

Summary of Sida's Assessment of the Development towards the Strategy Objectives and Implementation of the Contribution Portfolio

	Objective ¹	Portfolio ²
Economic integration with the EU and development of market economy		
1: Enhanced capacity to continue economic integration with the EU		
2: Competitive small and medium-sized enterprises		
Strengthened democracy, human rights and rule of law		
3: More efficient public administration		
4: Delivery of higher quality public services		
5: More efficient judicial systems		
6: A reduction in gender-based violence, hate crimes and human trafficking		
7: More democratic and effective police forces		
8: A more pluralistic civil society		
9: Improved cond. for dem. accountability and participation in pol. processes		
10: Free and more independent media		
11: Better fulfilment of commitments on human rights, gender equality		
12: Women and men have same power to shape society and their own lives		
13: Increased trust [and reconciliation] between parties in		
A better environment and reduced climate impact		
14: Increased comp. with EU reg. & int. agreem. on enviro/climate/ energy		
15: Enhanced environm. resp. among the public, business and civil society		
16: Sust. public services (water and sewage, waste managem., energy effi.)		

¹ Assessment of the **development towards the strategy objectives**: Green: Desirable direction; Yellow: Partially desirable direction; Red: Undesirable direction.

² Assessment of the **implementation of the contribution portfolio**: Green: According to plan; Yellow: Partially according to plan; Red: Not as planned.

1. Overview of the Strategy Context

The political situation and set-up of Bosnia and Herzegovina (BiH), with a complicated administrative structure and different political visions for the country, is slowing down the reform process towards the European Union (EU). In the beginning of 2014, the country's EU-integration process was blocked over the so-called Sejdic/Finci-verdict. Funds for development were cut to mark the unacceptable political standstill. Both Sida and the EU reduced allocations. Towards the end of 2014 the EU, upon an initiative from the UK and Germany, decided to change its approach towards BiH and concentrate on socioeconomic reforms. The IFI's and the EU coordinated conditions in relation to the Reform Agenda. Important measures, like publishing the 2013 census results, to introduce a Coordination Mechanism and to adjust the SAA protocol, were met and the membership application could be submitted in February 2016. It took BiH from spring 2017 until February 2018 to answer the questionnaire with thousands of questions from the Commission on the ruling and functioning of the country. With the successful submission of the questionnaire the coordination mechanism was also tested.

The economic growth of BiH was lower in 2017 compared to the year before, 2.5 percent versus 3.2 percent in 2016 according to the European Bank for Reconstruction and Development (EBRD) data. Business environment still needs major input to boost private investments and improve competitiveness. Lack of skilled labour force remains one of the reasons for the low level of investments. ILO data shows a slight increase in unemployment figures in 2017 compared to 2016 but with a decrease in women's unemployment. Figures are still higher for youth (approx. 60 percent) and women (approx. 38 percent) compared to the overall unemployment (approx. 26 percent). A high number of people leave the country every year to find jobs within the EU.

Inequality is a challenge – BiH is one of few countries in Central- and Eastern Europe with an increasing Gini coefficient. BiH is one of the least urbanized countries in Europe, with some 60 percent of the population living in rural areas. Income poverty is high – every 6th household in the country live below the national poverty line of 213 EUR, with a higher poverty rate in rural areas than urban ones. Many poor households depend on remittances. One in four households is headed by single women, with poor access to welfare systems. Many of them also bear the additional burden of ethnic tensions and threats. In the wake of the conflict; aggression and alcoholism is still prevalent. Every second woman, from the age of 15 years has been subjected to violence (physical or psychological). The Roma population (80 000 – 100 000) is particularly underprivileged, and severely oppressed – 69 percent live below the national poverty line.

Only 34 percent of women participate on the labor market, and they earn 46 percent less than their male counterparts. Women's participation in parliament is low – 19 percent and only 3 percent of the mayors are women. The governance indicator for accountability is among the lowest in the region. A high level of corruption in public services - health care, education, social service - affects marginalized households heavily.

Improvements are being made in the environmental sector, but much work remains to be done in e.g. energy efficiency improvements, infrastructure for waste and sanitation, and pollution reduction. Although interest is sometimes there, environmental improvements are often a matter of economic constraints. The contributions from international actors are central, but not enough to achieve the substantial changes needed. The country's own institutions need to prioritize the environmental area more, especially if the country is to align with the EU environmental acquis.

From the end of 2014 to the beginning of 2016 Swedish allocations for cooperation with BiH decreased with around 33 percent due to high migration costs. In 2017 the allocation increased to 150 MSEK. In 2018 the allocation is 160 MSEK.

**Total amount for the
Strategy: 8,24 billion SEK**

**Disbursed Amount 2017:
149,7 MSEK**

**Number of Contributions
2017: 48**

1.1 Changes in the Context

The overall reform process slowed down significantly in 2017. The political structure which gives the central government a fairly weak authority over several central political issues, as well as an apparent lack of political will brought the reforms and EU accession to a virtual standstill. Because of defections of parliamentary members, the state government coalition lost its parliamentary majority in the spring. This weakened the capacity to pass reforms and legislation.

Because of the standstill, the EU, MS and other international institutions increased the pressure in the latter months of the year. The International Monetary Fund, IMF, froze parts of its loan programme with BiH in 2017 because of the country's inability to adopt required reforms, and threatened to withdraw about 74 MEUR from the programme if key reforms, among them an increase in excise duties, were not in place before the end of the year. In late December, only days before the deadline, the BiH parliament finally adopted the excise duties laws.

EU Commissioner for European Neighbourhood Policy and Enlargement Negotiations, Johannes Hahn, visited the country in December to urge the political leaders to get back on track and regain their focus on reforms and accession. The repeated failures of the state to meet the deadline for submitting the questionnaire answers, and very slow progress on reforms necessary for EU accession was called out by Hahn.

