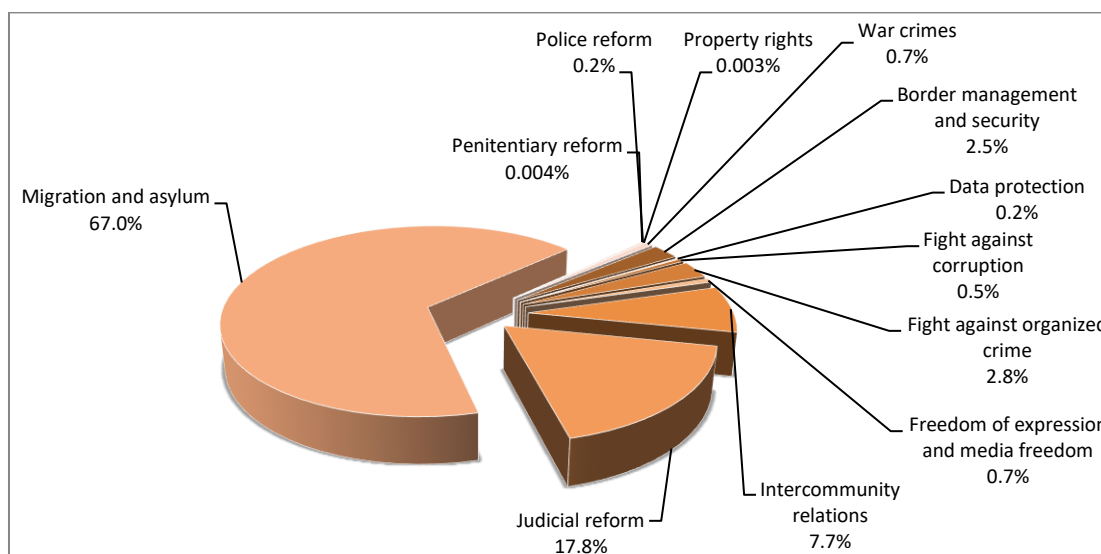
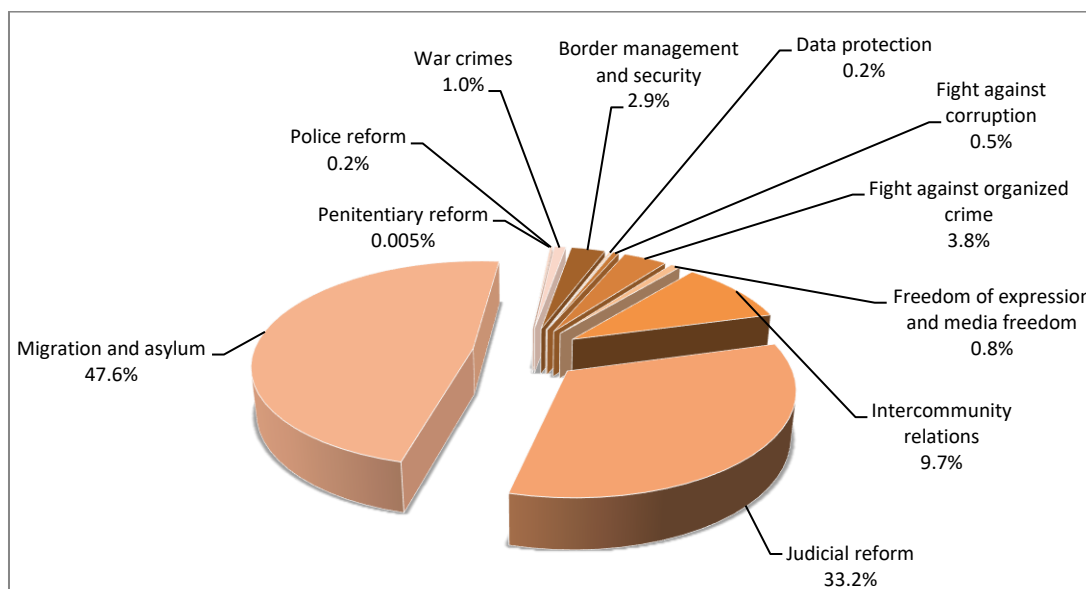


Figure 2.3. presents the structure of total disbursed ODA funds per sub-sectors in 2022. Out of total disbursed funds in 2022, 80.8% was disbursed to two subsectors: Migration and asylum (47.6%) and Judicial reform (33.2%), while remaining 19.2% of funds was disbursed to other sub-sectors. Sub-sectors that did not have funding are not presented in the chart.

Figure 2.3. Total disbursed ODA per sectors in 2022



Ten major projects in the sector that allocated or disbursed funds in 2022

PROJECT TITLE	Development partner	Total Project Value (mil EUR)
State/INL Law Enforcement Development Program	USA/USAID	45.00
Individual measure to strengthen the response capacity to manage migration flows in Bosnia and Herzegovina	EU	39.50
(NADR CWD) Department of State Demining and Small Arms Destruction Program	USA/USAID	20.00
State/INL Rule of Law Development Program	USA/USAID	20.00
OPA Fund for Interethnic Reconciliation and Youth Initiatives	USA/USAID	7.00
Building an Effective and Citizen-friendly Judiciary	EU	5.95
Support to the Judiciary in BiH	Switzerland	5.30
Improving Court Efficiency and Accountability of Judges and Prosecutors in Bosnia and Herzegovina-ICEA phase III	Sweden	4.87
EU4Justice phase II - Support to Judicial Professionalism and the Fight against Organized Crime and Corruption in Bosnia and Herzegovina	EU	4.50
Construction of Sarajevo Prison	EU	4.28

All projects are available in the Development Partners 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 the recommendations of the European Commission, further efforts should be made in the following period:

- adopt the new Law on the High Judicial and Prosecutorial Council of Bosnia and Herzegovina and the Law on the Courts of Bosnia and Herzegovina, harmonized with the European standards;
- adopt the Justice Sector Reform Strategy;
- adopt the Law on Border Control of BiH;
- adopt the Strategy for the Fight Against Corruption of Bosnia and Herzegovina and the accompanying Action plan;

- draft and adopt the BiH Cyber Security Strategy and the Law on Network and Information Security of BiH;
- proceed with the continuous and planned implementation of activities to strengthen the human and material and technical capacities of the State Investigation and Protection Agency of BiH in the fight against the most complex security challenges;
- start activities on the development of the Strategy for Integrated Border Management of BiH and the Action plan for the period 2024-2028;
- continue the fight against organized crime and terrorism;
- continue education and training activities for members of BiH police agencies.

<p>DCF members active in the sector in 2022</p>	<p>The World Bank, EU, UN, EBRD, Germany, Sweden, Japan, Czech Republic, Switzerland, Slovenia, Italy/AICS, Hungary, Croatia</p>
<p>Other key international organizations</p>	<p>Global Environment Fund, Western Balkans Investment Framework, Danish Emergency Management Agency, Organization for Security and Cooperation in Europe; Climate Change Fund; United States Agency for International Development, UN Development Programme, UN Environment Programme, Swedish International Development Cooperation Agency.</p>
<p>Key government partners</p>	<p>Council of Ministers of BiH; Government of the Federation of BiH; Government of Republika Srpska; Government of Brcko District 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.</p>
<p>Total allocation / disbursement to the sector in 2022 by DCF members</p>	<p>Total allocated € 66.44 million, € 33.61 million in a form of grants and € 32.83 million in a form of loans.</p> <p>Total disbursed € 40.26 million, € 32.27 million in a form of grants and € 7.99 million in a form of loans.</p> <p>Out of total ODA in 2022, 10% was allocated and 8% was disbursed in the sector.</p>
<p>Legal framework and sector strategies adopted in 2022</p>	<p>The Law on Changes and Amendments to the Law on the Fund and Financing of Environmental Protection of Republika Srpska (RS Off. Gazette No.132 /22); The Law on Air Protection (BD BIH Off. Gazette No. 17/22).</p> <p>Strategy for Legal Protection of the Interests of BiH in Connection with the Disposal of Radioactive Waste and Spent Nuclear Fuel at Trgovska Gora Location; Federal Environmental Protection Strategy 2022-2032; Water Management Strategy of the Federation of BiH 2022-2032; Environmental Protection Strategy of Republika Srpska for the period 2022-2032; Environmental Protection Strategy of BD BiH for the period 2022–2032.</p>

	<p>Previously adopted legal framework and sector strategies are available on www.donormapping.ba</p>
<p>Coordination with and among development partners</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 coordination of development partners. Within the framework of the new Water Alliance platform, development partners - WB, EUD, Sweden, Czech Republic, Switzerland and UNDP are coordinating their activities.</p> <p>Water Resources Management: To some extent, MoFTER is leading the coordination of development partners. <i>Ad-hoc</i> coordination among development partners.</p> <p>Waste Management: to some extent, MoFTER is leading coordination of development partners. <i>Ad-hoc</i> coordination among development partners.</p> <p>Nature Protection: to some extent, MoFTER is leading coordination of development partners. <i>Ad-hoc</i> coordination among development partners.</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 development partners in the sub-sector.</p> <p>Development partners active in the sector and BiH Institutions from all levels of government regularly attended Development Partners 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 2022

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. The Ministry of Finance and Treasury of BiH has retained the IPA II classification in the Development Partners Mapping Report 2022.

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

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

Based on the Conclusion of the Government of Republika Srpska and in line with the consent of the competent ministries of the Federation of Bosnia and Herzegovina and Brcko District of BiH, the Council of Ministers of Bosnia and Herzegovina, at its 56th session held on October 26th, 2022, adopted the ***Climate Change National Adaptation Plan of Bosnia and Herzegovina (NAP)***. The Plan will contribute to achieving the goals of the Paris Agreement and the 2030 Agenda for Sustainable Development. This strategic document defines the measures that will enable an adequate response to climate change, with better understanding of one's vulnerabilities and increasing the resilience, as well as further capacity building for the fight against climate change. The ultimate goal of the NAP is to reduce the catastrophic effects of climate change.

The Government of Republika Srpska, upon the proposal of the Ministry of Spatial Planning, Construction and Ecology, at its 194th session held on November 10th, 2022, accepted the *Information on the Fourth Report* and the *Third Biennial Report of Bosnia and Herzegovina*, in line with the United Nations Framework Convention on Climate Change, and acknowledged that they were prepared in accordance with the Paris Agreement, along with the United Nations Framework Convention on Climate Change, and gave the consent to send them in further adoption procedure.

The Council of Ministers of Bosnia and Herzegovina, at its 56th session, also adopted the ***Strategy for Legal Protection of the Interests of BiH in Connection with the Disposal of the Radioactive Waste and Spent Nuclear Fuel at Trgovska Gora Location***. The Strategy includes the legal arguments and mechanisms that institutions in Bosnia and Herzegovina may apply in an effort to prevent the disposal of the radioactive waste and spent nuclear fuel in the Čerkezovac barracks at the border with Bosnia and Herzegovina, thus eliminating the catastrophic consequences for the life and health of the citizens of Bosnia and Herzegovina.

During 2022, procedure was initiated for the adoption of the *BiH Environmental Strategy and the Action plan for the period until 2030 and onwards (ESAP BiH 2030+)*, and it is expected that the Council of Ministers of Bosnia and Herzegovina will adopt it at the beginning of 2023. The Strategy was adopted by the Government of Republika Srpska at the 195th session that was held on November 18th, 2022,

and the Government of the Federation of BiH at the 257th session that was held on February 25th, 2021, as well as Brcko District at the 79th session that was held on November 4th, 2022.

With a view to advance the implementation of the Green Agenda and achieve the climate neutrality by 2050, in July 2022 the European Union launched the regional Project **EU4GREEN** to assist the countries of the Western Balkans in transition to modern, resource-efficient and competitive economies.

In 2022, activities were aimed at Bosnia and Herzegovina's compliance with the international obligations towards environmental and climate protection. The Ministry of Spatial Planning, Construction and Ecology of Republika Srpska and the Federal Ministry of Environment and Tourism were assigned with specific responsibilities towards adherence to commitments assumed by signing the following agreements: the *Convention on Biological Diversity*, the *Vienna Convention on the Protection of the Ozone Layer*, the *Montreal Protocol on Substances that Deplete the Ozone Layer* and the *Basel Convention on Control of Transboundary Transport of Hazardous Waste*. Within the framework of the Authorized DNA nad NAMA body during 2022, Bosnia and Herzegovina worked on implementation of the provisions of the Kyoto Protocol and the Paris Agreement.

In the course of 2022, the implementation has continued of the project **Support to Risk Management and Flood Protection**, which aims to develop the flood risk management plans across the entire territory of Bosnia and Herzegovina, as well as development of planning documents on erosion protection in Republika Srpska, the Federation of Bosnia and Herzegovina and Brcko District and project documentation for flood protection infrastructure facilities. The Project is financed by the European Union.

The Government of the Federation of Bosnia and Herzegovina, at its 331st session, held on September 15th, 2022, adopted the **Water Management Plan for Sava Basin River in the Federation of Bosnia and Herzegovina for the period 2022-2027**. The Plan is implemented on the basis of the results determined by the strategic study, which determines, describes and evaluates the expected significant effects on the environment that may be caused by the implementation of the plan in connection with environmental protection.

In the field of civil protection, at the end of 2022, the first implementation phase was completed of the Project "**Reducing Risk of Disasters for Sustainable Development in BiH**", which included 10 local communities in Bosnia and Herzegovina most exposed to disaster risks (landslides and floods). During 2023, the second implementation phase of this Project will continue, which has the goal to establish the relevant management structures and mechanisms for disaster risk reduction at all levels of government in Bosnia and Herzegovina. The Project is jointly financed by the Government of Switzerland and the United Nations, and implemented by the United Nations agencies in Bosnia and Herzegovina.

The progress was made in Bosnia and Herzegovina in 2022, by establishing a database in the field of protection and rescue, response to natural or other disasters, disaster risk reduction, international and regional cooperation.

Based on the document of the Environmental Strategy of Bosnia and Herzegovina - BiH ESAP, the Government of Republika Srpska, at its 195th session held on November 11th, 2022, adopted the **Environmental Protection Strategy in Republika Srpska for the period 2022-2032**. The Government of the Federation of Bosnia and Herzegovina, at its 328th session that was held on August 25th, 2022,

adopted the *Environmental Protection Strategy for the period 2022 - 2032*. In August 2022, Brcko District adopted the *Environmental Protection Strategy for the period 2022-2032*. The strategies are harmonized with the regulations of the European Union and international agreements in the field of environmental protection.

During 2022, the Project ***Environmentally Acceptable Management of Persistent Organic Pollutants in the Industrial and Hazardous Waste Sector*** was implemented in Bosnia and Herzegovina. The Project was financed by the Government of Sweden and implemented by the UNDP. The Project included solutions to the by-laws on implementation of the Stockholm Convention at the level of Bosnia and Herzegovina. By-laws were presented to the institutions of Bosnia and Herzegovina, however, they were not accepted by the institutions in the Government of Republika Srpska as well as in the part of the institutions in the Government of the Federation of Bosnia and Herzegovina.

During 2022, the Ministry of Health and Social Protection of Republika Srpska has been working on the implementation of the REACH/CLP/BRP regulation on the development of appropriate sustainable software solutions for managing the Integral Inventory of Chemicals, Archiving and Digitization in line with the European Union guidelines.

In order to accelerate the green transition during 2022, the United Nations continued to provide the support for climate actions in Bosnia and Herzegovina, with the goal to increase the development results in the areas of energy efficiency and renewable energy, decarbonisation and disaster risk management.

The Council of Ministers of Bosnia and Herzegovina, at its 57th session that was held on November 9th, 2022, adopted the ***Information on Implementation of the Goal E of the Sendai Framework for Disaster Risk Reduction 2015 - 2030***, which refers to the implementation of commitments arising from the Sendai Declaration and the Goal E of the Framework for Disaster Risk Reduction 2015 - 2030.

In September 2022, the Agreement on the European Union Civil Protection Mechanism (UCPM) was signed in Sarajevo. Membership will significantly strengthen the capacities of Bosnia and Herzegovina in the field of protection and rescue and readiness for a more effective response to natural disasters.

During 2022, the United Nations developed the plans for Disaster Risk Reduction (DRR) in the territory of Bosnia and Herzegovina in case of emergency situations, giving priority to early warning systems and raising awareness among different communities. The digital disaster risk assessment system was handed over to entity civil protection authorities. Three cities developed local strategies for disaster risk reduction, while five local governments joined the global initiative ***Making Cities Resilient 2030***, and a local platform for disaster risk reduction was established in Central Bosnia Canton.

Investments of DCF members in 2022

DCF members active in the Environment and climate action sector in 2022 are The World Bank, EU, UN, EBRD, Germany, Sweden, Japan, Czech Republic, Switzerland, Slovenia, Italy/AICS, Hungary and Croatia.

Total allocations of DCF members to the Sector in 2022 amounted to € 66.44 million, out of which € 33.61 million in the form of grants and € 32.83 million in the form of loans.

Total disbursements to the Sector in 2022 amounted to € 40.26 million, out of which € 32.27 million in the form of grants and € 7.99 million in the form of loans.

Figure 3.1. compares grants allocated and disbursed per development partners, according to the amount of invested funds. Leading development partners in the Sector in 2022, who allocated i.e. disbursed largest amounts were EU, UN, Germany and Sweden.

Figure 3.1. Allocated and disbursed grant funds per development partners in 2022

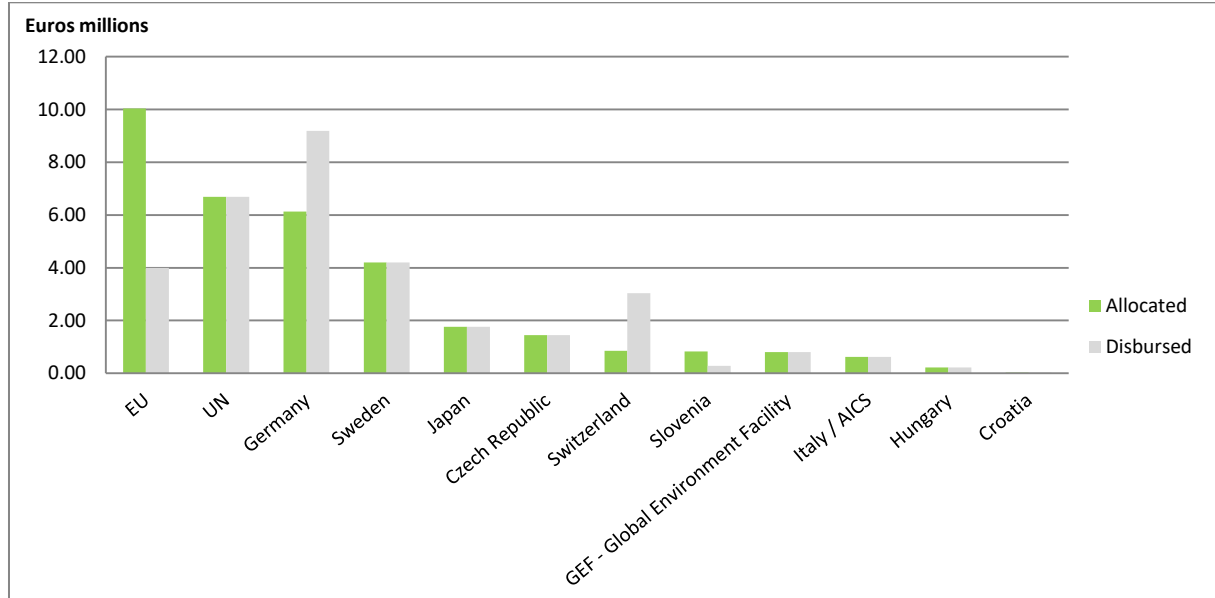


Figure 3.2. presents allocation and disbursement of loans in 2022. The World Bank allocated € 26.33 million and did not have any disbursements, while EBRD allocated € 6.50 million and disbursed € 7.99 million.

Figure 3.2. Allocated and disbursed loans per creditors in 2022

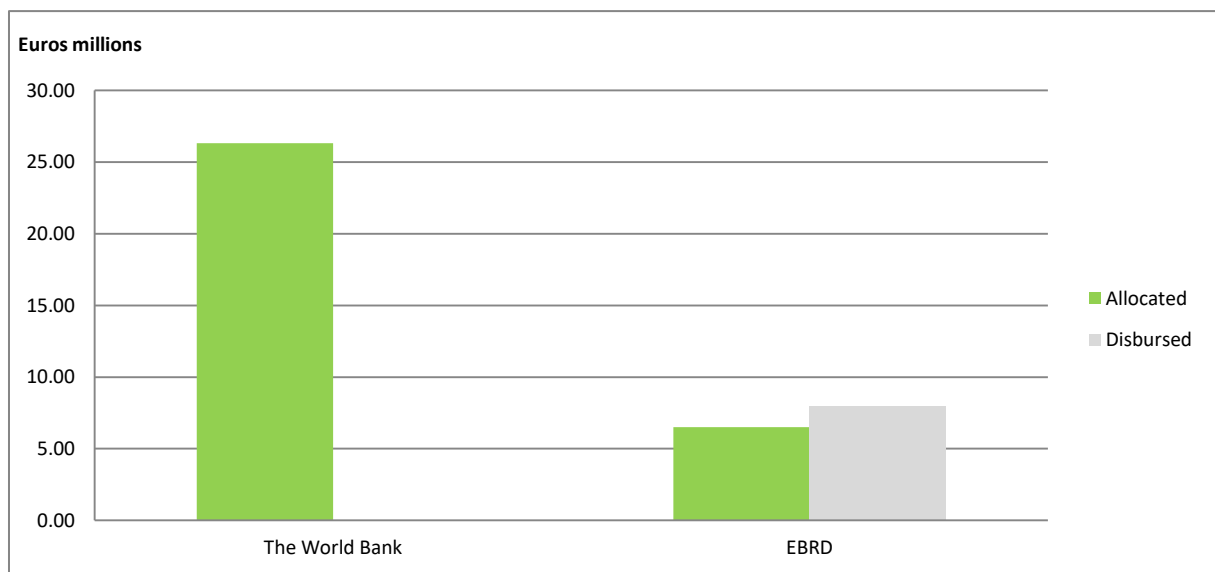


Figure 3.3. presents the structure of total allocated ODA funds per sub-sectors.

Out of total allocated funds in 2022, 83.5% was allocated in 3 sub-sectors: Water supply and waste water (57.7%), Civil protection (16.8%) and Environment horizontal standards (9.0%). The remaining 16.5% of funds were allocated to other sub-sectors. Sub-sectors that did not have funding are not presented in the chart.

Figure 3.3. Total allocated ODA per sub-sectors in 2022

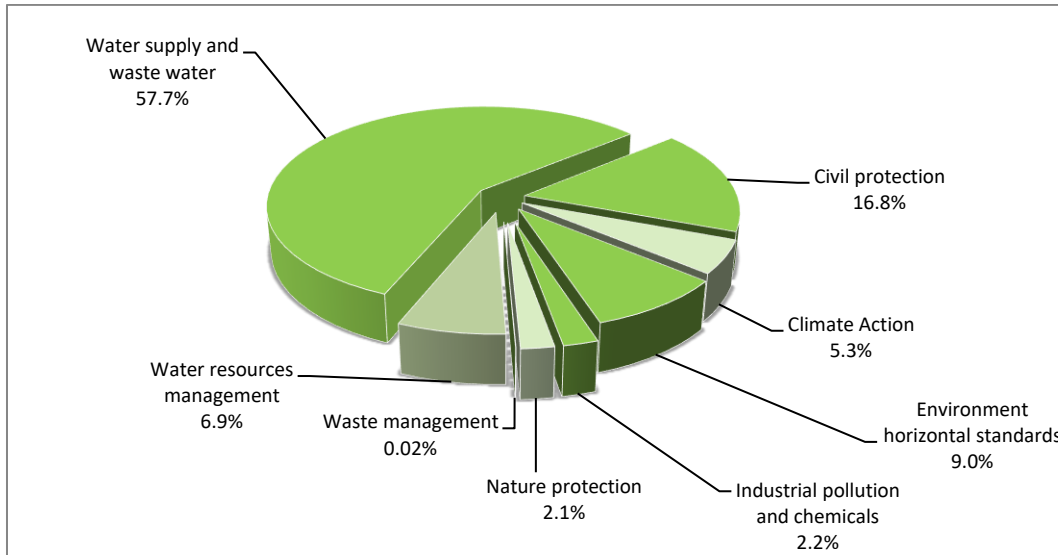
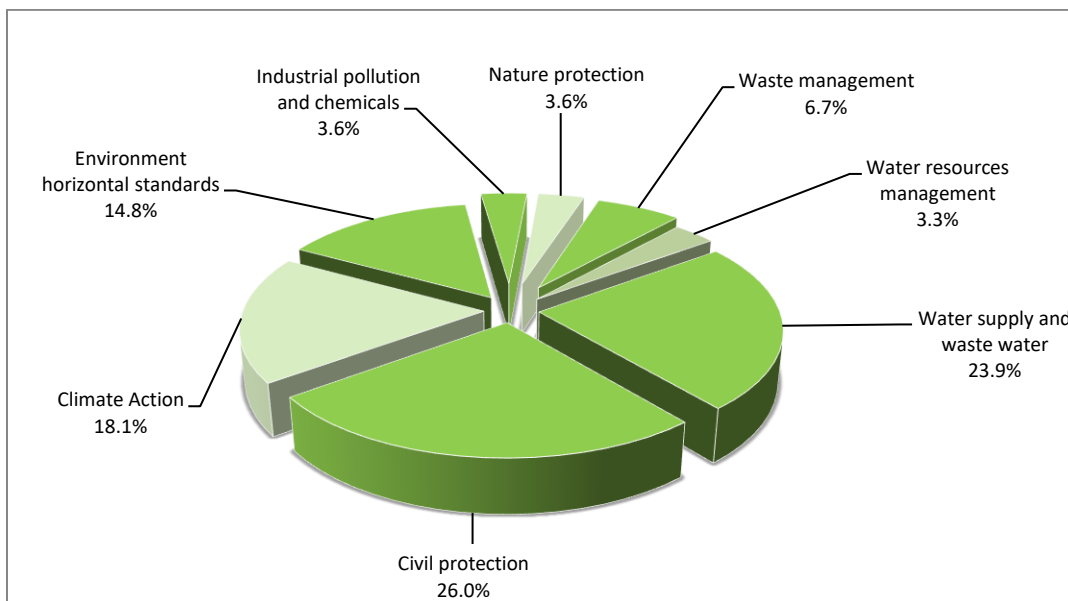


Figure 3.4. presents the structure of total disbursed ODA funds per sub-sectors in 2022.

Out of total disbursed funds in 2022, 50.0% was disbursed in two sub-sectors: Civil protection (26.0%) and Water supply and waste water (23.9%). The remaining 50.0% of funds were allocated to other sub-sectors. Sub-sectors that did not have funding are not presented in the chart.

Figure 3.4. Total disbursed ODA per sub-sectors in 2022



Ten major projects in the sector that allocated or disbursed funds in 2022

PROJECT TITLE	Development partner	Total Project Value (mil EUR)
Water Supply and Sanitation Modernization Project	The World Bank	51.50
Water Supply and Waste Water Program in BiH II	Switzerland	24.37
Green Economic Development – Environment	UN	19.64
Credit Program for energy efficiency improvements in residential housing	Germany	18.50
WASTE WATER COLLECTION AND TREATMENT ZENICA	Switzerland, Germany	18.29
Waste Water Collection and Treatment in Gradiska	Switzerland, Germany	14.07
Mitigation of the impact of COVID-19 on MSMI (MICMSMI)	Germany	11.00
Scaling-up Investment in Low-Carbon Public Buildings	UN	10.59
GrCF - Sarajevo Water	EBRD	10.00
GrCF2 W2 - Brcko Water	EBRD	6.50

All projects are available in the Development Partners 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 and DCF members who participated in preparation of this Report, as well as the recommendations of the European Commission, further efforts should be made in the following period:

- adopt the Environmental Strategy and Action Plan of BiH 2030+;
- prepare and adopt the Disaster Risk Reduction Strategy of Bosnia and Herzegovina 2021-2025;
- improve the strategic and planning framework for integral water management in BiH;
- harmonize the strategic and legal framework in the field of environmental protection management with the European legislation, achieve satisfactory level of implementation of strategic documents, and implement the signed conventions and protocols;
- continue activities on implementation of the Strategy for Approximation of Regulations to the EU *acquis* in the field of environmental protection of BiH, and accordingly improve the legal framework, strengthen the administrative capacities and improve the coordination of institutions from all levels of government in BiH;
- revise by-laws and further alignment with the European Union regulations in the field of chemicals and biocides.

DCF members active in the sector in 2022	EBRD, EIB, EU, The World Bank, Japan
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), EU Agency for Railways (ERA)
Key government partners	Council of Ministers of BiH; Government of the Federation of BiH; Government of Republika Srpska; Government of Brcko District BiH; 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 2022 by DCF members	Total allocated €16.35 million – out of which € 0.22 million in a form of grants and € 16.14 million in a form of loans. Total disbursed € 149.84 million – out of which € 3.83 million in a form of grants and € 146.01 million in a form of loans. Out of total ODA in 2022, 3% was allocated and 29% was disbursed in the sector.
Legal framework and sector strategies adopted in 2022	The Law on Changes to the Law on Road Transport of the Federation of Bosnia and Herzegovina (FBiH Off. Gazette No. 44/22); The Law on Changes and Amendments to the Law on Railroads of Republika Srpska (RS Off. Gazette No. 56/22); The Law on Changes and Amendment to the Law on Public Company "Luka Brcko" BD BiH (BD BIH Off. Gazette No. 44/22). Previously adopted legal framework and sector strategies are available on www.donormapping.ba
Coordination with and among development partners	<p>The EU Delegation coordinates all development partners active in this sector. Currently there is no mechanism for coordination of development partners in the 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 development partners.</p> <p>Development partners active in the sector and BiH Institutions from all levels of government regularly attend Development Partners 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 2022

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. The Ministry of Finance and Treasury of BiH has retained the IPA II classification in the Development Partners Mapping Report 2022.

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.

Bosnia and Herzegovina is implementing its *Framework Transport Strategy for the period until 2030*. The Framework Transport Strategy of Bosnia and Herzegovina is a planning document for the transport and infrastructure network in Bosnia and Herzegovina and it includes the structural proposals for the development of the transport sector and programs for capacity building in order to harmonize with the long-term goals and the European Union strategic documents in the field of transport. However, the development of the transport sector and the speed of structural adjustment and reforms are insufficient and slow. Necessary investments in 2022 have been delayed due to the political deadlocks and a lack of coordination and cooperation between all levels of government, resulting in a lack of focus on the key priorities.

During 2022, the Ministry of Communications and Transport of Bosnia and Herzegovina, in order to improve the transport sector, undertook and completed the activity directed at improving the *Framework Transport Strategy and the accompanying documents*. The activity was implemented on the basis of the Agreement with the European Commission. The updated Framework Strategy covers all types of traffic.

The Ministry of Communications and Transport of Bosnia and Herzegovina, in its' *Medium-Term Work Plan for the period 2023-2025*, stated that the strategic goal of the Ministry is "*Balanced regional development*", which will reduce the social and economic development inequalities between regions, enable all areas to become competitive and establish the framework for coordinated national, regional and local initiatives. Developed transport system facilitates and encourages the mobility of people and goods, and by reducing traffic isolation, it enables productivity growth and creates the prerequisites for balanced regional development.

In Republika Srpska, in 2022 following transport efficiency solutions were achieved: the sale of transport tickets via the Internet was regulated, the rights of passengers in public regular transport was improved, the offline transport of persons was improved in terms of carrying out the transport, concluding contracts, boarding and disembarking of passengers, inspection supervision was improved, illegal transport of persons was suppressed and the participation of carriers based in the Federation of Bosnia and Herzegovina and Brcko District at the territory of Republika Srpska.

In the course of 2022, the Directorate for Civil Aviation of Bosnia and Herzegovina carried out activities on the development and implementation of the regulatory framework in the field of civil aviation, and passed several regulations in this area. Considering that Bosnia and Herzegovina is a signatory to the *Multilateral Agreement on Establishment of a European Common Aviation Area*, statutory legislation is harmonized with current European directives.

According to the Report of the European Commission, during 2022 the Law on Civil Aviation was not harmonized with the requirements of the European Common Aviation Area. (ECAA). Bosnia and Herzegovina Air Navigation Services Agency (BHANSA) is operational. However, according to the European Union Aviation Safety Agency (EASA), there is a chronic lack of adequately trained and qualified personnel and a setback in institutional arrangements within the Directorate for Civil Aviation of Bosnia and Herzegovina (BHDCA), which increases the risk in terms of the security oversight.

The National Assembly of Republika Srpska, at its' 56th session, held in June 2022, adopted the ***Law on Changes and Amendments to the Law on the Railways of Republika Srpska***. This law regulates the management, elements and types of the railway infrastructure, obligations of the railway manager, as well as the access and its use, the capacity of infrastructure and the allocation of the train route and fees for its use, construction, reconstruction and maintenance of the railway infrastructure, construction of railway objects and facilities, crossing of railway tracks and roads as well as the transport in railway traffic.

The Government of the Federation of Bosnia and Herzegovina, at its 323rd session, held on July 2022, passed the ***Decision on the Approval of the Business Plan of the Public Railway Company of the Federation of Bosnia and Herzegovina for the year 2022***.

The Railways of Republika Srpska successfully operated in 2022 in terms of transporting goods and passengers as well as reducing emergency incidents on the railways and road crossings. During 2022, operating performance of the Railways of Republika Srpska can be considered positive, taking into account all the limitations that conditioned the business environment.

The Railways of the Federation of Bosnia and Herzegovina, according to the operating performance during 2022, achieved the best financial results in the last 30 years. The key factors for the increase in the company's income refer to the increase in income from the traffic of goods, traffic of passengers, provision of services on the railway and rental of locomotives and wagons.

At the end of 2022, the Agreement was signed between Bosnia and Herzegovina and the European Bank for Reconstruction and Development for modernization of the Brcko Port. The respective grants were provided by the European Union (EU), which will be managed by the EBRD. The funds are used for rehabilitation of the road and rail access to the Brcko Port, as well as the infrastructure within the Port.

According to the Report of the European Commission, during 2022, Bosnia and Herzegovina made limited progress in terms of the railway traffic. The regulatory framework and administrative capacity of the rail traffic regulator for opening of the market are established and subject to constant and regular revisions and improvements.

However, it was also stated that during 2022, the Multiannual Plan for the maintenance of the complete basic network was not adopted, while the coordination of infrastructural interventions across the entire country is weak.

In line with the data of the Agency for Statistics, in the territory of Bosnia and Herzegovina during 2022 there is a visible increase in road transport and the amount of transported goods, as well as a significant increase in passenger, city and suburban traffic.

According to the Report of the European Commission, in 2022 Bosnia and Herzegovina actively participated in the EU regional strategies, the European Union Strategy for the Danube Region (EUSDR) and the European Union Strategy for the Adriatic-Ionian Region (EUSAIR). It is indicated that Bosnia and Herzegovina is moderately prepared for road traffic, and that limited progress has been achieved in the maintenance, development and improvement of the infrastructure.

Investments of DCF members in 2022

DCF members active in the Transport sector in 2022 are EBRD, EIB, EU, The World Bank and Japan.

Total allocations of DCF members to the Sector in 2022 amounted to € 16.35 million, out of which € 0.22 million in the form of grants and € 16.14 million in the form of loans.

Total disbursements of DCF members to the Sector in 2022 amounted to € 149.84 million, out of which € 3.83 million in the form of grants and € 146.01 million in the form of loans.

Figure 4.1. compares allocated and disbursed grants by development partners in line with the amount of investment. Out of total allocated and disbursed grant funds in the Transport sector, 94.3% of funds was disbursed by the EU (€ 3.6 mil), while 5.7% of funds was allocated and disbursed by Japan (€ 0.2 mil).

