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**COMMISSION STAFF WORKING DOCUMENT**

**Bosnia and Herzegovina 2025 Report**

*Accompanying the document*

**COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN  
PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL  
COMMITTEE AND THE COMMITTEE OF THE REGIONS**

**2025 Communication on EU enlargement policy**

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# 1. INTRODUCTION<sup>1</sup>

## 1.1. CONTEXT

Bosnia and Herzegovina applied for EU membership in February 2016. The Commission adopted an Opinion<sup>2</sup> on the membership application in May 2019, setting out 14 key priorities. In December 2022, the European Council granted Bosnia and Herzegovina candidate country status<sup>3</sup> on the understanding that eight steps specified in the Commission's recommendation<sup>4</sup> are taken. Following the Commission's recommendation<sup>5</sup>, the European Council decided in March 2024 to open accession negotiations with Bosnia and Herzegovina. The European Council invited the Commission to prepare the negotiating framework with a view to its adoption by the Council the moment all relevant steps set out in the Commission's recommendation of October 2022 have been taken<sup>6</sup>.

Although the authorities of Bosnia and Herzegovina continued to publicly declare their political commitment to the strategic goal of European integration, the reform dynamic stalled in the reporting period, and only a very limited number of reforms were adopted (laws on border control and on data protection, and Frontex status agreement). Bosnia and Herzegovina has to return its focus to adopting reforms in line with the EU *acquis* and European standards, addressing all the relevant steps.

The reporting period was marked by severe political tensions and escalation, particularly from the *Republika Srpska* entity, that run counter to the EU path of Bosnia and Herzegovina. Following the first-instance criminal conviction of *Republika Srpska* entity President Milorad Dodik, the entity assembly adopted laws undermining the constitutional and legal order of Bosnia and Herzegovina, the functionality of State institutions, and fundamental rights. These laws were later repealed by the Constitutional Court of Bosnia and Herzegovina. Following a criminal conviction in appeal, Milorad Dodik was removed from office and an interim President appointed; early elections for the entity president are scheduled for 23 November 2025. Following the end of the ruling coalition, lengthy negotiations and untimely conditions to form a new government did not lead to a reshuffle, hindering the functioning of the executive and legislature in the reporting period.

Bosnia and Herzegovina showed some engagement towards implementing the Growth Plan for the Western Balkans across its four pillars of: (i) gradual integration with the EU single market; (ii) regional economic integration; (iii) fundamental reforms; and (iv) increased financial support. In the absence of a Reform Agenda, in July 2025 the European Commission reduced by 10% the indicative allocation for the country. Bosnia and Herzegovina adopted a Reform Agenda and submitted it to the European Commission for agreement in September 2025.

## 1.2. MAIN FINDINGS OF THE REPORT

### CLUSTER 1: THE FUNDAMENTALS OF THE ACCESSION PROCESS

#### Democracy

<sup>1</sup> This report covers the period from 1 September 2024 to 1 September 2025. It is based on input from a variety of sources, including contributions from the government of Bosnia and Herzegovina, EU Member States, European Parliament reports and information from various international and non-governmental organisations. It also includes the results of comparative assessments and indices produced by other stakeholders, in particular in the area of rule of law.

The report uses the following assessment scale to describe the state of play: early stage, some level of preparation, moderately prepared, good level of preparation and well advanced. To describe progress made during the reporting period, it uses the following scale: backsliding, no progress, limited progress, some progress, good progress and very good progress. Where appropriate, interim steps have also been used.

<sup>2</sup> SWD (2019) 222 final, COM(2019) 261 final.

<sup>3</sup> [European Council conclusions, 15 December 2022.](#)

<sup>4</sup> [COM\(2022\) 528 final.](#)

<sup>5</sup> [COM\(2024\) 129 final.](#)

<sup>6</sup> [European Council conclusions, 21 and 22 March 2024](#), paragraph 30.

The general framework for *elections* requires substantial reforms. Constitutional reforms are needed to ensure political equality and non-discrimination for all citizens. Electoral integrity needs to be improved, in line with recommendations of international bodies. Political parties should respect the independence of the Central Electoral Commission (CEC).

*Parliament* can exercise its powers in only a partially effective way. Legislative output decreased. Oversight over the executives also remained weak. The *Republika Srpska* entity assembly adopted in February several laws in breach of the legal and constitutional order, which were subsequently repealed in May by the Constitutional Court.

*Governance* is increasingly unsatisfactory. Presidency members continued to present diverging stances. The functioning of the Council of Ministers deteriorated with the end of the ruling coalition, and a new Minister of Security remains to be appointed. The executives have little capacity for coordination and policy planning. Independent institutions remain weak. All levels of government show signs of political capture, directly affecting the daily life of citizens. The *Republika Srpska* entity should fully recognise and enforce the decisions of the Constitutional Court of Bosnia and Herzegovina and swiftly appoint judges to the two vacant positions on the Constitutional Court.

The institutions in charge of the EU *integration* process are broadly in place. The Council of Ministers needs to: (i) strengthen the role of the Directorate for European Integration (DEI); (ii) develop a national programme for the adoption of the EU *acquis* (NPAA); (iii) facilitate policy dialogue within the Stabilisation and Association Agreement (SAA) bodies; and (iv) urgently appoint the national IPA coordinator (NIPAC) under the Instrument for Pre-accession (IPA) III. Following the **European Council** decision to open accession negotiations, the country needs to appoint an operational chief negotiator with a view to the screening process.

*Civil society* organisations operate in a constrained environment. In particular, in the *Republika Srpska* entity, criminal penalties for defamation and a new law targeting civil society groups as ‘foreign agents’ (subsequently repealed by the Constitutional Court) further restricted the space for civil society. Bosnia and Herzegovina needs to ensure meaningful and systematic consultations with civil society as part of an inclusive policy dialogue and adopt a framework for the transparent funding of civil society organisations, thus ensuring an enabling environment for civil society (Opinion key priority 11).

### Public administration reform

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Bosnia and Herzegovina is **between an early stage of preparation and having some level of preparation** in public administration reform. It made **limited progress** in this area during the reporting period, in particular by: (i) developing a new action plan for 2023-2027, now pending adoption; and (ii) continuing to implement at all levels the strategy for the reform of public financial management. Reforms to the country’s revenue administration also improved tax collection. On the civil service, the Federation entity government and its cantons continued to implement the 2022-2027 strategy for the development of human resource management and to develop transparent monitoring on human resources. Bosnia and Herzegovina needs to complete essential steps to improve the overall functioning of its public administration by ensuring both a professional and depoliticised civil service, and a coordinated, countrywide approach to policymaking (Opinion key priority 14).

The Commission’s recommendations from last year were not implemented during the reporting period and remain valid. In the coming year, Bosnia and Herzegovina should in particular:

- adopt and start implementing a credible and relevant action plan for the 2023-2027 strategic framework on public administration reform at each level of government, increasing budgetary funds for the implementation of this action plan; and strengthen the capacities of public administration reform coordinators at all levels;
- ensure coordinated and well-harmonised legislative alignment with the EU *acquis* across all levels of government in particular by adopting the outstanding legal framework for countrywide sectoral strategic planning at State level;

- amend and adopt civil service laws in line with the principle of merit-based employment at State, entity and cantonal level.

## Chapter 23: Judiciary and fundamental rights

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Bosnia and Herzegovina has **some level of preparation** to implement the EU *acquis* and European standards in the area of the judiciary and fundamental rights. **No progress** was made during the reporting period, including on addressing the related Opinion key priorities.

### *Functioning of the judiciary*

Bosnia and Herzegovina is **between an early stage of preparation and having some level of preparation** and **no progress** was made on the functioning of the judiciary (Opinion key priority 6), including on addressing the findings of the expert report on rule of law issues (the ‘Priebe Report’)<sup>7</sup>. The poor functioning of the judicial system continued to undermine citizens’ rights and the fight against corruption. Legislative reforms and integrity checks are key to rebuilding public trust in the justice system. The *Republika Srpska* entity is expected not to implement any law repealed by the Constitutional Court, in particular the law on a separate judiciary council.

The Commission’s recommendations from last year were not met and thus remain valid. In the coming year, Bosnia and Herzegovina should in particular:

- urgently appoint judges to the vacant positions on the Constitutional Court, ensuring its full composition and functioning; and, for the courts in general, consistently appoint judges based on merit, without prevalence of ethnic criteria, and appraise the performance of judges based on quality criteria;
- finalise and adopt a Law on the High Judicial and Prosecutorial Council (HJPC) and a Law on the Courts of Bosnia and Herzegovina in line with Venice Commission recommendations, also ensuring the access of the HJPC to all information necessary to perform integrity checks; fully implement the integrity-related provisions of the Law on the HJPC to establish a robust system of asset declaration verification under close external monitoring;
- adopt a new justice sector reform strategy; complete the registration of sentences of international criminal tribunals in domestic criminal records; and implement effectively the revised national war crimes strategy, particularly by boosting regional cooperation.

### *Fight against corruption*

Bosnia and Herzegovina is **between an early stage of preparation and having some level of preparation** in the fight against corruption (Opinion key priority 7). **No progress** was made. Political authorities failed to tackle widespread corruption and actively obstructed progress, leading to long-term stagnation and increasing signs of State capture. The State-level Law on the prevention of conflict of interest is still not implemented effectively. The Federation entity finally set up specialised anti-corruption departments, after 11 years of delay. Anti-corruption legislation is still not harmonised across the country. No action was taken to remedy operational inefficiency and political interference (including pressure and intimidation) which have led to selective and non-transparent judicial follow-up to corruption cases of public resonance. As a result, the track record on fighting corruption remains weak, with very few convictions, in particular in high-level cases. Rules on conflicts of interest, verification of asset declarations and protection of whistle-blowers either do not exist or continue not to be enforced effectively across the country. The Sarajevo Canton demonstrated tangible results in these areas. Targeted risk assessments and dedicated measures are needed to address corruption in the most vulnerable sectors.

The Commission’s recommendations from last year were not implemented and remain valid. In the coming year, Bosnia and Herzegovina should in particular:

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<sup>7</sup> The ‘Priebe Report’ is available online on the [website of the EU Delegation to Bosnia and Herzegovina](#).



- complete the legislative and institutional framework across the country in line with European standards and step up implementation of the rules on prevention of conflicts of interest and the protection of whistle-blowers;
- demonstrate progress towards establishing a track record of proactive investigations, prosecutions and convictions in high-level corruption; in this context, improve cooperation between the police and prosecutors' offices;
- professionalise corruption prevention bodies across the country by ensuring their permanent status and upholding their financial and operational independence.

### ***Fundamental rights***

The general framework for fundamental rights is largely in place but needs to be improved. The country needs to urgently adopt constitutional and electoral reforms to ensure that all citizens are able to effectively exercise their political rights, notably bring the country's Constitution into line with the Sejdić-Finci case law of the European Court of Human Rights (Opinion key priority 4.f), as well as implement relevant decisions of the Constitutional Court. Further progress is required across key priorities 9-13. In March 2025 the Federation entity adopted a Law on protection from domestic violence and violence against women, and amended its criminal code in July 2025, improving alignment with the Istanbul Convention and the EU *acquis*. In February 2025 the *Republika Srpska* adopted a law targeting civil society groups as 'foreign agents', which undermined fundamental rights and was repealed by the Constitutional Court in May. The Constitutional Court's decision needs to be respected.