In the beginning of 2018, BiH finally submitted the answers to the EU questionnaire. However, with the upcoming general elections in October, the reform process is unlikely to be a priority. After adoption of a few strategies, a substantial amount of IPA-funds will be available from 2019.

1.2 Sweden's Role in the Strategy Context

Table 1. Donor Context

Total development assistance make up 27,5% of the national budget	Sweden's share of the total of development assistance constitute 6,6 %.
	Common EU strategy is valid 2014- 2020 Status of EU joint programming:6
The five largest donors are: EU, US, Sweden, Germany and Switzerland (unknown is allocations from Turkey)	EU being the biggest donor with Sweden second together with Switzerland and USAID. Germany (GIZ) most likely among the biggest, but with no exact figures to share.

The overarching goal of Swedish cooperation is EU membership for BiH. The overall progress in the country is slow and thus Sweden's activities to support the EU accession are important. Important is continued support to civil society for monitoring reforms along the EU-accession path. As described in chapter one, poverty is prevalent in BiH and conflicts are still part of peoples' everyday lives. Integration of poor people's perspective, gender equality, conflict prevention, anticorruption, environment and climate, will continue to be important during the remaining years of the strategy.

Important for the continuation of the strategy period is to introduce targeted programmes supporting poor people's perspectives and priorities in the country's reform progress. Sweden has a prominent role in the country, known for flexibility and pushing for sustainability and ownership within the different sectors. Sida is currently co-founding programs together with EU, UN, IFIs, Switzerland (SDC) and USAID.

The EU is assessing four sectors for new IPA support and the World Bank is releasing loans for several sectors. Switzerland and Germany, the other big bilateral donors, are increasing funds to BiH.

Due to the new US administration, decreases for USAID can be expected. United Kingdom continues with the Good Governance Fund and support BiH with EU-Integration, independent of Brexit.

1.3 Synergies with Other Swedish Strategies

Annual amount within other appropriation items that reach/es the country/region 2017:	9 489 KSEK
Humanitarian assistance (Appropriation 1)	0
Support through Swedish NGOs (Appropriation 5)	9 489 KSEK
Research assistance (Appropriation 32)	0
Guarantees	0

Sida's strategy and work in BiH has many synergies with Sweden's National Action Plan for the implementation of the UN Security Council's Resolutions on Women, Peace and Security 2016–2020. BiH is one of the priority countries for the strategy's implementation. Much of the work under support area 2 is highly relevant also to the 1325 action plan. Sida's portfolio has several contributions that aim to prevent and reduce Gender Based Violence,

The use of the guarantee tool could be explored for different sectors; like energy related, small and medium-sized enterprise (SME) support, and other investments together with development banks. Sida has together with USAID three guarantees. See section 2.1.

1.4 Allocation between Areas of Support

Area 1: Enhanced economic integration with the EU and development of market economy: 52 MSEK (34 %).

Area 2a: Strengthened democracy, greater respect for human rights and a more fully developed state under the rule of law focusing on strengthened public administration and judicial systems: 43 MSEK (29 %).

Area 2b: Strengthened democracy, greater respect for human rights and a more fully developed state under the rule of law focusing on increased enjoyment of human rights and greater opportunities to exercise democratic influence: 25 MSEK (17%).

Area 3: A better environment, reduced climate impact and enhanced resilience to environmental impact and climate change: 30 MSEK (20%).

The allocation is fairly balanced between the support areas. Sida intends to increase the allocation volume to support area 3, primarily by decreasing allocations to support area 1. Support to the environmental sector is a high priority, which should be reflected in the support volume.

2 Results Reporting

2.1 Area of Support 1: Enhanced economic integration with the EU and development of market economy

1: Enhanced capacity among institutions to continue economic integration with the EU

Development towards the strategy objective



The Reform Agenda adopted by the authorities in 2015, with help from the International Financial Institutions (IFIs) and EU Compact for Growth initiative, saw limited implementation in 2017 in several areas including modernizing the labor legislation, improving the business environment and addressing weaknesses in the financial sector. During 2017, Sida was significantly contributing to the support of the Rural Development Strategy – adopted early 2018 - which was key for EU IPA financing for this sector.

Portfolio level



In 2017 the portfolio under objective 1 had 10 contributions with a total volume of circa 10 MSEK. A central component in the portfolio is the support to State Ministry of Foreign Trade and Economic Relations (MOFTER). For a number of years Sida has successfully implemented a project with MOFTER on fighting cattle disease Lumpy Skin Disease (LSD)³. A new support to vaccine against the cattle disease Brucellosis is planned to start in spring 2018⁴. Sida also engages with MOFTER in activities aimed at the promulgation of the Small Business Act⁵. MOFTER is responsible for coordinating and ensuring that BiH lives up to its international obligations in several sectors and is thus the relevant Ministry for EU integration at the State level, however their capacity, as with many other Ministries at the state level is limited both in competence (coordination) and human capacities.

Contribution level

Sida started a project in 2017 with MOFTER and the Enterprise Development Agency (Banja Luka) on implementing a BiH coordination framework for the Small Business Act. In 2017 the MOFTER project on vaccination against Lumpy Skin Disease vaccinated about 55 % of the target number of cattle. LSD has not yet spread to BiH but is present in neighbouring countries which is negatively affecting their ability to export and trade with animal products. To keep BiH LSD free is thus important for the country's ability to trade with the EU and other markets. Vaccinations will therefore continue in 2018 to achieve the target level⁶.

Also continuing is the land administration project, Capacity Building for Improvement of Land Administration and Procedures in Bosnia and Herzegovina (CILAP), through Lantmäteriet, that among others enables the establishment of an address register and the establishment of real property sales register addressing baseline EU-standards/requirements for a functional market economy.