Figure 4.1. Total allocated and disbursed grants per development partners in 2022

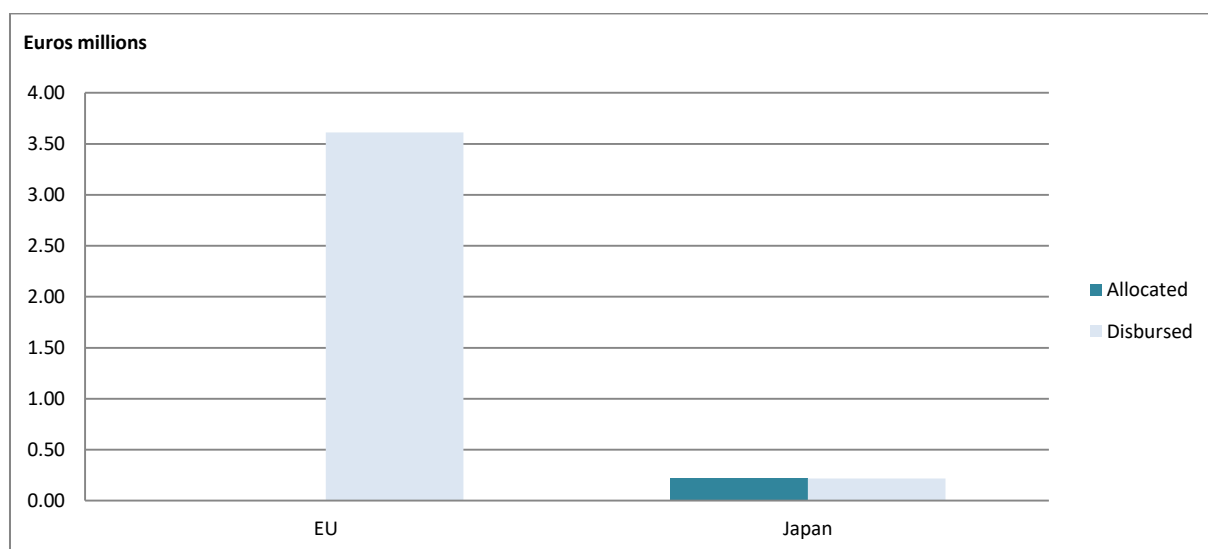
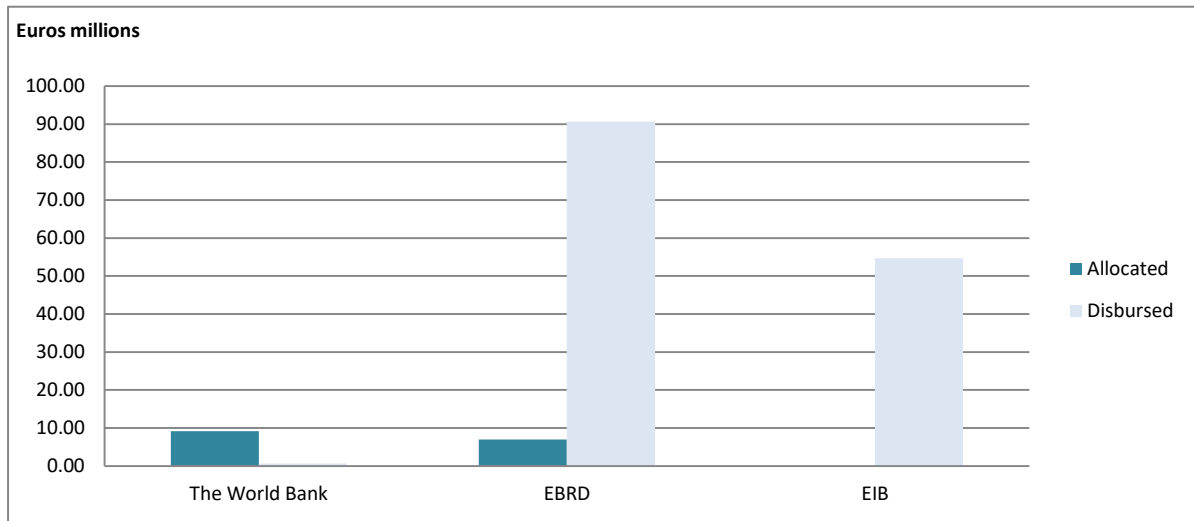


Figure 4.2. presents the structure of allocated and disbursed loans by development partners in line with the amount of investment.

Figure 4.2. Allocated and disbursed loans per development partners in 2022



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 2022, 51.9% was allocated to the subsector Rail transport, 44.1% to Urban mobility and 4.0% in 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 2022

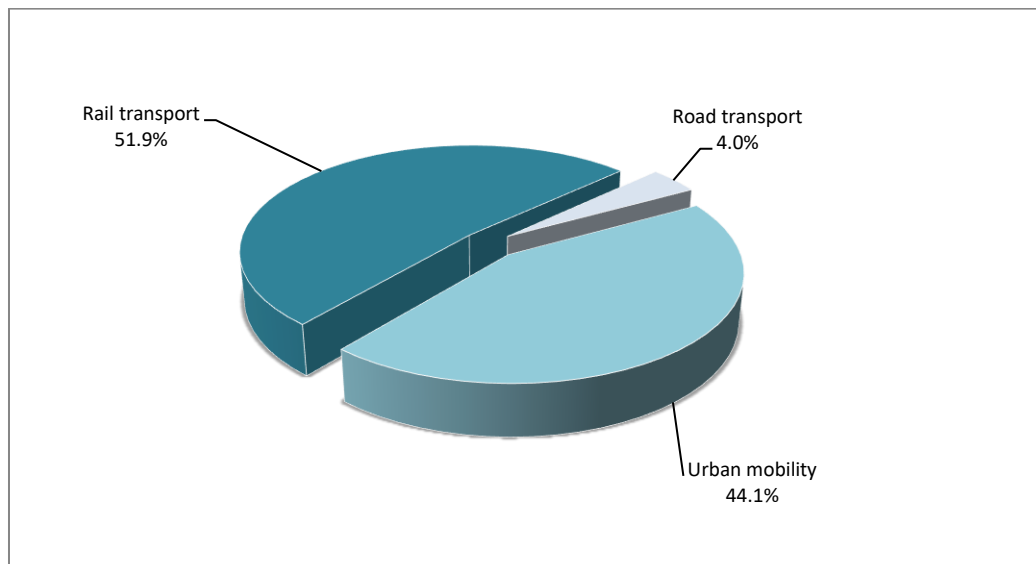
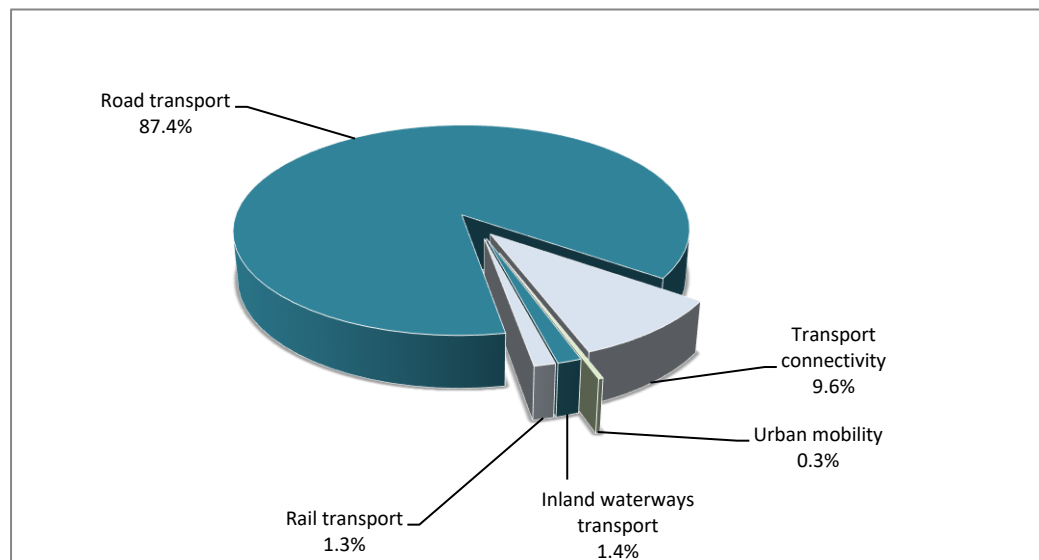


Figure 4.4. presents the structure of total disbursed funds in 2022 per sub-sectors.

Out of total disbursed funds in 2022, actually 87.4% was disbursed in the sub-sector Road transport and Transport connectivity (9.6%), while 3% was disbursed to other subsectors. Sub-sectors that did not have funding are not presented in the chart.

Figure 4.4. Total disbursed funds per sub-sectors in 2022



Ten major projects in the sector that allocated or disbursed funds in 2022

PROJECT TITLE	Development partner	Total Project Value (mil EUR)
CORRIDOR VC CENTRE	EIB	588.00
Corridor Vc - Doboj Bypass	EBRD	210.00
CORRIDOR VC POCITELJ - BIJACA	EIB	200.00
Corridor Vc in Republika Srpska - Part 1	EBRD	70.00
Floods - FBH Roads Repair and Upgrade	EBRD	65.00
Corridor Vc in FBH - Part 3	EBRD	60.00
Federation Road Sector Modernization Project	The World Bank	58.00
Republika Srpska Railways Restructuring Project	The World Bank	51.30
Sarajevo Urban Roads	EBRD	14.00
Port of Brcko	EBRD	10.00

All projects are available in the Development Partners 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 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 the movement of goods and passengers:

- continue activities in order to fulfill the obligations assumed by signing the Multilateral Agreement on the Establishing of the European Common Aviation Area;
- continue activities on harmonization of legislation with the EU legislation in the area of transport;
- implement activities anticipated by the BiH Framework Transport Strategy for the period until 2030;
- implement the reconstruction project of the Brcko Port;
- continue the construction of the highway sections on the Corridor 5-C through Bosnia and Herzegovina;
- continue investing in infrastructure of the airports in BiH.

DCF members active in the sector in 2022	EBRD, EU, Germany, UN, The World Bank, Sweden, USA/USAID
Other key international organizations	Energy Community; South East Europe Energy Community; World Energy Council; International Atomic Energy Agency; Western Balkans Investment Framework; Regional Cooperation Council.
Key government partners	Council of Ministers of BiH; Government of the Federation of BiH; Government of Republika Srpska; Government of Brcko District 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; Operator for Renewable Energy Sources and Efficient Cogeneration FBiH; Environmental Protection Fund of FBiH; Ministry of Industry, Energy and Mining of RS; Ministry of Physical Planning, Civil Engineering, and Ecology of RS; Ministry of Finance of RS; Ministry of European Integration and International Cooperation of RS; Ministry of Agriculture, Forestry and Water Management 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 2022 by DCF members	<p>Total allocated € 33.62 million - € 12.31 million in a form of grants and € 21.30 million in a form of loans.</p> <p>Total disbursed € 15.69 million- € 9.63 million in a form of grants and € 6.06 million in a form of loans.</p> <p>Out of total ODA in 2022, 5% was allocated and 3% was disbursed in the sector.</p>
Legal framework and sector strategies adopted in 2022	<p>The Law on Amendments to the Law on Electricity in the Federation of Bosnia and Herzegovina (FBiH Off. Gazette No. 1/22); FERK Budget for 2022 (FBiH Off. Gazette No. 1/22); The Law on Amendments to the Law on Electricity in the Federation of Bosnia and Herzegovina (FBiH Off. Gazette No. 61/22); The Law on Renewable Energy Sources (RS Off. Gazette No. 16/22); The Law on Renewable Energy Sources and Efficient Cogeneration of BD BiH (BD BiH Off. Gazette No. 22/22); The Law on Energy Efficiency in BD BiH (BD BiH Off. Gazette No. 25/22).</p> <p>Previously adopted legal framework and sector strategies are available on www.donormapping.ba</p>
Coordination with and among development partners	<p>Energy connectivity: Informal <i>ad hoc</i> coordination, project-based and mostly bilateral/multilateral, self-organizing meetings between development partners with MoFTER attendance.</p> <p>Energy efficiency: Coordination meetings between development partners with MoFTER are held biannually.</p> <p>Renewable energy: There is a sub-sector DCF development partners 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 Bioenergy program was initiated, following the UN bilateral meetings with GIZ and USAID.</p>

Oil: Informal *ad hoc* project-based coordination

Gas: Informal *ad hoc* project-based coordination

Electricity: Informal *ad hoc* coordination

Nuclear safety and radiation protection: Informal *ad hoc* project-based coordination.

Development partners active in the sector and BiH Institutions from all levels of government regularly attended Development Partners 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.

Overview of activities in 2022

Energy sector presented in this Report is based on the sector-based reporting methodology defined in the IPA II regulation, for period 2014 – 2020. The Ministry of Finance and Treasury of BiH has retained the IPA II classification in the Development Partners Mapping Report 2022.

Energy sector consists of seven sub-sectors:

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

The Council of Ministers of Bosnia and Herzegovina, at its the 57th regular session held on November 9th, 2022, adopted the ***Report on Implementation of the Framework Energy Strategy of Bosnia and Herzegovina until 2035.***

During 2022, activities on implementation of the Framework Energy Strategy until 2035 has continued at all levels of government in Bosnia and Herzegovina. The final result of this document is strategic analysis as well as an overview of energy strategic priorities in its key segments, with an emphasis on scenarios for the development of the production mix, as a basis for further decision-making and the implementation of energy policies in the period up to 2035.

The Council of Ministers of Bosnia and Herzegovina, at its 84th extraordinary session held on December 22nd, 2022, adopted the ***Action Plan / Roadmap for the Agreement on the Energy Support Package for Bosnia and Herzegovina and Building Resilience***, within the Instrument for Pre-Accession Assistance (IPA III for 2023). With the adoption of the Action Plan, the prerequisite was met for signing the Financial Agreement for IPA III for 2023 between Bosnia and Herzegovina and the European Commission, as well as for the start of the implementation of the Agreement on the Energy Support Package for Bosnia and Herzegovina.

The Government of Republika Srpska, at its 188th session held on September 29th, 2022, adopted the ***Decision on Granting the Consent for Issuance of the Guarantee of Republika Srpska for Credit Financing of the Fund for Environmental Protection and Energy Efficiency of Republika Srpska*** as a borrower at the European Bank for Reconstruction and Development for the Project ***Energy Efficiency in Public Buildings***. The goal of the Project is to implement the measures to improve energy efficiency in public buildings, in order to reduce the energy consumption, increase comfort and achieve savings in the budget.

The Government of the Federation of Bosnia and Herzegovina, at the 332nd session, held on September 22nd, 2022, adopted the ***Decision on the Approval of the Use of VAT Refunds for Continuation of Implementation of the Energy Efficiency Measures in the Public Sector Facilities in the Federation of Bosnia and Herzegovina***, within the Project "Additional Financing of Energy Efficiency in Bosnia and Herzegovina".

In June 2022, the Federal Ministry of Spatial Planning, in cooperation with GIZ, initiated the drafting of the ***Draft Sectoral Strategy for the Long-Term Reconstruction of Buildings in the Federation of Bosnia and Herzegovina for the period until 2050.*** This strategic document is based on a cost-effective

approach to the renovation of buildings and includes policies, measures, a time frame, sources of financing and stimulating implementation measures, which should result in reduction of energy consumption and CO₂ emissions.

The Government of the Federation of Bosnia and Herzegovina, at its 308th session held on March 17th, 2022, adopted the *Decision on the Maximum Amount of "N" Costs for Issuance of the Certificates and Independent Control 2022*. This Decision prescribes the highest amount of costs for issuance of the certificates and independent control, which depends on the type and surface of the building, e.g. the part of the building, or independent user unit, for which the energy certificate is issued.

The National Assembly of Republika Srpska, on February 8th, 2022, adopted the new **Law on Renewable Energy Sources**. This Law defines the new incentive schemes, with the aim that incentive measures are based on the market principles and to limit or reduce the growth of the fees for stimulation of the renewable energy sources on one hand and to facilitate the development of projects that use the renewable energy sources on the other hand.

The Government of the Federation of Bosnia and Herzegovina, at its 321st session held on June 30th, 2022, established and sent to the Parliament the **Draft Law on the Use of Renewable Energy Resources and Efficient Cogeneration (RER&EC)**. The aim of this Law is to promote and regulate the production of electricity and heating and cooling energy from RER&EC, as well as the use of renewable energy resources in transport for consumption in the domestic market and increase the share in total energy consumption, and to ensure the development of incentive measures, regulatory framework and technical infrastructure for the RER&EC.

The Government of the Federation of Bosnia and Herzegovina, at its 341st session held on December 08th, 2022, issued a *Conclusion on Implementation of the Projects for the Construction of Wind Power Farms and Photovoltaic Power Plants in the Federation of Bosnia and Herzegovina and the Status of their Connection to the Transmission Network*.

The Energy Summit was held in March 2022 in Neum, under the auspices of the Ministry of Foreign Trade and Economic Relations, the State Electricity Regulatory Commission in the Federation of Bosnia and Herzegovina and the Regulatory Commission for Energy of Republika Srpska, with the support of the USAID, UNDP, EUD, GIZ and the UK Embassy. Special focus of the Energy Summit was placed on the decarbonisation and transition of the energy sector towards the clean energy, security of supply with natural gas and electricity, changes in the energy market and energy sustainability.

Ministry of Trade and Tourism of Republika Srpska, on May 20th, 2022, launched a *free mobile application for monitoring of the retail prices of oil and oil derivatives at the gas stations in Republika Srpska*. Due to this application, citizens can monitor the fuel prices in real time at more than 400 gas stations across Republika Srpska.

The Government of the Federation of Bosnia and Herzegovina, at its 341st session held on December 8th, 2022, adopted the *Decision on the Method of Dedicated Spending of Funds Generated on the Basis of the Fee for the Establishment of the Reserves of Oil Derivatives for the period 2023-2026*.

The Government of the Federation of Bosnia and Herzegovina, at its 338th session held on November 10th, 2022, amended the *Regulation on the Organization and Regulation of the Gas Industry Sector*. Amendments refer to the intervention quantities of natural gas, which are defined as those that must be additionally provided in case of extreme situations and unforeseen circumstances, such as gas

supply interruptions due to breakdowns, overhauls, extremely low temperatures and similar situations, or greater customer needs for gas compared to the planned, contracted and ordered quantities of gas. The goal is to enable the safe and continuous supply of the tariff customers.

In line with the 2022 European Commission Report, Bosnia and Herzegovina continues to fail its obligations under the Energy Community Treaty, particularly in the area of natural gas. The legal framework in the energy sector is still not aligned with the Third and the Fourth Energy Package for electricity and gas. The Sector still operates without an organized energy market and established emissions trading system, which is a prerequisite to be exempted from the announced mechanism for the carbon limit adjustment. There is a lack of a clear commitment to decarbonisation, primarily through the National Energy and Climate Plan, which has not been adopted yet.

Investments of DCF members in 2022

DCF members active in the Energy sector in 2022 are EBRD, EU, Germany, UN, The World Bank, Sweden and USA/USAID.

Total allocations of DCF members to the Sector in 2022, amounted to € 33.62 million, out of which, € 12.31 million in the form of grants and € 21.30 million in the form of loans.

Total disbursements of DCF members to the Sector in 2022 amounted to € 15.69 million, out of which € 9.63 million in the form of grants and € 6.06 million in the form of loans.

Figure 5.1. compares grants allocated and disbursed per development partners, according to the amount of invested funds. Leading development partners in 2022, who allocated i.e. disbursed largest grants were EU and UN, followed by USA/USAID, Germany and Sweden.

Figure 5.1. Allocated and disbursed grant funds per development partners in 2022

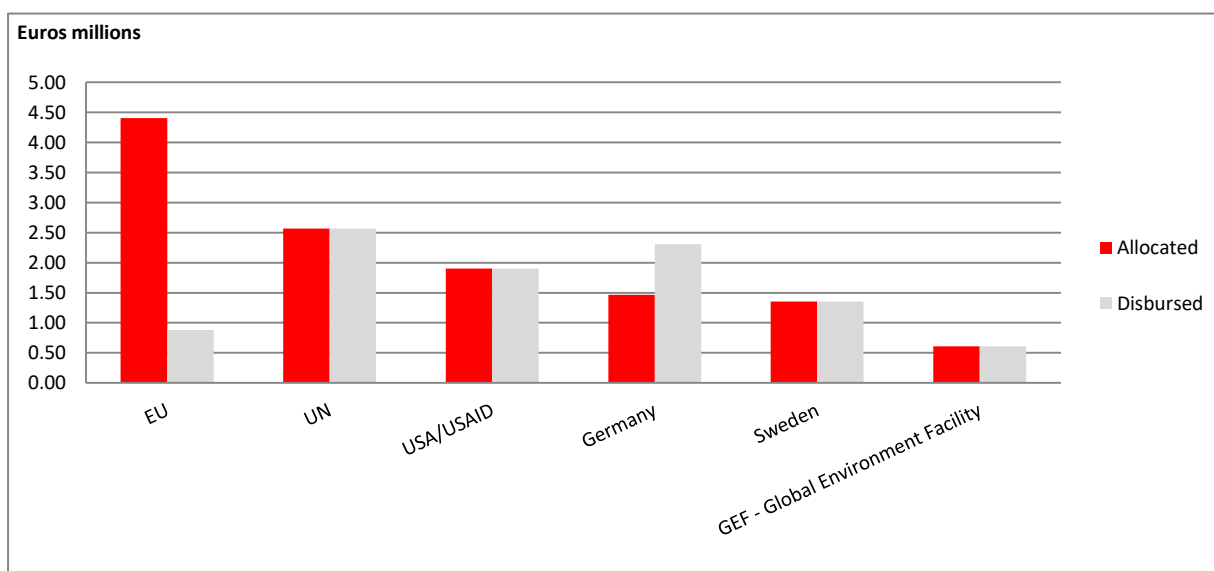
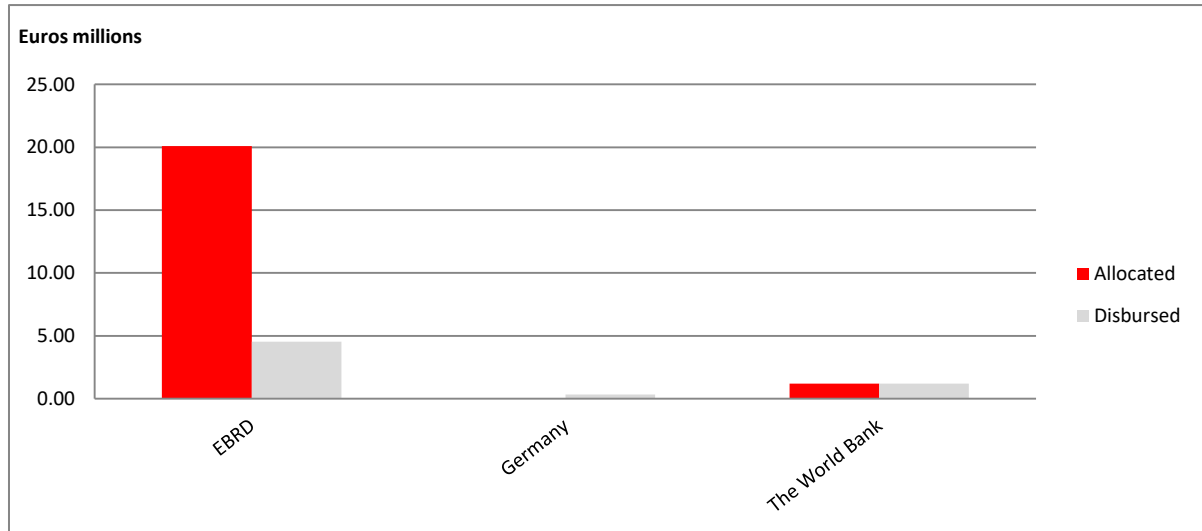


Figure 5.2. presents allocated and disbursed loans in 2022.

Development partner who allocated. e.g. disbursed the largest amounts of loans in 2022 is EBRD.

Figure 5.2. Allocated and disbursed loans per creditors in 2022



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 2022, 96.0 % of funds were allocated entirely to the sub-sector Energy efficiency. Sub-sectors that did not have funding are not presented in the chart.

Figure 5.3. Total allocated funds per sub-sectors in 2022

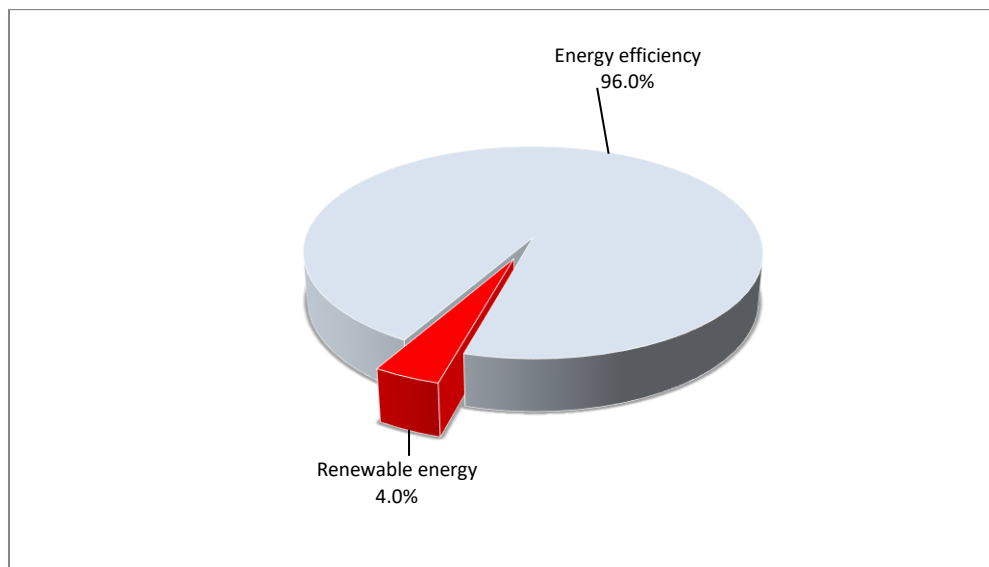
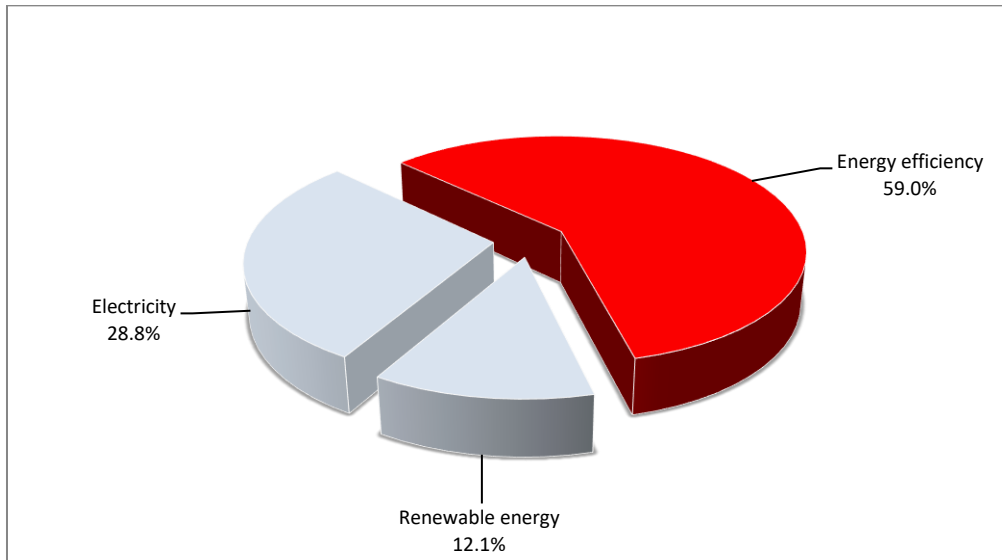


Figure 5.4. presents the structure of total disbursed funds per sub-sectors in 2022.

Out of total disbursed funds in 2022, 59.0% of funds were disbursed entirely to the sub-sector Energy efficiency, followed by Electricity 28.8% and Renewable energy 12.1%. Sub-sectors that did not have funding are not presented in the chart.

Figure 5.4. Total disbursed funds per sub-sectors in 2022



Ten major projects in the sector that allocated or disbursed funds in 2022

PROJECT TITLE	Development partner	Total Project Value (mil EUR)
Construction of Wind Farm Hrgud	Germany	120.45
Energy Efficiency Project	The World Bank	59.20
Green Economic Development Project Phase II	UN	15.51
Rehabilitation of Hydro Power Plant Trebinje Phase 3	Germany	10.01
Energy Efficiency in Public Buildings BiH/RS	Germany	10.00
Energy Efficiency in Public Buildings in BiH/FBiH	Germany	9.50
ISO - EMS, SCADA and IT upgrade	EBRD	8.50
Elektrokrajina Power Distribution Project	EBRD	7.50
Elektro-Bjeljina smartmetering expansion	EBRD	7.50
Green Economic Development Project – Phase III	UN, Sweden	7.13

All projects are available in the Development Partners 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 harmonization 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 and DCF members that participated in the preparation of this Report, further efforts should be made in the following period:

- finalize and adopt the Integrated Energy and Climate Plan of Bosnia and Herzegovina 2021-2030;
- undertake activities to meet the obligations assumed by the Agreement on the Establishment of the Energy Community, as well as other international obligations;
- adopt the Law on the Regulator of Electricity and Natural Gas Regulator, Transmission and Electricity Market in BiH;
- continue the development and implementation of energy efficiency measures in the area of savings for final consumption in industry, transport and other areas;
- establish mandatory reserves of oil and oil derivatives in BiH.

<p>DCF members active in the sector in 2022</p>	<p>The World Bank, EBRD, USA/USAID, Switzerland, Germany, Sweden, Japan, Croatia, UN, EU, Czech Republic</p>
<p>Other key international organizations</p>	<p>Western Balkans Investment Framework; Council of Europe Development Bank; Regional Cooperation Council; Switzerland Global Enterprise; European Fund for Southeast Europe; European Association of National Metrology Institutions; European Cooperation in Legal Metrology (WELMEC); Central European Free Trade Agreement; Organization for Security and Cooperation in Europe; Regional Centre for Development of Entrepreneurial Competencies, Swedish International Development Cooperation Agency, Japan International Cooperation Agency, <i>Deutsche Gesellschaft für Internationale Zusammenarbeit</i> (GIZ).</p>
<p>Key government partners</p>	<p>Council of Ministers of BiH; Government of the Federation of BiH; Government of Republika Srpska; Government of Brcko District 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 European Integration and International Cooperation of RS; Ministry for Scientific and Technological Development, Higher Education and Information Society; 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.</p>
<p>Total allocation / disbursement to the sector in 2022 by DCF members</p>	<p>Total allocated € 220.96 million – € 19.31 million in a form of grants and € 201.65 million in a form of loans.</p> <p>Total disbursed € 127.86 million – € 27.05 million in a form of grants and € 100.81 million in a form of loans.</p> <p>Out of total ODA in 2022, 33% was allocated and 24% was disbursed in the sector.</p>

<p>Legal framework and sector strategies adopted in 2022</p>	<p>The Law on Free Zones in the Federation of Bosnia and Herzegovina (FBiH Off. Gazette No. 25/22); The Law on Changes and Amendments to the Law on Public Procurement (BiH Off. Gazette No. 59 /22); The Law on Changes to the Labour Law (FBiH Off. Gazette No. 44/22); The Law on Amendments to the Law on Land Survey and Cadastre (FBiH Off. Gazette No. 61/22); The Law on Metrology in Republika Srpska (RS Off. Gazette No.132 /22); The Law on Changes and Amendments to the Law on Legalization of Illegally Constructed Buildings (RS Off. Gazette No. 93 /22); The Law on Geological Surveys (RS Off. Gazette No. 64/22);The Law on Changes and Amendments to the Law on Investment Funds (RS Off. Gazette No. 64 /22); The Law on Changes to the Law on the Fund for Development and Employment of Republika Srpska (RS Off. Gazette No. 56/22); The Law on Audio-Visual Media (RS Off. Gazette No. 56/22); The Law on Amendment to the Law on Incentives in the Economy of Republika Srpska (RS Off. Gazette No. 56/22); The Law on Changes to the Law on Income Tax (RS Off. Gazette No. 56/22); The Law on Interbank Fees for Payment Transactions Based on Credit Cards (RS Off. Gazette No. 38 /22); The Law on Changes and Amendments to the Law on Incentives in the Economy of Republika Srpska (RS Off. Gazette No. 37/22); The Fiscalization Law (RS Off. Gazette No. 15/22); The Law on Changes to the Law on Banks in BD BiH (BD BiH Off. Gazette No. 3/22); The Law on Changes to the Law on Public Companies in BD BiH (BD BiH Off. Gazette No. 10/22); The Law on Changes to the Law on Legal Entities Established by Brcko District (BD BiH Off. Gazette No. 10/22); The Law on Regulation of Prices in BD BiH (BD BiH Off. Gazette No. 13/22); The Law on Changes to the Labor Law of BD BiH (BD BiH Off. Gazette No. 15/22); The Law on Changes to the Law on Planning, Designing and Development of BD BiH (BD BiH Off. Gazette No. 21/22); The Law on Amendments to the Law on Public Property in BD BiH (BD BiH Off. Gazette No. 36/22); The Law on Changes and Amendments to the Law on Associations and Foundations of BD BiH (BD BiH Off. Gazette No. 44/22); The Law on Changes and Amendments to the Law on Public Company "Luka Brcko" BD BiH (BD BiH Off. Gazette No. 44/22); The Law on Changes to the Law on Securities (BD BiH Off. Gazette No. 45/22).</p> <p>Economic Reform Program of Bosnia and Herzegovina 2022-2024 (ERP BiH 2022-2024); Development Strategy of the Federation of BiH 2021 – 2027; Employment Strategy of Republika Srpska 2021-2027; Strategy for Development of Trade of Republika Srpska for the period 2022-2028; Economic Reform Programme of Republika Srpska for the period 2023-2025; Strategy for Development of the Small and Medium Enterprises of RS for the period 2022-2024; Action Plan for Implementation of the Strategy for Development of the Small and Medium Enterprises of Republika Srpska for the period 2022-2024.</p> <p>Previously adopted legal framework and sector strategies are available on www.donormapping.ba</p>
<p>Coordination among and with development partners</p>	<p>Trade and internal market: To some extent, MoFTER is leading the coordination of development partners, together with self-organizing meetings between development partners active in this sub-sector.</p> <p>CEFTA secretariat is organizing coordination of development partners for free trade.</p>

Private sector development: To some extent, MoFTER is leading the coordination of development partners.

Self-organizing regular meetings are held between development partners active in this sub-sector, mainly in the context of programming, implementation or launching specific initiatives.

In the area of micro, small and medium enterprises there is no formal coordination of development partners, and coordination is based on informal *ad-hoc* basis

Local economic development: coordination meetings of development partners, which support local development projects organized by UNDP. Informal *ad hoc* coordination, project-based and mostly bilateral / multilateral meetings.

Research, innovation and technological development: Informal *ad-hoc* coordination.

Information and communication technology (ICT): Informal *ad-hoc* coordination.

Tourism and heritage: MoFTER is leading the coordination of development partners, within the Work group for tourism, together with self-organizing meetings between development partners active in this sub-sector.

Development partners active in the sector and BiH Institutions from all levels of government regularly attended Development Partners 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.

Overview of activities in 2022

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. The Ministry of Finance and Treasury of BiH has retained the IPA II classification in the Development Partners Mapping Report 2022.

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.

In 2022, the Competition Council made progress in the field of regional cooperation. For the first time, the BiH Competition Council was the organizer of *the Regional Conference on "Anti-Competitive Activities of Public Enterprises"*, with the participation of representatives of the Competition Council of Serbia, Croatia and Montenegro, as well as the OECD and the RCC experts.

In the course of 2022, the Competition Council improved cooperation with the academic community, and signed a Memorandum of Cooperation with Zenica University Faculty of Economics. Also, the cooperation was achieved with local self-government bodies in the Federation of Bosnia and Herzegovina through the activities of the Association of Municipalities and Cities in the FBiH.

The Government of the Federation of Bosnia and Herzegovina, at its 301st session, held on February 3rd, 2022, adopted the *Decision on the Drafting of the Small Business Development Strategy of the Federation of Bosnia and Herzegovina for the period 2022 - 2027*. The Development Strategy is an integrated, multisectoral strategic document of the Federation of BiH, which defines the development policies of the small business sector, strategic goals and priorities.

In the last quarter of 2022, the Federal Ministry of Trade prepared and referred *the Preliminary Draft of the new Law on Internal Trade* to the competent federal authorities for their opinion. The need to adopt this law is to achieve a quality legal framework for further development in the field of trade in the Federation of Bosnia and Herzegovina.

Based on the Law on Crafts and Related Activities in the Federation of BiH, which was adopted in September 2021, the Federal Ministry for the Development of Entrepreneurship and Crafts in 2022 adopted a number of by-laws, such as: Regulation on Protection of Traditional and Old Crafts, Rulebook on the List of Crafts, Rulebook on the Appearance and Content of Requirements for Establishing Crafts, Rulebook on the Minimum Technical Conditions, Rulebook on the List of Activities that can be Performed Seasonally and Rulebook on the List of Activities that can be Performed in Residential Areas and Outside Residential Areas Premises. With the adoption of the mentioned by-laws, preconditions were created for accelerated growth and development of crafts, i.e. small businesses in the Federation of BiH.

The Parliament of the Federation of BiH, at its' session held on March 3rd, 2022, adopted the **Law on Free Zones in the Federation of BiH**. This Law, in line with the Law on Free Zones in Bosnia and

Herzegovina, sets out the conditions for giving the consent on justification for designation of the part of the customs area of Bosnia and Herzegovina at the territory of the Federation of BiH as a free zone, the activities that can be performed in the free zone, conditions for performance of such activities and the cessation of operations of the free zone.

During 2022, the Agency for Postal Traffic of BiH passed a number of by law acts, which will further improve the market of postal services and align it with the acts of the Universal Postal Union. The Agency also undertook the activities on preparation of the Project ***Strengthening the Capacity of the Agency for Postal Traffic of BiH***.