The Commission's recommendations from last year have not been implemented and remain valid. In the coming year, Bosnia and Herzegovina should in particular:

- implement court rulings to end divided education ('two schools under one roof');
- ensure full respect, protection and promotion of the freedom of assembly, association and expression, and refrain from actions that may adversely impact the exercise of these freedoms;
- harmonise and improve legislation against domestic and gender-based violence to meet international standards and align laws across the country with the Gender Equality Law to increase the public and political participation of women.

### ***Freedom of expression***

There is **some level of preparation** in the area of freedom of expression. **No progress** was achieved during the reporting period, including in guaranteeing freedom of expression and of the media, and the protection of journalists (Opinion key priority 12). Bosnia and Herzegovina continues to experience deep stagnation in media freedom, with worrying signs of deterioration. The financial sustainability of public broadcasters is ever more in danger. A countrywide network was set up to monitor cases of violence against journalists.

The Commission's recommendations from last year were not implemented and remain valid. In the coming year, Bosnia and Herzegovina should, in particular:

- ensure the protection of journalists and systematic institutional follow-up to threats and violence against them;
- ensure the financial sustainability and political independence of public broadcasters and harmonise entity legislation with the State-level Law on the public broadcasting system;
- adopt legislation on both transparency in media ownership and criteria for public advertising; and ensure that defamation is decriminalised across the country.

## **Chapter 24: Justice, freedom and security**

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Bosnia and Herzegovina has **some level of preparation** in the area of justice, freedom and security.



**Some progress** was made in this area, including on Opinion key priorities 7 and 8, in particular with: (i) the adoption of the Law on border control and the Law on personal data protection; (ii) the signature of the roadmap for cooperation with the European Union Agency for Asylum (EUAA) and the signature of the Frontex status agreement; and (iii) the adoption of the strategy and action plan on integrated border management. Migration management continued to improve. While broadly aligned with the EU *acquis*, legislation is often not harmonised across the country, and institutional cooperation and coordination remain weak, leading to uneven implementation.

The Commission's recommendations from last year were partially implemented and therefore remain broadly valid. In the coming year, Bosnia and Herzegovina should in particular:

- take over responsibility for managing migration, including by adopting and implementing a comprehensive transition plan on migration management and the rulebook on the management of reception centres; guarantee access to quality and effective asylum procedures;
- adopt the action plan on fighting trafficking in human beings and amend legislation on migrant smuggling;
- further align with EU visa policy, in particular for non-EU countries presenting irregular migration or security risks to the EU, develop a passenger data-exchange (API) system, and introduce security measures to better screen visa-free arrivals.

### ***Fight against serious and organised crime***

Bosnia and Herzegovina is **between an early stage of preparation and having some level of preparation** in the fight against serious and organised crime. **Some progress** was made, in particular with: (i) the adoption of the strategy on trafficking in human beings and the strategy and action plan on small arms and light weapons (SALW); and (ii) enforcement operations supported by Europol. However, systemic shortcomings continue to hinder the operational cooperation and investigative capacity of law-enforcement agencies due to fragmented criminal legislation, poor institutional coordination and insufficient resources. Financial investigations and asset seizures and confiscations remain insufficient. A proactive approach is essential to stop criminal infiltration in the political, legal and economic systems, and to tackle the political capture of law-enforcement institutions.

The Commission's recommendations from last year were partially implemented, and therefore remain broadly valid. In the coming year, Bosnia and Herzegovina should in particular:

- establish specialised multi-agency investigation teams for complex cases; set up an asset recovery office and put in place capacities for the management of crime proceeds at State level; strengthen financial investigations;
- improve civilian oversight mechanisms over all police forces; consistently appoint police directors based on merit;
- further align the legislation to combat terrorism, possession of weapons by civilians, and explosives with the EU *acquis*; establish a firearms focal point; establish a list of criminalised psychoactive substances.

## **ECONOMIC CRITERIA**

### **The existence of a functioning market economy**

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Bosnia and Herzegovina is at **an early stage of preparation** – and there was **no progress** during the reporting period – in establishing a functioning market economy. Economic activity remained resilient despite a deteriorating political situation, with GDP growth slowing down to 2.6% in 2024, and to about 1.7% in the first half of 2025. Employment growth decelerated further, while a significant outflow of workers from the country continued to result in labour shortages and created upward pressure on wages. Economic and fiscal governance deteriorated as a result of politically motivated blockages in policy implementation, a very short-term-oriented policy approach and a deteriorating cooperation. The business environment continues to suffer from a highly fragmented internal market

and a deterioration in the rule of law. Political stalemate continued to delay necessary decisions and structural reforms that would have been needed to improve the functioning of the market economy.

Last year's Commission recommendations remain valid. In the coming year, Bosnia and Herzegovina should in particular:

- improve the business environment by both: (i) simplifying business registration and licencing procedures; and (ii) harmonising and mutually recognising licences and certificates between entities;
- strengthen countrywide regulatory and supervisory institutions, bolster analytical and policy formulation capacity and publish complete and consistent countrywide data in a timely manner, in particular on public finances;
- increase the transparency and efficiency of the public sector, in particular by putting in place a framework for better and depoliticised governance; and clarify the constitutional competence for setting up a registry of bank accounts of private individuals, in line with the EU *acquis*.

### **The capacity to cope with competitive pressure and market forces within the EU**

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Bosnia and Herzegovina is **between an early stage of preparation and having some level of preparation** in its capacity to cope with competitive pressure and market forces in the EU. It made **no progress** in this area during the reporting period. The overall quality of education remains inadequate. The country continues to lag behind in the energy and digital transitions. Economic integration with the EU remains high, but overall trade with the EU is below potential.

The implementation of last year's recommendations has remained limited, and therefore last year's recommendations remain valid. To support long-term growth, Bosnia and Herzegovina should in particular:

- improve the quality of education and training, in particular by accelerating the modernisation of curricula to better match skills with labour market needs;
- increase government capital spending as a percentage of GDP, in particular by focusing on transport and energy infrastructure and improving environmental standards;
- improve the management of public investment and accelerate the implementation of investment projects that have undergone a clear, positive cost-benefit assessment.

### **Chapter 5: Public procurement**

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Bosnia and Herzegovina has **some level of preparation** in public procurement. **Limited progress** was made in this area during the reporting period by putting in place a strategic framework on public procurement.

The Commission's recommendations from last year were not implemented and remain valid. In the coming year, Bosnia and Herzegovina should in particular:

- further align the Law on public procurement with the EU public procurement *acquis*; develop a roadmap to harmonise the legal framework on public-private partnership and concessions with EU standards, including measures for improved coordination;
- develop the e-procurement system and increase its use to ensure transparency;
- increase staffing levels and strengthen capacity in the Public Procurement Agency and the Public Procurement Review Body.

### **Chapter 18: Statistics**

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Bosnia and Herzegovina is at an **early stage of preparation** on statistics. **Limited progress** was made in the reporting period, mainly in the areas of information and communication technology (ICT) and environmental statistics. Bosnia and Herzegovina should improve cooperation, coordination, decision-

making processes and the legal basis to develop the national statistical system, and ensure progress in key areas.

The Commission's recommendations from last year were not implemented during the reporting period and remain valid. In the coming year, Bosnia and Herzegovina should in particular:

- conduct the agricultural census;
- adopt a roadmap for preparing the next population and housing census;
- finalise the classification of regions equivalent to the NUTS classification (nomenclature of territorial units for statistics).

## Chapter 32: Financial control

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Bosnia and Herzegovina has **some level of preparation** in financial control. There was **limited progress** during the reporting period in improving the effectiveness and productivity of: (i) internal audit functions; (ii) risk management; and (iii) irregularity management. External audit institutions improved their outreach activities in the reporting period, but parliamentary scrutiny of the implementation of recommendations needs to be improved.

The Commission's recommendations from last year were not implemented during the reporting period and remain valid. In the coming year, Bosnia and Herzegovina should in particular:

- improve managerial accountability by introducing the delegation of decision-making responsibilities to senior civil servants at entity level and implementing related regulations at State level more effectively;
- set up and improve the oversight function for identifying fiscal risk in public companies, particularly at entity level, and ensure data collection on the public internal financial control (PIFC) of public companies at all levels of government via the relevant IT application;
- improve the implementation of State audit recommendations via stronger coordination among parliaments, audit authorities and governments at State and entity level.

## CLUSTER 2: INTERNAL MARKET

### Chapter 1: Free movement of goods

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Bosnia and Herzegovina is at an **early stage of preparation** on the free movement of goods. **No progress** was made in this area during the reporting period.

The Commission's recommendations from last year were not implemented during the reporting period and remain valid. In the coming year, Bosnia and Herzegovina should in particular:

- draw up a list of technical regulations on the free movement of goods that are currently in force and start to repeal legislation and standards across the country that conflict with EU legislation and European standards in this area;
- adopt a countrywide strategy for quality infrastructure;
- examine all existing legislation and administrative practices in the non-harmonised area to assess whether they comply with Articles 34-36 of the Treaty on the Functioning of the European Union and plan how to address all non-compliant elements.

### Chapter 2: Freedom of movements for workers

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Bosnia and Herzegovina has **some level of preparation** in the freedom of movement for workers. **No progress** was made in this area due to the fragmentation of social security schemes, limited administrative capacity, and lack of cooperation among authorities.

The Commission's recommendations from last year were not implemented and therefore remain valid.

In the coming year, Bosnia and Herzegovina should in particular:

- start developing a countrywide database on vacancies;
- continue negotiating and concluding new bilateral agreements on social security, particularly with EU Member States.
- start preparing for the alignment of legislation with the EU *acquis* on free movement of workers, access for EU citizens to the labour market and on equal treatment of EU citizens with nationals in the labour market.

### Chapter 3: Right of establishment and freedom to provide services

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Bosnia and Herzegovina is at an **early stage of preparation** on the right of establishment and the freedom to provide services. **No progress** was made in this area during the reporting period.

The Commission's recommendations from last year were not implemented during the reporting period and remain valid. In the coming year, Bosnia and Herzegovina should in particular:

- develop and adopt a countrywide law on services that is fully aligned with the EU Services Directive, including by setting up a point of single contact; and remove the remaining barriers to setting up a single economic space;
- finalise and adopt a countrywide strategy and a countrywide law on postal services aligned with the EU *acquis* to gradually open the postal services market to competition, and strengthen institutional capacity to ensure compliance with new rules on the postal market;
- align legislation with the EU *acquis* on mutual recognition of professional qualifications, including with the Directive on recognition of professional qualifications and with the Directive on a proportionality test, before regulating any new profession.

### Chapter 4: Free movement of capital

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Bosnia and Herzegovina is **moderately prepared** in the area of free movement of capital. There was **no progress** in aligning with the EU *acquis* in this area during the reporting period.

The Commission's recommendations from last year were not implemented during the reporting period and remain valid. In the coming year, Bosnia and Herzegovina should in particular:

- expand the scope of, simplify procedures for, and reduce administrative requirements related to short-term capital transactions, and amend its legislation to comply with SAA commitments on the acquisition of real estate by EU citizens;
- set up a countrywide central register of beneficial ownership of corporate and other legal entities, in line with the EU *acquis*;
- adopt legislation to align with the Payment Services Directive 2, the Electronic Money Directive 2 and the Single Euro Payment Area (SEPA) Regulation.

### Chapter 6: Company law

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Bosnia and Herzegovina has **some level of preparation** in the area of company law. **No progress** was made in this area during the reporting period. Further efforts are needed to align with the EU *acquis* and to harmonise requirements across the country. Different regional business registers operate independently and without coordination. There is still no single countrywide supervisory body to oversee statutory auditors.