³ 10234 MoFTER support SVO LSD

⁴ 11602 Enhancing Export Potential & Improving Competitiveness of BiH Agri Producers

⁵ 10496 Small Business Act Strategic Framework

⁶ Annual Report on implementation of vaccination against Lumpy Skin Disease in Bosnia and Herzegovina

2: Competitive small and medium-sized enterprises make up a greater share of the economy

Development towards the strategy objective

The Reform Agenda adopted by the authorities in 2015, with help from the IFIs and EU Compact for Growth initiative, saw limited implementation in modernizing the labor legislation, improving the business environment and addressing weaknesses in the financial sector.

The problem analysis still stands; weak or non-existing strategic frameworks with non-harmonized business environment, highly fragmented and decentralized administration, and still a significant level of state capture in the economy. Resulting are a bloated public sector and significant fiscal burdens on formal wages which is contributing to a large informal sector. The education system remains non-harmonized with the needs of the modern economy which is causing a significant skills-mismatch. Combined, these factors contribute to persisting low competitiveness, low private sector wages in traditional and basic service sectors, no decrease in high rigidity of labor market and low employment creation. Over the last few years, youth leaving the country seeking employment opportunities elsewhere in EU is a clear negative trend. The positive side of the coin is the resilience in the private sector SMEs which despite a very unfavorable environment continue to at least maintain a quarter percent share of the economy. It is also worth noting that following the 2008 financial sector crises, non-performing bank portfolios have been relatively stable.

Portfolio level

In 2017 the portfolio under objective 2 had 9 contributions with a total volume of ca 41 MSEK. In response to numerous challenges in this area, Sida continues to support a number of initiatives to support SME growth. Projects that aim at immediate gap filling support to SMEs continue: Challenge 2.0⁷, a 30 MSEK risk-sharing grant scheme for SMEs, targeting innovative and inclusive businesses continue and will finalize a second call for proposals in the spring of 2018. HUB387⁸ is an incubator for start-ups in the IT sector, ended 2017. In cooperation with USAID Sida supports the FARMA II⁹ project targeting both agri-reforms and growth of agri-business production. During 2017 a new youth entrepreneurship project was launched with the NGO KULT¹⁰ institute for youth development, and a new project was launched with the World Bank¹¹ piloting youth employment support provision through private intermediaries in the labour market.

Contribution level

The Challenge 2.0. project had its first call for proposals and round of grantees in 2017. 701 applications were processed and of those 28 were selected for grants. The first round of grantees is expected to employ in total 96 more people. The project has in preparation for the second call for proposals made adjustments and additions in order to attract higher quality applications, and thus it is expected that the project will have better results on employment and other key indicators during 2018.

The FARMA II project continued the grant and technical support to SMEs in the agricultural sector. Furthermore, the project's technical assistance to and collaboration with relevant ministries contributed to the drafting and passing of a national Strategic Plan for Rural Development. The passing of the strategy is an important step to unlock EU funding for the sector¹².

⁷ 55060034 Challenge 2.0

⁸ 55060026 HUB 387

⁹ 55060027 Agricultural Market Activity AMA - FARMA II

¹⁰ 11328 Institute for youth development, KULT

¹¹ 11323 Integrated private employment services pilot

¹² Performance Evaluation of FARMA II, March 2018

2.2 Area of Support 2: Strengthened democracy, greater respect for human rights and a more fully developed state under the rule of law

3: More efficient public administration, with stronger administrative capacity to implement reforms for EU-integration

Development towards the strategy objective

Reform of the public administration is identified as one of the priorities for BiH in the process of EU integration. There were few improvements during 2017 and for most of the year very little political progress could be seen.

BiH's complex power sharing arrangement often results in lack of political support and unwillingness to implement reforms. There is a lack of focus and dedication to reform in the political leadership. The EU approximation is still the main driver behind reform initiatives and has managed to produce some results in sectors such as environment and rural development.

Portfolio level

In 2017 the portfolio under objective 3 had 8 contributions with a total volume of circa 13 MSEK. In 2017 Sida launched a new project- The Tax System Reform together with Skatteverket¹³. Sida continues to support the Public Administration Reform (PAR) Strategy and its Public Administration Reform Fund¹⁴ in collaboration with other partners. Monitoring of the PAR process is ensured through an ongoing monitoring project, PARM¹⁵, co-funded with Denmark and implemented in partnership with the Transparency International BiH (TI BiH) and Center for Investigative reporting (CIN).

Contribution level

The project Tax System Reform started in September 2017 and due to good preparations the project has started successfully with kick-off, experts missions, study tours and workshops in prioritized areas.

Through the PARM activities, progress was monitored in the implementation of the major objectives of the government's institutional and public administration agenda. A project platform was created which enables institutions to reach out toward knowledge and capacities of civil society.

4: Delivery of higher quality public services, based on principles of non-discrimination and equal rights and with less corruption

Development towards the strategy objective

The primary political responsibility for the provision of public services in BiH is at the local level. However, many municipalities face a lack of funds as well as technical capacity and there are great variations in the quality of public services across the country.

There is a valid State level strategy for anti-corruption in BiH (2015-2019) but the fight against corruption is not yielding meaningful results in 2017. BiH's rank in the Corruption Perception Index of TI continues to worsen. BiH's anti-corruption agencies are according to TI "ad hoc" bodies which have not yet the capacity to follow through on the action plans. On the positive side, BiH was removed from the Financial Action Task Force (FATF) blacklist of countries in early 2018 due to progress in reforming and harmonizing its criminal codes at different levels.