In October 2022, the sixth meeting was held of the Subcommittee on Innovation, Information Society and Social Policy between Bosnia and Herzegovina and the European Union, where information was exchanged in the field of information society, communication technologies, implementation of the Digital Agenda for the Western Balkans, modernization of public administration, use of e-services as well as the cyber security. The European Commission emphasized the importance of the adoption of the legislation on electronic communications and electronic media, as well as the strategic documents for the area of employment and scientific development.

In 2022, the Institute of Metrology of Bosnia and Herzegovina continued its participation in scientific-research projects, which have been implemented through the **EURAMET (European Association of National Metrology Institutes)** since 2013. The membership implies the commitment to participate in and support the scientific development of the metrology society through promotion of national strategic interests. The projects are mostly financed by the European Commission, while one part is allocated from the participants - metrology institutes within the EURAMET organization.

In 2022, the Institute of Metrology of Bosnia and Herzegovina implemented the three remaining activities in the regional project implemented by the PTB (National Metrology Institute of Germany), the so-called ***Regional Consultancy Fund for Quality Infrastructure (SEE QI Fund)***, which relates to the training of the staff from the laboratory for temperature and humidity in the LMQ (laboratory for metrology and quality) in Slovenia. The Project was financed by the German Ministry for Economic Cooperation and Development.

Laboratory for ionizing radiation of the Institute of Metrology participated in the Project *EuropAid/140164/DH/SER/BA* implemented by the State Regulatory Agency for Radiation and Nuclear Safety). The Project was financed by the European Delegation in Bosnia and Herzegovina.

Tourism is one of the most promising sectors of the economy of Bosnia and Herzegovina. Although Covid-19 virus pandemic halted the positive trend of the tourism, significant recovery of this sector was recorded during 2022 which is heading towards the pre-pandemic trends. In order to improve the cooperation in the field of tourism, legal procedure was launched in 2022 for ratification of the *Framework Convention on Ethics in Tourism*, as well as the legal procedure for signing the *Memorandum of Cooperation in the Field of Tourism with Egypt and Bulgaria*.

However, the necessity should be emphasized to have the year-round tourist season covered, as well as to educate the human potential in the tourism sector, since the additional education and training is imposed as an obligation to achieve the competitiveness on the market.

The Government of Republika Srpska, at its session held on December 23rd, 2021, adopted the Tourism Development Strategy of Republika Srpska for the period 2021-2027.

The National Assembly of Republika Srpska, at its 22nd session, held on June 23rd, 2022, adopted the *Draft Law on Tourism of Republika Srpska*.

The Government of the Federation of Bosnia and Herzegovina, at its 319th session held on June 16th, 2022, adopted the *Draft Law on Tourism and Tourist Tax of the Federation of BiH*.

The Government of the Federation of Bosnia and Herzegovina, at its 327th session held on August 4th, 2022, adopted the *Draft of the Tourism Development Strategy of the Federation of Bosnia and Herzegovina for the period from 2022-2027*.

Three higher education institutions in BiH – Faculty of Economics Pale in East Sarajevo, the University of Tuzla and the University of Herzegovina from Mostar received technical assistance and support in their efforts to obtain the *UNWTO TedQual Certificate*, with the aim to improve the study programs in the field of tourism. In 2022, Pale Faculty of Economics fulfilled all the necessary requirements and as the first higher education institution in BiH, received the UNWTO certificate for the study program "Tourism and Hotel Management".

As part of the *EU4AGRI Project*, five projects from Bosnia and Herzegovina were selected in 2022 that met the criteria of the *Public call for proposals for the support measures for investments in the rural tourism*. In addition, within the *EU4BUSINESS Project*, five destinations have been selected that will receive the support during the establishment of the primary certification system, with the goal to mitigate the effects of the Covid-19 virus pandemic on tourism.

Investments of DCF members in 2022

DCF members active in the Competitiveness and innovation sector in 2022 are The World Bank, EBRD, USA/USAID, Switzerland, Germany, Sweden, Japan, Croatia, UN, EU and Czech Republic

Total allocations of DCF members to the Sector in 2022 amounted to € 220.96 million, out of which € 19.31 million in the form of grants and € 201.65 million in the form of loans.

Total disbursements of DCF members to the Sector in 2022 amounted to € 127.86 million, out of which € 27.05 million in the form of grants and € 100.81 million in the form of loans.

Figure 6.1. compares grants allocated and disbursed grant funds per development partners, according to the amount of invested funds as well as allocated and disbursed loan funds.

Development partners who allocated or disbursed largest grant funds to the Sector in 2022 are the USA/USAID and the EU.

Figure 6.1. Allocated and disbursed grant funds per development partners in 2022

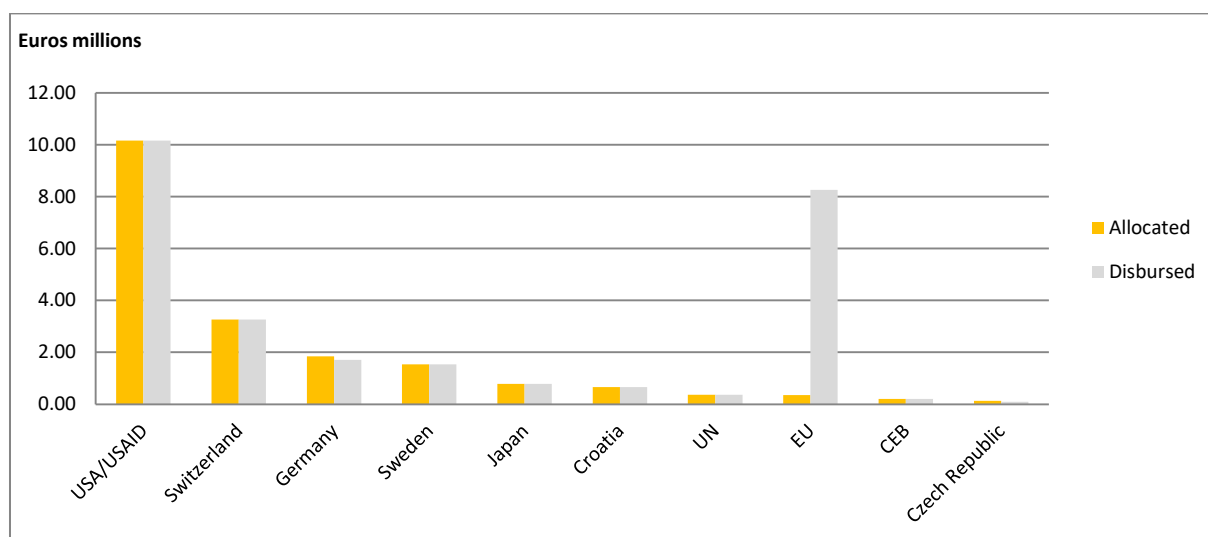
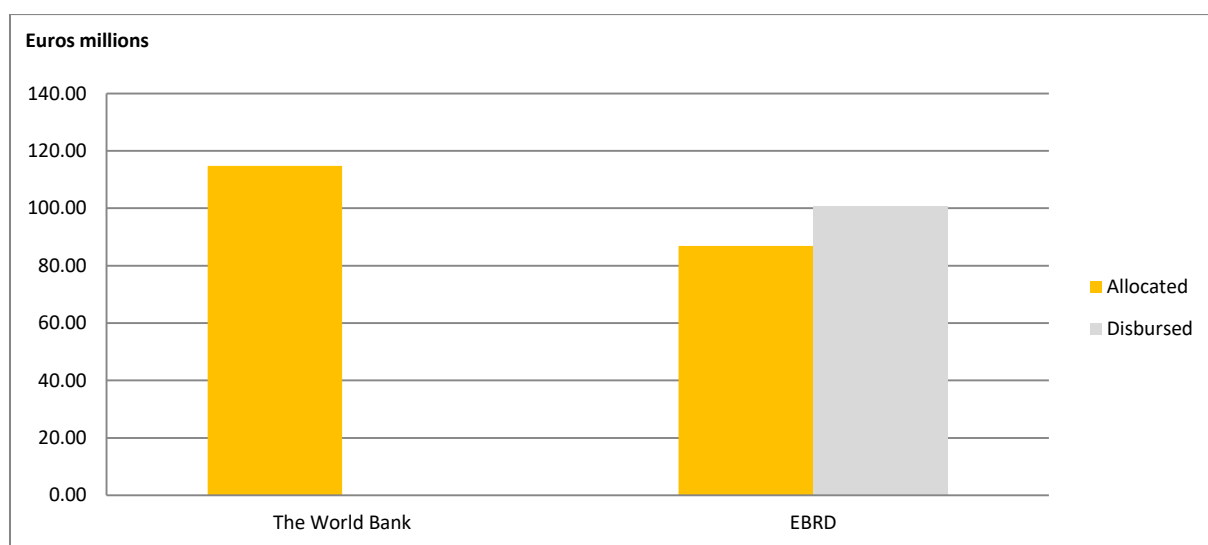


Figure 6.2. presents allocated and disbursed loans funds in 2022

Figure 6.2. Allocated and disbursed loans per creditors in 2022



Competitiveness and innovation sector consists of 6 sub-sectors. Figure 6.3. presents the structure of total allocated funds per sub-sectors. Out of total allocated funds in 2022, 84.4% was allocated to two sub-sectors: Private sector development (56.3%) and Local economic development (28.1%), while the remaining 15.6% funds were allocated in other sub-sectors. Sub-sectors that did not have funding are not presented in the chart.

Figure 6.3. Total allocated funds per sub-sectors in 2022

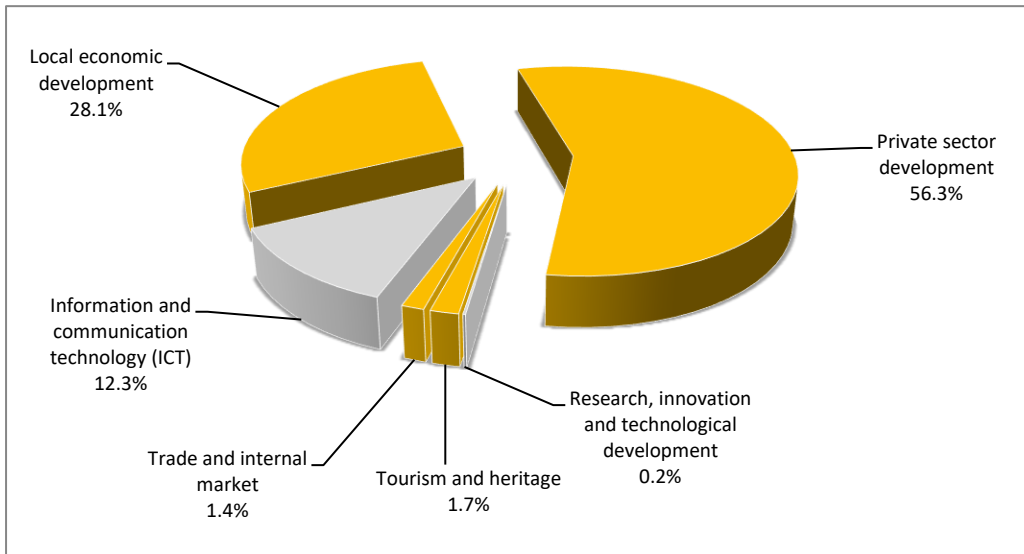
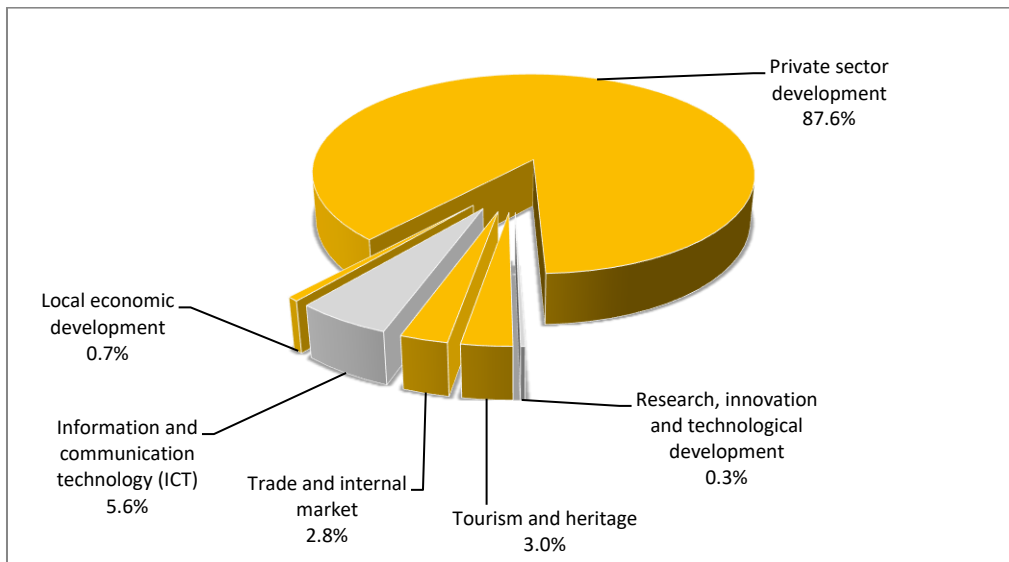


Figure 6.4. presents the structure of total disbursed funds in 2022 per sub-sectors. Out of total disbursed funds in 2022, 87.6% was disbursed to the sub-sector Private sector development, while the remaining 12.4% of funds were allocated in other sub-sectors. Sub-sectors that did not have funding are not presented in the chart.

Figure 6.4. Total disbursed funds per sub-sectors in 2022



Ten major projects in the sector that allocated or disbursed funds in 2022, are listed below:

PROJECT TITLE	Development partner	Total Project Value (mil EUR)
Agriculture Resilience and Competitiveness Project	The World Bank	61.30
BiH Firm Recovery and Support Project	The World Bank	53.45
USAID's Developing Sustainable Tourism in Bosnia and Herzegovina	USA/USAID	19.24
FIF - Raiffeisen Leasing SME line	EBRD	15.00
USAID Diaspora Invest 2 Activity (DIA 2) in Bosnia-Herzegovina	USA/USAID	14.30
Local Economic Development (LED) in Bosnia and Herzegovina	Switzerland	13.53
COVID-19 INVESTMENT RESPONSE - EU4BUSINESS RECOVERY	EU	13.00
Program for Local Self-Government and Economic Development (EU 4 Business, Innovation and Digitalization in SMEs in BiH)	Germany	12.62
Mid Europa Fund V	EBRD	12.00
SECO support	Switzerland	11.60

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

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

Future activities

In order to further strengthen the competitiveness of the economy in the regional and global contexts, Bosnia and Herzegovina should continue activities on the development of the functional market economy in the upcoming period. 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 the recommendations of the European Commission, further efforts should be made in the following period:

- adopt laws on electronic communications and electronic media, including provisions on transparency of media ownership and advertising, and the introduction of the 112 number for emergencies in Bosnia and Herzegovina;
- draft and adopt a new Strategy for Scientific Development and the Action plan for the period 2023-2028;
- amend the Law on Competition of BiH;
- draft and adopt the Law on Posts of BiH;
- establish Scientific-research information system in BiH and an integrated database;
- adopt the Law on encouraging the development of small businesses and the Law on entrepreneurial infrastructure;
- increase industrial competitiveness through the development of small and medium-sized enterprises through the adoption and implementation of Strategic Guidelines for the harmonization of support for small businesses and entrepreneurship in Bosnia and Herzegovina.

DCF members active in the sector in 2022	The World Bank, EU, Croatia, Slovenia, Switzerland, Sweden, UN, USA/USAID, Germany, Czech Republic, Hungary, Italy/AICS, United Kingdom
Other key international organizations	Council of Europe; Office of the High Representative; International Labour Organization; World Health Organisation; West Balkans Investment Framework; European Training Foundation; Organization for Security and Cooperation in Europe; European Centre for Disease Prevention and Control; British Council; KulturKontakt Austrija; Regional Cooperation Council, UNICEF BiH, Catholic Relief Services; Save the Children, GIZ, OSCE BiH; International Planned Parenthood Federation (IPPF).
Key government partners	Council of Ministers of BiH; Government of the Federation of BiH; Government of Republika Srpska; Government of Brcko District 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; Labour 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 European Integration and International Cooperation of RS; Ministry for Scientific and Technological Development, Higher Education and Information Society 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 2022 by DCF members	Total allocated € 84.75 million, out of which € 45.75 in a form of grant and € 39.00 mil in the form of loan. Total disbursed € 37.85 million in a form of grant. Out of total ODA in 2022, 13% was allocated and 7% was disbursed in the sector.
Legal framework and sector strategies adopted in 2022	The Law on Changes to the Law on Establishing of the Institute for Medical Expertise of Health Condition (FBiH Off. Gazette No. 25/22); The Law on Financial Consolidation and Restructuring of Public Health Institutions in the Federation of Bosnia and Herzegovina (FBiH Off. Gazette No. 34/22); The Law on Control and Limited Use of Tobacco, Tobacco and Other Smoking Products (FBiH Off. Gazette No. 38/22); The Law on Changes and Amendment to the Law on Treatment of Infertility with Biomedical Assisted Fertilization Procedures (FBiH Off. Gazette No. 44/22); The Law on Material Support for Families with Children in the Federation

	<p>of Bosnia and Herzegovina (FBiH Off. Gazette No. 55/22); The Law on Changes and Amendments to the Law on Health Insurance (FBiH Off. Gazette No. 61/22); The Law on Organizations and Representative Organizations of Persons with Disabilities and Civilian Victims of War (FBiH Off. Gazette No. 61/22, 94/22); The Law on Social Protection Institutions of the Federation of Bosnia and Herzegovina (FBiH Off. Gazette No. 64/22); The Law on Changes and Amendments to the Law on Compulsory Health Insurance (RS Off. Gazette No. 132 /22); The Law on Changes to the Law on Salaries of Employees in the Field of Higher Education and Student Standards of Republika Srpska (RS Off. Gazette No. 132 /22); The Law on Changes to the Law on Salaries of Employees in Primary and Secondary Schools and Student Dormitories in Republika Srpska (RS Off. Gazette No. 132 /22); The Law on Changes to the Law on Salaries of Employees in the Field of Culture of Republika Srpska (RS Off. Gazette No. 132 /22); The Law on Support for Unemployed Parent of Four or More Children in Republika Srpska (RS Off. Gazette No. 132 /22); The Law on Compulsory Health Insurance (RS Off. Gazette No. 93 /22); The Law on Elementary Education and Upbringing (RS Off. Gazette No. 81/22); The Law Protection, Preservation and the Use of the Language of Serbian People and the Cyrillic Alphabet (RS Off. Gazette No. 81/22); The Law on Changes to the Law on Salaries of Employees in the Field of Higher Education and Student Standards of Republika Srpska (RS Off. Gazette No. 68/22); The Law on Changes to the Law on Salaries of Employees in Primary and Secondary Schools and Student Dormitories (RS Off. Gazette No. 68/22); The Law on Changes to the Law on Salaries of Employees in the Field of Culture of Republika Srpska (RS Off. Gazette No. 68/22); The Law on Changes and Amendments to the Law on Pre-school Education and Upbringing (RS Off. Gazette No. 64/22); The Law on Changes and Amendments to the Law on Protection of the Population against Communicable Diseases (RS Off. Gazette No. 63/22); The Law on Health Documentation and Records in the Field of Health (RS Off. Gazette No. 57/22); The Law on Health Protection (RS Off. Gazette No. 57/22); The Law on Cultural Property (RS Off. Gazette No. 38/22); The Law on Amendments to the Law on Health Insurance (RS Off. Gazette No. 37/22); The Law on Changes and Amendment to the Law on Social Protection (RS Off. Gazette No. 36/22); The Law on Changes and Amendments to the Law on Preschool Upbringing and Education in BD BiH (BD BiH Off. Gazette No. 13/22); The Law on Changes and Amendments to the Law on Higher Education in BD BiH (BD BiH Off. Gazette No. 44/22).</p> <p>Strategy for Development of Preschool, Primary and Secondary Education of Republika Srpska for the period 2022-2030; Action plan for Implementation of the Strategy for Development of Preschool, Primary and Secondary Education of Republika Srpska for the period 2022-2024.</p> <p>Previously adopted legal framework and sector strategies are available on www.donormapping.ba</p>
<p>Coordination with and among development partners</p>	<p>Education: Coordination is implemented via meetings of the Conference of Ministers of Education (CoEM).</p> <p>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 and 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>Labour 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 development partners involved in the sub-sector.</p> <p>Social inclusion and fight against poverty: EU Delegation holds regular coordination meetings with development partners involved in the sub-sector.</p> <p>Education, employment and social infrastructure: Informal <i>ad-hoc</i> coordination.</p> <p>Development partners active in the sector and BiH Institutions from all levels of government regularly attended Development Partners 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>
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Overview of activities in 2022

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. The Ministry of Finance and Treasury of BiH has retained the IPA II classification in the Development Partners Mapping Report 2022.

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.

The Council of Ministers of BiH, at its 57th session held on November 9th, 2022, adopted the Strategic Framework of the Institutions of Bosnia and Herzegovina until 2030, whereat the education is one of the priority strategic goals, primarily the coordination of the reform processes of the competent educational institutions in Bosnia and Herzegovina, the improvement of the education and training of young people with the goal to build the human resources, harmonize plans of entity authorities, based on implementation of the framework laws and development of lacking strategic documents, as well as to continue the international cooperation in the field of education and training of young people, with the aim of reaching the EU standards and trends for full integration into the European Education Area.

During 2022, the Ministry of Civil Affairs of BiH, in cooperation with development partners, conducted consultations with the representatives of the competent education authorities in Bosnia and Herzegovina, the academic community and the non-governmental sector, with the aim to prepare the report related to the *UN initiative "Transformation of Education"*.

In line with the commitment of the education authorities in Bosnia and Herzegovina for transformation of education, which among other things, aims to raise the quality, ensures equal access to education, but also to improve the process of digitization in education, in 2022 stakeholders actively participated in drafting of the *"Guidelines for Improvement of the On-line Classes and Combined Classes for Educational Systems in Bosnia and Herzegovina in the Context of Quality (and) Inclusive Education"*, which will provide recommendations to educational institutions for conducting on-line and combined classes, as well as the gradual digitization of education.

In the reporting period, Agency for Preschool, Primary and Secondary Education of BiH continued its activities to improve the quality of pre-school, primary and secondary education and the life-long learning process, as well as the competitiveness of the education systems of Bosnia and Herzegovina on the international level. During 2022, the Agency was drafting the document *"Guidelines for the Implementation of the Learning Outcomes in Inclusive Education"*, whose goal is to facilitate the integration of inclusive education in the curriculum reform processes. Within the framework of activities in the field of preschool upbringing and education, the Agency developed the document

"Standards of the Quality of Work of Preschool Institutions ", which includes six areas of quality that cover all areas of activity and functioning of preschool institutions. Also, they developed the student achievement standards for foreign language, technology and information technology as well as for physical and health areas.

In the domain of recognition of foreign higher education qualifications, significant progress was achieved during 2022 through participation of the Center for Information and Recognition of Qualification in Higher Education in BiH (CIP) in numerous European Union projects, as well as due to the constant cooperation of the competent authorities for recognition and promotion of the Lisbon Declaration principles on recognition and its accompanying documents in Bosnia and Herzegovina. The implementation continued of the Project **"Strengthening Institutional Capacities for Recognition of Higher Education Qualifications in Bosnia and Herzegovina"**, which resulted in creation of the *Roadmap for Systematic Implementation of the Lisbon Convention on the Recognition of Higher Education Qualifications*.

In the course of 2022, the Agency for Higher Education and Quality Assurance adopted a number of by-law acts, including the *Instruction on Changes and Amendments of the Instruction on the Form and Content of Diplomas and Diploma Supplements Issued by Accredited Higher Education Institutions, the Decision on the Criteria for Selection of Domestic and International Experts who Evaluate and Conduct Quality Audits and Make Recommendations on Accreditation of Higher Education Institutions and Study Programs*, as well as the *Rulebook on the manner for conducting public competition for selection of domestic and international experts for evaluation and quality audit and making recommendations on accreditation of higher education institutions and study programs*.

As of December 31st, 2022, total of 39 higher education institutions were registered in the State Register of Accredited Higher Education Institutions in Bosnia and Herzegovina, 38 with full accreditation and one with conditional accreditation, out of which 7 institutions were registered in 2022, 6 with full accreditation and one with conditional accreditation. The list of accredited higher education institutions in BiH is published and permanently available on the Agency's website http://hea.gov.ba/akreditacija_vsu/Default.aspx

The Center for Information and Recognition of Qualification in Higher Education in Bosnia and Herzegovina (CIP) has issued the *Recommendations on Recognition of Specific Types of Learning*, which will enable the competent authorities in Bosnia and Herzegovina to transfer the best European practices of recognition.

During 2022, Bosnia and Herzegovina continued to participate in the European Union *Erasmus+* program for the period 2021-2027. In the reporting period, activities were carried out in Bosnia and Herzegovina within the framework of the *Youth Wiki platform*, intended for the youth policies of the European countries. Also, Bosnia and Herzegovina participated in the activities of the *Eurydice network*, related to the gathering, monitoring, processing and exchange of reliable and currently comparable information on education systems and policies across Europe.

At the end of 2022, the leaders of the Western Balkans countries signed a regional agreement at the summit in Berlin, that will enable the recognition of higher education qualifications and professional qualifications for medical doctors, dentists and architects, which will significantly contribute to the mobility of the labor force in the region.

As part of the project of the Embassy of Switzerland in BiH, a web platform was created in 2022 where projects in the field of secondary vocational education are presented as well as the development partners involved in financing this level of education in BiH. This platform will be handed over for administration to the Ministry of Civil Affairs of BiH at the beginning of 2023. Also, in cooperation with competent institutions in Bosnia and Herzegovina, statistical database of administrative data was established, which will serve for reporting to the international and domestic educational institutions.

The Ministry of Civil Affairs of BiH coordinated the new cycle of the so-called **"Turin Process"**, e.g. the analysis of the professional education and training based on evidence implemented by the European Training Foundation (ETF). In cooperation with the competent educational authorities and other relevant partners, the report was prepared for the **"Turin Process"**, which will present a comprehensive overview of the effectiveness of the vocational education and training system, in the context of creating the opportunities for the lifelong learning.

In the course of 2022, several IPA projects were implemented with the goal to improve the education system in Bosnia and Herzegovina. In the reporting period, the implementation has continued of the **Project "Education for Employment"**, which strives to harmonize the education with the labour market through development of the guidelines and the quality of qualifications in vocational education (VET) and higher education, and to increase the capacity of human resources at all levels of education. Also, the project task was prepared **"The Analysis/Mapping of the State of Professional Qualifications for Performing Regulated Professions (that are regulated at all levels of government in Bosnia and Herzegovina)"**, which will result in drafting of the list of regulated professions in BiH, and realization of one of the recommendations from the Roadmap for implementation of the EU Directive on regulated professions. Within the Project **"Analysis of Infrastructure Needs in Education Investments in Bosnia and Herzegovina"**, 20 secondary vocational schools and 20 preschool institutions were selected during 2022, whose reconstruction will begin in 2023.

The implementation of the Project **"European Union Support for Local Partnerships for Employment - Phase II"** has continued during 2022, in order to support further development of local partnerships for employment in Bosnia and Herzegovina in the period 2021-2024. The general goal of the project is to contribute to the improvement of the socio-economic situation and the improvement of living conditions in Bosnia and Herzegovina. The specific goal of the Project is to contribute to employment in local communities during the three-year implementation by supporting local partnerships for employment in their efforts to identify, create and implement programs for activation and integration of unemployed persons in the labour market in line with the specific local needs and opportunities.

The Ministry of Civil Affairs of BiH undertook activities during 2022 to sign the Agreement between Bosnia and Herzegovina and the European Union on Participation of Bosnia and Herzegovina in the **EU Program for Employment and Social Innovation (EaSI)**. Also, with the support of the European Union, activities were initiated on preparation of the **Youth Guarantee Program in Bosnia and Herzegovina**, which will contribute to the inclusion of young people in the labor market through more efficient and active labor market policies.

During the reporting period, the Ministry of Civil Affairs of BiH, together with other competent institutions, took part in the preparation of the document **"Analysis of the Socio-Economic Situation and Resolution of Housing Issues of Young People Leaving the Social Protection System"**, which aims to further improve social protection and social inclusion in Bosnia and Herzegovina.

In the reporting period, in the conditions of natural or other disaster at the territory of Bosnia and Herzegovina due to the declared Covid-19 virus pandemic, intensive cooperation has continued with the World Health Organization, United Nations Children's Fund, as well as other international organizations regarding the implementation of activities whose goal is to provide and strengthen capacities for prevention and a clear response to the Covid-19 virus pandemic.

The Presidency of Bosnia and Herzegovina, at its 1st session held on November 30th 2022, approved the conclusion of the **Two-year Agreement on Cooperation between Bosnia and Herzegovina and the Regional Office of the World Health Organization for Europe for the period 2022-2023**. The Agreement has the goal to support Bosnia and Herzegovina in promoting the universal access to quality health care without fear of financial difficulties, offering effective protection from health emergencies and building healthy communities, where public health protection activities and adequate public policies ensure better life in welfare economics.

Investments of DCF members in 2022

DCF members active in the Education, employment and social policies sector in 2022 are The World Bank, EU, Croatia, Slovenia, Switzerland, Sweden, UN, USA/USAID, Germany, Czech Republic, Hungary, Italy/AICS and United Kingdom.

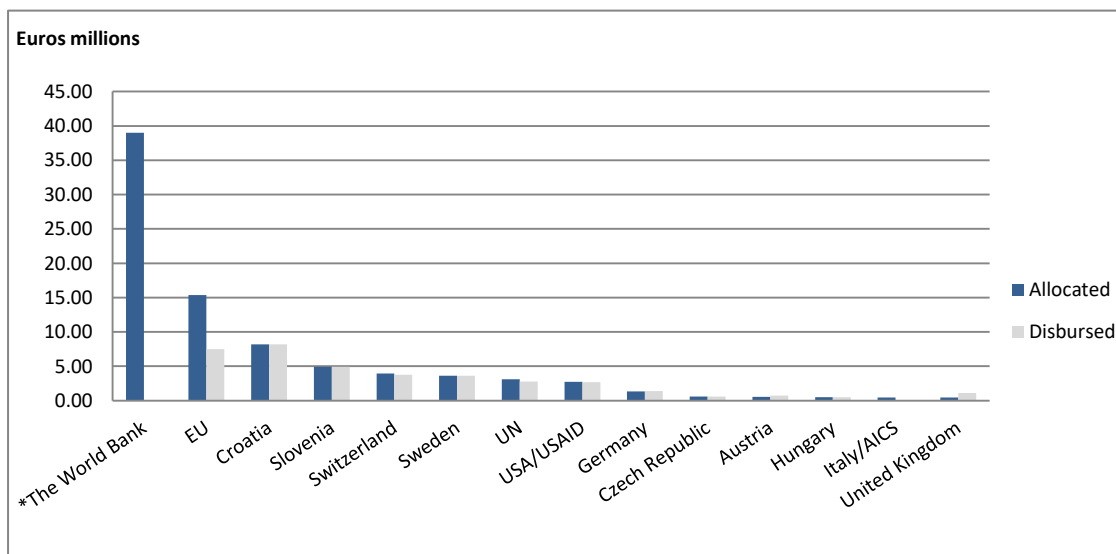
Total allocations of DCF members to the Sector in 2022, amounted to € 84.75 million, out of which €45.75 in a form of grant and € 39.00 mil in a form of loan.

Total disbursements to the Sector in 2022 amounted to € 37.85 million in the form of grants.

Figure 7.1. compares ODA grants allocated and disbursed funds, as well as allocated loan funds of The World Bank according to the amount of invested funds of each individual development partner.

Development partners who allocated i.e. disbursed largest amounts of ODA grant funds in 2022 were The World Bank, EU and Croatia.

Figure 7.1. Allocated and disbursed grants per development partners in 2022



*Note: The World Bank loan

Education, employment and social policies sector consists of 9 sub-sectors.

Figure 7.2. presents the structure of total allocated funds per sub-sectors. Out of total allocated funds in 2022, 85.6% was allocated in 3 sub-sectors: Labour market and employment (48.7%), Education, employment and social infrastructure (21.8%) and Social protection (15.2%), while the remaining 14.4% funds was allocated to all other sub-sectors. Sub-sectors that did not have funding are not presented in the chart.

Figure 7.2. Total allocated funds per sub-sectors in 2022

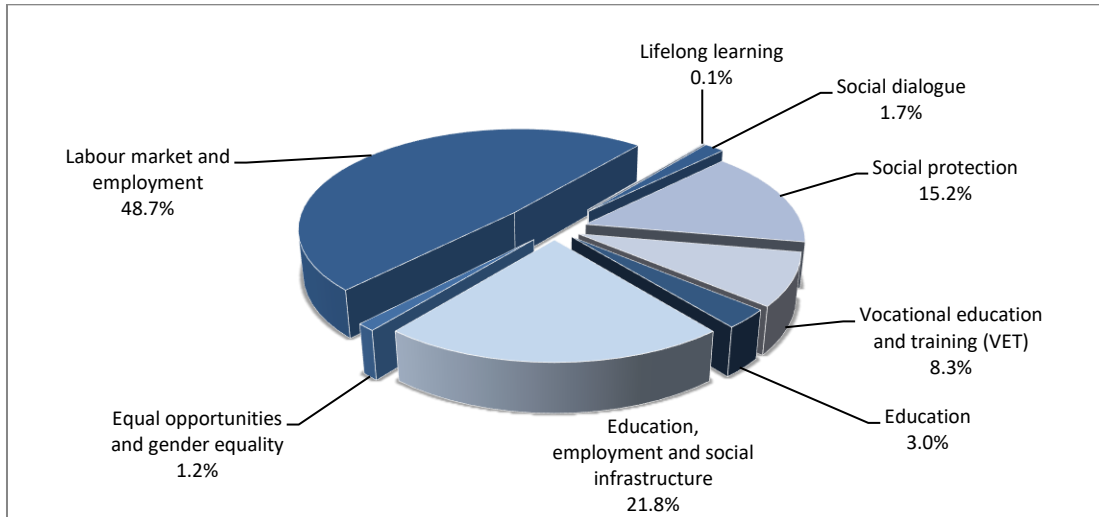
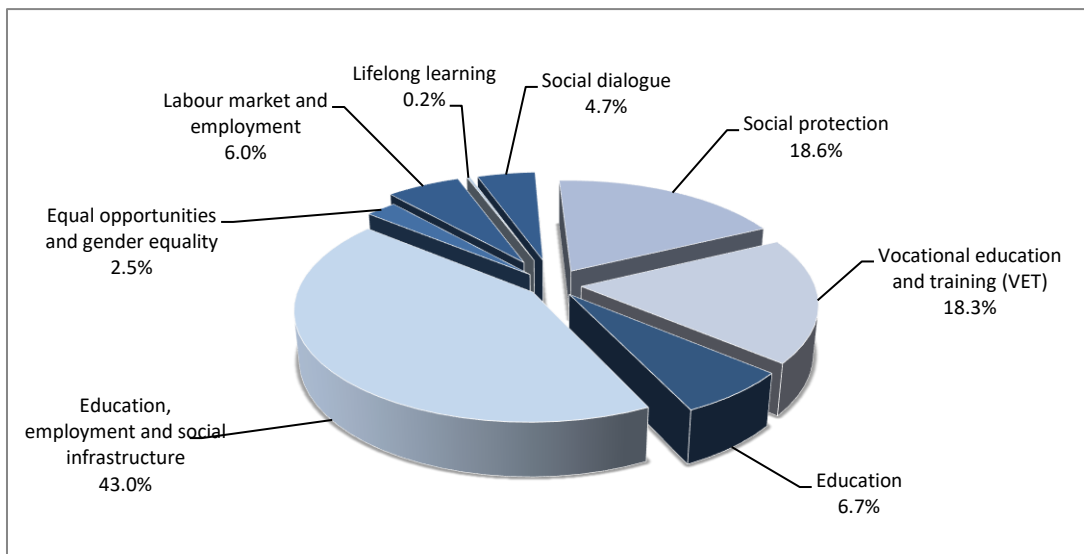


Figure 7.3. presents the structure of total disbursed funds per sub-sectors in 2022.

Out of total disbursed funds in 2022, 79.9% was disbursed in 3 sub-sectors: Education, employment and social infrastructure (43.0%), Social protection (18.6%) and Vocational education and training VET (18.3%), while the remaining 20.1% funds was disbursed in all other sub-sectors. Sub-sectors that did not have funding are not presented in the chart.