The Commission's recommendations from last year were not implemented during the reporting period and therefore remain valid. In the coming year, Bosnia and Herzegovina should in particular:

- finalise the review of existing legislation on company law to identify amendments needed to further align with the EU *acquis*;

- improve the connection and coordination of business registers among the entities and the Brčko District;
- finalise the review of all the existing legislation on financial reporting, transparency, and statutory audit to identify the legislative amendments necessary to align with the EU *acquis*.

### Chapter 7: Intellectual property law

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Bosnia and Herzegovina is **moderately prepared** on intellectual property law. **No progress** was made in this area during the reporting period. Although some preparations started during the reporting period, more efforts are required to align legislation with the EU *acquis* and improve enforcement and coordination.

The Commission's recommendations from last year were not met during the reporting period and remain valid. In the coming year, Bosnia and Herzegovina should in particular:

- adopt and implement a new strategy on intellectual property and implement the existing strategy on the enforcement of intellectual property rights (IPRs);
- further align the legal framework on copyright and related rights with the EU *acquis*;
- amend the Law on patents, trade marks and trade secrets to align it with the EU *acquis*.

### Chapter 8: Competition policy

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Bosnia and Herzegovina has **some level of preparation** on competition policy. There was **no progress** in this area during the reporting period. The country has not yet removed ethnic-based decision-making procedures and vetoes from the Competition Council and State Aid Council (Opinion key priority 4.g).

The Commission's recommendations from last year were not implemented during the reporting period and remain valid. In the coming year, Bosnia and Herzegovina should in particular:

- amend the Law on competition and the Law on State aid to revise decision-making procedures in order to remove ethnic-based veto rights in line with the EU *acquis*;
- improve the enforcement record on State aid by ensuring that State aid measures are notified by the granting authorities to the State Aid Council before they are approved;
- in line with the SAA, ensure that the State Aid Council operates independently and align the existing aid schemes with the EU *acquis*.

### Chapter 9: Financial services

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Bosnia and Herzegovina is **between having some and a moderate level of preparation** on financial services. There was **no progress** in this area during the reporting period. Coordination in supervision and enforcement needs to significantly improve.

The Commission's recommendations from last year were not implemented during the reporting period and remain valid. In the coming year, Bosnia and Herzegovina should in particular:

- continue the work towards full alignment of its banking regulations with the EU *acquis*;
- continue efforts to align with the EU *acquis* its regulation on non-banking sectors, including insurance, investment funds, securities markets and financial market infrastructures;
- introduce consolidated supervision of banking groups and overall financial holdings across the whole country.

### Chapter 28: Consumer and health protection

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Bosnia and Herzegovina is at an **early stage of preparation** on consumer protection and public health. **No progress** was made in this area during the reporting period.



The Commission's recommendations from last year were not implemented during the reporting period and remain valid. In the coming year, Bosnia and Herzegovina should in particular:

- further align the State-level Law on consumer protection and product safety with the EU *acquis*;
- align its tobacco-control legislation with the EU *acquis* at all levels of government and enforce it, and urgently ratify the protocol to eliminate the illicit trade in tobacco products;
- further align State-level legislation with the EU *acquis* on all health-related issues, most urgently on substances of human origin and on human and veterinary medicinal products as well as in the area of e-Health, and put in place an oversight system to ensure efficient coordination across the whole country.

### CLUSTER 3: COMPETITIVENESS AND INCLUSIVE GROWTH

#### Chapter 10: Digital transformation and media

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Bosnia and Herzegovina is at an **early stage of preparation** on digital transformation and media. **No progress** was achieved in this area.

The Commission's recommendations from last year were not implemented and therefore remain valid. In the coming year, Bosnia and Herzegovina should in particular:

- complete phase two of the digital switchover and adopt a framework strategy for access to the broadband network;
- develop and adopt a law on electronic identity and trust services for electronic transactions, in line with the EU Digital Identity Framework Regulation; and develop a legislative framework on cybersecurity in line with the EU *acquis*;
- develop and adopt a law on electronic communications and electronic media in line with the EU *acquis*.

#### Chapter 16: Taxation

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Bosnia and Herzegovina has **some level of preparation** on taxation. **No progress** was achieved in this area. Countrywide harmonisation remains insufficient, hindering progress towards a single economic space. Bosnia and Herzegovina should avoid any further deviation from the EU *acquis* in this area.

The Commission's recommendations from last year were not implemented and remain valid. In the coming year, Bosnia and Herzegovina should in particular:

- bring in line with the EU *acquis* its legislation on value added tax (VAT) and excise duties, particularly on beer and on energy products;
- reduce the administrative burden related to electronic signature (e-signature) functionality to ensure the countrywide interoperability of taxation services;
- start preparations for interconnection and interoperability with the common EU IT systems for taxation.

#### Chapter 17: Economic and monetary policy

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Bosnia and Herzegovina is at an **early stage of preparation** on economic and monetary policy. **No progress** was made in this area during the reporting period. Cooperation and coordination of macroeconomic and fiscal policies remain a challenge, as evidenced by the difficulties in preparing and carrying out the Economic Reform Programme (ERP). Monetary policy underpins economic stability, but the full independence of the Central Bank has yet to be ensured.

The Commission's recommendations from last year were not implemented and therefore remain valid. In the coming year, Bosnia and Herzegovina should in particular:

- maintain the integrity of the currency board arrangement and ensure the Central Bank's full independence;
- further strengthen the analytical capacities of all institutions responsible for fiscal accounting and planning, and improve procedures for preparing the ERP in order to ensure timely submission and compliance with the requirements;
- adopt the global fiscal framework and the budgets of all levels of government in a timely manner.

### Chapter 19: Social policy and employment

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Bosnia and Herzegovina has **some level of preparation** on social policy and employment. There was **no progress** in this area. Serious challenges remain to be addressed in employment, social dialogue, social inclusion, social protection, and reducing poverty. The country should continue aligning with the EU *acquis* on non-discrimination and equality, including gender equality.

The Commission's recommendations from last year were not implemented and therefore remain valid. In the coming year, Bosnia and Herzegovina should in particular:

- adopt a countrywide employment strategy, putting in place additional capacity for implementation and monitoring;
- finalise and adopt the Youth Guarantee implementation plan in line with the EU model and guidance, and prepare for piloting the plan to start in 2026;
- introduce a uniform minimum level of benefits and protection for maternity leave throughout the country, starting by harmonising the definitions of maternity, paternity and parental leave.

### Chapter 20: Enterprise and industrial policy

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Bosnia and Herzegovina remains at an **early stage of preparation** in the area of enterprise and industrial policy. **Limited progress** was made in this area during the reporting period with the adoption and implementation of legislation on entrepreneurial infrastructure in the entities and in Brčko District. The investment environment remains unsatisfactory.

The Commission's recommendations from last year were not implemented and therefore remain valid. In the coming year, Bosnia and Herzegovina should in particular:

- adopt regulation allowing for the mutual recognition of licences and certificates between the entities and ensure that e-registration of companies and business registries across the country are interconnected and fully operational, including e-signature/e-stamps;
- take first steps towards aligning with the late payments directive;
- accelerate improvements to the investment environment to attract sustainable investments that integrate with the domestic industrial base.

### Chapter 25: Science and research

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Bosnia and Herzegovina has **some level of preparation** on science and research. **No progress** was made in this area during the reporting period. Research capacities remain very limited.

The Commission's recommendations from last year were not implemented and therefore remain valid. In the coming year, Bosnia and Herzegovina should in particular:

- develop a new strategy and action plan for scientific development and develop and adopt a smart specialisation strategy;
- improve participation in the Horizon Europe programme;
- improve reporting on research and innovation statistics by reporting on at least 24 European Innovation Scoreboard indicators.



## Chapter 26: Education and culture

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Bosnia and Herzegovina is **at an early stage of preparation** on education and culture. There was **limited progress** in this area during the reporting period. A draft qualifications framework was drawn up in December 2024. The Council of Ministers adopted in December 2024 an action plan for improving quality assurance in education. Bosnia and Herzegovina needs to ensure a fully functional system of accreditation and re-accreditation of higher education institutions and study programmes across the country. Bosnia and Herzegovina did not regularly participate in international assessment studies in the past five years.

The Commission's recommendations from last year were partly implemented and therefore remain broadly valid. In the coming year, Bosnia and Herzegovina should in particular:

- develop a national qualifications framework (NQF) referenced to the European qualifications framework;
- implement the action plan to improve quality assurance with a view to joining the European Association for Quality Assurance (ENQA);
- ensure continued participation in international assessment studies<sup>8</sup>, intensifying preparations to join the 2029 Programme for International Student Assessment (PISA) and implement findings to improve PISA results.

## Chapter 29: Customs union

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Bosnia and Herzegovina has **some level of preparation** on customs union. There was **some progress** in this area during the reporting period related to the preparation to join the Common Transit Convention. Customs legislation is not fully aligned with the EU *acquis*.

The Commission's recommendations from last year were partially implemented and therefore remain valid. In the coming year, Bosnia and Herzegovina should in particular:

- continue preparations to apply the common transit procedure; connect its transit system to the common IT infrastructure of the new computerised transit system; and start preparations towards achieving interconnection and interoperability of its customs IT systems with the EU's electronic customs environment;
- strengthen the administrative and operational capacity of the Indirect Taxation Authority and combating customs fraud, in particular smuggling of tobacco products, by cooperating with the European Anti-Fraud Office (OLAF);
- increase post-clearance checks based on risk analysis, expand use of simplified procedures for reliable economic operators and upgrade interconnectivity and interoperability with the EU's IT systems and requirements.

## CLUSTER 4: THE GREEN AGENDA AND SUSTAINABLE CONNECTIVITY

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### Chapter 14: Transport policy

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Bosnia and Herzegovina has **some level of preparation** in transport policy. **No progress** was achieved in the reporting period in this area.

The Commission's recommendations from last year were not implemented and therefore remain valid. In the coming year, Bosnia and Herzegovina should in particular:

- set up a lead agency for road safety and a countrywide system to collect data on road crashes;

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<sup>8</sup> Programme for International Student Assessment – PISA, Trends in International Mathematics and Science Study – TIMSS, Progress in International Reading Literacy Study – PIRLS, International Computer and Information Literacy Study – ICILS, Teaching and Learning International Survey – TALIS.

- bolster the independence of, strengthen the capacity of, and ensure sufficient funding for all bodies at State and entity level in the area of transport;
- adopt a strategic framework and legislation to implement intelligent transport systems (ITS) in road transport.

## Chapter 15: Energy

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The country remains at an **early stage of preparation** on energy. **No progress** was made in this area during the reporting period.

The Commission's recommendations from last year were not implemented and therefore remain valid. In the coming year, Bosnia and Herzegovina should in particular:

- adopt gas and electricity laws and bylaws at State and entity levels in compliance with the EU's third energy package, adopt and implement the electricity integration package, and ensure the full alignment of entity-level laws on electricity and gas to ensure coupling with the EU electricity market;
- adopt State-level legislation and improve entity-level legislation on renewable energy and energy efficiency in line with the requirements of the Energy Community Treaty;
- adopt the national energy and climate plan (NECP) 2021-2030, in line with Energy Community targets.

## Chapter 21: Trans-European networks

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Bosnia and Herzegovina has **some level of preparation** on trans-European networks. There was **limited progress** in this area during the reporting period, mainly with the continuation of works across six sections of the Corridor Vc motorway. There was no development during the reporting period in the area of energy networks.

The Commission's recommendations from last year were only partially implemented and therefore remain valid. In the coming year, Bosnia and Herzegovina should in particular:

- continue developing the planned extension of the TEN-T and TEN-E networks in line with the identified priorities;
- accelerate the implementation of connectivity reform measures and continue to regularly adopt amended multiannual maintenance plans for the road and rail core networks;
- align its legislation with the EU *acquis* on guidelines for trans-European energy infrastructure.