¹³ 10174 Tax system reform in BiH

¹⁴ 76004213 PARFUND 2nd phase

¹⁵ 55000025 Public Administration Reform Monitoring PARM

Portfolio level



In 2017 the portfolio under objective 4 had 8 contributions with a total volume of circa 15 MSEK. Swedish contribution to the area of local self-governance is significant. Continued support has been provided to municipalities in order to strengthen accountability within the local administration, transparency and public participation, as well as to develop more effective services to citizens. This support has been given through the two Associations of Municipalities and Cities in Bosnia and Herzegovina (AMCs)¹⁶, and upscaled recently in cooperation with Switzerland and through the Swedish Association of Local Authorities and Regions. Furthermore, Sida is continuing to support this sector through the ongoing project with UNDP- Strengthening Local Communities (MZ)¹⁷ with the goal to increase the quality of life of citizens, including a more democratic participation of people in all processes.

Contribution level

A recent Midterm Review has showed that the project “Strengthening Local Communities (MZ)” is highly relevant to all the local governments and MZs involved as well as to higher levels of government in their efforts to define policies that allow for a stronger role for MZs and effective citizen participation.

5: More efficient judicial systems that to a greater extent guarantee the right to fair trial in accordance with European standards

Development towards the strategy objective



There is little significant progress in BiH’s Rule of Law sector during 2017. A strategy (2014-2018) is valid for the sector, but its action plan was only recently adopted in March 2017, more than two years into the strategy. Even with a valid strategy there is little in terms of judicial outcomes, i.e. hard prison sentences particularly for organized crime and corruption are lacking and most cases end up in plea bargaining. Analysis of the phenomenon is complex and is currently being done by High Judicial and Prosecutorial Council (HJPC). There is growing awareness among political elites that lack of performance on anti-corruption is eroding the stability of the institutions and also political stability of the country. Despite lack of anti-corruption progress, the judicial system is continuing to improve the situation with judicial backlogs as it relates to civil cases and the HJPC is opening up to the prospect of reforming its own legislation so as to respond to higher demands set by the EU, in the form of so called Peer Review recommendations.



Portfolio level

In 2017 the portfolio under objective 5 had 5 contributions with a total volume of circa 6 MSEK. The project with HJPC in partnership with Domstolsverket on improving court efficiency and accountability¹⁸. Domstolsverket is currently twinning two pairs of Swedish–BiH courts with plans to include up to 6 more in 2018-19. Judicial backlogs and efficiency of courts operation are in focus. The support to HJPC remains high risk. Active bilateral donors, including Sida, are increasing engagement in the political dialogue jointly with the EU Delegation. Coordinating the political dialogue is not easy and requires a lot of effort from all parties.

The opening of the new State Level Prison¹⁹, to which Sida has contributed, is being postponed into 2018 with no clear end date for when the prison will be opened. Sida’s partner is Council of Europe

¹⁶ 55060033 Support to capacity development of entity AMCs BiH

¹⁷ 55000024 Strengthening Local Communities in BiH (MZ)

¹⁸ 55060023 HJPC Judicial and prosecutorial efficiency Phase 2

¹⁹ 76003989 State prison

Development Bank and the EU. The project has in the past 6 years since signing been plagued by a myriad of issues, none insurmountable but persistent and continuing even after the end of the physical construction phase.

The Justice for Children project²⁰ supported together with UNICEF and Switzerland, has been extended for one year and will end in 2018.

The project Gender in Justice²¹, continues in its second and final phase (2017-2019) implemented now solely by the national NGO Atlantic Initiative, promoting gender equality, prevention of sexual harassments and raising awareness of domestic violence throughout the judiciary.

Contribution level

Swedish main partner, the HJPC, is becoming more effective in coordinating reform projects and is becoming more responsive to EU recommendations (peer reviews). HJPC is also implementing solutions that relate to improved efficiency of the courts especially in relation to the problem of judicial backlogs. On the other hand, when it comes to the partnership with the Ministry of Justice BiH in the state prison project, there is no progress as the Ministry was not successful to start the operations of the project as planned in 2017. During 2017, Swedish support to UNICEF program in Juvenile Justice was positively evaluated, reporting that UNICEF was able to introduce multisector changes that benefit children in contact with the law and identifying children at risk.

6: A reduction in gender-based violence, hate crimes and human trafficking

Development towards the strategy objective



Overall, gender based violence (GBV) and Domestic Violence are, together with conflict, conservative norms and the shrinking space for civil society once again reported as main challenges for the implementation of women's rights. More than 50% of women in BiH have experienced at least one form of GBV during their lifetime. Though laws in many instances are in place, aiming to protect women and protection against hate crimes, the weakness is in implementation, due to lack of political will. The judiciary is often weak and corrupt and ill trained to cope with cases related to GBV. Hate crimes are frequently happening in the country, and increased political build up for National elections in the autumn 2018 risks adding fuel.

Human trafficking has seen increase in recent years. Often minors are victims and labor exploitation and forced begging is visible. There is information about prostitution which mainly involves women and girls. The criminal codes on trafficking are not harmonized at State and Entity levels which makes it more difficult to address the issue.

Portfolio level



In 2017 the portfolio under objective 6 had 2 contributions with a total volume of circa 9 MSEK. Sida's support towards eradication of GBV is done in several different ways; through Kvinna till Kvinna (KtK) program²² Civil Society monitoring the institutional response to GBV²², the "Gender and Justice Project/Atlantic Initiative" with the aim of helping BiH Justice sector addressing issues of gender based discrimination and violence against women, and the project with UN Women "Standards for ending GBV"²³ which works with both victims as well as with perpetrators. The three interventions are considered to create synergies, mutually reinforcing the work towards a society better equipped to deal with GBV and domestic violence effectively.