Figure 7.3. Total disbursed funds per sub-sectors in 2022



Ten major projects in the sector that allocated or disbursed funds in 2022, are listed below:

PROJECT TITLE	Development partner	Total Project Value (mil EUR)
Second Employment Support Project	The World Bank	39.00
(OPA) Democracy and Human Rights Education Program	USA/USAID	9.00
EU Support to BiH Health Sector Reform - Realizing the Potential of Primary Health Care-driven Health Systems Reforms in Bosnia and Herzegovina (WHO)	EU	5.90
Vocational Training in Bosnia and Herzegovina	Germany	5.61
Youth for Change	Switzerland	5.58
Mostar University Clinical Hospital	Croatia	5.31
Integrated private employment services pilot	Sweden	5.02
Imputed Student Costs	Slovenia	4.46
EU Support to BiH Health Sector Reform (WB)	EU	4.10
Moving Towards Sustainable Approaches to Prevent Violent Extremism in the Western Balkans	UK	4.03

All projects are available in the Development Partners 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 areas 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, as well as:

- continue the activities on further improvement of the quality of education at all levels of government in BiH as well as the implementation of the Bologna Process;
- continue the implementation of strategic documents in the field of education in BiH;
- draft and implement the Qualification Framework in BiH;
- continue activities envisaged by the Roadmap for Implementation of the EU Directive on Regulated Professions;
- draft strategic document for the field of youth in BiH;
- further strengthen the capacities of public employment services, enabling the continuation of a successful transition to client-oriented support, and further development of counselling services, mediation and employment programs;

- adopt strategic documents for the field of employment, at the level of the Federation of BiH and BD BiH, which together with Employment Strategy 2021-2027 of Republika Srpska, adopted at the end of 2021 will serve as the basis for drafting the BiH Employment Strategy;
- continue ongoing cooperation with the competent education institutions and bodies for recognition of higher education qualifications, in order to harmonize, improve and facilitate the recognition procedures in line with the provisions of the Lisbon Recognition Convention.
- develop effective, sustainable and just system of social protection and protection of families with children that will guarantee basic and balanced rights of socially vulnerable categories;
- advance social dialogue at all levels of government in BiH.

DCF members active in the sector in 2022	Italy/AICS, EU, Sweden, UN, Germany, EBRD
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	Council of Ministers of BiH; Government of the Federation of BiH; Government of Republika Srpska; Government of Brcko District BiH; 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 2022 by DCF members	<p>Total allocated € 3.54 million in a form of grant</p> <p>Total disbursed € 10.78 million – out of which € 10.76 million in a form of grant and € 0.01 million in a form of loan.</p> <p>Out of total ODA in 2022, 1% was allocated and 2% disbursed in the sector.</p>
Legal framework and sector strategies adopted in 2022	<p>The Law on Changes and Amendments to the Law on Agricultural Advisory Services (FBiH Off. Gazette No. 25/22); The Law on Changes and Amendments to the Law on Agricultural Land (RS Off. Gazette No.106 /22).</p> <p>Strategy for Development of Agriculture and Rural Areas of BD BiH for the period 2021–2027.</p> <p>Previously adopted legal framework and sector strategies are available on www.donormapping.ba</p>
Coordination with and among development partners	<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 Development partners and institutions of BiH in this sector, through regular meetings and preparation of annual reports adopted by the CoM of BiH.</p> <p>Development partners active in the sector and BiH Institutions from all levels of government regularly attended Development Partners 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 2022

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. The Ministry of Finance and Treasury of BiH has retained the IPA II classification in the Development Partners Mapping Report 2022.

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.

In the course of 2022, activities were carried out on preparation of the Draft of the Strategic Plan for Rural Development of BiH for the period 2022-2027, which takes place within the framework of the Project "EU Support to Agriculture and Rural Development, Food Safety, Veterinary and Phytosanitary Standards". Also, as part of this Project, activities are underway aimed towards modernization of the agriculture and food sector, creating the new and retaining the existing jobs, as well as supporting recovery from the crisis caused by the Covid-19 virus pandemic.

At the sixth meeting of the Subcommittee on Agriculture and Fisheries between Bosnia and Herzegovina and the European Union, held in June 2022, it was noted that the trade in agricultural products is carried out in line with the Stabilization and Association Agreement. In Bosnia and Herzegovina, the new Strategic Plan for Agriculture and Rural Development is under preparation, as well as the Law on Organization of the Wine Market. At the meeting, the European Commission welcomed the increase in budget support for agriculture and rural development at all levels of government in BiH and stressed out the importance of harmonization of the agriculture support measures across the entire Bosnia and Herzegovina with the legislation of the European Union.

The Food Safety Agency of BiH continued the activities in 2022 on capacity building and gradual harmonization of legislation with the European Union *acquis* in the food safety sector in Bosnia and Herzegovina. Cooperation with development partners in the field of food safety has continued through implementation of several projects, with the goal to improve the capacity of laboratories in Bosnia and Herzegovina and harmonize the standards with the best European practices. The cooperation has continued between the BiH Food Safety Agency and the European Food Safety Authority (EFSA), and in the reporting period, the Agency prepared the Report on the implemented Program for Monitoring of Pesticide Residues in and on the Food of Plant and Animal Origin in 2021.

The Council of Ministers of Bosnia and Herzegovina, at its 54th session held on July 28th, 2022, at the proposal of the Food Safety Agency of BiH, adopted the *Decision on Amendments to the Decision on the Appointment of the Members of the Council for Genetically Modified Organisms*, which will enable the continued work of the Council for Genetically Modified Organisms of BiH. Also, the Agency submitted to the Council of Ministers for adoption the

Rulebook on tea, herbal tea, fruit tea and instant tea, the adoption of which is expected in 2023.

Within the framework of the Project "**Development of Sustainable Tourism in BiH**", during 2022 the Food Safety Agency of BiH prepared the "**Guide for Obtaining Labels of Geographical Origin and Traditional Food Specialties in Bosnia and Herzegovina**", which are intended for food producers in BiH who wish to protect the label of origin, the label of geographical origin or the label of guaranteed traditional specialty for their food products. In cooperation with the Food and Agriculture Organization (FAO), several training sessions were organized during 2022 within the Project "**Strengthening the Administrative System for the Management and Support to Geographical Origin Protection Labels**".

In order to monitor the safety and the quality of natural water in Bosnia and Herzegovina, in 2022 the Food Safety Agency of BiH updated the *List of the recognized natural mineral water and natural spring water in Bosnia and Herzegovina* and published it on the Agency's website.

In the field of phytosanitary policy, activities have continued in 2022 on establishing of the functional and efficient phytosanitary system in Bosnia and Herzegovina and harmonizing of the phytosanitary control system with the European directives. In the reporting period, the Administration of Bosnia and Herzegovina for Plant Health Protection adopted the by-law acts essential for functioning of the phytosanitary system in Bosnia and Herzegovina. Also, during 2022, the Administration implemented two projects in cooperation with the development partners "**Improving Food Safety in BiH**" and "**EU Support for the Capacity Building and Gradual Harmonization with the EU acquis in the Phytosanitary Sector in BiH**".

Veterinary Office of Bosnia and Herzegovina continued its activities in 2022 on drafting of the by-laws whose goal is to harmonize the veterinary policy of Bosnia and Herzegovina with the European legislation and standards in this area. *The Rulebook on the Maximum Permitted Amounts of Pharmacologically Active Substances in the Products of Animal Origin* was adopted as well as the certain number of instructions related to the monitoring of certain diseases for which the Veterinary Office of BiH implements monitoring programs for the purpose of rapid detection, suppression and eradication of these diseases in case of their detection in animals.

Investments of DCF members in 2022

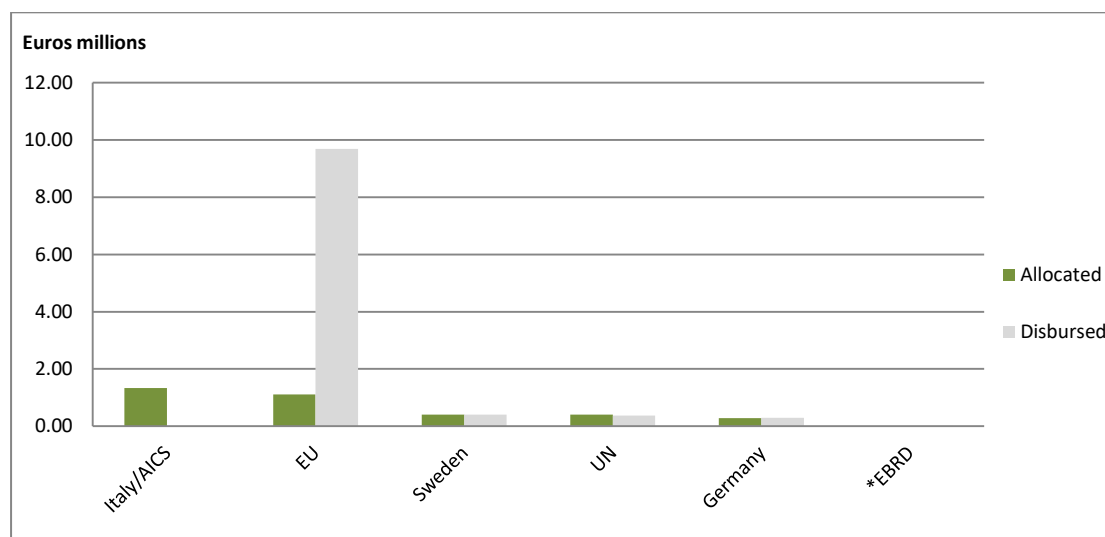
DCF members active in the Agriculture and rural development sector 2022 are Italy / AICS, EU, Sweden, UN, Germany and EBRD.

Total allocations of DCF members to the Sector in 2022 amounted to € 3.54 million in the form of grants.

Total disbursements of DCF members to the Sector in 2022 amounted to € 10.78 million, out of which € 10.76 million in the form of grant and € 0.01 million in the form of loan.

Figure 8.1. compares grants allocated and disbursed per development partners, according to the amount of invested funds as well as allocated and disbursed loan funds from European Bank for Reconstruction and Development (EBRD). Development partners who allocated i.e. disbursed largest amounts were EU and Italy/AICS.

Figure 8.1. Allocated and disbursed grant funds per development partners in 2022



*Note: EBRD loan

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

Total allocated funds in 2022 were allocated to three sub-sectors: Food safety, veterinary and phytosanitary policy (48.1%), Rural development (27.6%) and Capacity for Common Agricultural Policy (23.9%). Sub-sectors that did not have funding are not presented in the chart.

Figure 8.2. Total allocated funds per sub-sectors in 2022

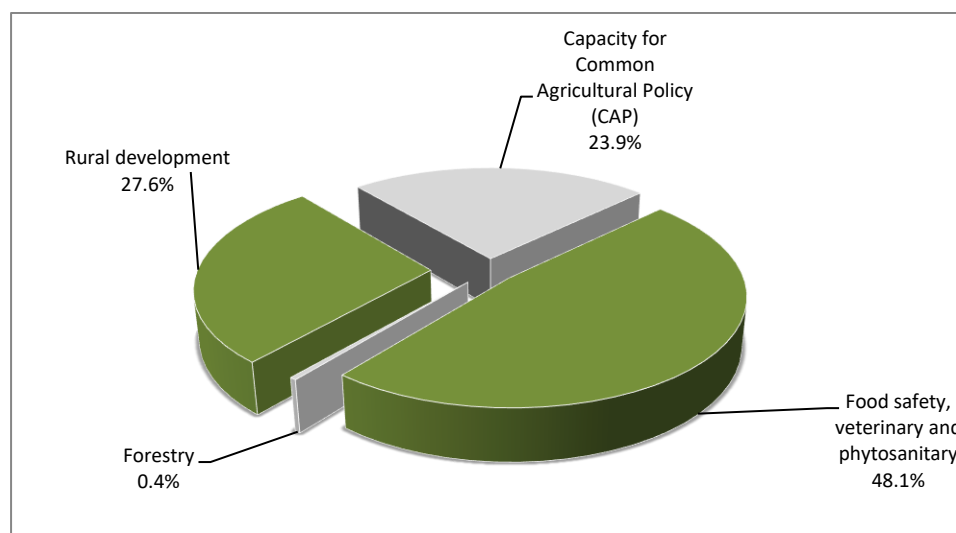
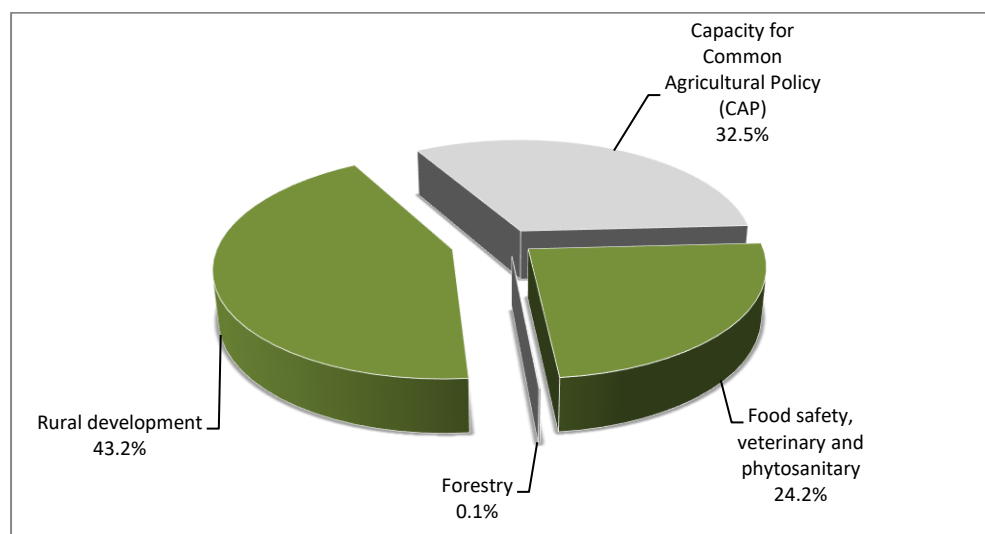


Figure 8.3. presents the structure of total disbursed funds in 2022 per sub-sectors.

Total disbursed funds in 2022, were disbursed to three sub-sectors: Rural development (43.2%), Capacity for Common Agricultural Policy (32.5%) and Food safety, veterinary and phytosanitary policy (24.2%). Sub-sectors that did not have funding are not presented in the chart.

Figure 8.3. Total disbursed funds per sub-sectors in 2022



Ten major projects in the sector that allocated or disbursed funds in 2022

PROJECT TITLE	Development partner	Total Project Value (mil EUR)
European Union Support to Agriculture Competitiveness and Rural Development in Bosnia and Herzegovina (EU4AGRI) and European Union Support to Covid-19 Recovery and Resilience of Agriculture and Rural Development in Bosnia and Herzegovina (EU4AGRI-Recovery)	UN	24.13
EU Support to Agriculture Competitiveness and Rural Development in Bosnia and Herzegovina (EU4AGRI)	EU	20.00
European Union Support to Covid-19 Recovery and Resilience of Agriculture and Rural Development in Bosnia and Herzegovina (EU4AGRI-Recovery)	EU	5.00
EU support to capacity building and gradual acquis alignment in the veterinary sector of Bosnia and Herzegovina	EU	3.00
Transition towards green and healthy food production in Bosnia and Herzegovina	Italy/AICS	2.50
Economic sustainable development and environmental protection in Areas with Natural Constraints in Bosnia and Herzegovina	Italy/AICS	2.40
EU Support to supply and distribution of rabies vaccination baits for spring 2020, autumn 2020 and spring 2021 campaigns in Bosnia and Herzegovina	EU	2.17
IPA-support to agriculture policy and IPARD compliant structures	EU	2.15
EU support to capacity building and gradual Union acquis alignment in the Food safety sector in Bosnia and Herzegovina	EU	1.50
EU Support in supply and distribution of rabies vaccination baits for spring 2023 vaccination campaign in Bosnia and Herzegovina Lot No 1	EU	0.95

All projects are available in the Development Partners 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 Bosnia and Herzegovina, which will be competitive at the International market and 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:

- continue activities on harmonization of the food safety regulations in BiH with the EU legislation;
- improve the capacities of competent bodies and subjects in the food business for implementation of the EU legislation and standards in the field of food hygiene and official food controls;
- support the establishment of the system for registration of the food products with labels of origin, geographical origin and guaranteed traditional speciality;
- draft the Strategic Plan of Rural Development of BiH 2023-2027- framework document:
- Conduct the Agricultural Census;
- intensify efforts and strengthen the system of public and animal health protection;
- continue with activities on harmonization of the veterinary legislation in BiH with the European directives, with the aim to improve the health of animals and people and strengthen export capacities;
- implement the recommendations from the Commission's Opinion on the request of Bosnia and Herzegovina for the membership in the European Union and the Analytical Report in the part that refers to the areas of agriculture, food safety and fisheries;
- draft and adopt the Law on Agriculture of the Federation of BiH and the Strategy of Agriculture and Rural Development of the Federation of BiH until 2027;
- adopt the Law on Forests of the Federation of BiH, the Forestry Program of the Federation of BiH and the Law on Reproductive Material of Forest and Ornamental Trees and Shrubs;
- improve the capacities of competent institutions and subjects in the food business for the implementation of EU legislation and standards in the field of food safety;
- adopt strategic documents in the field of fisheries at all levels of government in BiH.

DCF members active in the sector in 2022	The World Bank, Sweden, EU, Italy / AICS, Germany, EBRD
Other key international organizations	Regional Cooperation Council; Energy Community of Southeast Europe; South East Europe Transport Observatory; Central European Free Trade Agreement, South East European Cooperation Process
Key government partners	Council of Ministers of BiH; Government of the Federation of BiH; Government of Republika Srpska; Government of Brcko District BiH; institutions, agencies, directorates at all levels of government in BiH, in line with their sectoral competencies
Total allocation / disbursement to the sector in 2022 by DCF members	<p>Total allocated € 6.97 million in a form of grant, out of which € 2.35 million in a form of grant and € 4.62 million in a form of loan.</p> <p>Total disbursed €7.23 million, out of which € 2.22 million in a form of grant and € 5.00 million in a form of loan.</p> <p>Out of total ODA in 2022, 1 % was allocated and 1 % disbursed in the sector.</p>
Legal framework and sector strategies adopted in 2022	/
Coordination with and among development partners	<p>Single mechanism for coordination of development partners does not exist.</p> <p>For regional investments, coordination of development partners 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>Development partners active in the sector and BiH Institutions from all levels of government regularly attended Development Partners 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 2022

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. The Ministry of Finance and Treasury of BiH has retained the IPA II classification in the Development Partners Mapping Report 2022.

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.

Regional cooperation and good neighbourly relations are an important part of the European Union accession process of Bosnia and Herzegovina and other Western Balkans countries. The economic and trade cooperation between the Western Balkans countries represents an important factor in the economic development and integration of the regional market into the European Union single market.

During 2022, Bosnia and Herzegovina continued to participate in numerous regional cooperation initiatives, such as the Central European Free Trade Agreement (CEFTA), the Energy Community, the Transport Community, the South East European Cooperation Process (SEECP) and the Regional Cooperation Council (RCC). In May 2022, Bosnia and Herzegovina assumed the presidency of the Adriatic-Ionian Initiative.

After the meeting of the Foreign Affairs Council in May 2022, the ministers of foreign affairs of the European Union for the first time unofficially exchanged views with their colleagues from the Western Balkans. The meeting of the leaders of the European Union and the Western Balkans, held on June 23, 2022, reaffirmed the perspective of the region and gave an incentive for intensifying the cooperation, particularly regarding the integration of the European Union measures for food and energy supply, and for supporting the building of capacities for information security and the social agenda, especially by involving young people in the economy. The meeting also presented an opportunity to discuss political cooperation, including the harmonization of the Western Balkans foreign policy with the EU positions and restrictive measures.

The Chairman of the Council of Ministers of Bosnia and Herzegovina, in the role of an observer, attended the meetings of the Open Balkans Initiative, which were held in June 2022 in Ohrid and in September 2022 in Belgrade.

In the course of 2022, the countries of the region continued their activities on implementation of the CEFTA Agreement. Decision No. 1/2021 enters into force in line with the internal procedures of all CEFTA parties, and was published on December 26th, 2022, in Bosnia and Herzegovina. Decision No. 1/2021 amends the text of Annex 4 of the CEFTA Agreement, the Protocol on the definition of the concept of products with the origin and methods of administrative cooperation with the text set out in the Annex of this Decision, which consists of 8 articles prescribing general provisions (Annex 4) and Appendix A (Alternative applicable rules on the origin).

As part of the European Union Summit for the Western Balkans, which was held on December 6th, 2022, in Tirana, the leaders of the European Union, in consultation with the leaders of the Western Balkans, in the presence of interested parties from the region and the world, held the first meeting in the region. The topic of the meeting was Russia's war aggression against Ukraine, which endangers the European and the world peace and security, and the confirmation of the European Union's commitment to the perspective of the membership of the Western Balkans in the European Union. The leaders of the European Union called for the acceleration of the accession process to the European Union. The progress was also welcomed made by the partners from the Western Balkans on their path to the European Union since the EU-Western Balkans Summit, which was held in October 2021 at Brdo near Kranj.

In September 2022, the fifth Digital Summit of the Western Balkan countries was held in Pristina, where the progress achieved in digital skills, infrastructure and services, trust and security and the digital economy was discussed.

During 2022, the Directorate for European Integration of Bosnia and Herzegovina continued to participate in the work of the regional Network of institutions responsible for EU integration, which is implemented as part of GIZ Project 'Promoting of the EU Integration in the Western Balkans'. The Project supports the countries in the region in implementing the agreements reached within the Berlin process, and encourages a common approach to the challenges arising from the transposition of rights of the European Union and provides the support in reporting on the progress towards the European Union.

During 2022, Bosnia and Herzegovina continued to participate in territorial cooperation programs: the bilateral program with the Republic of Serbia and Montenegro, the trilateral Interreg program with Croatia and Montenegro, and three transnational programs - Danube, MED and ADRION.

The European Commission adopted the Enlargement Package for 2022 on October 12, 2022, whereby presenting the detailed assessment of the state of progress made by the Western Balkans countries and Turkey on the path towards the European Union, with special focus on implementation of the key reforms, as well as clear instructions on the forthcoming reform priorities. In December 2022, the Council of the European Union granted Bosnia and Herzegovina the candidate status, with the understanding that it is necessary to undertake a number of steps to strengthen democracy, functionality of the state institutions and the rule of law in the country, fight against corruption and organized crime, guarantee media freedom and manage migration in the country. The Commission continues to support efforts towards reforms and accelerating the integration of the overall Western Balkans.

Investments of DCF members in 2022

DCF members active in the Regional and territorial cooperation sector in 2022 were The World Bank, Sweden, EU, Italy / AICS, Germany and EBRD.

Total allocations of DCF members to the Sector in 2022 amounted to € 6.97 million, out of which € 2.35 million in a form of grant and € 4.62 million in the form of loan.

Total disbursements of DCF members to the Sector in 2022 amounted to € 7.23 million, out of which € 2.22 million in the form of grants and € 5.00 million in the form of loans.

Figure 9.1. compares ODA grants allocated and disbursed funds, according to the amount of invested funds of each individual development partner. Sweden has the largest allocation, i.e. disbursement of grant funds, followed by the EU, Italy/AICS and Germany.

Figure 9.1. Allocated and disbursed grant funds per development partners in 2022

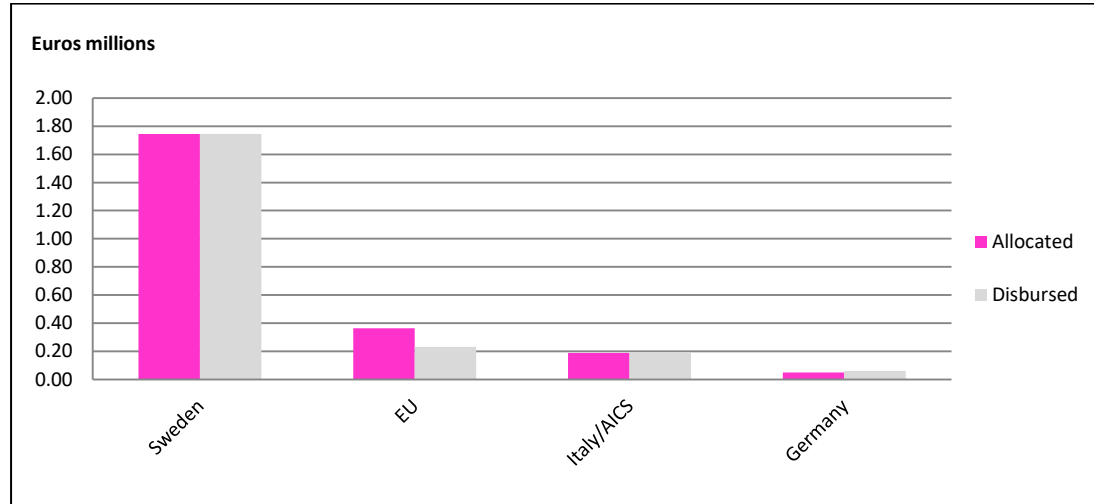
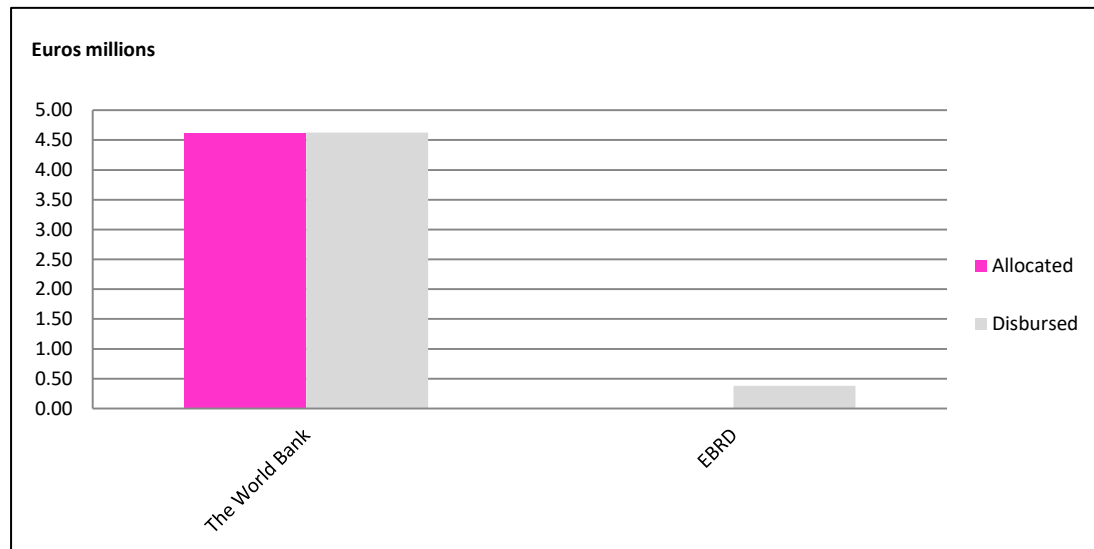


Figure 9.2. presents total allocated and disbursed loans in 2022. The World Bank allocated and disbursed € 4.62 mil, while EBRD disbursed € 0.38 mil.

Figure 9.2. Total allocated and disbursed loans per creditors in 2022



Regional and territorial cooperation sector consists of 4 sub-sectors.

Figure 9.3. presents the structure of total allocated funds per sub-sectors.

Out of total allocated funds in 2022, 80.4% was allocated to the sub-sector Regional investment support, while 19.6% was allocated to other sub-sectors.

Figure 9.3. Total allocated funds per sub-sectors in 2022

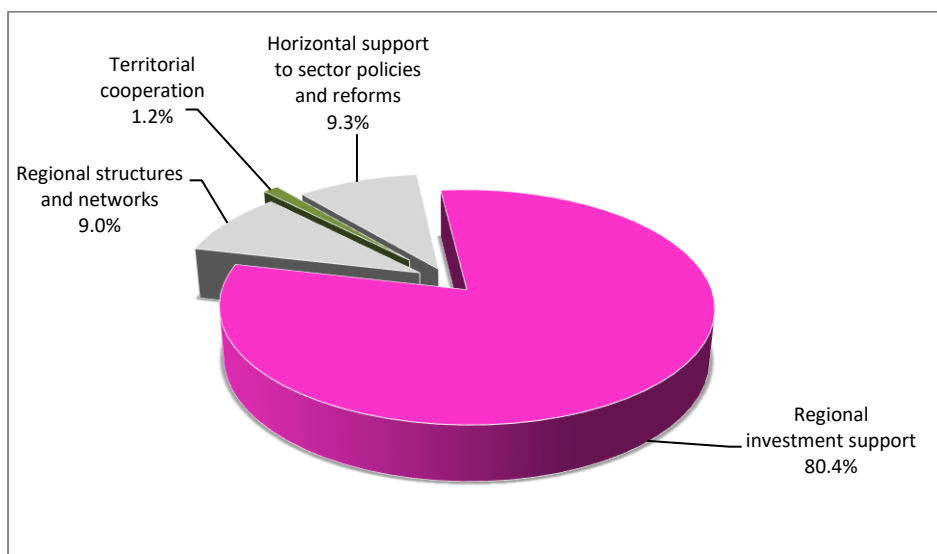
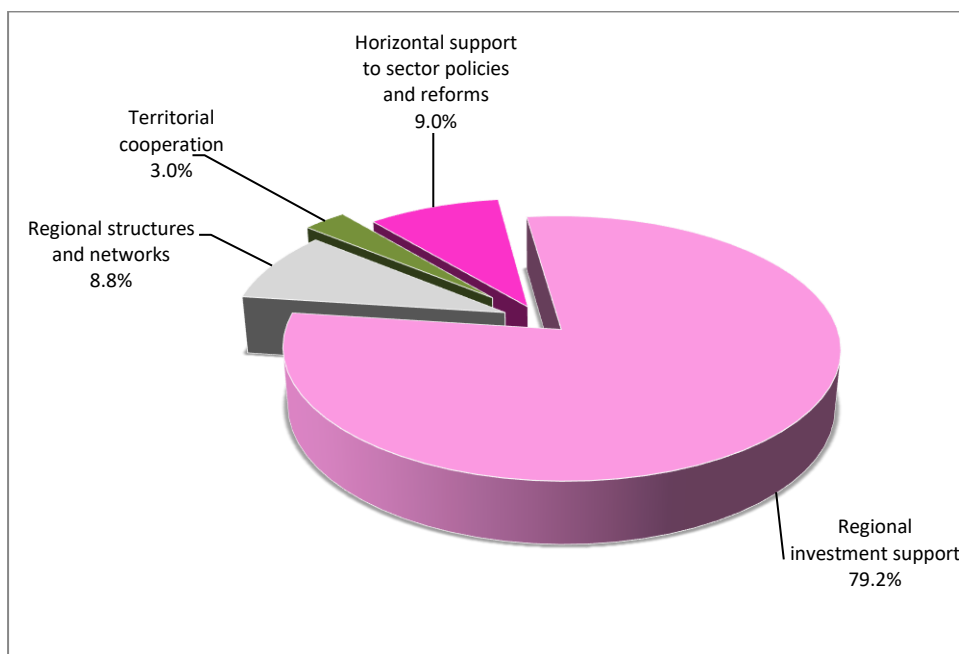


Figure 9.4. presents the structure of total disbursed funds in 2022 per sub-sectors.

Total disbursed funds in 2022 are disbursed in 3 sub-sectors: Regional investment support 79.2%, while 20.8% was allocated to other sectors.

Grafikon 9.4. Total disbursed funds per sub-sectors in 2022



Ten major projects in the sector that allocated or disbursed funds in 2022

PROJECT TITLE	Development partner	Total Project Value (mil EUR)
Sava and Drina Rivers Corridors Integrated Development Program	The World Bank	30.01
Invera Private Equity Fund	EBRD	2.00
From awareness to care: women as protagonists for the right to health in Bosnia and Herzegovina	Italy/AICS	0.82
Cycling routes to improve natural and cultural heritage of Herzegovina and Montenegro - Cycling Rural	EU	0.40
"Tourism, Adrenaline and Rafting Adventure (T.A.R.A.)(Creation of an integrated cross-border tourist destination for active tourism in BiH and Montenegro cross-border region)"	EU	0.40
From the Medieval Fortresses in Herzegovina to the Austro-Hungarian Fortresses in Montenegro / FORT-NET	EU	0.40
EU Support to Youth Employability and Employment Opportunities in the Cross-border area Your Job	EU	0.36
Technical Assistance (TA) for the Cross-border cooperation Program Bosnia and Herzegovina - Montenegro - allocation 2017	EU	0.36
Strengthening ties and learning between the twinned municipalities of Centar Sarajevo and Reggio Emilia	Italy/AICS	0.08
Western Balkans School Exchange Scheme	Germany	0.06

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

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

Future activities

Regional cooperation is the key condition for the European perspective of the Western Balkans countries and their further economic progress. In this context, it is necessary to:

- continue strengthening regional cooperation and good neighbourly relations;
- ensure effective coordination of cross-border and interregional cooperation programs, as an important step in the preparation of regional development strategies;
- continue activities to provide the support and coordinate the use of the assistance under the Western Balkans Investment Framework.

Cross-cutting sector

DCF members active in the sector in 2022	The World Bank, EIB, Croatia, USA/USAID, Switzerland, EU, UN, United Kingdom, Norway, Slovenia, Czech Republic, Hungary, Italy /AICS
Total allocation/ disbursement to the sector in 2022 by DCF members	Total allocated € 118.83 million – out of which € 22.31 million in a form of grants and € 96.52 million in a form of loans. Total disbursed € 33.01 million – out of which € 20.19 million in a form of grants and € 12.82 million in a form of loans. Out of total ODA in 2022, 18% was allocated and 6% disbursed in the sector.
Legal framework and sector strategies adopted in 2022	Previously adopted legal framework and sector strategies are available on: www.donormapping.ba
Coordination with and among development partners	Development partners active in the sector and BiH Institutions from all levels of government regularly attended Development Partners 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 2022

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

DCF members active in the Cross-cutting sector in 2022 are The World Bank, EIB, Croatia, USA/USAID, Switzerland, EU, UN, United Kingdom, Norway, Slovenia, Czech Republic, Hungary and Italy /AICS.

Total allocations of DCF members to Sector in 2022 amounted to € 118.83 million, out of which € 22.31 million in the form of grants and € 96.52 million in the form of loans.

Total disbursements of DCF members to the Sector in 2022 amounted to € 33.01 million, out of which € 20.19 million in the form of grants and € 12.82 million in the form of loans.

Figure 10.1. compares allocated and disbursed grant funds by the development partners, according to the amount of invested funds. Development partner who allocated i.e. disbursed largest amount is Croatia, USA/USAID and Switzerland.

Figure 10.1. Allocated and disbursed grant funds per development partners in 2022

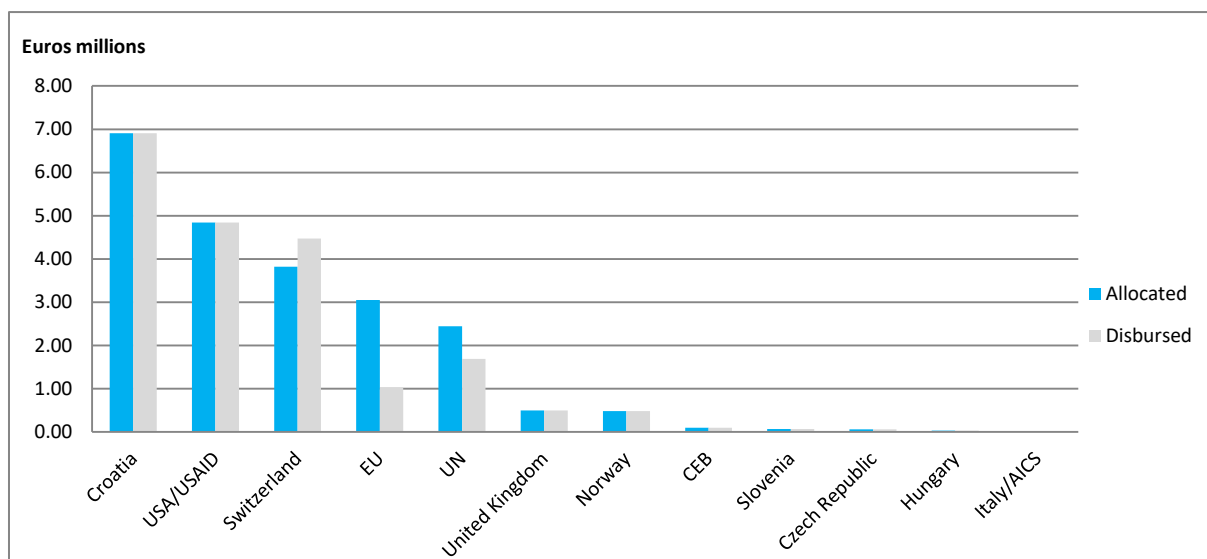
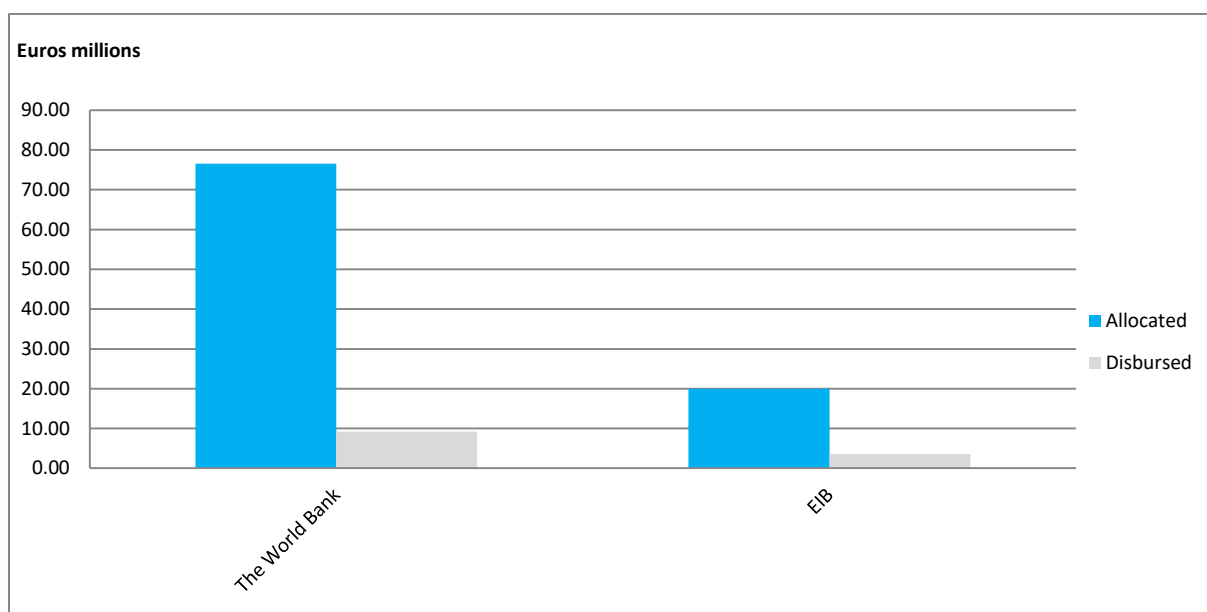


Figure 10.2. presents allocated and disbursed loans in 2022. The World Bank allocated € 76.52 million and disbursed € 9.22 million, while EIB allocated € 20.00 million and disbursed € 3.60 million.