## Chapter 27: Environment and climate change

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Bosnia and Herzegovina is **between an early stage of preparation and having some level of preparation** in the area of environment and climate change. **No progress** was made in this area during the reporting period.

The Commission's recommendations from last year were not implemented and therefore remain valid. In the coming year, Bosnia and Herzegovina should in particular:

- ensure coordinated implementation and monitoring of the countrywide environmental approximation strategy, and formalise a procedure for the merit-based and transparent appointment of a focal point for Bosnia and Herzegovina in environmental conventions;
- adopt a State-level climate law and countrywide environmental protection and climate strategies and action plans in line with the EU *acquis*; submit a new nationally determined contribution to the UNFCCC; and urgently align with the EU *acquis* on monitoring, reporting, verification and accreditation (MRVA).

- adopt the required legislation at all levels of governance and action plans to introduce the single European emergency number 112 across the country.

## CLUSTER 5: RESOURCES, AGRICULTURE AND COHESION

### Chapter 11: Agriculture and rural development

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Bosnia and Herzegovina is at an **early stage of preparation** on agriculture and rural development and made **no progress** in this area. The implementation of the ‘Strategic plan for rural development 2023-2027 – framework document’, adopted in October 2024, has not advanced.

The Commission’s recommendations from last year were not implemented and therefore remain valid. In the coming year, Bosnia and Herzegovina should in particular:

- adopt a multiannual, countrywide strategy for agriculture and rural development, and harmonise support measures across the country in line with the EU *acquis*;
- adopt a State-level law on organic production, a State-level law on quality policy, and implementing legislation on wine, in line with the EU *acquis*;
- set up the administrative structures required for the common agricultural policy.

### Chapter 12: Food safety, veterinary and phytosanitary policy

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Bosnia and Herzegovina has **some level of preparation** in this area. **No progress** was made over the reporting period.

The Commission’s recommendations from last year were not implemented and therefore remain valid. In the coming year, Bosnia and Herzegovina should in particular:

- introduce an inter-laboratory comparative test system as regular practice, particularly for notifiable diseases; increase the administrative capacity of official controls authorities and laboratories; and increase the number of official controls;
- speed up preparation for national reference laboratories in hygiene, veterinary and phytosanitary inspections, and in food/foodstuff analysis, in line with the EU *acquis*;
- adopt legislation on food, on animal health, on animal welfare and on plant health, in line with the EU *acquis*; adopt the OECD seed schemes, particularly for agricultural seeds and forestry; and prepare a plan to upgrade establishments producing food, feed and animal by-products to meet EU structural standards.

### Chapter 13: Fisheries and aquaculture

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Bosnia and Herzegovina is at an **early stage of preparation** in this area, and **no progress** was made during the reporting period.

The Commission’s recommendations from last year were not implemented and therefore remain valid. In the coming year, Bosnia and Herzegovina should in particular:

- prepare and adopt a countrywide strategy on fisheries and aquaculture to align its legislation with the EU *acquis*;
- harmonise the methodology for data collection for fish and fishery/aquaculture products across the country and set up the relevant statistics system.

### Chapter 22: Regional policy and coordination of structural instruments

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Bosnia and Herzegovina remains at **an early stage of preparation** in regional policy and the coordination of structural instruments. **No progress** was made during the reporting period.

The Commission's recommendations from last year were not implemented, and therefore remain valid. In the coming year, Bosnia and Herzegovina should in particular:

- develop and adopt a countrywide strategy guiding preparations for structural and cohesion funds and regional development;
- urgently appoint a national IPA coordinator (NIPAC) for the Instrument for Pre-Accession (IPA) III, and strengthen institutional and administrative capacity to manage EU funds;
- improve public investment management and adopt an updated single-country project pipeline covering priority sectors, based on a sound, transparent and inclusive methodology.

### Chapter 33: Financial and budgetary provisions

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Bosnia and Herzegovina is at an **early stage of preparation** on financial and budgetary provisions. **Limited progress** was made in this area, mainly in improving the capacity of the Indirect Tax Authority (ITA) and in implementing an accounting system for customs duties.

The Commission's recommendations from last year in this area were partially implemented and remain broadly valid. In the coming year, Bosnia and Herzegovina should in particular:

- strengthen capacity and inter-agency cooperation to combat tax and customs fraud;
- further improve the capacity of the Indirect Tax Authority to implement effectively the customs legislation;
- adopt a master plan for the production of national accounts for Bosnia and Herzegovina.

## CLUSTER 6: EXTERNAL RELATIONS

### Chapter 30: External relations

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Bosnia and Herzegovina has **some level of preparation** in external relations. **No progress** was made in this area during the reporting period. The capacity to tackle key challenges in trade policy has yet to be strengthened.

The Commission's recommendations from last year were not implemented and therefore remain valid. In the coming year, Bosnia and Herzegovina should in particular:

- finalise its accession to the World Trade Organization (WTO);
- fully implement the 2021-2024 Common Regional Market action plan (in particular by urgently implementing the Central European Free Trade Agreement (CEFTA) additional protocol 5 on trade facilitation and the additional protocol 6 on trade in services); take the necessary steps to implement additional protocol 7 on dispute settlement; and implement actions under the new action plan for 2025-2028;
- start the process of establishing a development and humanitarian aid policy.

### Chapter 31: Foreign, security and defence policy

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Bosnia and Herzegovina has **some level of preparation** in the area of common foreign, security and defence policy. There was **some progress** in this area during the reporting period as Bosnia and Herzegovina maintained full alignment with the EU's common foreign and security policy, in particular on statements and restrictive measures following Russia's war of aggression against Ukraine. Bosnia and Herzegovina also appointed a political director and a European correspondent. However, the implementation of restrictive measures still faces significant hindrances by those ministries and bodies controlled by the SNSD party, which are also stepping up cooperation with Russian counterparts. The *Republika Srpska* entity authorities continue to maintain frequent contacts with Russia at the highest levels.

The recommendations from last year were not implemented and therefore remain largely valid. In the coming year, Bosnia and Herzegovina should in particular:

- ensure thorough implementation of EU restrictive measures the country has aligned with, and make efforts to close the space for foreign information manipulation and interference (FIMI);
- align legislation and procedures with EU standards on the marking and deactivation of small arms and light weapons, including for seized and confiscated weapons;
- adopt a new foreign policy strategy.

### **1.3 ASSESSMENT OF THE IMPLEMENTATION OF THE STEPS SPECIFIED IN THE COMMISSION'S RECOMMENDATION FOR CANDIDATE STATUS**

**Step 1:** *ensure a track record in the functioning at all levels of the coordination mechanism on EU matters, including by developing and adopting a national programme for the adoption of the EU acquis.*

The Directorate for European Integration finalised the programme for EU integration, and submitted it to the European Commission in March 2024. This programme for EU integration is a key step towards putting in place the national programme for the adoption of the EU *acquis* (NPAA); it should be revised in line with the Commission comments provided in May 2024, in view of agreement with the Commission on the NPAA. The Council of Ministers should urgently appoint the national IPA coordinator (NIPAC) for IPA III.

**Step 2:** *adopt, as a matter of priority, integrity amendments in the existing Law on the High Judicial and Prosecutorial Council.*

The Parliament adopted the integrity amendments to the HJPC Law in September 2023, further corrected in January 2024. The new department of the HJPC in charge of verifying asset declarations of judicial office holders and HJPC members started operations in June 2025 with the aim to establish a robust system of integrity checks with close external monitoring. Almost all asset declarations have been received and are being processed.

**Step 3:** *adopt a new law on the High Judicial and Prosecutorial Council and adopt the law on the Courts of Bosnia and Herzegovina*

The two draft laws were not supported in Parliament in March 2025. New drafts are being prepared. Before parliamentary adoption, both laws should be brought fully in line with European standards, notably with the March 2025 follow-up opinion of the Venice Commission as regards the law on the HJPC. The draft law on the Courts of Bosnia and Herzegovina should be submitted to the Venice Commission for a follow-up opinion, prior to its parliamentary adoption.

**Step 4:** *adopt the law on prevention of conflict of interest.*

The law on the prevention of conflict of interest was adopted by Parliament in March 2024. The law aims to improve compliance at State level, although it is not yet fully in line with European standards. The State-level commission it established in October 2024 is yet to pronounce any sanction.

**Step 5:** *take decisive steps to strengthen the prevention and fight against corruption and organised crime.*

A law on anti-money laundering and countering terrorism financing (AML/CFT) was adopted in February 2024; bylaws remain to be adopted. In July 2025, the Council of Ministers established a permanent coordination body on AML/CFT.

In January 2025 Bosnia and Herzegovina adopted a law on personal data protection, based on which the Eurojust cooperation agreement was signed and ratified. A strategy and action plan on public procurement 2024-2028 has been adopted by the Council of Ministers in March 2024.



Bosnia and Herzegovina should strengthen cooperation among law enforcement agencies, and adopt a strategic approach towards fighting serious and organised crime.

Progress in tackling high-level corruption still needs to be seriously stepped up in order to establish a credible track record. Indictments were confirmed against some senior officials, and investigations are ongoing. No new final conviction was recorded.

**Step 6:** *decisively advance work to ensure effective coordination, at all levels, of border management and migration management capacity, as well as ensuring the functioning of the asylum system.*

Migration management continues to improve, although it still requires substantial improvements. Reception capacities are sufficient. Readmission agreements and implementing protocols continue to be implemented. Bosnia and Herzegovina needs to assign an appropriate budget for migration management, continue efforts for the return of irregular migrants to their countries of origin and take further steps to ensure a functioning asylum system. Obstacles persist to ensuring quality and effective access to asylum procedures. Authorities should establish concrete plans to take responsibility over migration management and reduce dependence on international organisations and donors.

In January 2025 Bosnia and Herzegovina adopted a law on border control aimed at aligning with the EU *acquis*, and in June 2025 it signed the Frontex status agreement with the EU. In July 2025 the Council of Ministers adopted a strategy and action plan 2024-2029 on integrated border management. Bosnia and Herzegovina did not further align with the EU visa policy.

**Step 7:** *ensure prohibition of torture, notably by establishing a national preventive mechanism against torture and ill-treatment.*

In October 2019 the Constitutional Court repealed the reference to death penalty in the Constitution of the *Republika Srpska* entity. In August 2023 the Parliament amended the Law on the human rights Ombudsman to designate it as national preventive mechanism against torture and ill-treatment – an international obligation of the country.

**Step 8:** *guarantee freedom of expression and of the media and the protection of journalists, notably by ensuring the appropriate judicial follow-up to cases of threats and violence against journalists and media workers.*

A countrywide network of contact points in prosecutors' offices and law enforcement agencies was set up across the country to monitor cases of threats and violence against journalists and media workers. The authorities need to ensure its sustainability and demonstrate a track record in institutional follow-up. Political influence over public broadcasters persists, and their financial sustainability is to be urgently ensured, pending the adoption of a new law on the public broadcasting system.

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## **2. CLUSTER 1: THE FUNDAMENTALS OF THE ACCESSION PROCESS**

### **2.1. FUNCTIONING OF DEMOCRATIC INSTITUTIONS AND PUBLIC ADMINISTRATION REFORM**

#### **2.1.1. Democracy**

The functioning of democratic institutions in Bosnia and Herzegovina is challenged by the persistent discriminatory elements in the constitutional structure, by the constant misuse of entity vetoes for political purposes (leading to inaction and delays in the work of the executive and Parliament), as well as by the increasing intensity of systematic attacks on the legal and constitutional order by the *Republika Srpska* entity.