²⁰ 55000018 Justice for Children 2

²¹ 11299 The Gender and Justice Project/Atlantic initiative

²² 55060047 Civil society monitoring GBV

²³ 55060054 UN Women standards for ending GBV 2016-2019

Contribution level

UN Women has during the last six-month period (2017)²⁴ supported the start of coordination teams at cantonal level in the Federation of BiH, eighteen multi-sectorial groups at the local level were established and professionals have increased capacities to work with survivors and perpetrators. In the Republika Srpska, the guidelines for multi-sectorial work are in place and local protocols developed. To engage youth in the prevention of violence eight “Be a Man” clubs were set up in 4 target locations, and young people were trained to become peer-educators on gender transformative programmes. Students and teachers increased their capacities to lead preventative work in all high schools in target cantons. KtK has during the reporting period²⁵ supported the watch-dog potential of women’s CSOs in ensuring that the implementation of GBV legislative framework is strengthened, and that access to compensation for women survivor/witnesses of wartime sexual violence is improved. In an analytical report submitted by KtK as part of the project; “Analytical Report Analysis of monitoring of the Criminal and Minor offence proceedings in the area of protection from GBV in BiH²⁶, much relevant work has been done in monitoring GBV cases in court rooms in the country.²⁷

8: A more pluralistic civil society, including political parties, with strengthened popular support.

Development towards the strategy objective

Threats to the democratic space continue, there are signs of shrinking space for civil society and journalists. Some limitations to the freedom of speech and assembly have been noticed (i.e. LGBTI gatherings etc.). Defending the right to freedom of expression, and freedom of association and assembly is important to counteract shrinking democratic space. The political arena is dominated by parties with rather conservative inner structures.

Portfolio level

In 2017 the portfolio under objective 8 had 2 contributions with a total volume of circa 4 MSEK. Sida’s support to Civil Rights Defenders²⁸, (CRD), Sarajevo Open Center²⁹ (SOC), and to independent media organizations such as Center for Investigate News (CIN)³⁰ and the web portal BUKA³¹ also continue to be important in order to increase the space for civil society.

Contribution level

Due to the sharp decline in media freedoms in BiH, CRD shifted focus in 2017 towards strengthening freedom of expression and information. CRD supported the work of partners in enabling access to justice through free legal aid in the field of media rights and advocated improved legislation. CRD also improved the implementation of human rights standards in practice by offering training and assisting the mobilization of civil society actors to identify and react to hate speech and hate crimes.³²

²⁴ UN Women – “Six-Month Progress report July-December 2017”, January 2018

²⁵ Kvinna till Kvinna - “Civil society monitoring the institutional response to gender based violence 2015-17”, May 2017.

²⁶ Udru Zene (The Foundation United Women Banja Luka) & The Center of Legal Assistance for women, Zenica (Aleksandra Petric & Dzenana Radoncic), March 2017

²⁷ CRD – “Annual Narrative Progress Report 2016”

²⁸ 55060056 Civil Rights Defenders on freedom of expression

²⁹ 55060022 Sarajevo Open Center

³⁰ 55060035 Centre for Investigative Reporting, CIN 2016-2019

³¹ 11330 BUKA, independent web portal for investigative journalism

³² CRD, Annual Narrative Progress Report 2016

9: Improved conditions for democratic accountability to the people and participation in political processes, including the promotion of free elections

Development towards the strategy objective



BiH still has inequalities in the ability to participate in political processes. Women are heavily underrepresented. No political party is led by a woman and the female participation in the parties is very limited. In 2014, BiH introduced quotas for women representatives on candidates list in elections (40%); in reality nowhere have women exceed 23%³³ of representatives. There are still problems regarding the political rights of minorities. Political accountability and representation needs improvement, and corruption plays a major role in decreasing the general trust in political institutions. Only about one in three Bosnians feel citizens and civil society organizations are able to hold the government accountable³⁴.

The country's election laws remain in dispute, and the issue is unlikely to be solved before the general election. The issue has been highly politicized and the chances of a constructive process are slim.

Portfolio level



There is no contribution in the portfolio directly aimed directly at objective 9.

Contribution level

No contributions to report on.

10: Freer and more independent media

Development towards the strategy objective



A democratic society rests on a pillar of a free and independent media environment. Regrettably the situation for journalists and media is becoming worse in BiH. There are reports of journalists' self-censorships where the scope for more independent, objective and critical information is harmed. Reports give a dramatically deteriorated picture in terms of media freedoms not at least in Republika Srpska. Political parties keep a tight grip on media and with the upcoming general election the situation has worsened. Media outlets are gradually losing their independence.

Portfolio level



In 2017 the portfolio under objective 10 had 2 contributions with a total volume of circa 2,5 MSEK. Sida's supported interventions primarily through CIN and BUKA, but also through CRD aims to counteract this negative development. Sida has supported CIN for several years. From 2017 and onwards the support to independent media has been further strengthened through the web portal BUKA, with a long and good reputation. These two important journalist organizations are based in the two entities (CIN in FBiH and BUKA in RS) and both work nationally, which is positive.

Contribution level

The work being done by CIN is reported by various media houses. CIN has during 2017 worked with: public health, public procurement, public administration, politician's assets and organized crime. A total of 23 stories were published in 2016. Stories were then re-published 533 times in various media outlets in the country and in the region. CIN stories and posts reached 7.3 Million readers during the year.

³³ CCI info leaflet, March 8, 2018

³⁴ Regional Cooperation Council – "Balkan Barometer 2017", 2017. ISSN: 2303-2594. Page 129.

The new project “Enhancing freedom of speech in BiH” is based on the BUKA web portal/magazine (<http://www.6yka.com>). BUKA is politically independent and provides unbiased information in the public interest. BUKA has shed light on important issues such as corruption among government officials, the crisis level of air pollution, war veterans protest etc.³⁵

11: Partner countries better fulfil their international and national commitments on human rights, gender equality (including the EU’s strategy for equality between women and men) and non-discrimination

Development towards the strategy objective

Capacity development of public institutions at different levels of Government is crucial in order to fulfill commitments on human rights and gender equality. BiH has during 2016 made legal provisions both in terms of improved protection in relation to Anti-Discrimination but also in terms of Human Rights. In 2017 legislative process in this area has however been slow. Implementation remains a problem.