Figure 10.2. Allocated and disbursed loans per creditors in 2022



Ten major projects in the sector that allocated or disbursed funds in 2022

PROJECT TITLE	Development partner	Total Project Value (mil EUR)
ISP BIH LOAN FOR SMES AND PRIORITY PROJECTS IV	EIB	120.00
Health Systems Improvement Project	The World Bank	67.30
Real Estate Registration Project	The World Bank	46.25
ISP BIH IMPACT INCENTIVE LOAN FOR SMES & MIDCAPS	EIB	43.30
Bosnia and Herzegovina Emergency COVID-19 Project	The World Bank	29.63
Strengthening of Nursing	Switzerland	10.68
Global Credit Cooperation	Switzerland	7.60
Monitoring and Evaluation Support Activity (MEASURE II)	USA/USAID	6.56
Mental Health Project in BiH	Switzerland	4.67
Incentives for education, culture, science and health	Croatia	4.18

All projects are available in the Development Partners 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

Switzerland

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

United Kingdom

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

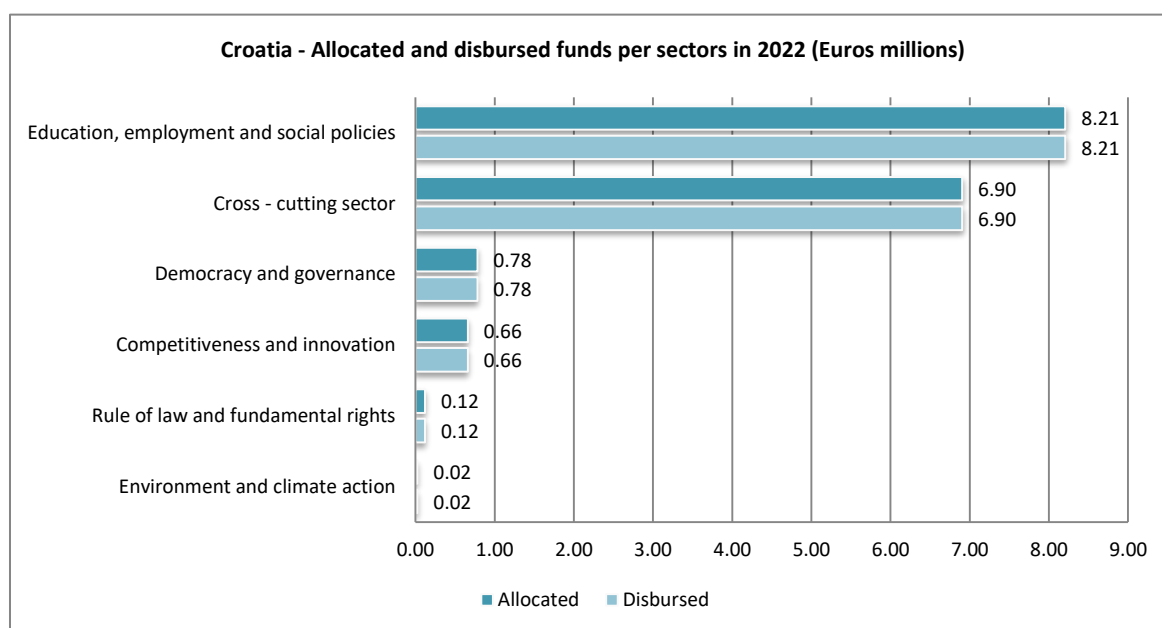
Policy approach

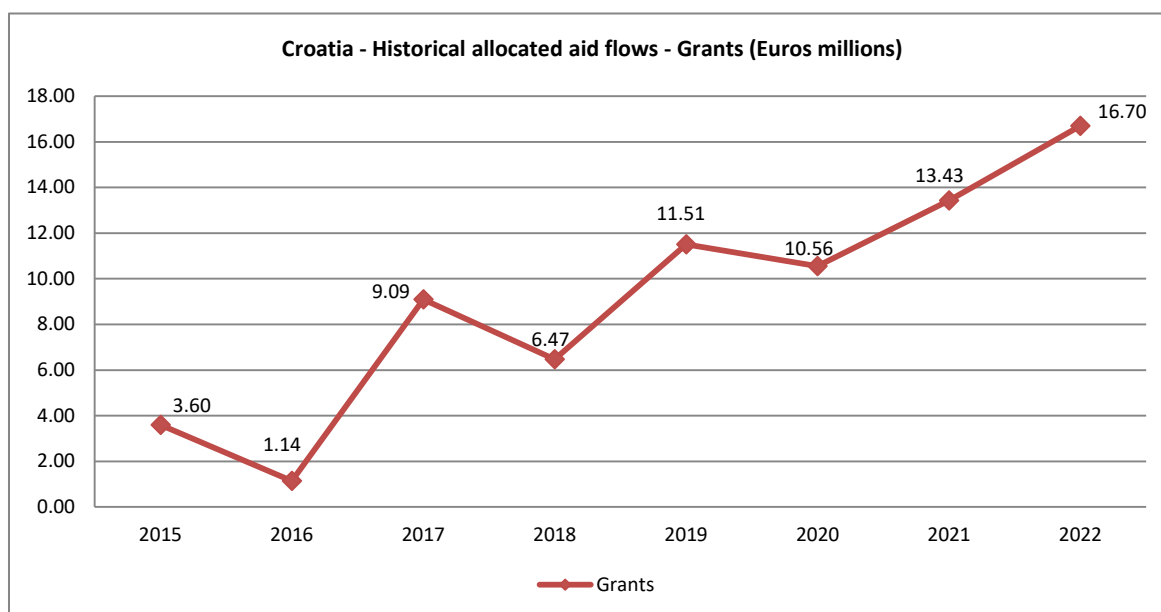
Bosnia and Herzegovina is by far the largest bilateral recipient of the Croatian official development aid (ODA). Croatia will continue with development projects that focus on BiH education sector, employment and social policies, culture, infrastructure and energy resilience.

Institution building and activities related to democratic transition and EU and NATO accession process through the Division for Knowledge Transfer of the Ministry of Foreign and European Affairs of the Republic of Croatia will be carried out in the future as well.

Key activities in 2022

The Government of Croatia **allocated € 16.70 million and disbursed € 16.70 million in 2022 in the form of grant** to the following sectors: Education, employment and social policies, Cross - cutting sector, Democracy and governance, Competitiveness and innovation, Rule of law and fundamental rights and Environment and climate action.





Medium and long-term approach

Given the importance that the Croatian Government attaches to the stability and prosperity of BiH (and the Western Balkans as a whole), it will remain one of the key geographical priorities in the upcoming strategic framework of the Croatian development cooperation.

Development partners coordination efforts

Croatia participates just in Development Partners Coordination Forum (DCF).

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Czech Republic

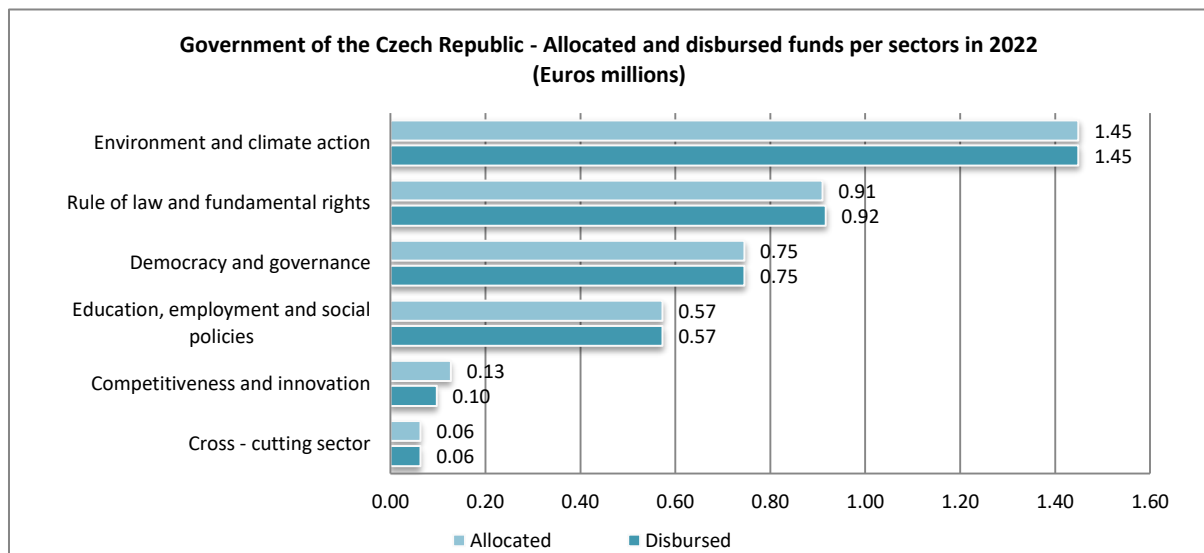
Policy approach

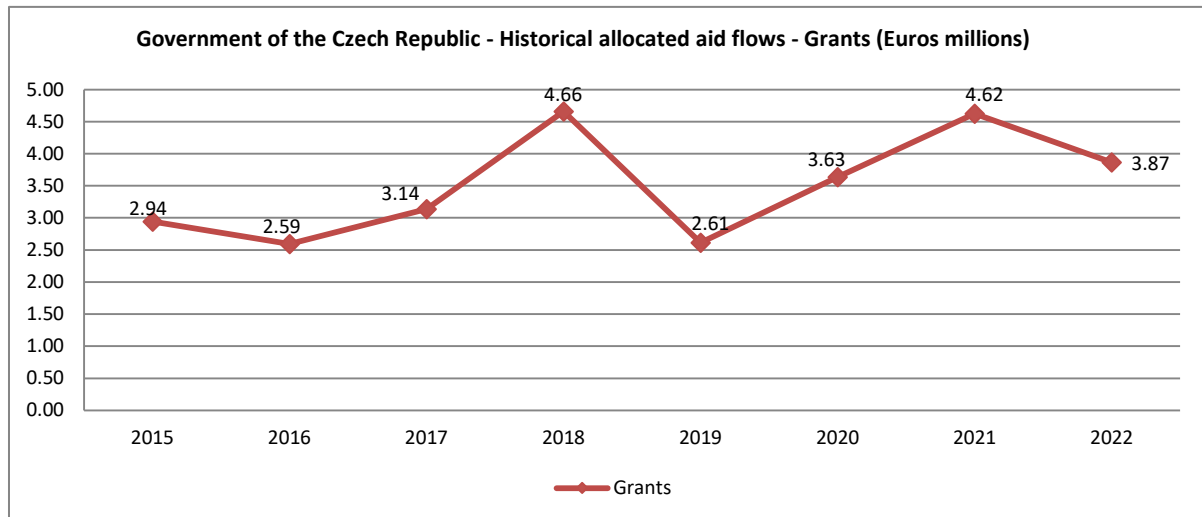
Bosnia and Herzegovina has been among the long-term priorities of the Czech Republic and as such, has been included within the Development Cooperation Strategy of the Czech Republic 2006 – 2010, 2011-2017 among programme priority countries for development cooperation. Current Development Cooperation Programme of the Czech Republic with Bosnia and Herzegovina (2018 – 2023) defines the following priority sectors:

- I. Economic growth with focus on increasing the share of renewable energy generation in areas with optimum conditions
- II. Sustainable management of natural resources, with focus on 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
- III. Good democratic governance, with focus on building efficient, accountable and transparent institutions at all levels of public administration

Key activities in 2022

The Government of the Czech Republic **allocated € 3.87 million and disbursed € 3.84 million in 2022 in the form of grant** to the following sectors: Environment and climate action, Rule of law and fundamental rights, Democracy and governance, Education, employment and social policies, Competitiveness and innovation and Cross - cutting sector.





Medium and long-term approach

We are currently working on our new Programme of Development Cooperation, for all our priority countries, Bosnia and Herzegovina included. This 2024-2029 Programme should be evolved 2018-2023 Programme which we are currently using, since now we have even more data, as well as secondary data which we can use to tailor fit our Development cooperation to this market even more. We expect our main priority fields to remain more or less the same, but we will know more once the Programme is fully developed.

Development partners coordination efforts

Government of Czech Republic participate in following donor coordination efforts (e.g. sector working groups):

Democracy and governance – EU Human rights group – EUD and member states representatives
 International working group on cybersecurity – EUD/EUSR, NATO, UNDP, U.S. Embassy, Embassy of the Kingdom of the Netherlands, Embassy of Switzerland, British Embassy, Royal Norwegian Embassy, OSCE Mission

Environment – the Water Alliance – UNDP, EUD, Embassy of Sweden, Embassy of Switzerland, World Bank

Energy Donor Coordination Group– UNDP, EUD, GIZ, Embassy of Sweden, USAID, British Embassy

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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 wants to develop more cooperation with the Western Balkan countries in the medium-term and also in the long-term, particularly in relation to the EU integration.

In the coming years, France will continue to support the projects in the area of civil society in Bosnia and Herzegovina on different topics such as human rights, youth projects, gender question, local development, ecology as well as it will also support the state changes and reforms on state of law question, administration reform and training, justice, economic development, etc.

Development partners coordination efforts

The Government of France is taking part in all development partner coordination groups, if connected with any project when implicated with direct support or through contribution like EU activities.

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Germany

Policy approach

EU candidacy status has given new momentum to reforms in BiH. Germany is committed to assist BiH on its path towards the EU and to support taking the steps spelled out in the BiH Reform Agenda. Our focus is on two areas: 1) private sector development and 2) energy and climate.

The development of BiH into a functioning market economy with private investments and a stable macro-economic outlook requires a resilient private sector, but also efficient administrative, governmental, and legal structures as well as alignment with the EU *acquis*. Building on decades of economic co-operation, our focus is set on improving conditions for private business and investment. Private sector development will not only bring BiH closer to the EU, but also improve living conditions and provide opportunities for young people in particular.

The energy sector in BiH stands out as one of the most promising sectors for economic investment and growth. Natural conditions for renewable energy are excellent. Recent price hikes following the Russian war of attack on Ukraine have shown the urgency of accelerating the switch to green energy. Germany is committed to help BiH in achieving a just transition and to improve energy efficiency in order to combat climate change and to achieve a cleaner and healthier environment.

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) and KfW Entwicklungsbank (Development Bank). Political foundations and other German institutions implement additional projects. The embassy oversees and co-ordinates these efforts and implements some smaller funds directly.

Focus Area 1) Private Sector Development

Ongoing programs implemented by GIZ seek, *inter alia*, to build capacities in the BiH public and private sector for strengthening the competitiveness of small and medium enterprises (SMEs) and in specific sectors, particularly metal and wood processing and tourism. In addition, we support BiH at creating an enabling environment for SMEs to successfully undertake digitalization and innovation transformations. Strengthening of the capacities of private and public actors to support a green transformation in selected sectors is one of the important goals within sustainable economic development.

In order to improve employability, the TVET (technical vocational education and training) project supports the exchange between public and private structures in the further development of framework conditions for dual vocational education and training. Additionally, Germany supports selected vocational schools, pedagogical institutes and ministries of education in improving the planning and implementation of dual vocational education and training. In the domain of TVET, KfW supports investments in cooperative training projects. KfW allocates grants provided by German Government for consortia consisting of vocational training institutes and private sector companies, which succeeded in a competitive process with best project proposals.

KfW Development Bank provides concessional loans to local banks and microfinance institutions for onlending to micro, small and medium-sized enterprises in BiH.

Focus Area 2) Energy/Climate Protection

Germany is the leading donor in the Western Balkans in the energy and climate sector. Germany supports the expansion of renewable energy technologies (wind and solar) and the rehabilitation of existing hydro-electric power plants. Various large-size projects of KfW Development Bank with a total

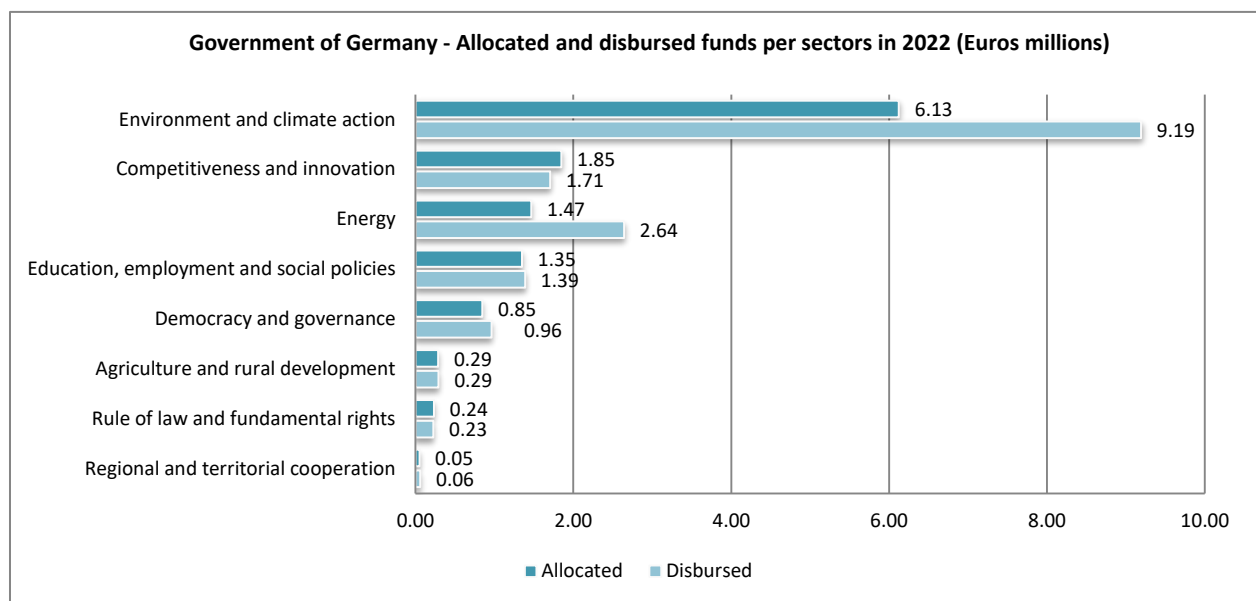
financing volume of up to € 180 million are in different phases of implementation. Technical assistance through GIZ supports BIH in implementing decarbonization measures and in monitoring energy and climate targets.

Germany provides both technical and financial assistance to improving energy efficiency. The goal is to enable public institutions to roll out energy efficiency programmes for the renovation of residential buildings. Furthermore, institutions should use sustainable support instruments to increase the share of large-scale renewable energy together with citizen-centered promotion of decentralised energy supply.

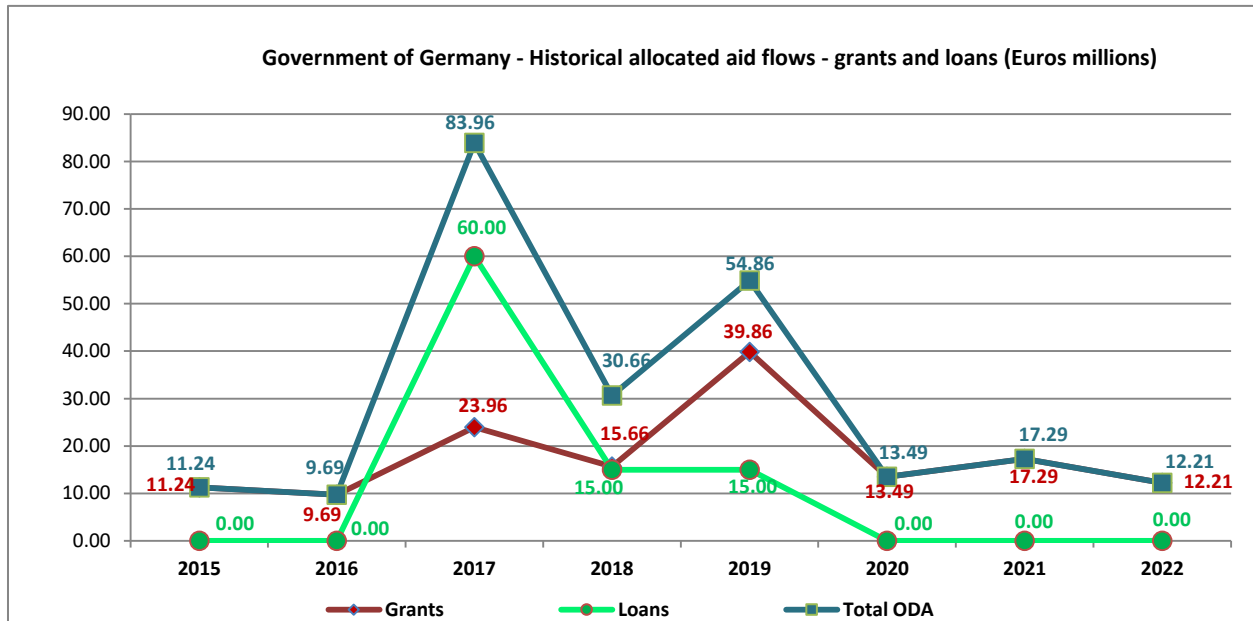
Moreover, Germany and the Western Balkan countries have set up a Regional Climate Partnership, aiming to help WEB countries in achieving their climate targets and to improve regional cooperation.

Key activities in 2022

The Government of Germany **allocated € 12.21¹ million and disbursed € 16.47 million in 2022 in the form of grant and loan** to the following sectors: Environment and climate action, Competitiveness and innovation, Energy, Education, employment and social policies, Democracy and governance, Agriculture and rural development, Rule of law and fundamental rights, Regional and territorial cooperation.



¹ German Development Bank KfW reports allocations by year of signing of loan or financing agreement



Medium and long-term approach

Germany will continue to actively support BiH on its way to EU integration. In doing so, we will primarily focus on the known priority sectors: creating framework conditions for private sector development as well as energy supply / climate protection. Fostering regional cooperation among the Western Balkan countries through the Berlin Process will continue to be a priority for Germany.

Development partners coordination efforts

We coordinate informally with other development partners in our main areas of cooperation, in particular with the EU and its member states and with other donors. We would very much welcome a more formal development partners coordination organized by the BiH authorities.

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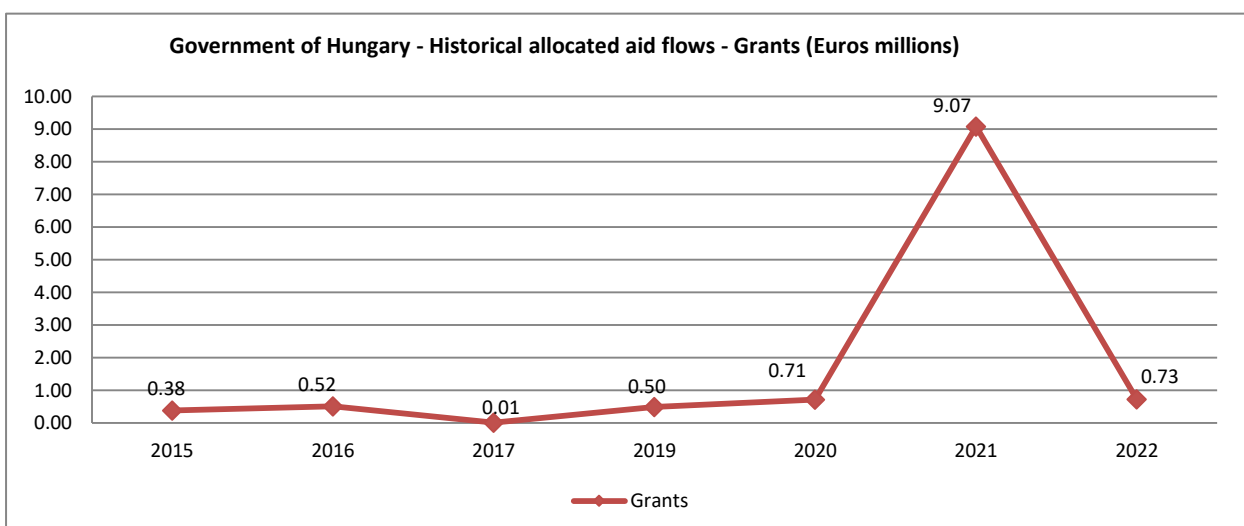
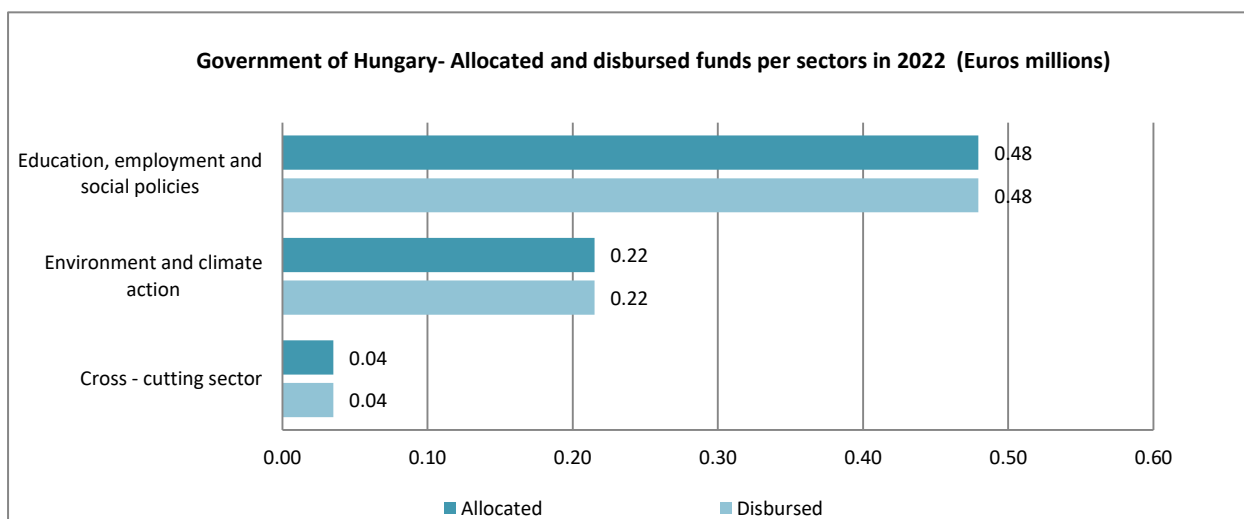
Hungary

Policy approach

In Hungary's International Development Cooperation Strategy for the period 2020-2025, the Western Balkans and within it, Bosnia and Herzegovina have a prominent role. Hungary seeks to contribute to the sustainable development of Bosnia and Herzegovina and its local communities in a manner consistent with their needs and demands, as well as the Sustainable Development Goals (SDGs) and socio-environmental concerns. The Government of Hungary strives to provide assistance where it is most needed, thereby addressing BiH as one the most burden with migration. Hungary's International Development Cooperation Strategy seeks to stimulate the enhanced involvement of the private and civil sectors in development.

Key activities in 2022

The Government of Hungary **allocated € 0.73 million and disbursed € 0.73 million in 2022 in the form of grant** to the following sectors: Education, employment and social policies, Environment and climate action and Cross - cutting sector.





Medium and long-term approach

Hungary will continue to focus on promoting development in the following key sectors: human development and education, health care, environmental protection, agriculture and water management. In the current year (2022) Government of Hungary will continue with the following projects in Bosnia and Herzegovina:

- Stipendium Hungaricum scholarship;
- Higher education scholarship;
- Annual Contribution of Hungary to the budget of the Regional Cooperation Council (RCC) Secretariat;
- The refugee helping program of the Association for Innovative Initiatives in Bihac

Development partners coordination efforts

N/A

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Italy / Italian Agency for Development Cooperation (AICS)

Policy approach

The Government of Italy in BiH provides its support to initiatives that make a concrete contribution to the process of bringing BiH closer to the EU. All the activities supported by the Italian Agency for Development Cooperation (AICS) are consistent with the Strategy of the Italian cooperation in the Western Balkans and aligned with the "SDGs Framework in Bosnia Herzegovina" and with the main local strategic documents pertaining to relevant sectors of intervention. Correspondingly, the Italian Ministry of Foreign Affairs and International Cooperation (MAECI) supports both civil society and international organizations in their efforts to promote an environment conducive to reconciliation as one of the 14 priorities of the EU Commission Opinion on BiH application for membership, social cohesion, and human rights. It also supports know-how exchange, technical assistance and capacity building in the broader BiH European integration process and assistance in the field of management of migration flows.

In 2022, the focus of AICS in BiH was in priority sectors such as agriculture and rural development, environment, tourism and natural and cultural heritage, through a complementary approach of technical co-operation and the provision of expertise. More specifically, the initiatives in the sector of agriculture supported by AICS are focused on providing assistance for BiH to align its official phytosanitary control systems with European standards and to activities following the EU regulation 1305/2013. Additionally, AICS supports the initiative „*Sustainable economic development and environmental protection of areas with natural constraints in Bosnia and Herzegovina*” that aims to enhance sustainable development in areas officially identified as areas with natural constraints (ANC) through supporting productive activities and implementing a regulatory framework (in accordance with EU Reg 1305/2013) in order to deploy a virtuous cycle encouraging good practices at social and economic level, while protecting the environment and adapting to climate change. The initiative applies a concerted participatory approach at different institutional levels of BiH through the institutional capacity building, governance of rural development, on-ground interventions, network enhancing, training quality improvement. The project favours public-private partnerships, sustains the economic growth of rural areas, encourages new and sustainable jobs and generates pre-conditions to access the EU IPARD funds. Finally, the initiative titled “Transition towards green and healthy food production in Bosnia and Herzegovina” has been approved in 2022. The project aims at supporting the transition towards green and healthy agricultural production in BiH and its better promotion at the national and international (EU) markets. This three-year initiative will start in 2023 and will be implemented by the Mediterranean Agronomic Institute of Bari (CIHEAM), with the specific objective to strengthen the capacity of BiH public administration, farmers, and agri-food producers to adopt the EU standards, policies and practices related to the green rural development and healthy agricultural products.

In the Sector of tourism and environment, AICS is working, *inter alia*, on the preparatory activities to create conditions for the certification of the European Charter for Sustainable Tourism in Protected Areas (CETS) through the “NaturBosnia: Protected Areas and Sustainable Development in Bosnia and Herzegovina” project. Furthermore, AICS is supporting the project "ARS AEVI Final Architectural Project Design of the New Contemporary Art Museum of Sarajevo". As envisaged by the project, a local

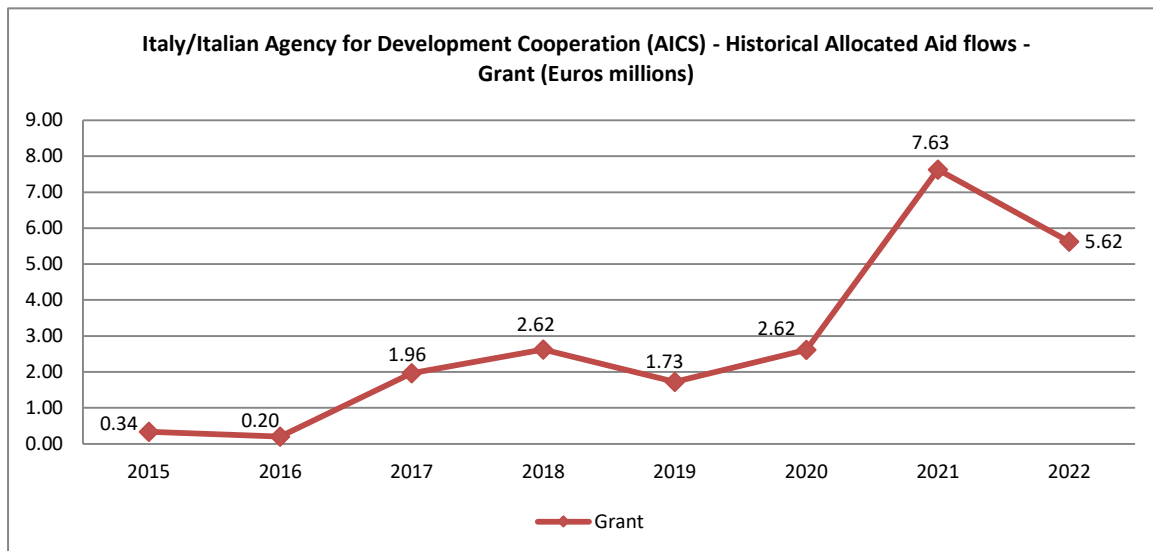
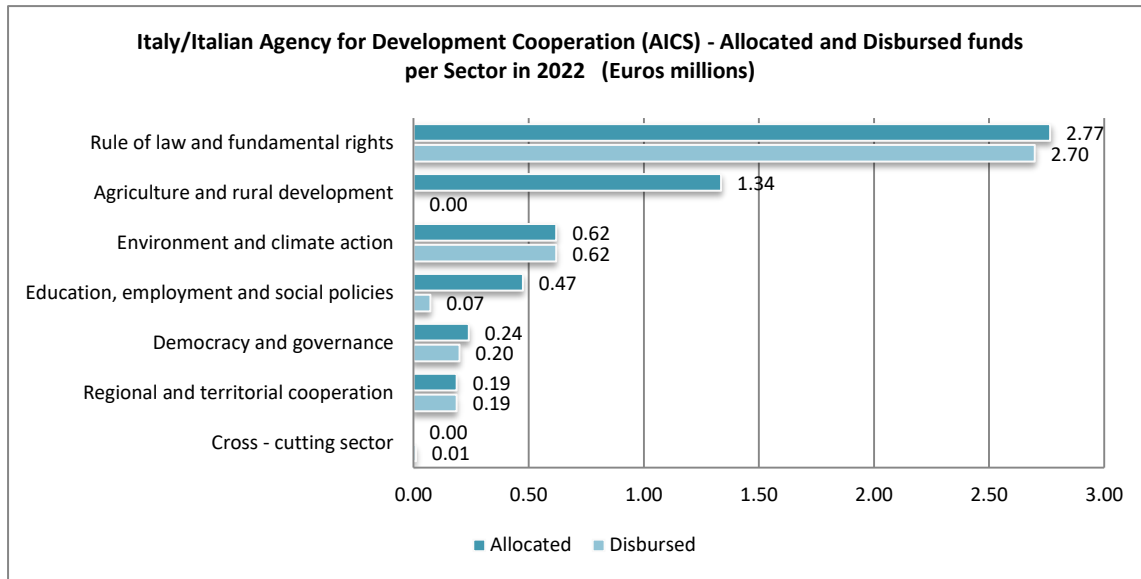
architectural studio is tasked with preparing the final design of the ARS AEVI Museum based on the initial architectural designs prepared by the renowned Italian architect Renzo Piano, and in collaboration with the Renzo Piano Studio based in Genoa, Italy. It is expected that the studio will deliver the final design of the Museum in 2023.

In line with AICS's strategy, all these projects consider gender equality and support local-level initiatives in the tourism sector aiming to improve income generation and livelihoods.