In January 2025, the 'trojka' alliance (comprising the Social Democratic Party, People and Justice, and Our Party) put an end to the ruling coalition with Milorad Dodik's Alliance of Independent Social Democrats (SNSD). Lengthy negotiations amongst all coalition partners, including HDZ BiH, did not lead to a new coalition. The absence of a stable majority hindered the functioning of government and Parliament. The *Republika Srpska* entity continued not to recognise the rulings of the Constitutional

Court of Bosnia and Herzegovina.

Bosnia and Herzegovina needs to bring its constitutional framework in line with European standards and ensure the functionality of its institutions to be able to take on EU obligations. While a decentralised State structure is compatible with EU membership, Bosnia and Herzegovina will need to reform its institutions to be able to effectively participate in EU decision-making and to fully implement and enforce the *acquis*.

## **Elections**

The country needs to urgently adopt constitutional and electoral reforms to ensure that all citizens are able to effectively exercise their political rights, notably bring the country's Constitution into line with the Sejdić-Finci case law of the European Court of Human Rights (Opinion key priority 4.f).

Following the local elections of October 2024, which the Organization for Security and Cooperation in Europe (OSCE) / Office for Democratic Institutions and Human Rights (ODIHR) assessed as competitive and efficiently managed, the Parliamentary Assembly of Bosnia and Herzegovina took no action to improve the integrity of the electoral process. Although no systematic disinformation campaign was observed, limited and biased campaign coverage eroded public trust in the electoral process.

Bosnia and Herzegovina needs to address previous and new recommendations of the OSCE/ODIHR, the Council of Europe's Group of States against Corruption (GRECO) and the Venice Commission (Opinion key priority 1). These recommendations include improving: (i) the transparency of financing of parties and electoral campaigns; (ii) the transparency and targeting of political advertising; and (iii) the registration of political parties.

In September 2024 and March 2025, the Constitutional Court repealed the separate election law and part of the law on referenda and civic initiatives, which had been adopted by the *Republika Srpska* entity in April 2024. These laws aimed to usurp State competences, bypassing the CEC and drawing up a separate voters' registry. The *Republika Srpska* entity needs to respect these Constitutional Court rulings and not attempt to enact such unconstitutional laws.

After the High Representative blocked public funds for the SNSD and United Srpska parties, in May 2025 the *Republika Srpska* entity abolished public financing for all political parties. This risks disadvantaging opposition parties that have no access to administrative resources. Given the continued absence of a State budget, in July 2025 the High Representative took measures to ensure funds for the timely procurement of equipment with a view to improve the integrity of the upcoming October 2026 elections. Following criminal conviction, Dodik was banned and removed from office; early elections for entity president are scheduled for late November.

Reports of fraud in the 2024 local elections led to prosecution in only a limited number of cases. The CEC needs to strengthen its audit capacity to monitor compliance on political party financing. Although they are required to do so by law, political parties do not return excess funds to the public budget after elections. Following CEC sanctions, several parties have reduced transparency about the financial donations they receive. Political parties should respect the independence of the CEC and refrain from threatening to dismiss its members.



Political parties lack democratic internal policies and structures, including policies to promote women’s representation. There are no women among the leaders of parliamentary parties in Bosnia and Herzegovina, and few in other leadership positions. Legislation across the country, including the election law, should be aligned with the State-level gender equality law to increase women’s public and political participation. Women’s representation saw a modest increase in local government following the 2024 local elections – rising from 19.6% to 22.7% in municipal councils and from 3.6% to 5.6% among mayors.

**Parliament**

The Parliamentary Assembly of Bosnia and Herzegovina adopted only eight laws in 2024 (of which seven were adopted under urgent procedure), and four in the first four months of 2025 (of which two in urgent procedure), including laws on border control and on data protection adopted in January 2025 with the support of opposition parties from *Republika Srpska* entity. This compares with 14 laws in 2023. Entity assemblies made considerable use of urgent legislative procedures in the reporting period. A State budget for 2025 remains to be adopted.

The *Republika Srpska* entity assembly adopted several laws in breach of the legal and constitutional order, which were later repealed by the Constitutional Court of Bosnia and Herzegovina. These unconstitutional laws include the entity law on immunity, which curtailed the criminal accountability of members of government and legislators. The *Republika Srpska* entity assembly should comply with its long-overdue constitutional obligation and immediately appoint judges to vacant positions at the Constitutional Court of Bosnia and Herzegovina.

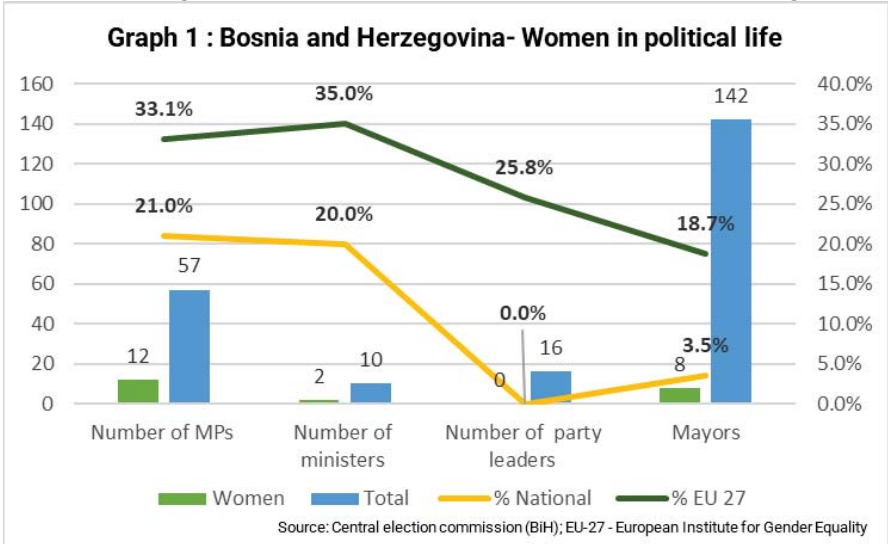
The Federation entity assembly appointed a State-level constitutional judge and two entity-level constitutional judges in April 2025. It also appointed members of the independent police board and the board of governors of the entity’s public broadcaster FBiH RTV, after 12 years of delay.

The oversight of the executive remains weak, including in entities and cantons. Assemblies do not monitor the executives’ compliance with recommendations of independent institutions.

**Governance**

The members of the Presidency continued to present diverging stances during the reporting period. This led to delays in Presidency decisions, including on the signature of the Frontex status agreement and the IPA 2024 financing agreement, which were only adopted in May 2025. Over summer, the Presidency adopted the IPA 2024 and the Eurojust cooperation agreements.

The functioning of the Council of Ministers of Bosnia and Herzegovina deteriorated with the end of



the ruling coalition in January 2025. The Minister of Security was arrested in December 2024 and a new minister has not been appointed yet. In September 2025 the Council of Ministers adopted a Reform Agenda, which was submitted to the European Commission for agreement.

Independent institutions remain weak. All local authorities are in place

following the 2024 October municipal elections.

**EU integration**

The policy dialogue with the EU continued within the eighth cycle of sectoral subcommittees under the SAA. The Stabilisation and Association (SA) Parliamentary Committee took place regularly (Opinion key priority 3), and the SA Committee was held in September 2025.

Nevertheless, the Council of Ministers has taken no action to facilitate policy dialogue within the SAA bodies, in line with the recommendations received from the Commission in May 2022 and in May 2025. The Council of Ministers should urgently: (i) simplify procedures; (ii) empower its Directorate for European Integration (DEI) to submit preparatory documents to the European Commission without unnecessary and lengthy political adoption; and (iii) appoint permanent delegates to sectoral subcommittees.

Coordination on EU matters needs to be significantly improved to focus on countrywide harmonised alignment with the EU *acquis* and its effective enforcement. The DEI should step up its role in assessing countrywide alignment with the EU *acquis*. As an outstanding obligation under the SAA, Bosnia and Herzegovina needs to develop and agree with the Commission a national plan for the adoption of the *acquis* (NPAA, Opinion key priority 2) that reflects the role that all levels of government play in aligning with and enforcing the EU *acquis*. The DEI should submit to the Commission for agreement its ‘programme for EU integration’, revised in line with the May 2024 comments by the Commission. These actions are particularly needed with a view to opening EU accession negotiations once the necessary conditions have been met.

The Council of Ministers should urgently appoint a national IPA coordinator (NIPAC) for IPA III. The Commission would welcome the appointment of the DEI Director to perform this function as in previous financial periods. Bosnia and Herzegovina should also urgently appoint a chief negotiator for EU accession negotiations. This is important with a view to the start of the explanatory meetings with the Commission on the EU *acquis* (part of the screening), based on the materials already received by Bosnia and Herzegovina in 2024.

### **Civil society**

The space for civil society further shrank during the reporting period, due to donor cuts (USAID) and the restrictive legislation adopted in the *Republika Srpska* entity, in particular: (i) the law targeting civil society groups as ‘foreign agents’ (declared unconstitutional in May); and (ii) the criminal penalties for defamation, which continue to have a chilling effect. CSOs in the entity were also targeted by disproportionate tax inspections.

No action was taken to align legislation on public consultations across the country and ensure meaningful and systematic consultations with civil society. The e-consultation web platform is underutilised, and is not in use at entity or cantonal level where most legislation of public interest is adopted. On the basis of the 2017 Charter on cooperation with CSOs, in July 2025 the Council of Ministers adopted a strategy to create a conducive environment for the development of civil society 2025-2029, and a related action plan for 2025-2026.

Grassroots CSOs advocate proactively for policy changes. Women’s associations play a key role in reaching out to the most vulnerable, including victims and survivors of domestic and gender-based violence. Human rights defenders and activists dealing with sensitive issues (such as anti-corruption; women’s rights; the rights of lesbian, gay, bisexual, transgender, intersex and queer (LGBTIQ) persons; migrants; and environmental protection) continued to be targeted and subject to threats, harassment, verbal abuse and even physical attacks, as well as to strategic lawsuits against public participation (SLAPPs). Women activists are particularly targeted. The authorities continue to fail to condemn and properly investigate such attacks.

There is no countrywide framework for the transparent and impartial distribution of public funds to associations. CSOs that provide services to disadvantaged groups in place of public authorities should receive appropriate public funding. The withdrawal of donor funding, notably from the United States, severely impacted the functioning of independent media outlets and CSOs during the reporting period, limiting their work on human rights, anti-corruption, environmental protection, and support for vulnerable groups. There is no State-level legal framework on volunteering, which is regulated by the

entities and the Brčko District.

### 2.1.2. Public administration reform

#### Strategic framework for public administration reform

Implementation of the **strategic framework** 2018-2027 has significantly lagged behind. The coordination arrangement –also called the Common Platform – facilitated the finalisation, in October 2025, of a new action plan for public administration reform for 2023-2027. The action plan includes a credible costing of reforms but lacks funding from own budgets relying mostly on external donor funding. This new action plan remains to be adopted by the Council of Ministers and in the *Republika Srpska* entity. Due to these delays, and a general lack of political support, the rate of implementation of reforms in the public administration has stagnated. The weak capacities of entity-level coordinators continue to hinder reforms. As an illustration, the political coordination body – operating at prime ministers' level (State and entities) to provide high-level oversight – has not reconvened since its first meeting in February 2024. Reforms continue to depend on donors. To ensure financial sustainability, the authorities need to increase budgetary contributions.