The constitution has not yet been revised in accordance with the European Court of Human Rights verdict on minorities’ right to candidate for political positions. This is a requirement for EU accession and a breach of BiH’s international commitments on human rights.

Portfolio level

In 2017 the portfolio under objective 11 had 6 contributions with a total volume of close to 12 MSEK. Sida has recently signed a new agreement to support the Funding Mechanism for Implementation of the Gender Action Plan (FIGAP) 2 program³⁶. The intervention responds to international and national commitments on women’s rights and to promote gender equality in line with the EU priorities. Through the support to FIGAP, and with watch-dog organizations such as SOC, KtK and CRD, the Sida support is contributing to legislation on human rights and equality, and its implementation. KtK has been an active part in doing shadow report of Convention on the Elimination of Discrimination Against Women (CEDAW)³⁷, a useful tool to put pressure on institutions to live up to international commitments. SOC and CRD have in different ways been pursuing legal matters and free legal aid.

Through the support to the HJPC ICEA project, Sida added funds to improve gender mainstreaming within the rule of law sector. HJPC is an important champion when it comes to strategic reforms in the justice sector including fundamental rights and gender quality.

Contribution level

SOC has been a driving force for new legislation against hate crimes in the Federation (already in existence in Brcko and in Republika Srpska). SOC continues its efforts and increase their presence in public space. Over the course of the year, the state parliament adopted amendments to the Anti-Discrimination Law and the Report on Occurrences of Discrimination together with the Action Plan for Implementation of proposed Anti-Discrimination measures in BiH, while the Ministry of Human Rights of BiH initiated the procedure to adopt two important policy documents: the Anti-Discrimination Strategy and the Human Rights Strategy.

³⁵ BUKA, E-mail sent 8 March 2018

³⁶ 55060024 FIGAP, Gender Action Plan phase 2

³⁷ Kvinna till Kvinna – ”Alternative CEDAW report 2013-2017”.

12: Women and men have, to a greater extent, the same power to shape society and their own lives

Development towards the strategy objective

Women are underrepresented both in economic and political life. The participation rate on the labor market is low and women own property to a lower extent than men. As described in depth under objective 9, women have a lower participation rate and less influence than men in political parties and decision-making bodies. More equal representation in the public sphere is necessary for women to be able to shape society. Corruptive practices are worse, as reflected in Transparency International Index (CPI) where BiH has fallen from rank 81 to 91 (2017). Corruption and inefficient use of public means is often more harmful to women as they take on more responsibility in caretaking etc. to compensate for lacking public services.

Portfolio level

In 2017 the portfolio under objective 12 had 1 contribution with a total volume of circa 0,5 MSEK. However, Sida is through different measures and programs, both within the sphere of human rights and gender equality, but also through measures linked to employment creation and support to private sector initiative etc., contributing to counter the negative development mentioned above. Sida supports UN Women, Kvinna till Kvinna and the Atlantic Initiative as well as FIGAP, which are all measures to improve the situation for women primarily but where there is also focus on men's behavior and relationship between the two sexes.

The new project with UNDP, Women in Elections³⁸ supports an increase of women in politics and more politically pluralistic views.

Contribution level

FIGAP 1 (2014-2017) has through its first phase assisted in partnership between non-institutional and institutional partners for implementation of gender equality standards, with focus on ends-users. Mechanisms for monitoring the progress in achieving gender equality in BiH according to international and domestic obligations have also been improved.³⁹ 1789 pupils (boys and girls) and 347 teachers have been introduced with the challenge of Domestic Violence (DV). 41 Women were employed as nurses and 268 women entrepreneurs received start-up funds. More than 300 unemployed women have been retrained for self-employment, and approximately 100 professionals in social welfare centers around the country were trained for work with perpetrators of DV.

13: Increased trust and reconciliation between parties within and between countries

Development towards the strategy objective

BiH's deep ethnic divisions are making it challenging to generate progress. The political rhetoric in both entities creates tensions which away focus from necessary reforms. One recent good sign is the finalization of the EU Questionnaire, which was handed over to the EU in late February 2018. This was a crucial and important stepping stone in the continued EU accession process and a product of rarely seen cooperation between the political institutions. There is limited progress on justice for war crimes in BiH. Transitional justice is impeded by the lack of legislation to bar convicted war criminals from standing for elected office⁴⁰. The high profile judicial cases which were recently tried in The

³⁸ 11436 Women in Elections

³⁹ Ministry of Human Rights – "Final Narrative Report (FIGAP Programme 2010-2016)", March 2017

⁴⁰ Civil Rights Defenders – "Annual Narrative Progress Report 2016"

Hague (International Criminal Tribunal for the former Yugoslavia, ICTY) has resulted in convictions, but these cases have been disputed and questioned by many and the verdicts are as it seems not leading to increased trust.

Portfolio level

In 2017 the portfolio under objective 13 had 4 contributions with a total volume of circa 5 MSEK. An important contribution to transitional justice is the support to the State prison construction, through the Council of Europe Development Bank and Ministry of Justice BiH. The objective is to improve execution of criminal sanctions for war crimes and organized crime by supporting the construction of a modern high security prison according to EU standards. The support to International Commission on Missing Persons (ICMP)⁴¹, a core support to the international organization working on identification of missing persons (from the war) and building national capacities.

The support to Mostar Rock School contributes to reconciliation and cooperation among young people from different ethnic groups. A small but successful and important project.