The Government of Italy, furthermore, devotes particular attention to initiatives that promote social cohesion, reconciliation, and common heritage. To that end, AICS is supporting the initiative "Building Relations for Intercultural Dialogue (BRIDGE) Project." The project is co-financed and implemented by UNDP in BiH and aims to foster intercultural dialogue and interaction among young people from different ethnic and religious groups and geographic locations around nature, science, tourism and environment protection causes, ultimately contributing to bridging the social and cultural divides and restoring trust among young people. In 2022 MAECI financed several projects focused on young people: The first is the called "**Roots of the Future (ROOF)**", implemented by the Italian NGO CISP, aiming at widening and strengthening the network among youngsters of BiH, to foster dialogue and cooperation and promote reconciliation and social cohesion through revaluation of common historical and cultural heritage; the second titled "**Ready for Europe (RfE)**" is implemented by the Italian NGO Re.Te and aims to encourage the involvement of young citizens of Bosnia and Herzegovina in decision-making processes, with particular reference to the country's European integration process, supporting the national reconciliation process and raising awareness of the tools that the EU offers to guarantee and promote citizens' rights. Through the CEI (Central European Initiative) fund at the EBRD (European Bank for Reconstruction and Development), the Italian Government also supported know-how exchanges projects between Italy and BiH and technical assistance to EBRD programmes, with a particular focus on energy, transport and environmental protection (Green Cities Action Plans). Furthermore, the Italian Government also supports BiH in managing migratory flows through the so-called MAECI "Migration Fund": a project of 1,5 million EUR has been implemented by IOM and a new assistance programme is going to be set up in the course of 2023.

Key activities in 2022

The Government of Italy **allocated € 5.62 million and disbursed € 3.79 million in 2022 in the form of grant** to the following sectors: Rule of law and fundamental rights, Agriculture and rural development, Environment and climate action, Education, employment and social policies, Democracy and governance, Regional and territorial cooperation and Cross - cutting sector.



Medium and long-term approach

Italy's main aim in the medium-term is to capitalize on the results of previous interventions and, in synergy and complementarity with the initiatives in progress, support the path of BiH towards the EU integration. Through AICS funds, Italy intends to continue supporting sustainable economic growth in rural areas and in the agri-food sector in BiH in conformity with the *acquis Communautaire*, through initiatives aimed at developing effective, responsible and transparent institutions at all levels, at increasing the protection and promotion of cultural and natural heritage, at supporting economic activities and job creation in the sector of culture and sustainable eco-tourism and at strengthening reconciliation, trust building, and inter-ethnic dialogue in the country. Additionally, the Italian Government will continue supporting EBRD infrastructural projects through technical cooperation activities and the EU integration process of BiH through know-how exchange programmes with Italian

counterparts. Finally, through different channels available at the MAECI, Italy will further support young people in BiH through partnerships with international organizations and non-governmental organizations in promoting trust building, constructive dialogue, and human rights in the country.

Development partners coordination efforts

Italy participates on a regular basis in the EU MS Aid Coordination meetings, and in exchange meetings with UN agencies and other Development Agencies/diplomatic missions. Furthermore, bilateral coordination is ensured through periodic *ad hoc* meetings with representatives of the donor community.

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From
the People of Japan

Japan

Policy approach

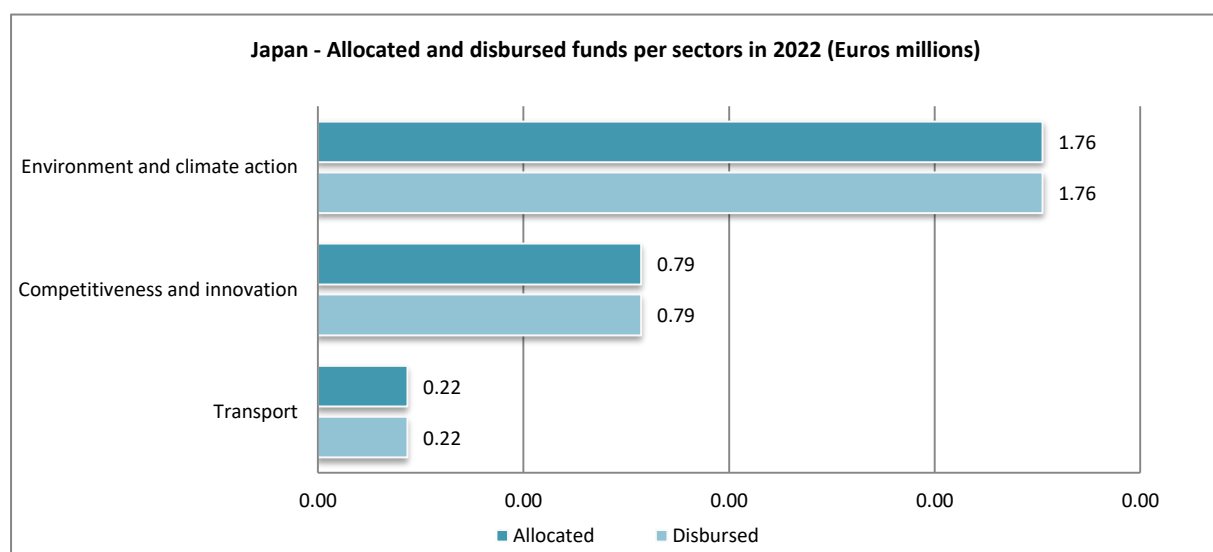
The priority areas of Japan International Cooperation Agency (JICA) for 2022 in BiH are Consolidation of Peace, Promotion of Private Sector Development, and Tackling Environmental Problems. JICA has been implementing two technical cooperation projects in BiH during 2022.

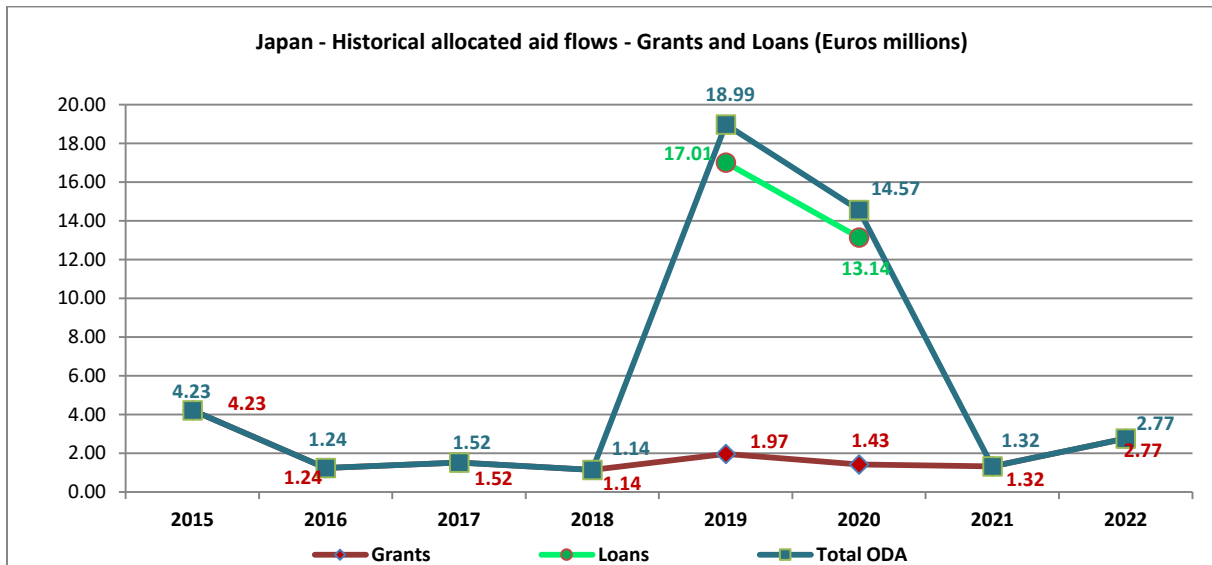
Under the priority area ‘Promotion of Private Sector Development’, a project on ‘Promotion of Mentoring Service in Small and Medium Enterprises in the Western Balkans’ is being implemented. It is a regional project that targets BiH, Serbia, North Macedonia and Montenegro. The overall goal of the project is to maintain and expand mentoring service for SMEs in the Western Balkan region, and to support SMEs in continuous businesses development by applying the mentoring services. JICA has been supporting with establishment and strengthening of the mentoring service implementation structures, providing capacity building trainings, including KAIZEN methods, to the mentors and persons in charge of the mentoring services within the counterpart organizations. The main counterpart organizations within BiH are the Ministry of Foreign Trade and Economic Relations, Federal Ministry of Development Entrepreneurship and Crafts of FBiH and Development Agency of the Republika Srpska.

Under the Environmental priority area, JICA has been implementing a technical cooperation project for “Formulation of Sarajevo Public Transport Management and Operation Capacity Development Plan”. This project aims at contributing to the quality improvement of public transport in Sarajevo, through the provision of assistance to improve organizational capacity of public transportation enterprises, advising on vehicle and track renewal plans, and improving user services.

Key activities in 2022

The Government of Japan allocated **€ 2.77 million and disbursed € 2.77 million in 2022 in the form of grant** to the following sectors: Environment and climate action, Competitiveness and innovation and Transport.





Medium and long-term approach

Since the end of the conflict, Japan has consistently stood by Bosnia and Herzegovina and contributed to nation-building, without distinction by ethnicity or entity, with the aim of improving the quality of life of its citizens and supporting domestic reforms for accession to the EU. To date, the total amount of the contribution amounts to more than 800 million KM.

The Government of Japan will continue to consider supporting Bosnia and Herzegovina's nation-building efforts, including the strengthening of social cohesion toward the consolidation of peace, and Japan will continue to be a reliable partner and friend to Bosnia and Herzegovina. Please see the Appendix for details of Japan's plans for assistance to Bosnia and Herzegovina: <https://www.bosnia.emb-japan.go.jp/files/100459180.pdf>

Development partners coordination efforts

Japan provides assistance in cooperation with The World Bank, UNDP, and other organizations.

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From
the People of Japan

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The Embassy of the Kingdom of the Netherlands

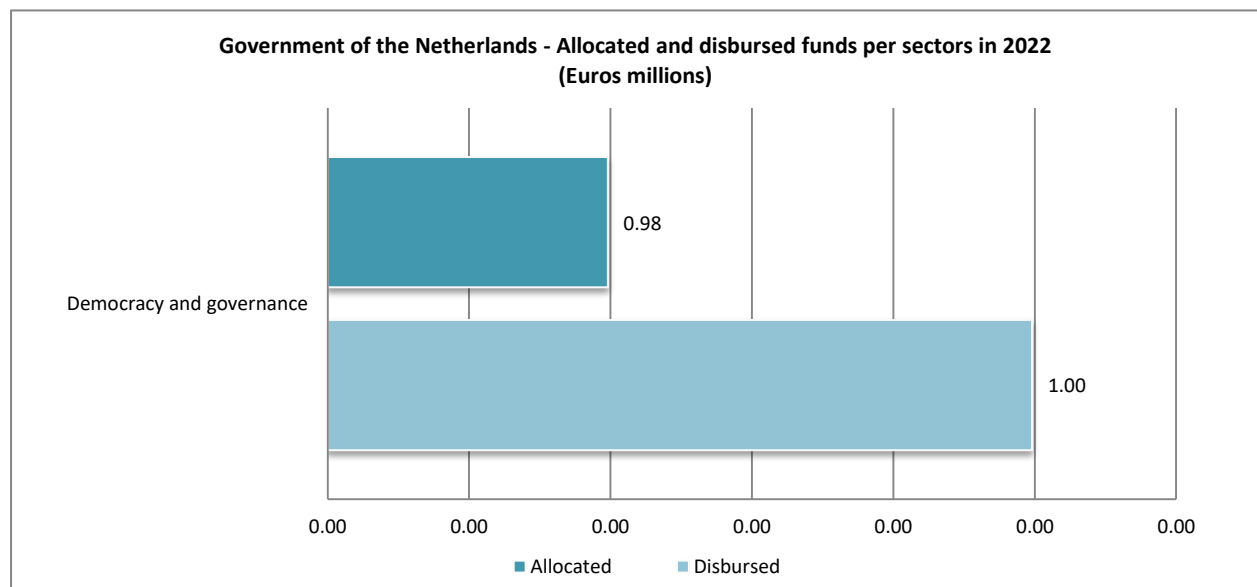
Policy approach

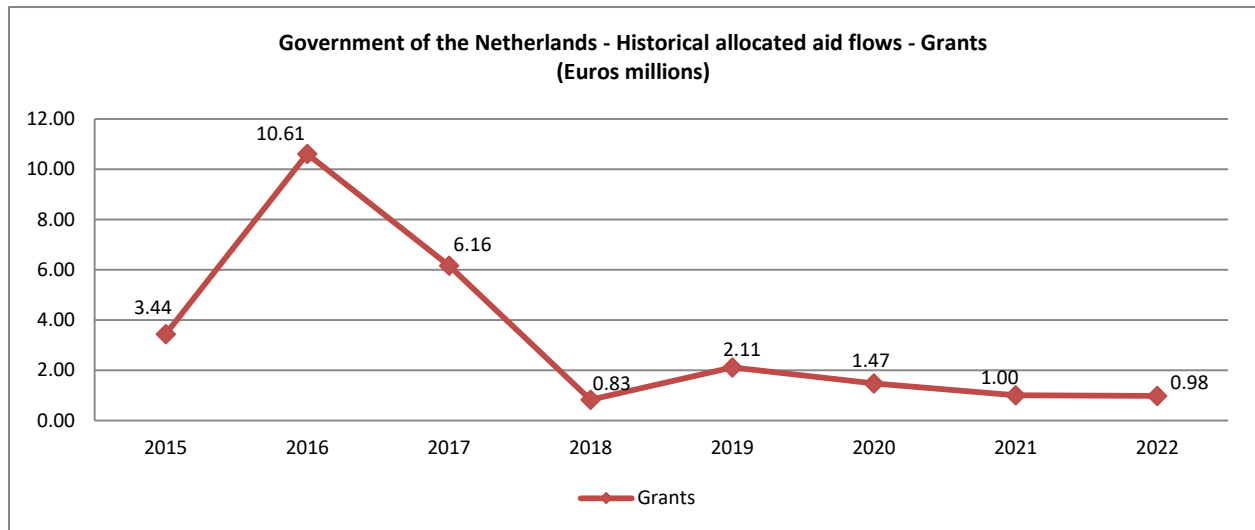
Bosnia and Herzegovina was one of the 36 partner countries worldwide that the Netherlands had a substantive bilateral development cooperation programme with.

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: the creation of sustainable, transparent and accountable governance structures in line with criteria prescribed by the EU accession process. This new relationship comes with its own instruments, such as the MATRA programme. Its objective is to contribute to social transformation, leading to a sustainable relationship between government and the citizens in the areas of plural democracy, the rule of law, free media and human rights, using Dutch experience where possible.

Key activities in 2022

The Government of the Netherlands **allocated € 0.98 million and disbursed € 1.00 million in 2022 in the form of grants** to the Democracy and governance sector.





Medium and long-term approach

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.

Development partners coordination efforts

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

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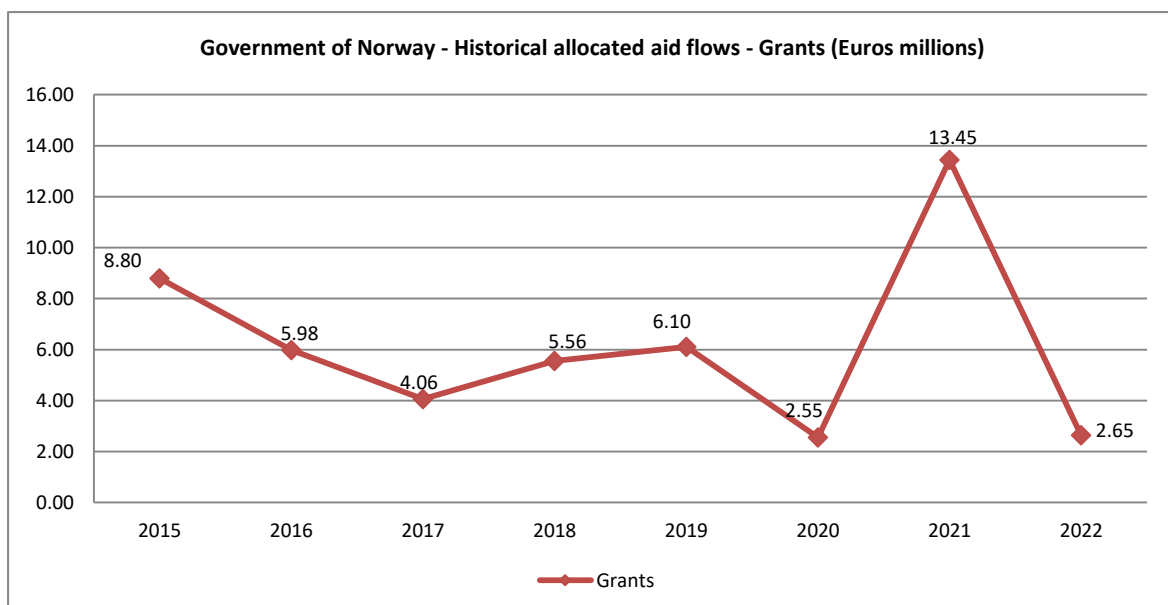
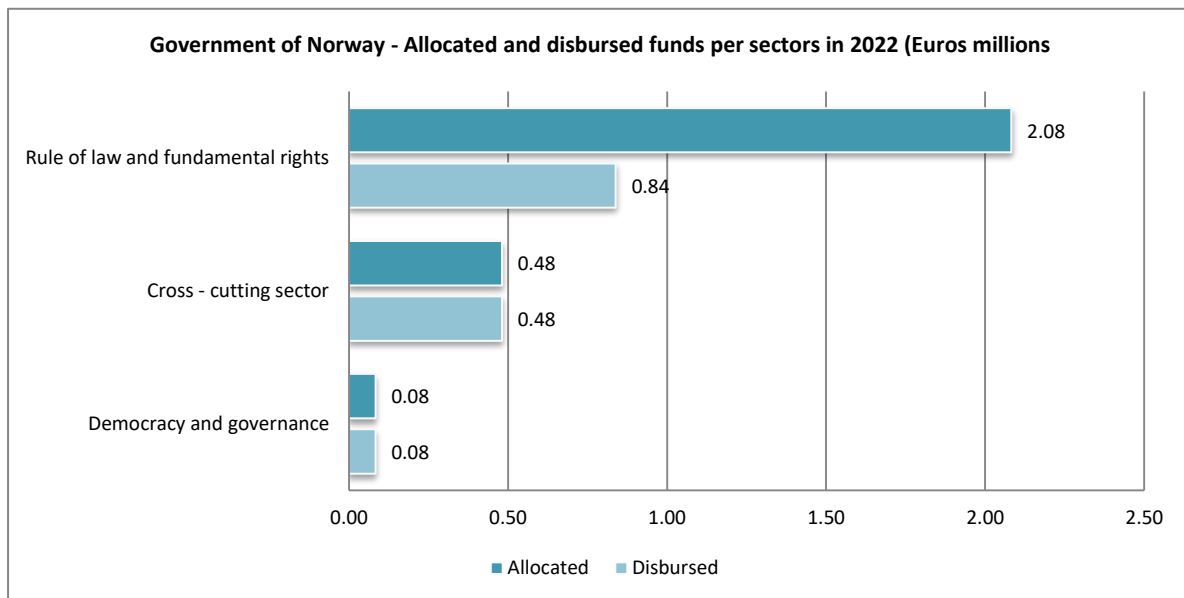
The Royal Norwegian Ministry of Foreign Affairs

Policy approach

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 of Norway intends to continue providing assistance to Bosnia and Herzegovina.

Key activities in 2022

The Government of Norway **allocated € 2.65 million and disbursed € 1.40 million in 2022 in the form of grant** to the following sectors: Rule of law and fundamental rights, Cross - cutting sector and Democracy and governance.



Medium and long-term approach

The Government of Norway expects 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

Development partners coordination efforts

The Ministry / Embassy participates in development partners coordination meetings in different sectors/sub-sectors according to their capacity and where relevant within our priority areas.

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Slovenia

Policy approach

The priority areas of bilateral development cooperation are listed in the Agreement on development cooperation between the Government of the Republic of Slovenia and the Council of Ministers of Bosnia and Hercegovina.

The Development Cooperation and Humanitarian Aid Strategy of the Republic of Slovenia until 2030 defines in more detail the goals and principles, geographic and thematic focus of future Slovenian development cooperation, humanitarian aid, strategic orientation towards international organisations, institutional set-up for effective development cooperation, partnerships, awareness-raising and plans for results-management. It confirms sustained efforts and continued presence of Slovenia in the Western Balkan countries in the near future. It further specifies the main areas of activity and forms of cooperation.

In February 2023, Government of Slovenia adopted new annual action plan on Western Balkans for 2023, reiterating the key positions regarding Western Balkans regarding development co-operation as entailed in the Declaration on the Western Balkans, adopted in 2012 by National Assembly. Action plan is emphasizing strengthening of the bilateral technical assistance in 2023.

Areas of activity:

- good governance: support for the EU accession process in the countries of the region, i.e. adjusting the standards and legislation to the European *acquis*, strengthening administrative capacity and institution building and assistance in the EU negotiations; development of good governance, the rule of law and civil society; support for the development of democracy, the exercise of human rights, women's empowerment and gender equality;
- economic growth, productive employment and decent jobs for all: efforts focusing on the eradication of poverty, promotion of social progress and economic development, support for the establishment of institutional conditions for equal development, encouraging entrepreneurship among young people and fostering a favourable environment for the development of MSMEs;
- support for the transition to a circular economy, the effective management of natural resources, including access to drinking water and waste management, and the fight against climate change;
- implementation of the initiative Positive Agenda for Youth in the Western Balkans and other projects aimed at young people: enhancing the prospects of young people in the Western Balkan countries, and ensuring alternative options and possibilities for activities, success, employment and life in the countries of the region; the acquisition of relevant education, knowledge and experience, fostering mutual ties and conciliation.

Forms of cooperation and implementing partners:

- technical assistance provided either directly between state authorities or through Centre for European Perspective and Center of Excellence in Finance or other implementing partners; attention is devoted to attracting new stakeholders from the public and private sectors;

- building public infrastructure to improve the conditions for development, ensure prosperity for all population groups and promote environmental protection through Centre for International Cooperation and Development;
- tuition fee waivers and scholarships for secondary and vocational education, graduate and post-graduate studies, thereby contributing to higher levels of education of young people in partner countries and improved employability, as well as to the sustainable development of partner countries;
- enhancing civil society with NGO projects, especially in women's empowerment, strengthened prospects for young people in the region and the raising of awareness of users of new public infrastructure.

In the area of **Democracy and governance**, Slovenia will continue to support Bosnia and Herzegovina on its way to the European Union through trainings of representatives of the governmental and non-governmental organizations as well as with direct peer-to-peer expert exchanges.

In the area of the **Rule of law and fundamental rights**, Slovenia will continue to contribute to judicial and police reforms.

In the area of **Education, employment and social policies**, Slovenia will continue to enable studying in Slovenian high schools and universities to students from Bosnia and Herzegovina free of charge, supplemented by offering scholarships. In addition, Slovenia will finance one new multiannual NGO project fostering respect of human rights with an emphasis on women empowerment.

In the area of **Environment and climate action**, the three on-going infrastructural projects will continue in 2023.

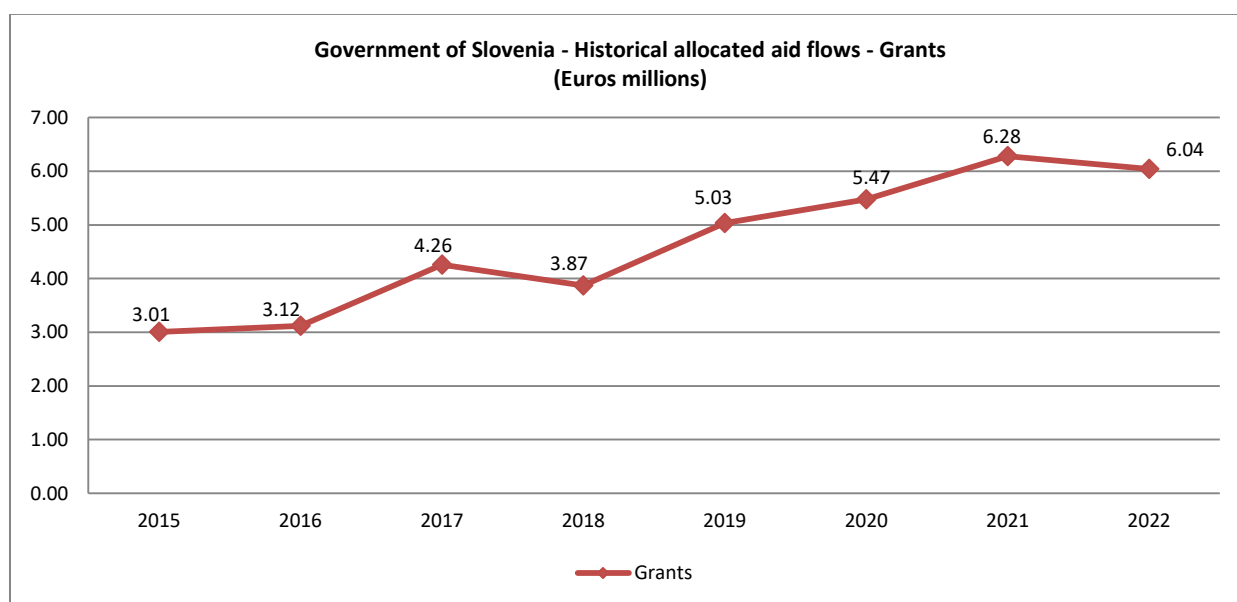
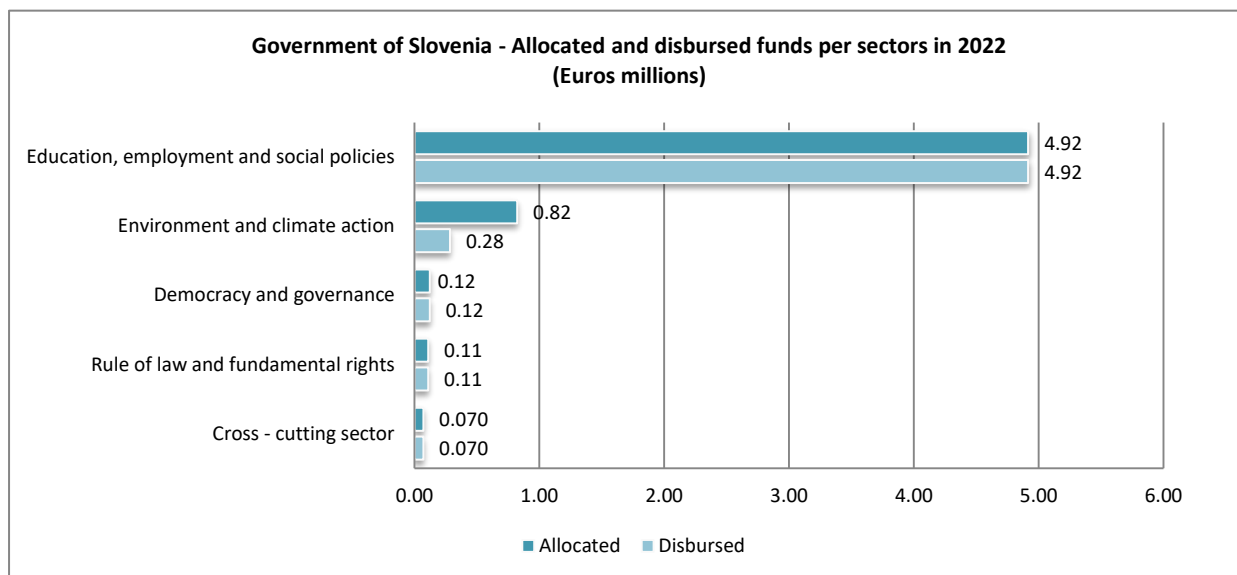
In the area of **Cross-cutting sector**, special attention will be given to activities in the area of humanitarian demining and to the continuation of the project on bee-keeping as an empowerment tool for people with disabilities.

In 2023 Slovenia will also continue to support the implementation of all on-going regional projects, thus covering issues as good governing (strengthening of public financial management systems and central banking, strengthening domestic revenue mobilization, efficient public sector asset management, exchange of best practices and knowledge in the field of digital diplomacy and social resilience in quest with disinformation), sustainable forestry, disaster preparedness and education and research (strengthening COBISS.Net information infrastructure and systems).

Slovenia will also strengthen its support to the bilateral technical assistance efforts in line with annual action plan on Western Balkans for 2023.

Key activities in 2022

The Government of Slovenia **allocated € 6.04 million and disbursed € 5.50 million in 2022 in the form of grant²** to the following sectors: Education, employment and social policies, Environment and climate action, Democracy and governance, Rule of law and fundamental rights and Cross - cutting sector.



² Financial data are based on Slovenian entries/updates in the DMD database in 2023. Submitted data are preliminary data.

Medium and long-term approach

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 a comparative advantage.

Based on updated legal and strategic documents on development cooperation, Slovenia will focus on strengthening the rule of law and good governance, particularly in the context of EU integration, employment and decent work agenda, especially for women, and on environmental protection, with an emphasis on sustainable water management, as well as on mitigation and adaptation to climate change.

Slovenia will also support projects fostering respect of human rights with an emphasis on women empowerment and on strengthening of the role of young people in the society. Slovenia will also continue to support projects in the field of mine action.

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 cooperation.

In line with the effectiveness principle of ownership, we remain open to receive proposals for cooperation from Bosnia and Herzegovina.

Development partners coordination efforts

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

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Sweden

Policy approach

The work of Swedish Development Cooperation in Bosnia and Herzegovina is guided by the [Strategy for Sweden's reform cooperation with the Western Balkans and Turkey for 2021– 2027 – \(Government.se\)](#). The main goal for Sweden's support is to improve the living conditions for people in Bosnia and Herzegovina. To achieve this, the main focus is to bring the country closer to the European Union (EU). Sweden supports the country through various partners and types of support such as public institutions, civil society, the private sector, and international actors. The reform cooperation focuses on four broad areas:

Human Rights, Democracy, the Rule of Law, and Gender Equality: Sweden supports increased respect for human rights, strengthened democracy, a more developed rule of law, and better prospects for a gender equal society. During 2022, among other things, the support within this area focused on institutional development within the judiciary, tax administrations, land administration, gender equality, local governance units. A large part of the support was also directed to women's rights organisations, human rights-based organisations, youth organisations, and independent media.

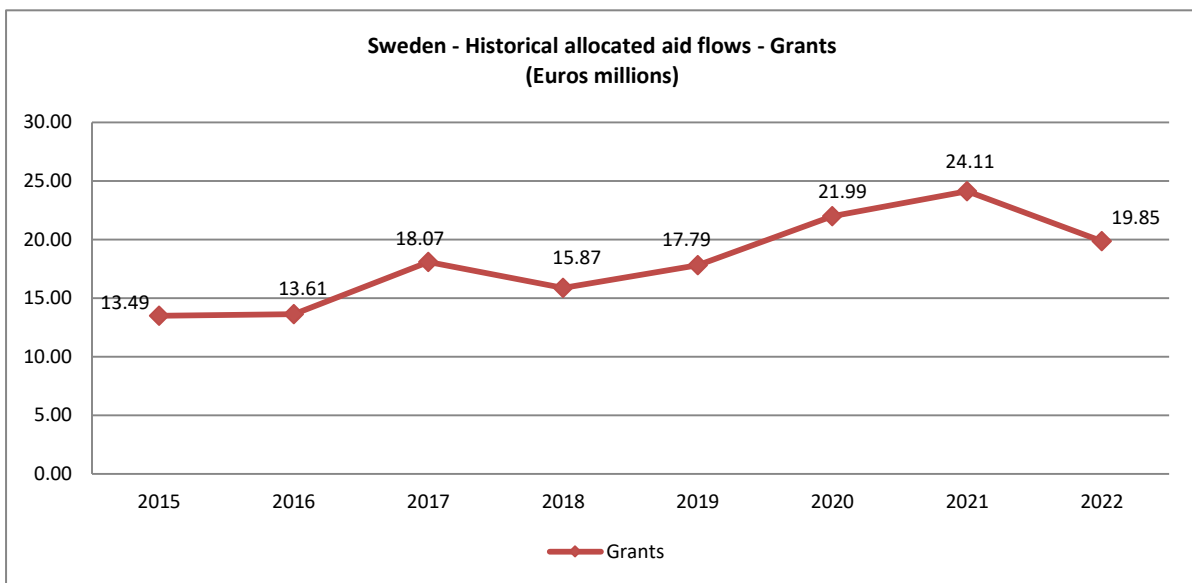
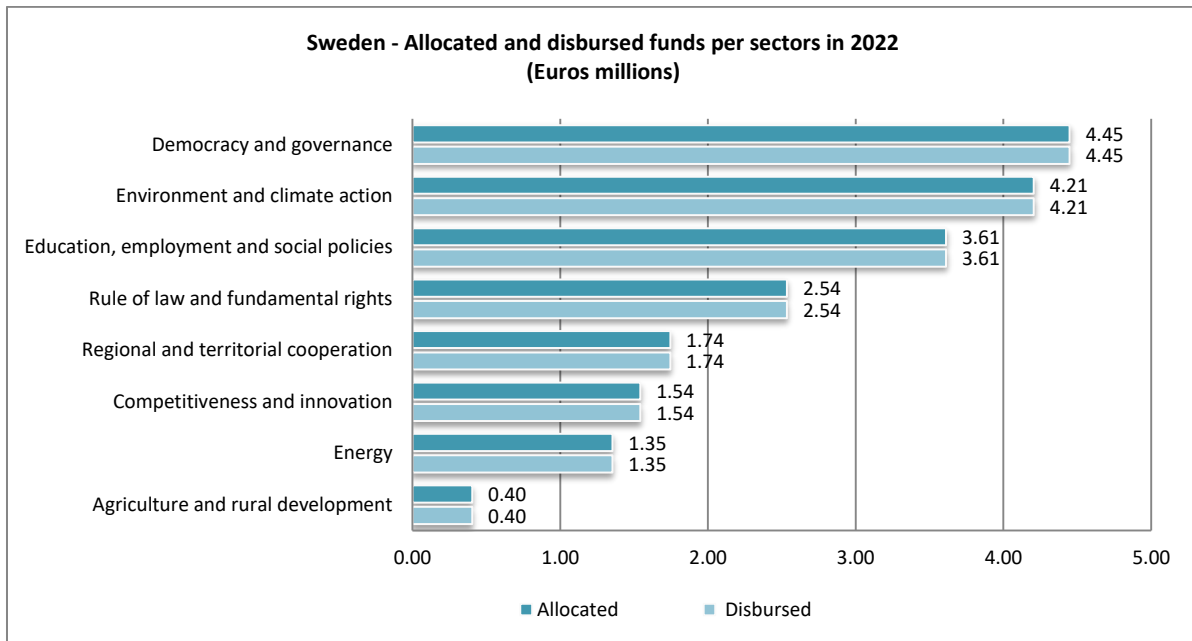
Peaceful and Inclusive societies: This is a new area in the strategy. Sweden worked in an integrative way to contribute to better conditions for inclusive reconciliation processes and conflict and violence prevention. During 2022, the support was directed to the issue of missing persons, civil society, and reconciliation efforts.

Environment and Climate: In 2022, the Swedish support focused on implementation of reforms and improving governance and management in the field of environment and climate change. It included initiatives to increase Bosnia and Herzegovina's investments in environmental infrastructure and to make them sustainable in the long term. Swedish support also strengthened the role of civil society in holding the governments accountable, as well as in building environmental awareness and commitment among the country's citizens.

Inclusive Economic Development: Swedish support covered the spectrum from direct support to small and medium-sized enterprises (SMEs) to make them competitive, over support for innovation and young entrepreneurs, to support influencing policy and creating a business-friendly environment. The support was also geared towards marginalized groups and people far from the labour market to have better economic opportunities. The support also included efforts to increase access to affordable credit to enable a graduation away from development assistance dependence to commercial finance.

Key activities in 2022

The Government of Sweden **allocated € 19.85 million and disbursed € 19.85 million in 2022 in the form of grant** to the following sectors: Democracy and governance, Environment and climate action, Education, employment and social policies, Rule of law and fundamental rights, Regional and territorial cooperation, Competitiveness and innovation, Energy and Agriculture and rural development.



Medium and long-term approach

Sweden’s perspective is long-term and anchored in European and global norms and values, such as democracy, human rights and the rule of law, gender equality and sustainable development (environmentally, socially, and economically). We always try to integrate these perspectives into our development cooperation. We strive for a trusting relationship with a breadth of different partners, where we openly discuss different issues, such as transparency and the fight against corruption. Sweden seeks an inclusive approach and looks for changes that include vulnerable and marginalized groups in the society. We believe that changes are more sustainable if ideas and solutions are defined and driven locally, and we therefore emphasize the importance of local ownership. We also believe it

is important to support initiatives over geographic lines and we strive to support changes in the whole country.