#### Policy development and coordination

The legal frameworks and institutional arrangements for policy development and coordination remain fragmented. State-level institutions need to be strengthened in steering countrywide policies. The legislation at State level on **countrywide sectoral strategic planning** is pending adoption. Although there are procedures in place for medium-term planning, monitoring and reporting in State-level institutions, there is still no coordinated whole-of-government approach to medium-term and annual priority setting. The institutional framework remains fragmented with insufficiently delineated quality-oversight functions, and various centres of government remain poorly coordinated with one another. A single State-level institution remains to be designated as being in charge of annual and medium-term policy planning. The country still lacks a methodology that has both strong quality assurance and a conflict-resolution mechanism for harmonised and coordinated legislative alignment with the EU *acquis*. The country still needs to ensure both: (i) effective monitoring and alignment of policies with annual budgets and government working plans at each level of government; and (ii) credible costing on sectoral policies.

Implementation of the legal framework for inclusive and **evidence-based policy development** across different levels of government remains weak. The State-level e-consultation system was improved by introducing an obligation for institutions to publish reports. The administrative capacity to use e-consultation platforms should be improved at all levels of government. The lack of progress in developing common standards for monitoring and reporting hampers public and government scrutiny of sectoral policy implementation.

#### Public financial management

All levels of government made progress in implementing the comprehensive existing strategy for the reform of **public financial management**, although monitoring reports were not prepared regularly during the reporting period. Bosnia and Herzegovina should apply a countrywide approach to the monitoring of public financial management, with additional horizontal activities coordinated among all levels of government (today only 7% of all activities). Delays in approving budget planning documents undermine fiscal discipline and parliamentary scrutiny. Fiscal-risk monitoring remains underdeveloped, particularly for public enterprises and municipalities, while a fiscal council still remains to be set up both at State level and in the Federation entity. Despite progress, basic elements of the public financial management system still need to be put in place, including: (i) regular adoption of a State budget; (ii) credible costing of sectoral policies – both annually and in the medium term; and (iii) budget transparency. Revenue administration reforms have improved tax collection, but the level of digitalisation remains low. Reforms are needed to address informality in the economy and better integrate businesses into the formal economy. Necessary reforms that still need to be completed in this area include: (i) better linking the annual strategic planning and budgeting processes in the annual and medium term; (ii) strengthening capacities in the area of public investment management; and (iii)

continuing to implement the laws on programme budgeting, and adopting similar legislation in the *Republika Srpska* entity. Public investment management lacks coordination, with no unified pipeline for key projects or effective funding mechanisms.

#### Public service and human resources management

Civil service laws are still not harmonised with one another, and merit principles are not enshrined in the **recruitment, promotion and dismissal** of civil servants.

There was no progress made during the reporting period on ensuring a **depoliticised and professional** civil service. The legal criteria for dismissals, disciplinary procedures and appeals continue to be insufficiently applied. The digitalisation of State-level recruitment is ongoing. Entity-level laws do not require the best candidate to be appointed, allowing for political influence in recruitment, particularly for senior positions. At cantonal level, selection continued to depend on ethnic background rather than merit. The excessive use of acting positions continued during the reporting period, especially in the *Republika Srpska* entity. Constitutional rules on the general representation of the population in public administration should not be interpreted as requiring strict ethnic proportionality in the civil service, and the legislation should ensure that ethnic criteria do not prevail over professional criteria in recruitment. Gender balance in top management positions in the Federation entity (where 42% of those positions are occupied by women) is slightly better than the average in OECD-EU countries, but the low share of women in top management positions in the State institutions (27%) and in the *Republika Srpska* entity (33%) is a concern.

The **quality and capacity of human resources management** (HRM) remain weak and highly fragmented. The Federation entity and its cantons continued to implement the 2022-2027 strategy for the development of HRM. The State-level institutions and the *Republika Srpska* entity still need to do the same. There is still a need to strengthen transparent monitoring and planning of HRM performance and related capacity and data on HRM. Some progress in this area is visible in the Federation entity, which is developing the first HRM monitoring report based on the upgraded HRM methodology on data collection.

Civil servants' **remuneration** remained inconsistent across the country due to: (i) differences in salary legislation, job classification and pay grades; and (ii) the lack of job evaluations. These factors all act to hinder fairness in remuneration. Criteria for awarding salary supplements are unclear, and no information is published on average salary levels by job category. A broad salary reform is required across all levels of government, as is the harmonisation of job descriptions.

Civil service agencies need more resources for training and **professional development**. Overall, in the reporting period, there has been no progress in making performance appraisal a more useful tool to justify promotions or to distinguish good performance from bad.

There continues to be no system for gathering and consolidating data on the **integrity of civil servants**. In the reporting period, there has been no legislative development in the Federation entity on whistle-blower protection, or on declaration of assets in the *Republika Srpska* entity.

#### Accountability of administration

During the reporting period, the coordinators for public administration reform at all levels of government conducted a comprehensive analysis of public administration, identifying structural inefficiencies and gaps in accountability, transparency, and service delivery. However, no progress was made in improving accountability lines between ministries and subordinate bodies. The delegation of tasks and responsibilities from top to middle managers remains weak, impairing operational efficiency.

The State-level Law on **freedom of access to information** still needs to be brought fully in line with international standards on the independence of the appeal process. The same applies to the laws adopted in the Brčko District in October 2025. The Council of Ministers adopted in April 2024 a guide for access to information, while in May 2024 the Ministry of Justice introduced a register of requests. Rules on data protection and access to information are still interpreted in a way that protects



private rather than public interests. Ombudsman recommendations remain mostly focused on ensuring access to information, although with a slight decrease in the overall number of related recommendations.

#### Service delivery to the public and businesses

No action was taken to improve service delivery during the reporting period. There are no effective frameworks or mechanisms for **user-oriented administration** across the country. There is no comprehensive countrywide policy on service delivery and clear institutional functions at any level of government, nor is there a clear catalogue on the online delivery of user services. The absence of infrastructure to enable electronic signatures for the public continued to impede further digitalisation during the reporting period.

## **2.2. RULE OF LAW AND FUNDAMENTAL RIGHTS**

### **2.2.1. Chapter 23: Judiciary and fundamental rights**

*The EU's founding values include the rule of law and respect for human rights. An effective (independent, high-quality and efficient) judicial system and an effective fight against corruption are of paramount importance, as is respect for fundamental rights in law and in practice.*

#### **Functioning of the judiciary**

##### Strategic documents

Bosnia and Herzegovina has yet to adopt a new strategy and related action plan for the reform of its justice sector. In December 2024, the HJPC adopted an action plan for its 2024-2026 reform programme in line with EU priorities and an appropriate budget. The HJPC needs to put in place a monitoring system to assess the implementation of this action plan. In April 2025, the Council of Ministers adopted a strategy and action plan to ensure the security of judicial office holders and protected witnesses.

##### Management body

The HJPC functions adequately as the judiciary's single self-governance body. In March 2025, the *Republika Srpska* entity adopted a law to set up a separate judiciary council, banning the HJPC from operating in the entity, and called on HJPC members from the entity to resign. The Constitutional Court suspended and later repealed this law and related acts, and prohibited all authorities from enacting them. Upholding the Constitutional Court's decision is essential to protect judicial independence and the rule of law.

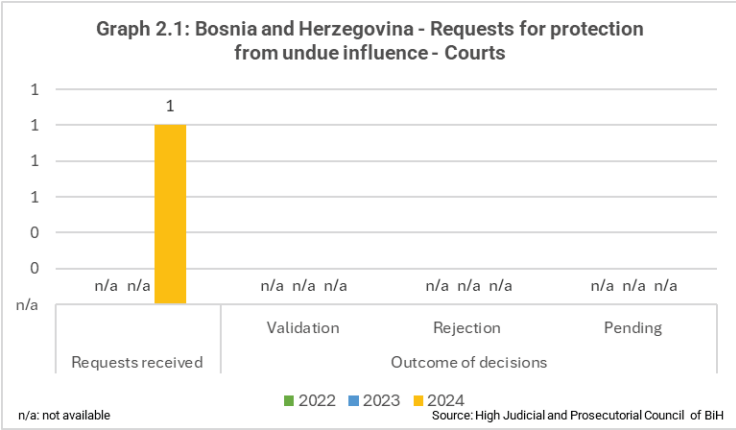
The HJPC still needs to ensure independence and integrity in appointing its members by reinstating randomisation for ethnicity and gender. It also needs to finalise the recruitment of a chief disciplinary counsel. The budget of the HJPC needs to be increased to both: (i) complete the recruitment of staff of the asset declarations department; and (ii) ensure that the State budget takes over funding all the HJPC staff by 2027. The country should secure funding for the smooth transition of staff and timely implementation of the new HJPC law in line with the accompanying financial impact assessment.

During the reporting period, the HJPC continued to monitor the judicial response to cases of domestic violence, attacks on returnees, the protection of journalists and activists, and the fight against organised crime and corruption. It still needs to improve the enforcement of its measures by both: (i) collaborating more closely with court presidents and chief prosecutors; and (ii) using accountability mechanisms already at its disposal.

##### Independence and impartiality

The independence and impartiality of the judiciary needs to be improved. Integrity plans are in place in almost all courts and prosecutors’ offices in Bosnia and Herzegovina, albeit with limited results. Ethics codes are in place and included in initial training. A violation of the ethics codes causing damage to the reputation and integrity of the judiciary is deemed a disciplinary violation, but no such case has yet been decided by the HJPC.

Undue internal and external pressure on the judiciary continued. The threat-reporting mechanism and subsequent public reactions of the HJPC still need to be reviewed to ensure consistency. The new HJPC Law should improve the response framework for requests for protection from undue influence.



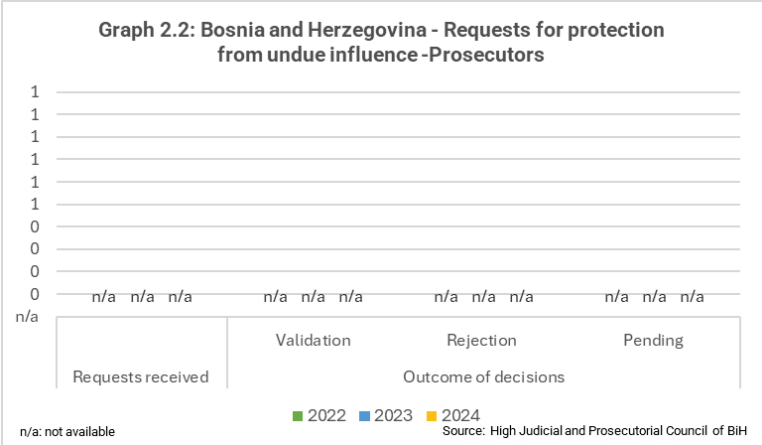
Legal safeguards are in place to ensure the independence of judicial appointments. Nevertheless, appointments in which ethnic balance is prioritised over merit continue, and the reasoning provided for such decisions — including instances where the ranking is not observed — is often inconsistent or insufficient. Judicial appointments should be guided primarily by merit, with ethnic considerations only when candidates are equally ranked. The HJPC should strengthen the

reasoning in its appointment decisions. In 2024, the appointment of judges was significantly less based on merit than on factors such as ethnicity or gender, which is a concern. The appointment of prosecutors showed a modest improvement in the merit-based approach. The new HJPC Law should provide for: (i) annual entry appointments; (ii) career and promotion based on seniority and effective appraisal; and (iii) ethnicity not to prevail over merit in recruitment.

The HJPC’s case management system provides efficient randomised case allocation when used. While the overall number of manually reallocated cases remains high (in total 644 514 cases) and continues to be a concern, each reallocation is supported by a written and reasoned decision. Out of that total number, 11% of cases were reallocated without reasons given (74 867), which is significantly less than in the past reporting periods.