Contribution level

Sida is continuing co-financing support, with increased allocation in the autumn of 2017, to ICMP together with the EU-delegation. Focus is on identification of the disappeared during the war. Out of the approx. 30 000 persons killed during the war ICMP has been able, through DNA techniques and other ways, to identify over 70% of the victims. Around 98 percent were men. The project was not able to finalize as planned last year, hence EU and Sida extended the financial support until February 2019. Progress has been made in building capacity within the National Institute for Missing Persons, setting up a verified list and identifying cases at mortuaries (still over 3000 bodies remains to be identified). The support is important in order to strengthen evidence in war crime trials and from a reconciliation point of view. ICMP has also worked with family associations from different ethnic groups bringing them together. In the latest Interim Report by ICMP⁴² they stated that the project of establishing a database of missing persons' cases from conflicts in former Yugoslavia is ongoing.

2.1 Area of Support 3: A better environment, reduced climate impact and enhanced resilience to environmental impact and climate change

14: Partner countries increase compliance with EU regulations and international agreements on the environment, climate and energy

Development towards the strategy objective

During 2017 several steps have been taken towards fulfillment of result 14. A few examples: Several energy efficiency laws and policies were adopted in the first half of 2017⁴³. In December, a national Energy Efficiency Action Plan for the period of 2016-2018 could finally be approved⁴⁴, an important step towards fulfilling the requirements from the Energy Community Treaty. BiH ratified the Paris Agreement in March, and now focus is on its implementation. As for EU integration an Environmental

⁴¹ 55060029 Internal Commission for Missing Persons, ICMP

⁴² 2016 Interim Report on the grant agreement support to International Commission on Missing Persons 2014-2017 (submitted to Sida 13 June 2017)

⁴³ UNDP – “Green Economic Development project II phase - Project document”, October 2017

⁴⁴ Energy Community – “Implementation updates for Bosnia and Herzegovina”, 2018.

Approximation Strategy (EAS) was adopted in May which will guide the country as it works to fulfill the EU environmental acquis and possibly enable IPA support⁴⁵.

The adoption of the EAS and ratification of the Paris agreement were both outlined as priorities for BiH to move forward in the latest EU progress report. The report points out that central strategies and legislation are still missing in many environmental areas. There is a need for national and harmonized strategies on e.g. waste management and water and air quality⁴⁶. As in many other sectors implementation and enforcement of the strategies and laws that do exist in the environmental sector is often weak.

Portfolio level



In 2017 the portfolio under objective 14 had 6 contributions with a total volume of circa 18 MSEK. Focus areas are to strengthen authorities to provide better and more sustainable services in water and waste management, and to support energy efficiency initiatives. These are areas where BiH need vast improvements in order to live up to EU and international standards. In addition to evident environmental improvements, all investment projects financed by Sida are linked to normative and institutional reforms at all levels. Through waste management, energy efficiency and waste water treatment programmes, Sida continuously support gaining the knowledge and taking steps forward related to EU approximation but also in fulfilment of international obligations and agreements.

Contribution level

Through the Green Economic Development (GED) project with UNDP⁴⁷ the adoption of laws and fulfilment of standards required by the Energy Community is supported. Examples of achievements within this project are the passing of a national Law on Energy Efficiency in early 2017 and the public building typology developed during 2016⁴⁸.

The new air quality project with the Swedish Environmental Protection Agency (SEPA)⁴⁹ will contribute to the fulfilment of EU requirements and standards in the air quality sector.

In 2017, a new contribution with the Regional Environmental Center (REC)⁵⁰ started. The project will aim to increase the role of civil society in environmental reforms and decision-making. CSOs will be trained to monitor processes and support measures contributing to the EU approximation.

15: Enhanced environmental responsibility among the general public, the business sector and civil society

Development towards the strategy objective



An important role in environmental protection in BiH is played by agencies and institutes, scientific-research institutions, occupational and/or professional associations, and CSOs. In the last decade, an upward trend in institution and organization numbers is evident, as a consequence of increased public awareness about the significance of environmental conservation.

Under Extended Producer Responsibility (EPR) schemes, private organizations have taken on some responsibility in waste management. These organizations are non-profit private companies established

⁴⁵ European Union – “Press Statement on the 2nd Meeting of the EU-BiH SAA Sub-committee on Transport, Energy, Environment and Regional Development”, 4 December 2017.

⁴⁶ EU – “Bosnia and Herzegovina 2016 Report”, 9 November 2016.

⁴⁷ 11303 Green Economic Development II Phase

⁴⁸ UNDP – “Green Economic Development Project – Activity Report for 2016”, June 2017. Page 1-5

⁴⁹ 11405 Developing a programme for improving Air Quality Management in BiH/12071 Air Quality Management in BiH

⁵⁰ 11174 Environmental Lobbying and Advocacy CSO Network

with the aim of taking over the responsibility for fulfillment of legal obligations for recycling and re-use of packaging waste on behalf of packaging producers, importers, fillers, and distributors⁵¹.

The political institutions generally do not include the civil or private sector in decision-making. This combined with the fact that legislation regulating public access to environmental information is not in compliance with EU acquis can contribute to lower public engagement⁵². There is a need for transparency and making environmental information accessible to the public. Further efforts are needed to raise awareness on environmental protection and need for climate action at all levels of the country.

Portfolio level



In 2017 the portfolio under objective 15 had 3 contributions with a total volume of circa 4,5 MSEK.

The contributions in the entire support area 3 portfolio include stakeholders from civil society and private sector in the projects when possible. During 2017, a new project directly aimed at strengthening civil society engagement in environmental issues was introduced into the portfolio. The above mentioned project with REC. Furthermore, public information campaigns aimed at increasing the knowledge and engagement of citizens in environmental issues are included in e.g. the new air quality project as well as the project with the World Bank on solid waste management. Within the GED project an information and education campaign with some material directly aimed at children and young people is an important component.

Contribution level

The Solid Waste Management project with the World Bank had activities during 2017 aimed at increasing both private sector and citizen engagement. A draft report on EPR was produced and a final version expected soon. This report will lead to recommendations for how to move forwards with EPR policies and schemes in order to increase the private sector's engagement in solid waste management. Furthermore, workshops were held and preparations made for an extensive public awareness campaign and education strategy in order to increase the population's knowledge and engagement⁵³.