More information about Swedish development cooperation can be found on Sida.se and Openaid.se

Development partners coordination efforts

Sweden fully supports all initiatives to coordinate development partners interventions and prevent overlapping activities. Sweden participates in most of the development partners coordination initiatives i.e. Local Governance Development Partners Coordination Forum, Anti-corruption Development Partners Coordination Forum, Rule of Law Development Partners Coordination forum, PAR Development Partners Coordination Forum, EU Councilors coordination forum, UN Women International Working Group on Gender Equality (IWGE), and other relevant sector meetings.

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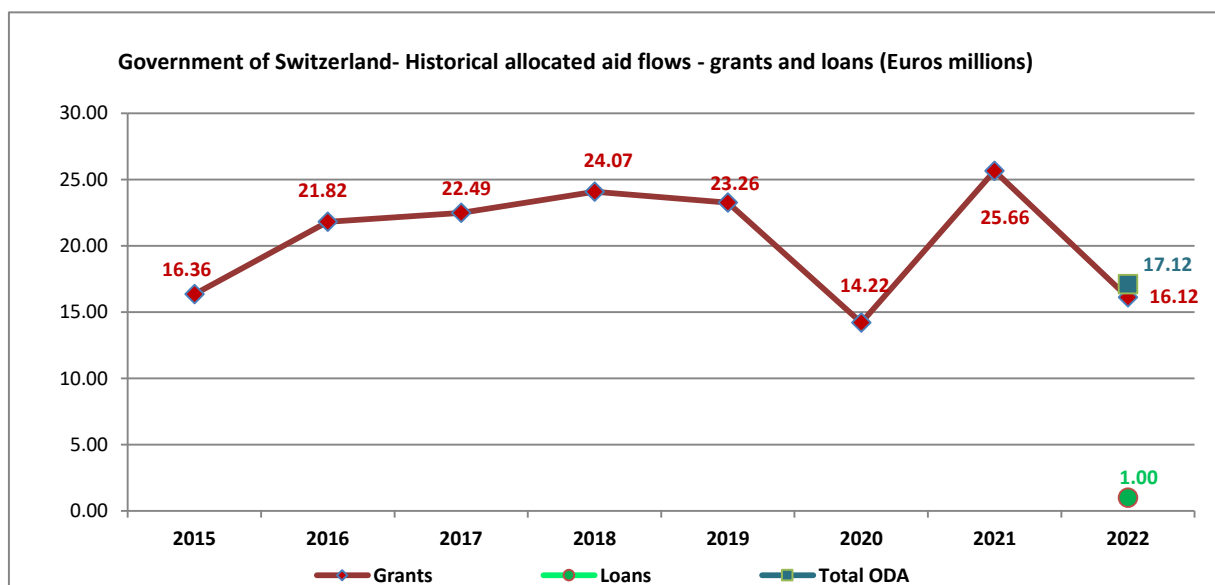
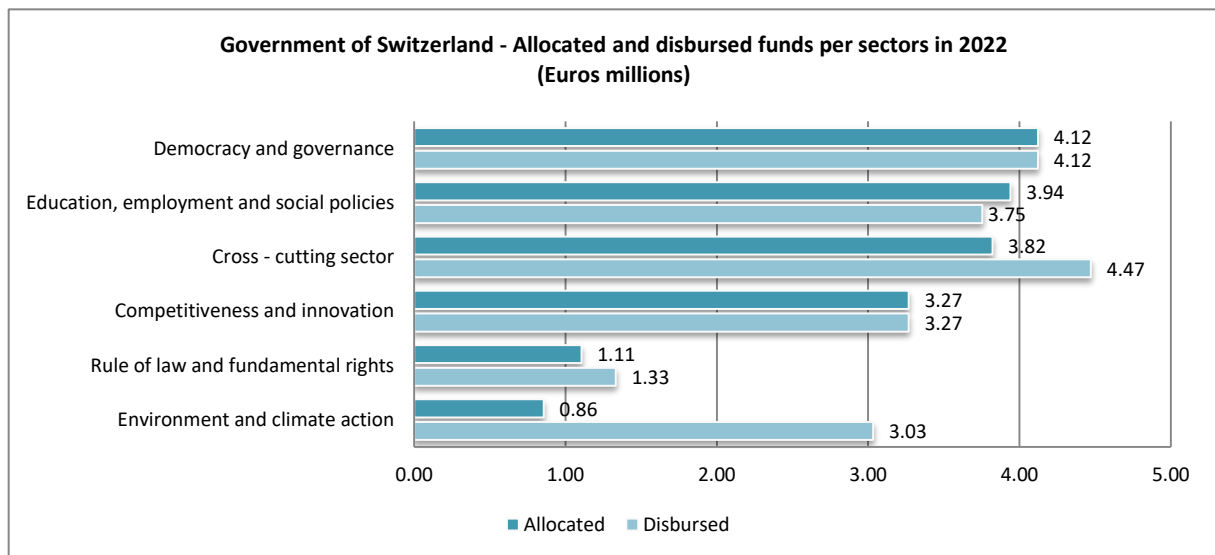
Switzerland

Policy approach

The Government of Switzerland provides its support to reforms in Bosnia and Herzegovina within the framework of the Swiss Cooperation Strategy for BiH 2021-2024. Particular focus is given to support the establishment of supportive normative frameworks at all institutional levels and quality services to the citizens, responsive to their needs, particularly of the most vulnerable and excluded population.

Key activities in 2022

The Government of Switzerland **allocated € 17.12 million and disbursed € 19.98 million in 2022 in the form of grant and loans** to the following sectors: Democracy and governance, Education, employment and social policies, Cross-cutting sector, Competitiveness and innovation, Rule of law and fundamental rights and Environment and climate action.





In the *Democracy and governance sector*, the Swiss programme has supported the establishing of strategic development planning systems in BiH and the introduction of innovative planning and management methodologies at the municipal level. Support has been provided for the improvement of the local governments' performance, access to services for citizens, particularly for socially excluded groups, and more citizens' participation in relevant decision-making processes. Particular focus has been at ensuring gender equality and social inclusion in all interventions.

In the *Environment and climate action sector*, Switzerland supported the rehabilitation of water supply and sanitation systems as well as the construction of the new facilities for wastewater treatment. In a joint programme with the UN agencies, support has been provided in introducing and operationalizing an integrated model of disaster risk governance.

In the *Rule of law and fundamental rights sector*, support has been provided to the High Judiciary and Prosecutor Council of BiH with an aim to raise efficiency, effectiveness and accountability of the prosecutorial system and increase access to justice for all citizens. Access to justice for children has been specially targeted through the establishment of a functional and sustainable institutional set up in BiH's Juvenile Justice System. Support to state authorities in BiH has been provided for further improving the management of regular and irregular migration. Finally, support has been provided to development of efficient mechanisms for cooperation with diaspora, provision of better services for diaspora at different levels and business-to-business cooperation and know-how transfer with the diaspora.

In the field of *Employment*, interventions have addressed new and better employment opportunities by creating a favourable economic environment for businesses with the engagement of the public and private sector, including the diaspora. The Swiss Youth Employment Portfolio has continued to work on the three major aspects around the labour market (skills gap, connection gap, jobs gap) aiming at creating decent and sustainable jobs for young people. The development of social enterprises and support to self-employment of youth and their engagement in local communities has also continued.

In the *Competitiveness and innovation sector*, Switzerland has been working through the International Financial Institutions and other partners on creating better regulatory frameworks on national and entity levels for private sector growth and better export opportunities, as result of more transparent and efficient public financial management schemes. Also, Switzerland has been supporting innovations through improving entrepreneurial eco systems and supporting business start-ups. Mechanisms for sustainable infrastructure investments in the water sector, by using a performance-based approach, also have been established.

In the *Cross-cutting sector*, support has been provided to the health sector reforms and strengthening of primary healthcare. Support to improved community-based mental health services has been continued. Small-scale grants have been provided for initiatives of the civil society, public and private organisations, including the institutional capacity building, and addressing needs of vulnerable groups.

Medium and long-term approach

In the medium term, Swiss Cooperation Programme in BiH 2021-2024 is focused on the following areas of intervention: local governance and municipal services, economy and employment, environment and



social inclusion as well as health. Switzerland will reinforce and scale up the performance-based approach across its programme. It will work with committed citizens, activists, entrepreneurs, officials and politicians who strive to work against general apathy, while advocating for citizens' interests, demanding a responsive government, and promoting change throughout the country. Changing social norms towards gender equality, social inclusion and citizen participation will be an integral part of the programme. Furthermore, the potential of digital transformation in all interventions will be systematically seized upon.

Development partners coordination efforts

Government of Switzerland participates in the work of the following groups for coordination of development partners:

- Local Governance
- Gender Equality and Women Empowerment
- Justice Sector
- Prosecutorial Service
- Disaster Risk Reduction

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The Government of the United Kingdom

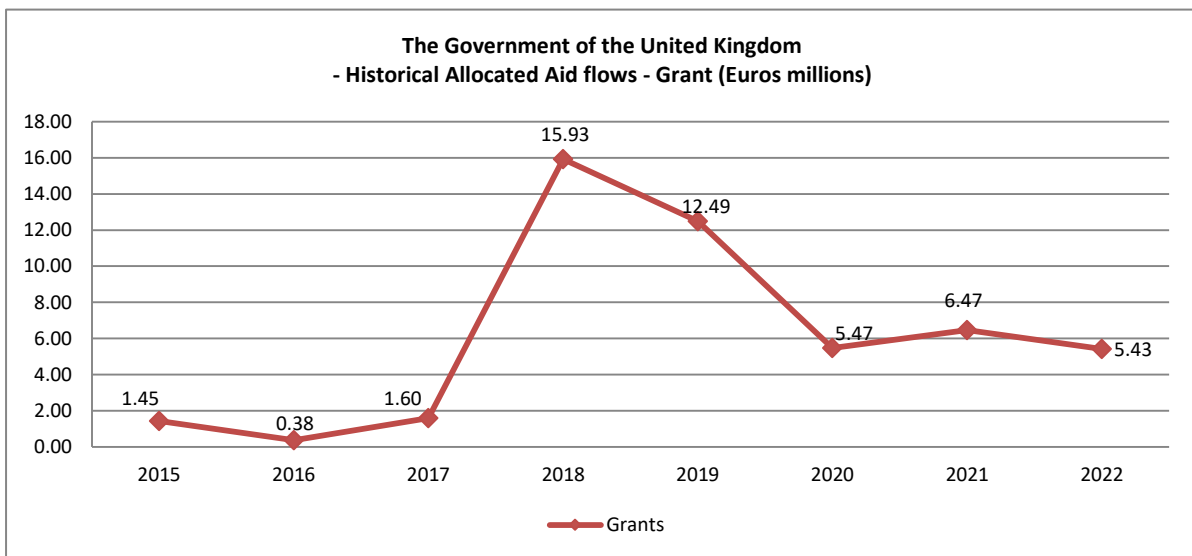
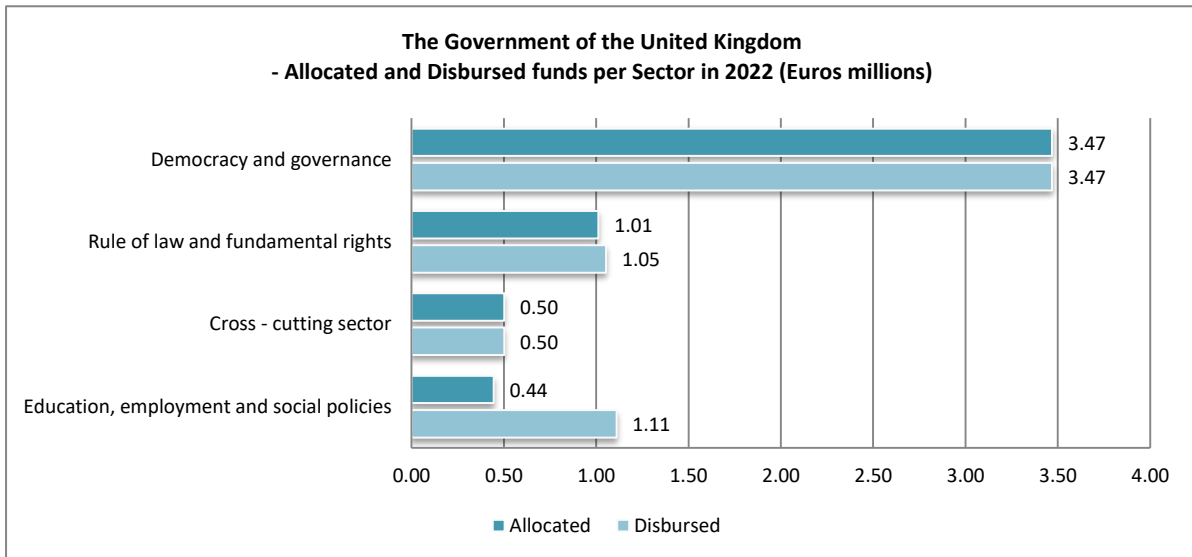
Policy approach

The United Kingdom works to help BiH develop as a secure, stable and prosperous country with growing resilience to security threats.

The UK will work towards these goals through diplomacy, partnerships and effective programming to drive reform, strengthen BiH's security and increase economic security and trade.

Key activities in 2022

The Government of the United Kingdom **€ 5.43 million and disbursed € 6.13 million in 2022 in the form of grant** to the following sectors: Democracy and governance, Rule of law and fundamental rights, Cross - cutting sector and Education, employment and social policies.



Medium and long-term approach

The United Kingdom's foreign, development and security priorities for the medium to long term are set out in the Integrated Review Refresh published in March 2023.

The United Kingdom programmes are particularly focused on democratic functionality, defence & security and the rule of law.

Development partners coordination efforts

The UK participates in a range of donor co-ordination meetings. Most of the co-ordination meetings we attend are arranged within the international community, often on an *ad-hoc* basis, including (i) a rule of law co-ordination group (ii) gender working group meetings and (iii) CT / Security co-ordination meetings.

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

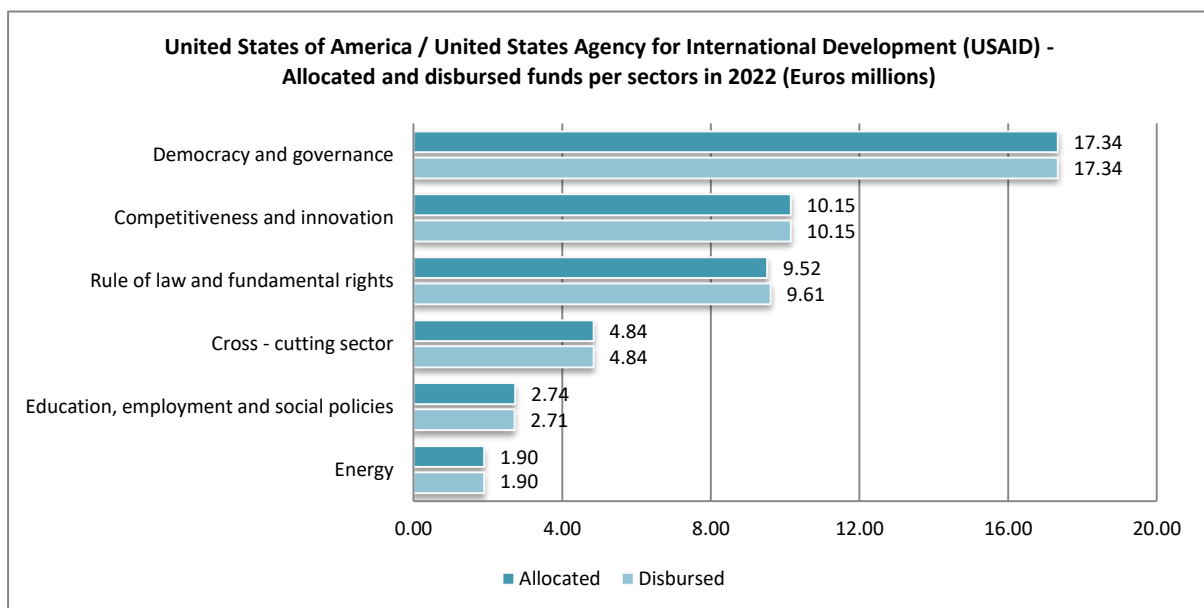
Policy approach

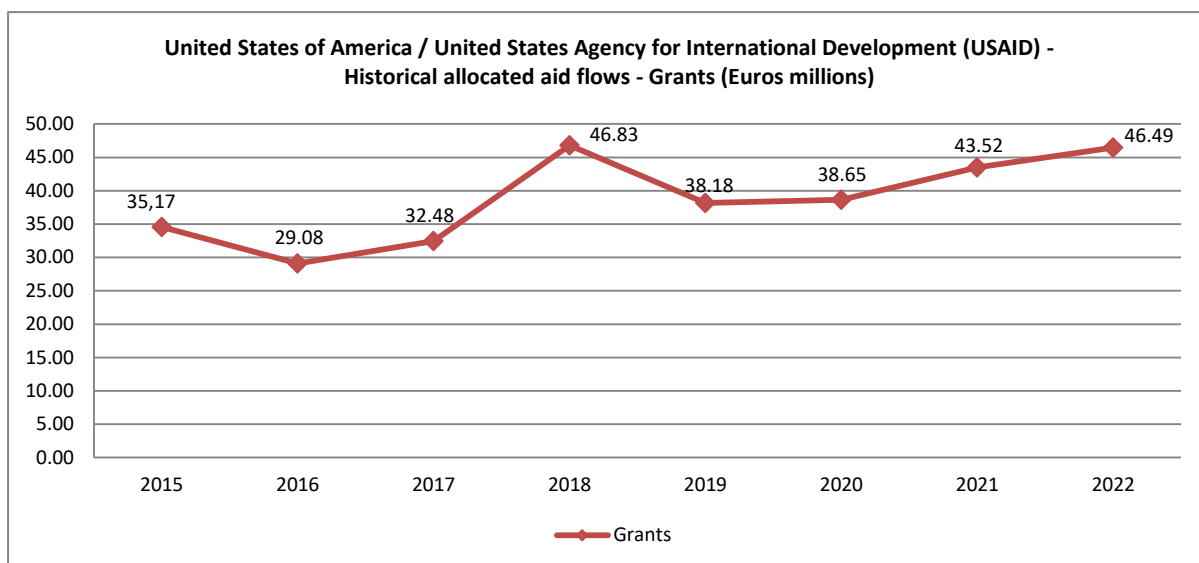
U.S. assistance to Bosnia and Herzegovina (BiH) will improve the accountability of the BiH government to its citizens, support BiH’s integration into Euro-Atlantic institutions, address pervasive corruption, and grow the economy. Assistance will help heal ethnic divisions and promote a tolerant, inclusive society. Funds will strengthen election integrity and democratic political processes and institutions, including through support to the Office of the High Representative.

Economic programs will foster a sound business environment and promote U.S. investment, as well as support economic development. Funding will help remove obstacles to economic growth, especially for small and medium enterprises; strengthen BiH’s commercial law framework; and help prepare integrated national energy and climate plans which promote the use of renewable energy. Programs will help increase transparency and reduce corruption through e-governance and digitization platforms and increase BiH’s integration with Western markets. Assistance will strengthen civil society organizations to counter corruption and advocate for reforms and strengthen independent media and investigative reporting. Assistance will support the fight against trafficking in persons and other human rights abuses.

Key activities in 2022

United States of America/United States Agency for International Development (USA/USAID) **allocated €46.49 million and disbursed €46.57 million in 2022 in the form of grant** to the following sectors: Democracy and governance, Competitiveness and innovation, Rule of law and fundamental rights, Cross - cutting sector, Education, employment and social policies and Energy.





Medium and long-term approach

Projects will continue to evolve and respond to BiH’s changing needs and will promote initiatives to leverage other development partners’ resources. Over the next five years, the USG expects to improve socio-economic conditions in BiH, engaging civil society and stakeholders at all levels of government to foster social cohesion and inclusive development, empower vulnerable and marginalized citizens, and deepen reconciliation. Assistance will focus on supporting BiH electoral institutions to strengthen financial transparency and minimize misuse of public finance in electoral processes, and assisting electoral institutions and political actors to transparently disseminate election-related information in accordance with the law. Rule of law and civil society interventions will advance BiH’s stability and integration in Euro-Atlantic institutions. Through projects in investigative journalism, rule of law, and anti-corruption, the USG will expand support for citizens as anti-corruption watchdogs, monitor government actions that are susceptible to corruption, and advocate for legislative changes to strengthen anti-corruption laws. Additional media assistance and engagement activities will support the efforts of on-line media outlets to uncover significant corruption cases and expand access to pro-democratic content for small, local public media outlets. USG programming will assist local businesses in sectors with high growth and high export potential, such as tourism, IT, and digital economy, to expand and integrate into EU markets. Activities will help improve competitiveness, create jobs, and increase incomes.

Development partners coordination efforts

U.S. Embassy staff participates in general coordination meetings, bilateral meetings, and other forums. U.S. Embassy staff will continue to participate in development partners coordination meetings and sector-specific meetings including civil society, local governance, rule of law and energy to avoid overlapping or duplication of efforts by other donors.

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European Bank for Reconstruction and Development (EBRD)

Policy approach

The EBRD is a multi-lateral development Bank active in almost 40 economies across three continents, from the Southern and Eastern Mediterranean, to Central and Eastern Europe, to Central Asia. The Bank is owned by 71 countries from five continents, as well as the European Union and the European Investment Bank. These shareholders have each made a capital contribution, which forms our core funding. The EBRD's mission is to develop open and sustainable market economies in countries committed to, and applying, democratic principles.

The EBRD's Board of Directors has approved a new country strategy for Bosnia and Herzegovina on April 06 2022. The strategy defines the Bank's investments for the period 2022-27 and it is publicly available at <https://www.ebrd.com/home>. In Bosnia and Herzegovina we focus on supporting restructuring and expansion of the local private sector, forging closer linkages with wider regional markets and promoting a more efficient and sustainable use of resources whilst continuing to coordinate the EBRD's activities with the EU and IFI partners. The EBRD's wider approach to addressing transition challenges and their work is outlined in sectoral and corporate policies and procedures which are available on the EBRD website.

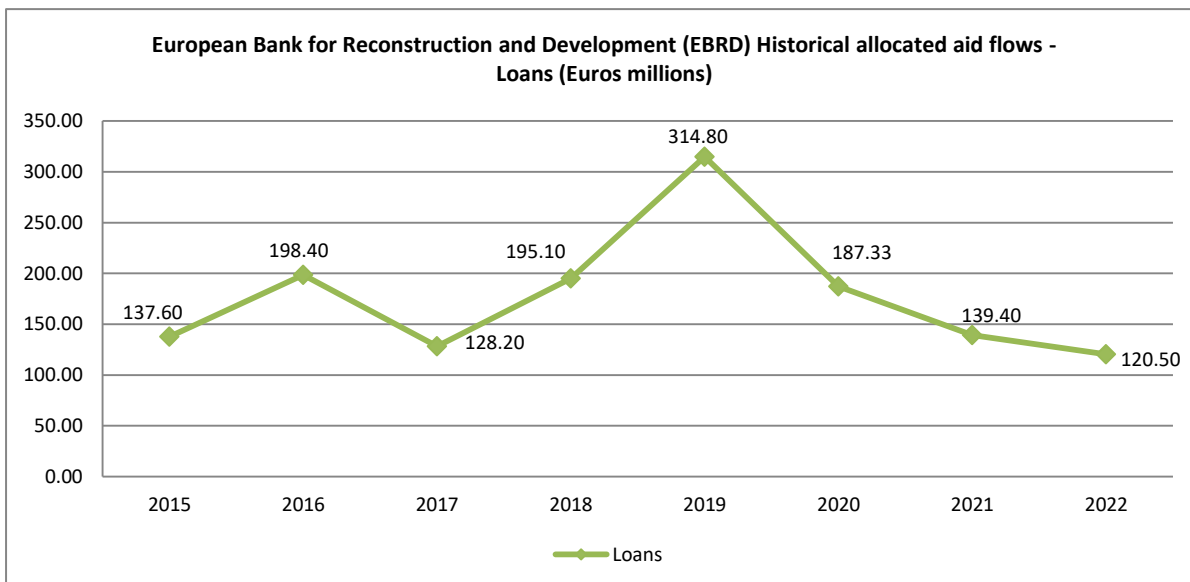
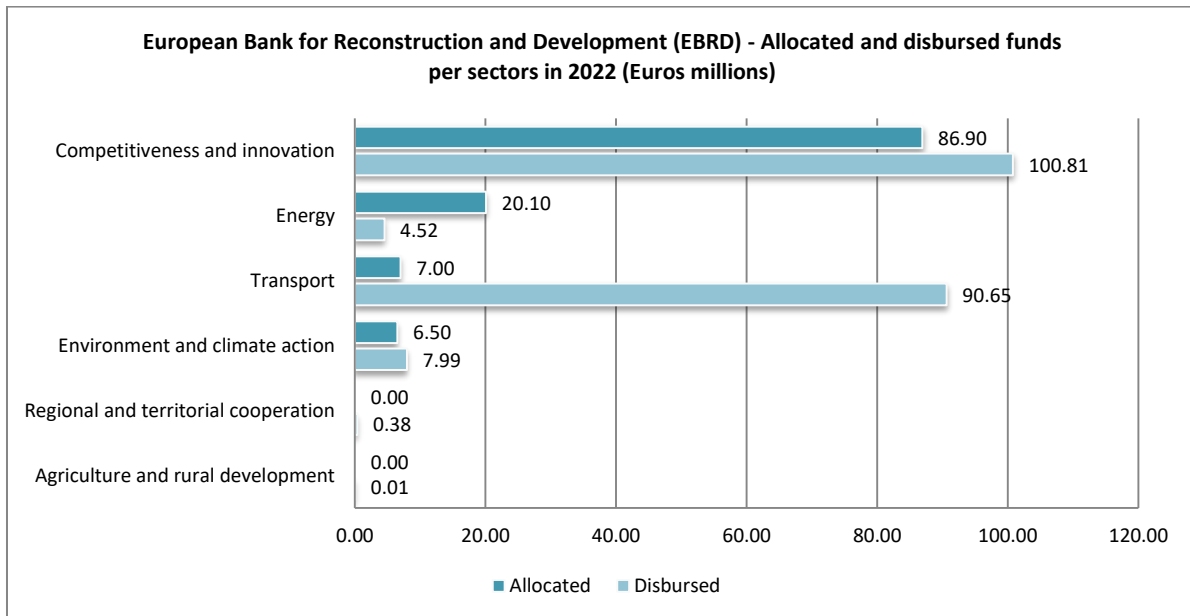
The Bank believes that environmental and social sustainability is a fundamental aspect of achieving outcomes consistent with its transition mandate and recognizes that projects that foster environmental and social sustainability rank among the highest priorities of its activities.

The EBRD is committed to promoting "environmentally sound and sustainable development" in the full range of its investment and technical cooperation activities thus also provide support for development of an assessment and a 2050 plan for decarbonization, policy advocacy for a clear national climate and energy plan and CBAM policy.

Another area of policy support refers to improving SOE governance and particularly road sector governance, through supporting the development of a road sector policy statement, improving road asset management and strengthening corporate and economic governance. Furthermore, we advocate and support improving practices of SOEs in the transport and municipal sectors through increasing their efficiency, management practices and transparency.

Key activities in 2022

European Bank for Reconstruction and Development (EBRD) **allocated € 120.50 million and disbursed € 204.36 million in 2022 in the form of loans** to the following sectors: Competitiveness and innovation, Energy, Transport, Environment and climate action, Regional and territorial cooperation and Agriculture and rural development.



Medium and long-term approach

The EBRD's Board of Directors has approved a new country strategy for Bosnia and Herzegovina on April 06 2022. The strategy defines the Bank's investments for the period 2022-27 and it is publicly available at <https://www.ebrd.com/home> .

The strategic priorities of the EBRD defined by the Strategy will be to strengthen the role of the private sector, including through the upgrade of skills and digitalization; to close key infrastructure gaps, pursuing governance improvements and further regional integration; and to support energy diversification away from coal and promote a low-carbon transition.

Development partners coordination efforts

The EBRD participates development partners coordination meetings organized by the authorities as well as *ad hoc* development partners coordination meetings on various sectors, including infrastructure, energy and business environment improvements. There is very strong coordination on a project-by-project basis and overall close coordination between IFIs and other actors.

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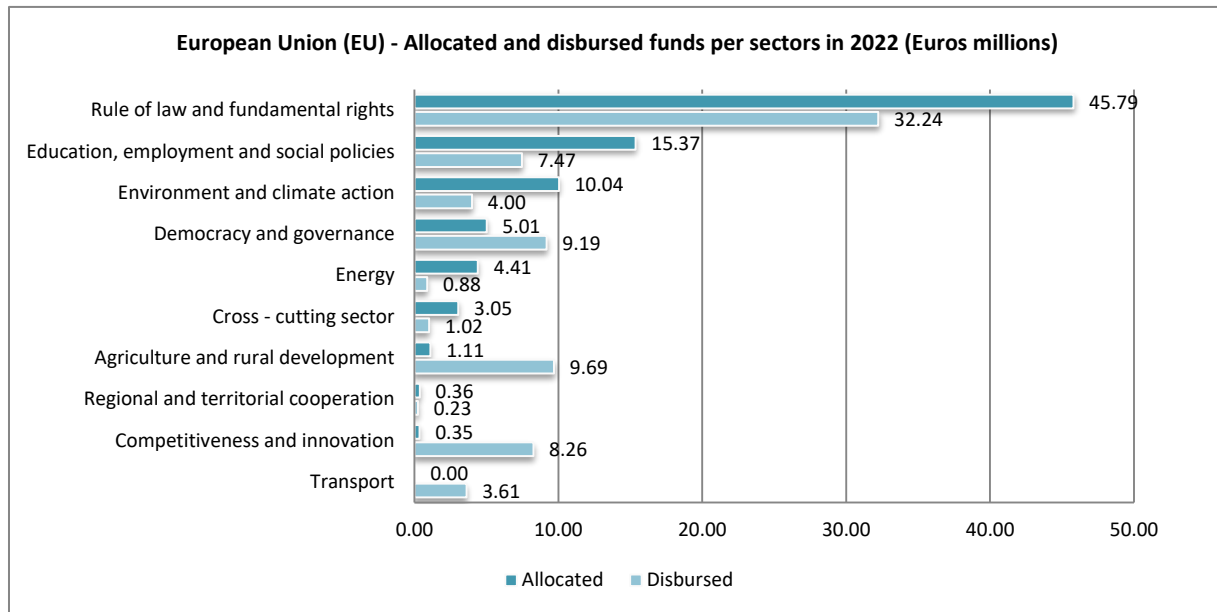
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European Union (EU)

Policy approach and Key activities in 2022

The European Union (EU) **allocated € 85.49 million and disbursed € 76.59 million in 2022 in the form of grant** to the following sectors: Rule of law and fundamental rights, Education, employment and social policies, Environment and climate action, Democracy and governance, Energy, Cross - cutting sector, Agriculture and rural development, Regional and territorial cooperation, Competitiveness and innovation and Transport.



2022 was characterized by a lingering on of the political crisis that erupted in 2021, bringing a blockage of the state institutions by the representatives from the Republika Srpska entity in the first half of the year. The second half of the year was characterized by a heated electoral campaign leading to the October general elections. Following the recommendation by the Commission, in December, the European Council granted candidate status to Bosnia and Herzegovina (BiH).

The engagement with the authorities at all levels remained very challenging throughout the year. The progress vis-a-vis the 14 key priorities from the 2019 Commission Opinion and on the EU acquis approximation has been very slow. Nonetheless, IPA III 2021-2027 assistance has been programmed (the Commission Implementing Decisions on the financing of the annual action plan in favour of Bosnia and Herzegovina for 2022 amounting to EUR 45,5 million and on the financing of the annual action plan contributing to the Western Balkans Energy Support Package in favour of Bosnia and Herzegovina for 2023 amounting to EUR 70 million were adopted in December) and implemented as planned. It is also to be noted that the Financial Framework Partnership Agreement, signed between the Commission and BiH for the utilisation of IPA III 2021-2027 funds, came into force on 20 September 2022, when it was ratified by BiH Parliament.

The Head of the Delegation and the Delegation made a crucial contribution to the Signature of the Administrative Agreement which will allow the participation of Bosnia and Herzegovina (BiH) in the European Civil Protection Mechanism (UCPM). Until now, Bosnia and Herzegovina has been only a



receiver of the UCPM assistance. With the development of the civil protection system, it became eligible to become a full member of the UCPM. The membership enables BiH to be an active provider of assistance to all EU Member States, but also third countries, in case of need. It also makes possible for civil protection and rescue services from Bosnia and Herzegovina to participate in all forms of trainings, exchange of knowledge and equipment with other UCPM member states, but also to make use of available UCPM funds for organising exercises, trainings, equipment procurement, in accordance with the rules applicable to all members and to participate in tenders jointly with other members. All of the mentioned activities will contribute to additionally develop civil protection capacities in line with applicable EU standards.

In the field of civil protection, another important success is the launch of the framework contract Feasibility study 112 for Bosnia and Herzegovina after almost 10 years of unsuccessful attempts to make a first step towards establishment of European Emergency Number 112. The project aims at making a study, produced in full cooperation with final beneficiaries and stakeholders, which will give guidance for further actions.

Under ongoing project EU4Health – Contribution to the availability and access to vaccines against COVID-19 in Bosnia and Herzegovina project, vaccines were procured very early in the global vaccination process, and were administered to the most vulnerable groups. Also, a significant quantity of medical devices, equipment, material and consumables necessary for implementation of vaccination were procured and delivered to the health institutions in the whole country. The most significant equipment is the cold-chain equipment which was necessary to properly store large amounts of vaccines against COVID-19, but also other types of vaccines. The significance of this assistance is even bigger considering that existing cold-chain equipment was outdated and quantitatively not sufficient.

An achievement in 2022 was the signing of an agreement with the World Bank, WHO and UNICEF in the amount of EUR 10 million to support the Health Sector Reform and specifically primary health care in Bosnia and Herzegovina. This project became even more important during COVID-19 pandemic since this crisis revealed the shortcomings of the health system, such as lack of updated qualified medical staff, lack of equipment and material, outdated procedures. This showed how the health system is not only unfit to cope with growing number of COVID-19 and non-COVID patients but also neglects the needs of people not directly affected by COVID-19 (such as regular vaccination of children, support to patients with chronic diseases and conditions, mental health of children, maternity care). The project will contribute to building resilient, primary health care-based health systems, fit for moving towards achieving Universal Health Coverage in Bosnia and Herzegovina. It will also contribute to strengthening child health services and prevention within primary health care in BiH. Finally, this project will address other bottlenecks related to person-centred primary health care, by expanding fiscal space (appraising revenue raising options and expanding pooled procurement), improving the efficiency of spending (pricing of services, improving accounting protocols, redefining the benefits package, and public financial management training), and strengthening accountability mechanisms (transparency assessments, broad consultations, and social engagement).

Another achievement in 2022 is the rolling out of the Youth Guarantee Implementation Plan for BiH. Bosnia and Herzegovina gave full support and was politically committed to the Youth Guarantee (YG), which was reflected in the Western Balkans Declaration of the 2nd Ministerial Meeting on Employment and Social Affairs held on 8 July 2021, at Brdo pri Kranju, in Slovenia. The Youth Guarantee is an



activation scheme to ensure that all young people (age 15-29) receive a good quality offer of employment, continued education, apprenticeship or traineeship within a certain period after becoming unemployed or leaving formal education. It aims to address the challenge of youth unemployment and inactivity. The Expert Group for the Youth Guarantee was established in May 2022. On May 18, 2022, the BiH expert group held its preparatory meeting on the Youth Guarantee scheme, where a plan for future activities on drafting the YG Implementation Plan and deadlines were presented and agreed. The ILO (contracted under the Technical Assistance Facility managed by DG EMPL) prepared the situational analysis/review of the NEETS (youth not in employment, education and training) and legal framework necessary for introduction of the Youth Guarantee, which was presented at the Expert Group Meeting held on 15-16 November 2022. In December 2022, two additional workshops were organised in Republika Srpska and Brcko District for development of the respective draft of the Action Plans. The workshop in the Federation of BiH is planned for January/ February 2023.

Regarding migration, the crisis from 2020 and 2021 got under control, mainly thanks to the fact that the authorities gradually took ownership to manage the migration portfolio. Although significant progress was made, namely on the level of SFA (Service for Foreigners' Affairs), there is no progress in terms of domestic revenue mobilisation. The migration strategy was adopted by the Council of Ministers in 2022, albeit without the Action Plan. A key achievement in 2022 was the construction of the Detention centre in Lipa (modulable containers), within the contract with ICMPD. The EU continued in 2022 its financial and technical support to improve migration management in BiH. A new Contribution agreement of EUR 39,5 million with IOM was signed to cover the EU support until March 2025. An emphasis was put on better coordination between regional programmes, managed by Headquarters, and national programmes, managed by EUD.