Accountability

The accountability of the judiciary needs to be improved. Corruption cases involving judicial office holders should be processed efficiently and effectively. The HJPC has prioritised these cases and introduced reporting every six months, enabling better oversight. More efficient investigations and proper trial management are still needed to prevent delays. Without prejudice to confidentiality, prosecutors' offices should also promptly share the relevant results of their investigations with the Office of Disciplinary Counsel for disciplinary action.

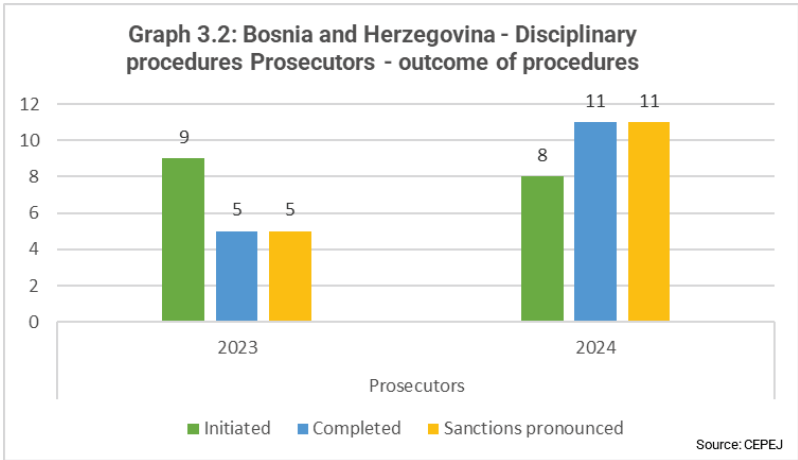


Under the agreement between the European Commission and the HJPC, EU external experts began monitoring the functioning of the revised asset declaration system. Their first task was to monitor the recruitment of the staff for the newly established HJPC asset declarations department between September 2024 and June 2025, which they assessed as transparent and in accordance with the applicable procedures.

In January 2025, the Data Protection Agency both prohibited the collection of asset declarations until the department is functional and restricted the use of digital declarations in the absence of electronic signature. A challenge to the provisions on asset declarations is pending before the Constitutional Court.

In August 2025, the external monitor issued their first set of recommendations. These were only partially accepted by the department, diverging notably on the department’s independence and on the scope of application of asset declarations to family members, both of which have been interpreted narrowly. The HJPC must ensure that experts are able to monitor asset declarations effectively, as required by law, while the department should carefully and fully consider the experts’ recommendations.

The asset declarations department started operations in June 2025, starting with the collection of asset declarations and initial verifications. Funding has been secured for 8 of the 17 planned positions; full funding must be secured without delay to ensure the department can operate at full capacity.



The asset declarations department now needs to meaningfully perform its function independently of the HJPC, whose members’ asset declarations it also verifies. By the deadline to submit asset declarations, 98% of individuals obliged to submit a declaration complied with said obligation. The HJPC needs to show commitment to the verification process by respecting the authority and functional independence of the department,

and by refraining from restrictive interpretations of the law and practices which threaten to undermine the effectiveness of the integrity measures.

All relevant stakeholders are expected to provide all requested data to the asset declarations department. The new Law on the HJPC should grant the department stronger powers to request additional information from natural and legal persons, in line with best practices, ensuring that it has effective access to all data needed to carry out its mandate.

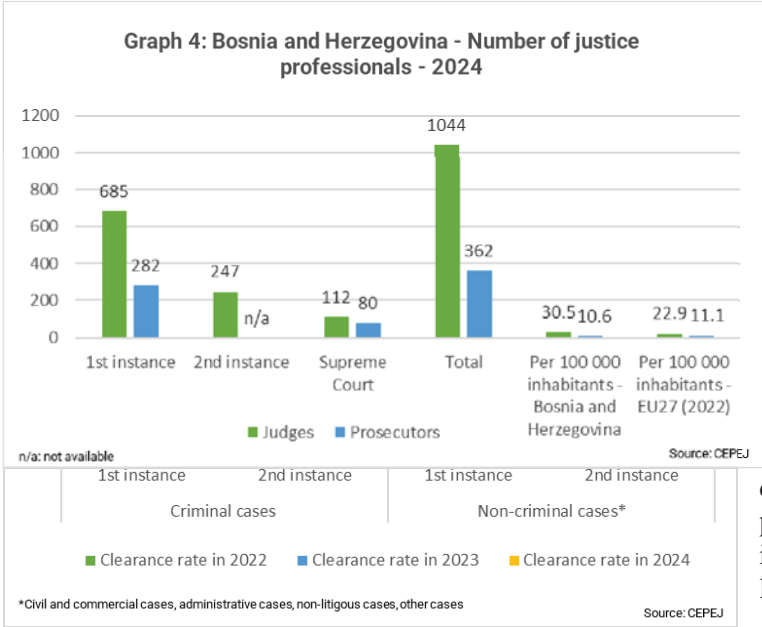
Disciplinary procedures continue to have little dissuasive effect despite their relatively high number. No action was taken to address last year’s recommendations to remedy serious breaches of judicial integrity for HJPC disciplinary bodies, which is of concern.

Quality of justice



The quality of justice needs to be improved. Performance appraisals lack nuance and therefore remain ineffective. The vast majority of judges and prosecutors, including in managerial roles, are assessed as having exceptional performance. The HJPC adopted new appraisal criteria in December 2024, but qualitative criteria account for barely 10% of the overall evaluation. The guidelines for the review and control of prosecutorial decisions adopted by the HJPC in November 2024 have been implemented across the country.

The HJPC should assume a stronger coordination role over the training for judges and prosecutors,

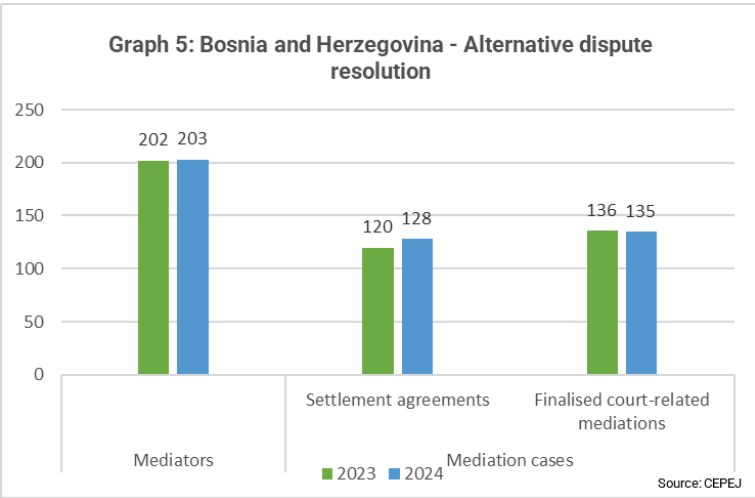


which is provided by entity-level training centres. Selecting and assessing trainers, devising programmes and evaluating the impact of training should be closely monitored and improved where needed. The total 2024 budget for training increased by 6.2% to EUR 138 000.

The measures introduced by the HJPC have increased the transparency of the judiciary, including in the publication of both decisions and hearing schedules. The court decision database, the case law portal, and the list of cases of public interest (including war crime and high-level corruption cases) continued to

grow.

The panels for the harmonisation of judicial practice adopted 5 positions in 2024 (2 in 2023). The HJPC should closely monitor the impact of the panels’ work. The HJPC database of appellate court legal positions should further serve as a tool for ensuring uniform judicial practice across the country. Ultimately, the country needs to put in place a judicial body capable of ensuring consistent interpretation of the law and harmonisation of case law across the country (Opinion key priority 4.e).



The Ministry of Justice still needs to follow-up with a view to the adoption by the Council of Ministers of the mediation strategy proposed by the HJPC in 2022 as part of the alternative dispute resolution mechanisms.

### Efficiency

The efficiency of justice needs to be improved. The length of court proceedings in first-instance cases (excluding utility cases) decreased further to 269 days in the first half of 2025. The Federation entity still needs to adopt a law to protect the right to trial within a reasonable time; the enforcement and impact of this law will need to be monitored.

In 2024, the total budget for the judiciary, including the HJPC, was EUR 212.8 million, an increase compared with EUR 183.2 million in 2023. Although this spending on the judiciary is at the same

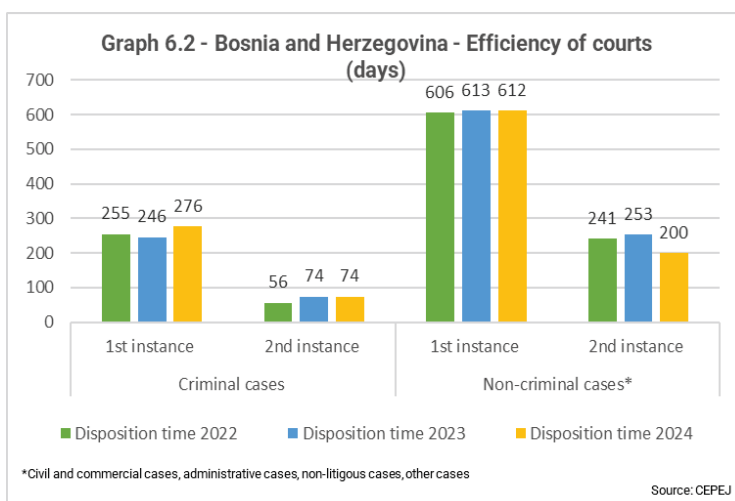
level as the median value for the Western Balkans, funds remain insufficient for investments. Ensuring sufficient financing of judicial institutions is a responsibility of the executives at all levels of government. This leads to difficulties in budget planning and negotiations over budget inequalities, which have a negative effect on equal access to justice. The new HJPC Law should strengthen the role of the HJPC in budget planning and negotiations for judicial institutions.

The backlog of pending court cases at first instance has decreased and stood at over 1.8 million cases at the end of 2024 (other than criminal cases, and including over 1.4 million cases of unpaid utility bills), but it continues to hinder the efficiency of justice. Non-utility cases were processed more efficiently, with the backlog decreasing by 9% compared with 2023. No steps were taken to urgently amend entity-level legislation to transfer the enforcement of small and uncontested claims from courts to professional bailiffs. Entity and cantonal governments did not secure sufficient funds for enforcement departments in courts or for access to information on debtors' properties. The courts demonstrated good efficiency in handling cases at first instance (other than criminal cases), with clearance rates overall above 100%.

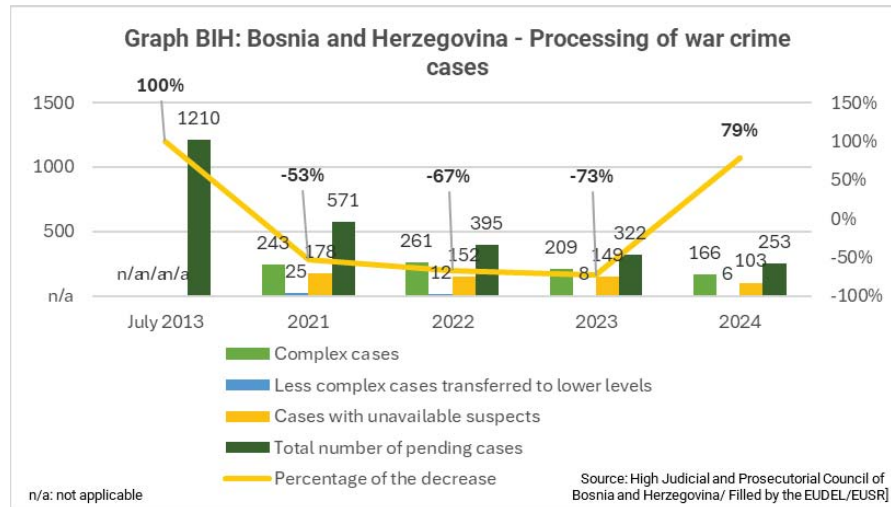
The 4% increase in indictments in 2024 did not result in better prosecution of crimes. There was a decrease in the number of verdicts (5%), convictions (4%), acquittals (14%) and dismissals (3%), and the backlog of unresolved criminal cases increased. To address the existing systemic backlogs, the prosecution services need to process cases more efficiently.