The GED project conducted a large marketing campaign in national and social media. Furthermore, events for children and workshops in schools were held. Evaluations show that the outreach managed to increase the awareness on energy efficiency and interest in ways to save energy among especially young people. The workshops in schools in several cases led to the schools continuing environmental education and activities. People who in other ways were reached by the campaign reported being more aware about their energy use and changing behaviors accordingly⁵⁴.

16: More sustainable public services in areas such as water and sewage, waste management, energy efficiency and renewable energy

Development towards the strategy objective



In recent years, the solid waste management sector in BiH has advanced a lot with improved waste collection rates and extended producer responsibility schemes. However, there is still a need for improvements. In non-urban areas up to a third of the population still lack waste collection services. The treatment of waste is outdated, with no waste separation or recycling and essentially all household

⁵¹ World Bank – “Building Long-term Sustainability for Integrated Solid Waste Management Bosnia and Herzegovina”, October 2016.

⁵² REC – “ELAN ”Environmental lobbying and Advocacy CSO Network” project proposal”, 30 August 2017

⁵³ Second progress report SWM

⁵⁴ UNDP – “Green Economic Development Project – Activity Report for 2016”, June 2017. Page 10-12

waste is landfills. Systems for financing the public waste management services are often weak, which results in unsustainable public services and municipalities having to take on large debts if they are to make improvements⁵⁵.

Access to drinking water and sewage system has increased significantly, but further efforts are needed. Most of the water and wastewater systems suffer from a high level of network leakage (60% on average)⁵⁶.

Energy efficiency in BiH is still very poor. High levels of loss in energy transformation, outdated infrastructure and technologies, poorly insulated buildings and the use of inefficient equipment are major factors contributing to the inefficient use of energy on both the supply and demand side. About 20 % of the country's total GDP is spent on energy, which is about 3 times higher than the EU average.⁵⁷ The newly adopted energy efficiency action plan will hopefully lead to a stronger and more coordinated response from the public sector.

The capacity for renewable energy production has been slowly increasing the last few years but is still below the potential. Hydropower is the largest source of renewable energy but solar power has the largest increase (although from a very low starting point)⁵⁸.

Portfolio level

In 2017 the portfolio under objective 16 had 4 contributions with a total volume of circa 7 MSEK. Sida's support to environmental infrastructure development is large and often operationalized in cooperation with international financial institutions. Focus areas are water and wastewater, energy efficiency, and solid waste management. The contributions to infrastructure development also include components like public awareness raising, local ownership, and institutional strengthening in order to ensure sustainability in the provision of public services.

Contribution level

Sida's support to the waste management in the country during the last years has been significant. In 2015, waste collection rates in 44 municipalities increased in the range of 40 - 80 %, which indicates a very satisfying trend. Challenges remain and Sida continues working together with the World Bank aiming at further sustainability of waste management services⁵⁹.

The support to energy efficiency through UNDP has been going on for several years and is now in its second phase. The project has assisted 8 cantons in institutionalising energy management systems, strengthened the Federation Environmental Fund in setting up a system for re-investing fees in energy efficiency projects, and conducted energy efficiency measures in more than 100 public buildings with resulting energy cost savings of 50 %⁶⁰.

⁵⁵ World Bank – “Building Long-term Sustainability for Integrated Solid Waste Management Bosnia and Herzegovina”, October 2016. Page 4-6

⁵⁶ UNDP report “Tariff Setting Methodology for Water Supply and Sewerage Services on Bosnia and Herzegovina”, 2015.

⁵⁷ UNDP – “Green Economic Development project II phase - Project document”, October 2017. Page 5

⁵⁸ Energy community – “Bosnia and Herzegovina: facts and figures in renewable energy”, 2018. Available at https://www.energy-community.org/implementation/Bosnia_Herzegovina.html

⁵⁹ Sida – “In-depth Strategy Report for Bosnia and Herzegovina, implementing the Results Strategy for Sweden's Reform cooperation with the Western Balkans and Turkey 2014-2020” Ärendenummer 17/000365

⁶⁰ UNDP – “Green Economic Development project II phase - Project document”, October 2017. Page 1-2.

3 Implications for the Continued Strategy Implementation

- Important to strengthen positive forces and agents of change
- Continued focus on inclusive growth and environment
- Strategic support to Civil Society important for HR advocacy and monitoring the EU accession
- Continued efforts to combat violence against women by broad, coherent programs including judiciary

Sida's support to Bosnia and Herzegovina is vital for the country's development and EU-accession. The country will not reach an EU-membership before 2020. Sida should continue supporting the process. The three main support areas will be relevant also after 2020 and should be prioritized in the new development strategy.

Continued support to BiH on transparent systems of the different government levels is needed. Legal frameworks which regulate interaction between service providers and service users should be further improved. There is a need for more accountability and responsiveness from the political institutions, and the support to free media plays an important role here.

Support to agents of change and positive forces in BiH is of continued importance. To counteract nationalism, intolerance, higher unemployment and a more divided society, good examples are needed. To create a more transparent, non-corrupt and inclusive society, where citizens have hope for a better future, it is important to prioritize youth and youth's attitudes. The sustainability and quality of civil society in the country is crucial together with ensuring the participation of CSOs in the continued EU accession. Broad coherent efforts to combat gender based violence will continue, including the referral chain on local levels, gender mechanisms, changing harmful attitudes and behaviors among men, and judiciary reforms. The continued problems with trafficking, especially of women, could be in focus for new contributions during the remainder of the strategy period.

Environment and climate is an important area, also for the EU accession, where environment takes up an important part of the acquis. BiH has a big deficit of investments and improvements within the sector. Investments and improvements in the environmental sector have positive effects also on the health and quality of life of citizens. Sida has an important role to play.