In the area of the Rule of law, the EU continued implementing important projects. The second phase of the "EU for Justice" programme (EUR 4,5 million) was launched in December 2022, as a new generation of support to the judiciary through EU Member States. It will further help strengthen the cooperation on the entire criminal justice chain in BiH, including law enforcement agencies, prosecutors and judges, reinforcing the results-oriented approach and pushing for more ambitious reforms from the partner's side. The very successful project with the International Commission on Missing Persons (ICMP) continued, delivering tangible results in forensics and advocacy. In terms of infrastructure, all reconstructions and constructions were successfully handed over in 2022, with the exception of the Igman prison that will be finalised in 2023, and the reconstruction of the Judiciary Palace in Sarajevo that will be launched in 2023.

In the sector of Home affairs, the EU Twinning project "EU support for fight against cyber-crime" had to be terminated, given the bankruptcy of the implementing partner. The "EU for Police" programme had to be re-shaped, following the unsuccessful call for proposals. The EU for Police will be launched in 2023 as a flagship in home affairs, assisting competent law enforcement authorities in fulfilling their commitments regarding justice and home affairs policies.

In the area of digitalisation, the EU funded project "EU Support in Process of electronic identification and trust services (eIDAS) certification in Bosnia and Herzegovina", assisted the Indirect Taxation Authority of Bosnia and Herzegovina (ITA) and the Agency for Identification Documents, Registers and Data Exchange of Bosnia and Herzegovina (IDDEEA) to become accredited for issuing qualified digital signatures. ITA and IDDEEA were accredited for issuing qualified digital signatures in May 2021. The EU



Delegation has started a comprehensive programmatic mapping and outlook for digitalisation, in view of programming and digitalisation mainstreaming.

Bosnia and Herzegovina is by far the largest recipient of EU grants allocated through the Western Balkans Investment Framework (WBIF), with 19 approved investment projects in transport connectivity worth more than EUR 640 million in EU grants. The main achievement in 2022 was the completion of works in the Tarcin-Ivan, including Tunnel Ivan, and Johovac-Rudanka sections, both pertaining to the motorway on the pan-European Corridor Vc. Construction of the inter-state bridge between Bosnia and Herzegovina and Croatia at Gradiška was completed in May 2022. However, the border crossing is expected to become operational only in 2023 upon completion of the access expressway on Croatian territory. The Commission has decided to suspend two WBIF investments projects to finance Corridor V rail and road connections (Johovac-Vukosavlje section) worth up to EUR 600 million and located on the territory of Republika Srpska. The Commission will sign the related EU contribution agreements on these two projects only after the end of the political crisis in Bosnia and Herzegovina. The Delegation closely monitored the developments of WBIF projects, organized several technical meetings to overcome bottlenecks in project implementation and contributed to the preparation of several visibility events, including Commission President von der Leyen participation in the opening of Tunnel Ivan.

A decision to prepare the 2023 Energy Support Package was taken mid-October 2022, with an ambitious plan to sign the Financing Agreement with BiH in January 2023. Since this type of intervention (budget support: state and resilience building contract) is implemented in the BiH for the first time, the swift formulation and approval of the package is considered as a major success. The Action Document for State and Resilience Building Contract for Bosnia and Herzegovina was swiftly designed and intensive policy dialogue on the Action Plan/Roadmap for the Agreement on the Energy Support Package took place. This resulted in the unanimous adoption of the Action Plan by the Council of Ministers of Bosnia and Herzegovina – a prerequisite for signing the Financial Agreement for IPA III for 2023 between Bosnia and Herzegovina and the European Commission. Based on this agreement, after fulfilling specific conditions Bosnia and Herzegovina will be eligible to receive EUR 70 million in immediate resilience budget support to help address the impact of the high-energy prices for citizens and small and medium sized enterprises (SMEs).

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.

Due to the COVID-19 outbreak in March 2020, the EU managed to respond quickly with its support to mitigate urgent health and humanitarian implications that COVID-19 pandemics abruptly caused in BiH, by providing various medical supplies and equipment to various public health facilities in BiH. The EU continued throughout 2022 to respond to the needs and shortages of public health sector in BiH to address the COVID-19 pandemics challenges, but also the primary health care ones. In medium term, the EU will provide assistance for socio-economic recovery of BiH, by mitigating the impact of the COVID-19 crisis on business of agri-food and tourism operators, MSMEs, entrepreneurs and farmers as well as on the development of start-ups by unemployed or which appertain to vulnerable groups (women, minorities etc).



It is to be reiterated that the EU has mobilised a package of over EUR 3.3 billion to the Western Balkan partners in tackling COVID-19 crisis. The package includes reallocations from the Instrument for Pre-Accession Assistance of EUR 882 million for the entire region, out of which EUR 83.5 million for Bosnia and Herzegovina; a EUR 1.7 billion package of assistance from the European Investment Bank and EUR 750 million of Macro-Financial Assistance, out of which 250 million for Bosnia and Herzegovina.

Apart from the EU Response to COVID-19 outbreak in BiH, the EU assistance will further support the public administration reform, including robust statistics, greater accountability in public administration and ability to provide e-services in line with EU standards. It will continue to support public finance management by building capacities in revenue collection sphere as well as participation of BiH in various EU Programmes under the scope of Democracy and governance sector. It will support the effective justice, by strengthening the independence, transparency, efficiency, accountability and ultimately public trust in justice system of BiH and by enhancing cooperation between law enforcement and prosecution services; However, the EU assistance is linked to BiH's willingness to adopt the new law on the High Judicial and Prosecutorial Council and the new law on the Courts of Bosnia and Herzegovina, in line with European standards; to establish a credible and rigorous system of verification of asset declarations of judges and prosecutors, and members of the High Judicial and Prosecutorial Council; to apply consistently and significantly improve rules and practices on the appointment, integrity and training of judges and prosecutors and to ensure that a system of performance appraisal is in place. Without these reforms in place, the efficiency of EU assistance will remain limited.

As far as the Environment and climate action and Energy sector is concerned, in the framework of EU Green agenda, the EU assistance will support key priorities that include energy efficiency in line with just transition, decarbonisation, circular economy principles. It will further support alignment of the regulations and policies with EU environmental acquis and development of priority environmental infrastructure; it will also assist in reforming the energy sector and improve its energy and climate policies, implementation of energy efficiency measures as well as in supporting pilot green investments in local communities;

As for the Education, Employment and social policies, EU assistance considers necessary to address lessons learnt from COVID pandemic in education sector, by providing internet access for schools in remote areas, by training teachers to make best use of digital classroom an on-line tools and by improving media literacy among young students; It will continue to provide support to improve of Bosnia and Herzegovina's socio-economic situation and living conditions by enhancing the responsiveness of education to labour market needs, by offering to BiH a new instrument - Youth Guarantee scheme – to address the challenges of young unemployed population in BiH. EU assistance will further continue to improve internationalisation and mobility in higher education, contributing to the development of social inclusion policies in sport and pre-school at relevant levels, and better employability in local communities;

Lastly, in medium and long-term period, the EU will continue to provide support to all nine IPA II sectors, but in the architecture of the new IPA instrument - IPA III, whose Regulation and Implementation Regulation were adopted in September and December 2021 respectively and are valid for the period 2021-2027. **The IPA II sectors have been merged and translated to Five IPA III Windows, each including its Thematic priorities. The main criteria for funding a particular sector will be *policy relevance and technical maturity of Action proposals.***



Development partners 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, including international organisations (UN and its agencies, OSCE, CoE, etc.). The meetings 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 UN family organisations, World Bank, EBRD, EIB, KfW and GIZ, in particular in the fields of transport, energy and environmental infrastructure, where the EU 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, private sector development, energy efficiency, environment, gender, human rights, social protection, employment 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.

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European Investment Bank (EIB)

Policy approach

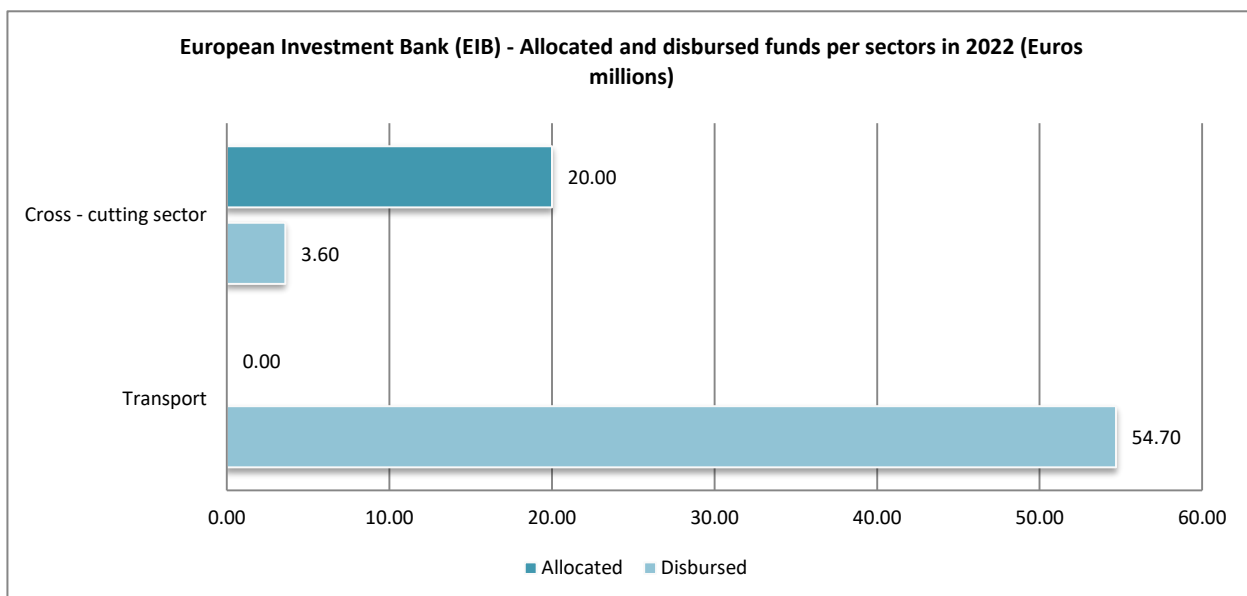
In 2022, EIB has established a branch dedicated to activities outside the EU – EIB Global, to enable more streamlined support and reinforced local teams. The aim behind this new branch is to help the region benefit from the latest EU initiative – Global Gateway - for sustainable infrastructure projects across the world. For the Western Balkans, this means more resources for financing loans and grants, experts on the ground fully dedicated to local projects and stronger partnerships in the region together with the European Commission.

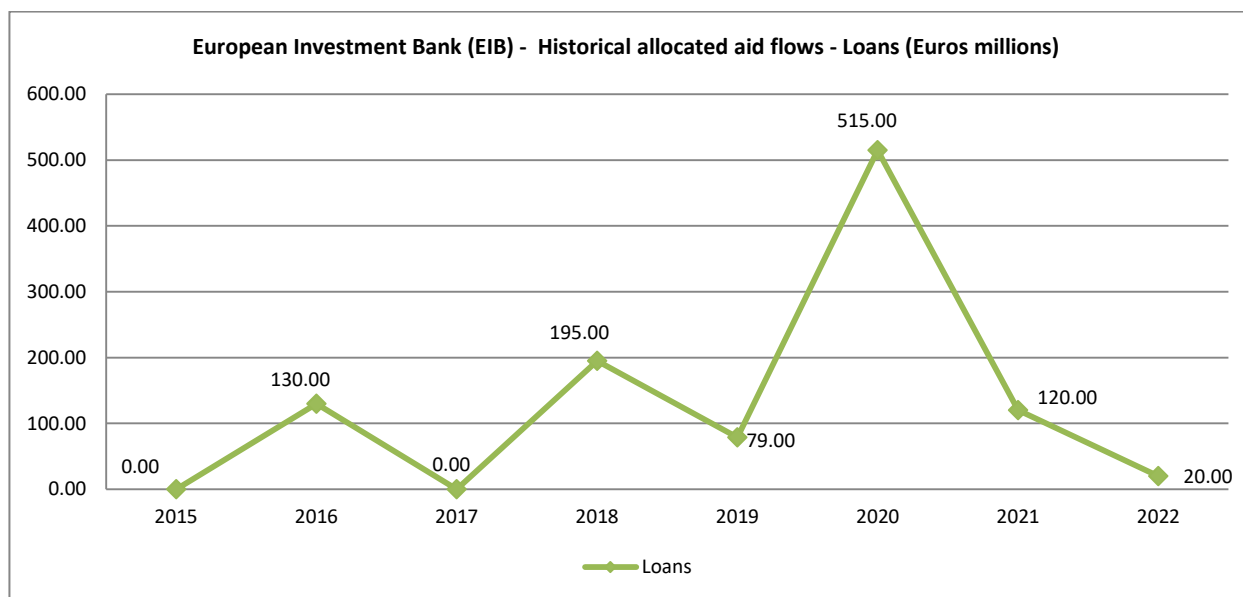
For Bosnia and Herzegovina, EIB Global provided a €500,000 grant for the preparation of investment planning for the wastewater treatment and solid waste management for the city of Banja Luka. Once implemented, the project will improve sanitation services for about 180,000 people. To date, the EIB has invested €242 million in BiH's water sector, which contributed to improved access to drinking water, sanitation services and flood protection measures.

In 2022, EIB also signed the first impact incentive loan for BiH, aiming to foster youth employment, gender equality and socially inclusive practices among SMEs and mid-caps. These funds will be disbursed to local companies committed to creating long-term employment opportunities for women, young people and segments of the population that face higher barriers in the labour market. By investing €880 million in the private sector of BiH to date, the EIB helped retain over 100,000 jobs.

Key activities in 2022

The European Investment Bank (EIB) **allocated € 20.00 million and disbursed € 58.30 million in 2022 in the form of loans** to the following sectors: Cross - cutting sector and Transport.





Medium and long-term approach

In cooperation with the European Commission, the EIB can offer comprehensive mix of loans, grants and technical assistance which makes its financial arrangements amongst the most favourable in the market. The aim is to help BiH and countries in the Western Balkans address their infrastructural and development needs and move forward with reforms essential for the EU accession process. By doing so, EIB intends to ensure its loans to be sustainable in terms of social, environmental, and economic aspects, allowing EU norms and standards to become part of the policies in the countries, even before the formal accession.

The EUR 3.2 billion invested for the country to date by the EIB contributed to increased connectivity, new jobs, hospitals, improved access to energy, water and sanitation services. Such exposure requires sustainable debt strategies and robust debt management frameworks to enable long-term management of a country's debt. When it comes to repayment of loans, our local partners in Bosnia and Herzegovina duly fulfil their financial obligations. The level of disbursement of funds for BiH is approximately 70%, which we can consider satisfactory.

Along with loans, EIB Global is providing dedicated technical support for the preparation, supervision and implementation of the projects. In 2022, we have provided EUR 2.5 million technical assistance grants for new water and wastewater, renewable energy and education projects through the EIB's *Economic Resilience Initiative*. BiH with the help of the EIB in the application process obtained over EUR 370 million grants since 2017 under the Western Balkans Investment Framework, many of which have been already signed and made available. For the construction of new motorway section along the Corridor Vc in BiH, the country and its people have benefited from over EUR 570 million of EU grants provided so far for this project.

Development partners coordination efforts

EIB is part of the Water Alliance initiative with a group of other donors in BiH (this includes the EU Delegation, EBRD, WB, UNDP, Czech Republic, Sweden, Switzerland). This group of donors is joining forces in order to support the country in its reform efforts in the water and sanitation reforms.

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United Nations (UN)

Policy approach

The policy approach of the United Nations in Bosnia and Herzegovina continues to be driven by the 2021-2025 United Nations Development Cooperation Framework (UNSDCF) for Bosnia and Herzegovina endorsed by the Council of Ministers of Bosnia and Herzegovina in December 2020. In line with its objectives, the UNSDCF aims to align the collective United Nations engagement with the Agenda 2030 priorities in Bosnia and Herzegovina, as defined by the Sustainable Development Goals (SDGs) Framework in Bosnia and Herzegovina adopted by the authorities in Bosnia and Herzegovina in April 2021, as well as with the EU integration agenda as defined in the EC's Opinion on Bosnia and Herzegovina's membership application. The focus of cooperation is placed on sustainable economic growth, quality of education in line with the 21st century skills, accessible and qualitative health and social protection systems, inclusive governance and rule of law and social cohesion. As a cross-cutting principle, the United Nations applies its reach and comprehensive normative frameworks to ensure the policy dialogue with the authorities in Bosnia and Herzegovina are aligned with the international obligations of Bosnia and Herzegovina and correspond to the international quality and expectations. In terms of the UNSDCF implementation, the United Nations applies an inclusive and harmonized approach ensuring all the relevant authorities from various levels of government are consulted and engaged in line with their competencies and in a cohesive manner.

The authorities in BiH and the United Nations system have mutual accountability for the achievement of planned UNSDCF results. Based on their comparative advantages, UN system agencies contribute policy advice, in accordance with international norms, standards and best practices, and help to develop new capacities at all levels of government in BiH for the implementation and monitoring of strategies, policies and plans in BiH. Given its comprehensive focus on vulnerable groups across all UNDCF priorities and efforts to ensure that these groups are not left behind, broader cooperation and partnership is applied including civil society groups, NGOs, community groups, the human rights institutions, IFIs, academia, media, the private sector, and international partners. This is expected to leverage greater capacities and resources, including financing, toward achievement of the UNSDCF results and SDGs targets in BiH. All funding and financing strategies promote cost-sharing and stronger partnerships with the authorities in Bosnia and Herzegovina, private sector, including individual donors and corporate partners. New sources of finance are being identified, including options for blended finance and influencing the policy environment to facilitate greater resource flows for SDG-related country priorities.

• Sustainable, Inclusive and Resilient Growth

(Corresponding to the following IPA II sectors: Environment and climate change, Competitiveness and Innovation, Agriculture and rural development and Energy)

Activities under this UNSDCF Focus Area promote implementation of strategies and policies for economic growth that is more inclusive, sustainable and geared toward maximizing resources for social protection and investments in quality health, education and other public services. The UN activities are supporting a stronger policy and regulatory environment and stimulus measures to enable low-carbon development, spur business development and increased competitiveness, and support the creation of green and decent jobs, complemented by environmental action. Tangible activities include stronger climate change mitigation policies, the introduction of low carbon technology and digital economy strategies and plans, more small and medium enterprises (SMEs) in main economy sectors applying sustainable business models, stronger active labor market measures (ALMPs) to connect young people, especially young women and vulnerable groups, with good jobs in the formal economy, and stronger incentives for investments in innovation and research and development (R&D). These are backstopped with coordinated implementation of natural and cultural resource management policies and plans, in line with the EU and international standards.

• **Quality, Accessible and Inclusive Education, Health and Social Protection**

(Corresponding to the following IPA II sectors: Education, employment and social policies)

The UN activities under this focus area support two critical and complementary objectives, central to a more inclusive and fair society: 1) The first concerns more inclusive and higher quality education, focused on 21st century skills and employability of people, especially the young and vulnerable. Activities support conditions for more inclusive and higher quality education that offer all children and young people the 21st century skills they will need for employment success in a modern, EU-oriented labor market. The second set of activities are geared towards improving the quality and affordability of health services and social protection for all people in BiH, and especially vulnerable groups. Cooperation aims to strengthen the institutional conditions for more efficient, fair, and inclusive health and social protection systems, including multi-sectoral referrals to prevent and offer protection from gender-based violence and violence, abuse and exploitation of children. An equity focus, with improved spending analysis and targeting, will be supported to ensure that health and social protection programmes and services are responding effectively to the situation of vulnerable groups.

• **People-centered Governance and Rule of Law**

(Corresponding to the following IPA II sectors: Democracy and governance and Rule of law and fundamental rights.)

The activities support practical governance reforms, in line with the priorities in BiH, that should enable the authorities in BiH to partner more effectively with people in order to shape and deliver transparent, fair, and more responsive policies, laws and public services and this includes the response to the current mixed movement of asylum-seekers and migrants in the country. For example: cantons and local governments are supported to develop SDG-aligned development plans and monitoring systems, acquire new capabilities and mechanisms to strengthen people consultation and participation in policymaking, and shift towards e-governance to modernize public performance and make public services more effective and accessible. Stronger focus is placed on the accountability and integrity of the public service, with focus on public utilities. Efforts are also focused on increasing women's participation in political and economic decision-making. UN system agencies continue to support the authorities in BiH to collect SDG related data and use it to strengthen the evidence base for governance related policies and plans that are aligned with the long-term sustainable goals as set forth in the SDGs Framework in BiH as well as to tap into financing from private sector for SDGs implementation.

• **Social Cohesion**

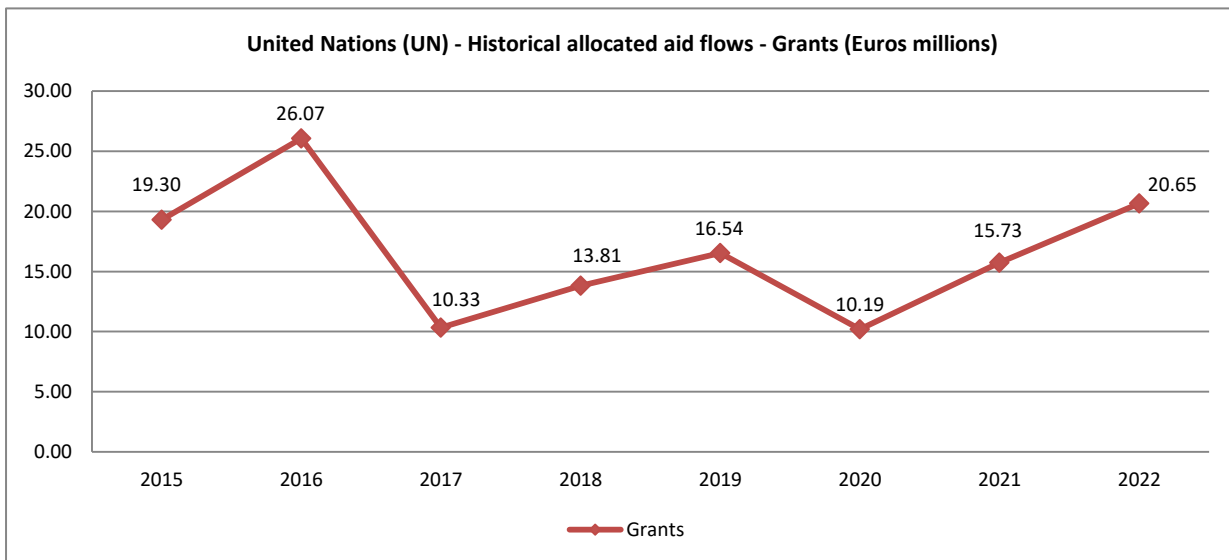
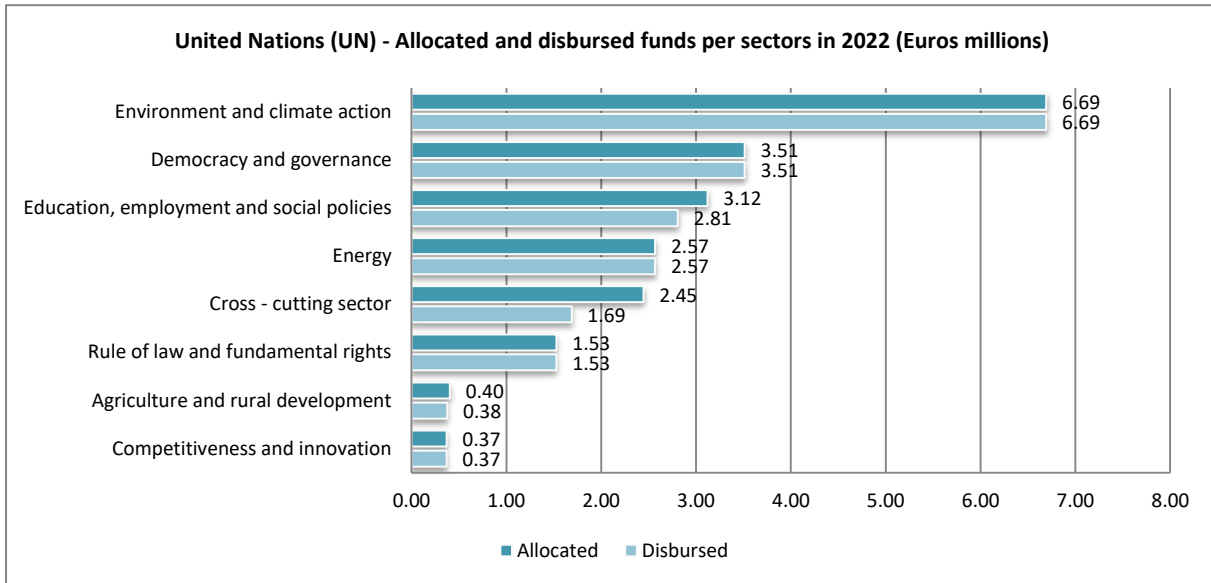
(Corresponding to the following IPA II sectors: Democracy and governance, Rule of law and fundamental rights, and Regional and territorial cooperation)

The UN system implements activities to enable dialogue and meaningful engagement of people in BiH, young people in particular, across their socio-political or ethnic groups. At the same time, cooperation also targets non-traditional actors, such as the religious communities, along with the media and academia, to create local enabling environments for direct people engagement, volunteerism and dialogue. Activities are expected to provide access to new public and on-line spaces and opportunities to engage in constructive actions and discussion about their communities and local authorities will have new skills and mechanisms to engage with and respond to their constituencies. Amongst others this is expected to promote critical thinking and zero tolerance for all forms of violence.

Key activities in 2022

United Nations (UN) **allocated €20.65 million and disbursed € 19.55 million in 2022 in the form of grant** to the following sectors: Environment and climate action, Democracy and governance, Education, employment and social policies, Energy, Cross - cutting sector, Rule of law and fundamental rights, Agriculture and rural development, Competitiveness and innovation.

In this regard, it is important to note that United Nations in Bosnia and Herzegovina implemented total amount of € **84.07** million in 2022.



Medium and long term approach

The United Nations will continue with implementation of the 2021-2025 UNSDCF in line with the defined objectives and priorities. In line with its provisions, the UNSDCF has been operationalized through a Joint United Nations Work Plan outlining the initiatives to be implemented and covering the 2023-2025 period. The Joint Work Plan is currently under formal review by the UNSDCF Joint Steering Committee responsible for the overall strategic overview of the UNSDCF implementation. Within this context, the following scope of the United Nations engagement is to be prioritized over the next 3-year period with the overall financial envelope of the estimated USD 253 mil:

Sustainable, inclusive and resilient growth

- Addressing risks posed by climate change, especially policies and measures to promote green and just transition;
- Implementing policies and measures promoting an inclusive and competitive economy, including decent jobs for all;
- Protecting and managing natural and cultural resources in a sustainable and inclusive manner.

Quality, accessible and inclusive education, Health and Social Protection

- Provide quality inclusive education, including for digital transformation;
- Increasing employability and active and productive participation in society and the economy for adolescents, youth and vulnerable groups;
- Providing more inclusive, efficient, sustainable and shock-responsive health and social protection policies and services;
- Advocating for healthy lifestyles and access of social protection, health services and related entitlements;
- Delivering multi-sectoral response and prevention programmes against all forms of violence;

People-centered governance and Rule of law

- Enabling sustainable, evidence-based, inclusive, and gender-sensitive policies and financing;
- Strengthening effective usage of data, technology, innovation and standards for quality, accessible and people-centered public service;
- Increasing safety, security, access to justice, and rule of law for all in line with relevant international normative standards;

Social Cohesion

- Countering divisive narratives and enabling inclusive dialogues and frameworks that promote trust-building and social cohesion

Development partners coordination efforts

In terms of the sector-related coordination mechanisms, the following participation can be reported by the UN:

- Local Governance and Local Development
- Health
- International Working Group on Gender Equality
- Mixed Migration Working Group
- Protection Sector Working Group
- Justice for Children Coordination Mechanism
- Energy
- Education
- Disaster Risk Reduction

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The World Bank

Policy approach

WBG Country Partnership Framework (CPF) for FY23-27 for Bosnia and Herzegovina was presented to the World Bank Executive Board of Directors in July 2023. The CPF program based on the Systematic Country Diagnostic (SCD) and the emerging impact of COVID19 identified three Higher Level Outcomes (HLO) that will guide the WBG’s engagement even beyond this CPF cycle.

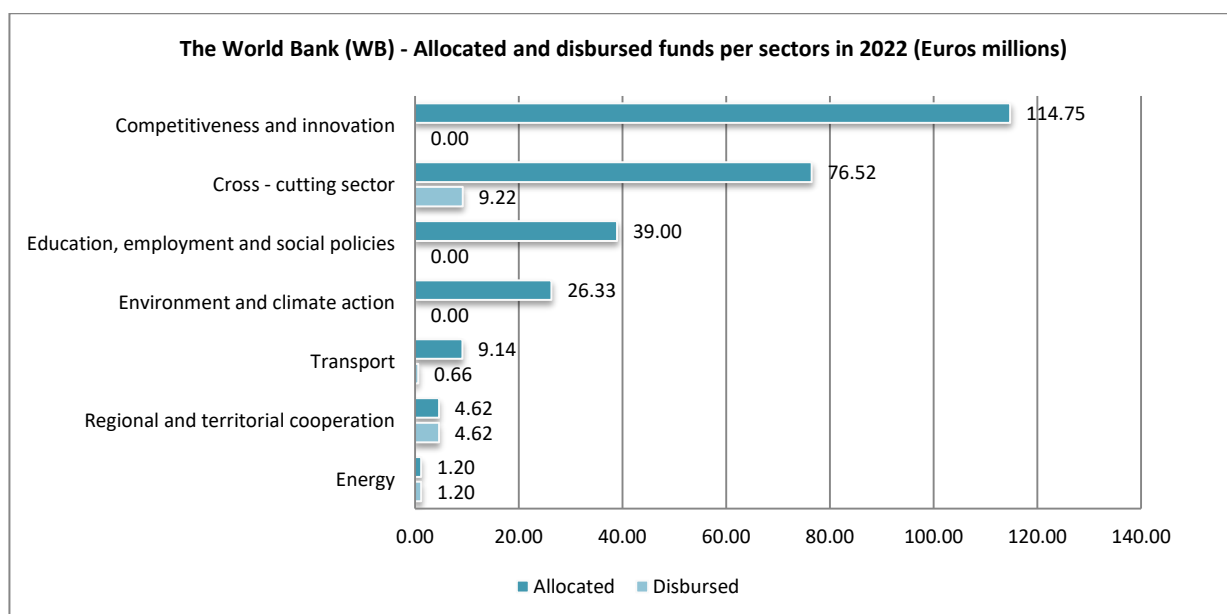
The WBG’s activities will contribute to inclusive development under HLO1 by focusing on increased private-sector led export-driven growth (CPF Objective 1) and increased inclusive market relevant employability (CPF Objective 2) with a particular focus on women and marginalized groups.

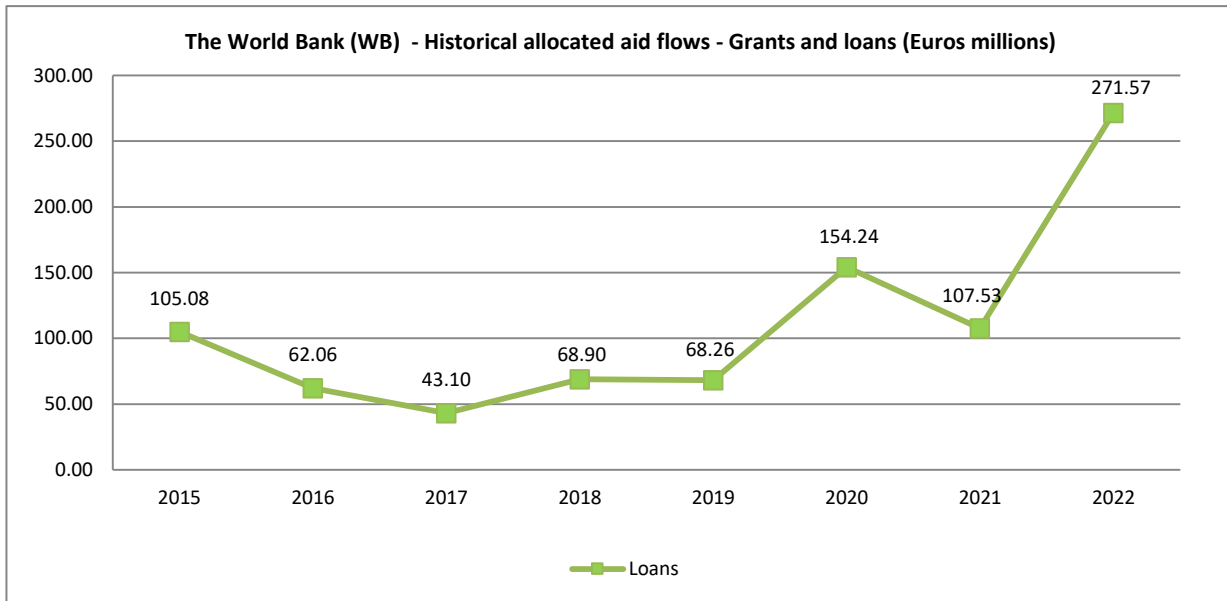
The CPF will, under HLO2, support improved public services outcomes that build resilient human capital and physical and institutional infrastructure. Activities will focus on addressing service delivery gaps through the improved quality and efficiency of health and water services (CPF Objective 3) and improved performance of select SOEs and public institutions for better service delivery (CPF Objective 4).

Finally, to reduce the risks of climate change impacts and protecting BiH’s natural capital the CPF will promote better environmental outcomes and climate resilience under HLO 3 through investments for improved air quality (CPF Objective 5) and the improved use of natural resources (CPF objective 6). All three HLOs and supporting CPF objectives mutually reinforce each other.

Key activities in 2022

The World Bank (WB) allocated **€ 271.57 million and disbursed € 15.70 million in 2022 in the form of loans** to the following sectors: Competitiveness and innovation, Cross - cutting sector, Education, employment and social policies, Environment and climate action, Transport, Regional and territorial cooperation and Energy.





Medium and long-term approach

During 2023, The World Bank main activities will focus on implementation support to the ongoing operations and assisting the implementing entities with reaching the development objectives. Main areas covered are real estate registration, energy efficiency, recovery of the small and medium enterprises, employment and labour market, roads infrastructure in FBiH, railways restructuring in RS, health care system, water sector modernization, agriculture competitiveness and improving the air quality in the selected areas.

Besides these activities, the Bank will be working with the relevant counterparts on preparation of the activities in the forestry sector, “just in transition” from the coal sector toward affordable, reliable, clean energy system and solid waste management.

The main advisory activities will cover the following areas: SOE sector modernization; deepening and diversification of the financial sector; public sector employment and labour markets and support for the health sector reform.

Development partners coordination efforts

Besides participating in the DCF quarterly meetings, the Bank participates in several sector level donor coordination meetings with the international financial organizations active in Bosnia and Herzegovina (EU, EBRD, EIB, KfW, USAID, IMF, UN, UNDP) as well as with other development partners, such as Sida, USAID, British Embassy, OSCE, in order to maximize development outcomes of different programs through better coordination and partnership.

The Bank coordinated closely with EU and other partners on the “just in transition” work. Furthermore, Bank worked closely with the IMF on the wide range of complementary issues in the fiscal and financial sector. For water sector activities, the Bank is actively coordinating with EU, Swiss and Sweden Embassy as well with UNDP.

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International Finance Corporation (IFC) in Bosnia and Herzegovina

Policy 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 as of August 31 totaled \$398.3 million, including \$23.1 million mobilized from IFC partners. IFC committed investment portfolio in Bosnia and Herzegovina as of 31 December 2021, is \$10.6 million.

Medium and long-term approach

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.

IFC strategy in BiH aims to assist the shift of the country's growth model from public-led to private-led, from consumption to investment, from domestic to external (**the Three Shifts**), through fostering **competitiveness, connectivity, climate resilience**. World Bank Group Country Partnership Framework in Bosnia and Herzegovina was approved in July of 2022 and can be found [here](#). Specific strategic activities include:

1) Boost private sector **COMPETITIVENESS**:

- Promote higher-value added, export-oriented industries
- Continue removing barriers to investment
- Keep broadening access to finance

2) Strengthen **CONNECTIVITY** to unlock export potential:

- Foster connectivity by leveraging private investment in economic and urban infrastructure, including through PPP
- Support digital transition through investments in digital infrastructure

3) Green reboot to tackle **CLIMATE CHANGE**:

- Promote green financial solutions
- Ramp up investment in renewable energy
- Support municipalities to promote climate-friendly urban solutions

Development partners coordination efforts

IFC is actively coordinating on the topics of economic recovery, better business governance, and energy through the EU. All International Finance Institutions and key bilaterals are represented. We hope to become a member of the Water Alliance. The rest is coordinated on a bilateral basis.

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1. Economic Reform Program of BiH (ERP) 2022-2024
2. Comprehensive Strategy for Public Financial Management of Bosnia and Herzegovia 2021-2025
3. European Commission 2022 Report on Bosnia and Herzegovina
4. www.vijeceministara.gov.ba
5. www.vladars.net
6. www.fbihvlada.gov.ba