The case management system produces reliable, detailed statistics and reports on case flow, human resources and length of judicial proceedings, contributing to timely delivery of judicial data to the CEPEJ. The HJPC needs to step up its oversight and management of the performance of the judicial system, including on case reallocations, on the basis of reliable statistical data. With this aim in mind, HJPC members, court presidents and chief prosecutors should receive tailored training with a component on data analysis.

#### Domestic handling of war crime cases



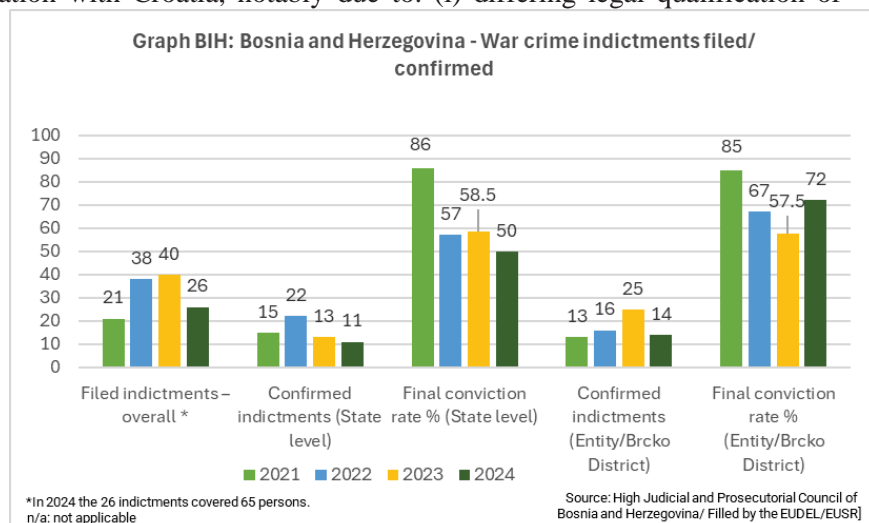
In 2024, the International Residual Mechanism for Criminal Tribunals (IRMCT) received 178 assistance requests from Bosnia and Herzegovina and facilitated the transfer to Serbia of case files involving Serbian nationals. Based on the memorandum of understanding with the IRMCT, one conviction from international tribunals was registered in the records kept at State level and 16 in the Federation entity; the *Republika Srpska* entity registered none of the 34 convictions that had been



forwarded to them. While 79% of war crime cases identified in 2013 have been resolved, challenges persist, including unavailable suspects, limited regional cooperation, and legal inconsistencies. The deadline for implementing the revised national war crimes strategy must be extended beyond 2025 and efforts to fulfil its

objectives need to intensify. The strategy's supervisory body should continue to meet regularly as in 2024, when it met five times.

Regional judicial cooperation in processing war crime cases improved slightly thanks to bilateral protocols. Cooperation with Serbia and with Montenegro remains effective and productive, while impediments persist in cooperation with Croatia, notably due to: (i) differing legal qualification of crimes against humanity and the notion of joint criminal enterprise, and (ii) issues related to dual citizenship. Bosnia and Herzegovina also signed agreements with Montenegro on prosecutorial cooperation and witness support in cross-border cases. Training is needed to improve the support given to witnesses, especially those testifying in neighbouring countries. Prosecutors agreed to increase case transfers with Serbia and Croatia. Yet only 6% of resolved court cases and 8% of cases at prosecution level from 2021–2024 were settled through regional cooperation.

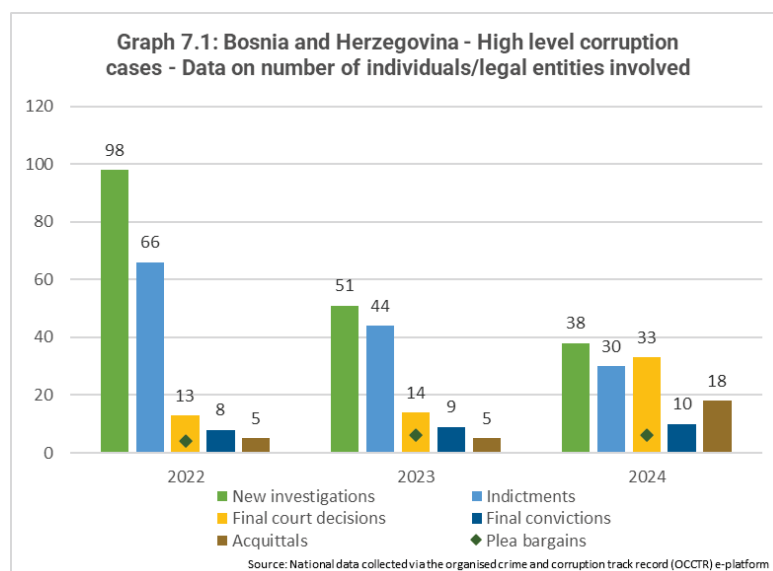


By the first half of 2025, 118 individuals evaded judicial proceedings in Bosnia and Herzegovina. Holding multiple citizenships, they often reside in neighbouring countries and escape justice by taking advantage of prohibitions against extradition of nationals for genocide, crimes against humanity and war crimes. They also benefit from neighbouring jurisdictions' lack of progress in addressing the crimes in question. Such fugitives include Novak Djukić, Duško Kornjača and Tomislav Kovač in Serbia, and Sakib Mahmuljin in Türkiye.

## Fight against corruption

### Track record

Progress in tackling high-level corruption still needs to be seriously stepped up in order to establish a credible track record. Indictments were confirmed against some senior officials, including the former director of the Intelligence and Security Agency (OSA) and the former President of the Court of Bosnia and Herzegovina. Investigations are ongoing against the former Minister of Security and the former mayor of Sarajevo, among others. Another former Minister of Security's conviction was upheld on appeal. It remains essential that prosecution and judicial services ensure independent, effective and impartial judicial follow-up to these cases, which are of great public resonance and raise concern about systemic corruption and State capture. It is equally imperative for law enforcement agencies and the judiciary to take a more proactive stance in combating organised crime and corruption, free from outside interference. The prosecutor's offices in East Sarajevo, Prijedor, Posavina and Trebinje did not prosecute a single corruption case



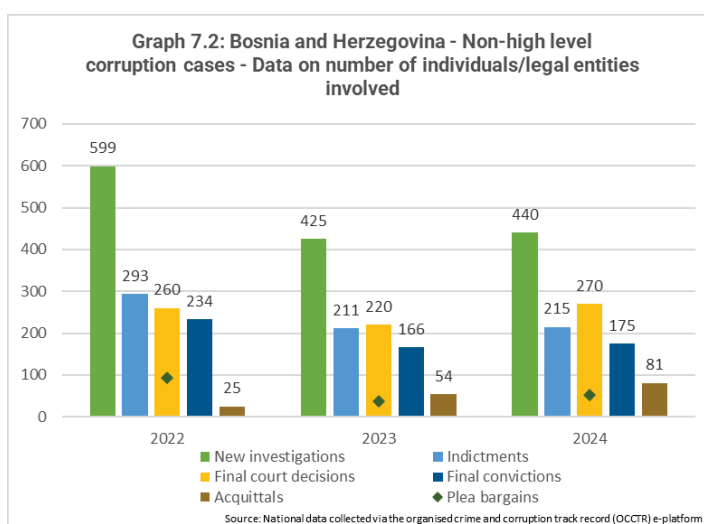
in 2024. As a positive example, in February 2025 the Sarajevo Canton's prosecution, police and anti-corruption office signed a memorandum of cooperation which swiftly led to investigations against senior officials.

The State-level Law on the prevention of conflict of interest, adopted in March 2024, remains effectively unimplemented. The commission it established has failed to pronounce any sanction or to submit the required bylaws to the Council of Ministers for adoption. Considerably fewer State-level officials complied with their obligation to submit financial reports for the verification of asset declarations in 2024 (285 out of 600, some 23% less than in 2023). Those who submitted no, partial or incorrect declarations faced no proceedings, reports nor sanctions. There are marked differences in compliance with the law across the country.

In the *Republika Srpska* entity, the law lays down no sanctions. In the Federation entity, breaches of conflict of interest remain unsanctioned despite extensive media coverage and public interest. Tangible results in verifying asset declarations continued in the Sarajevo and Tuzla cantons and in the Brčko District. Targeted risk assessments and dedicated measures are needed to address corruption in the most vulnerable sectors.

### Legal framework

The legal framework on the fight against corruption is not fully in place, and needs to be improved in the areas of both preventive measures and law enforcement. The lack of harmonised legislation across the country continued to hamper the fight against corruption. The Law on the prevention of conflict of interest remains to be fully aligned with European standards, particularly on incompatibilities, sanctions, and the election and composition of the Commission on conflict of interest. All levels of government need to fully align their legislation on conflict of interest with European standards and to implement the law



in good faith.

The legislative framework on the protection of whistle-blowers is still incomplete and not fully in line with the EU *acquis*. The Federation entity still lacks legislation to protect whistle-blowers, although such protection is present in the Sarajevo Canton. Where applicable, very few or no requests for protection were received, with the exception of Sarajevo Canton, where 7 requests out of 10 were granted. The Agency for the Prevention of Corruption and the Coordination of the Fight against Corruption (APIK) granted the only received protection request.

Data protection laws continued to be interpreted in a way that protects private rather than public interests, hindering the prevention and repression of corruption. There is no legislation to prevent and address corruption effectively in the private sector, nor is there any regulation of lobbying. Bosnia and Herzegovina has satisfactorily implemented only 2 of the 25 recommendations set out in the GRECO's fifth round evaluation report and only 3 of the 15 recommendations of the previous fourth round. Recommendations on political party financing and conflict of interest remain largely unimplemented. A beneficial ownership register of legal persons needs to be drawn up, ensuring a central access point for the competent authorities.

#### Strategic documents

Strategic documents in this area are now partly in place with the 2024-2028 State-level strategy and action plan on anti-corruption. Entities and cantons need to: (i) update and align their own strategies with the principles of the State-level strategy; (ii) ensure sufficient funding; and (iii) monitor their implementation in a coordinated manner. Only the Sarajevo Canton has done this, while the *Republika Srpska* entity adopted a strategy and action plan without consulting APIK and without reference to the State-level strategy and action plan. APIK should engage proactively with entities and cantons in adopting, updating and aligning such strategies.

#### Institutional framework

The institutional framework on the fight against corruption is not fully in place, and needs to be improved in the areas of both preventive measures and law enforcement. Corruption prevention bodies continued to be ineffective and uncoordinated. APIK needs to: (i) meaningfully and independently fulfil its function as main coordinator and central point for anti-corruption activities; (ii) implement GRECO recommendations; and (iii) align with international standards. While the director of APIK resigned in October 2024 from his position, a vacancy was only published in May 2025 and a new director is yet to be appointed.

The authorities need to significantly strengthen the independence of corruption-prevention bodies at entity and cantonal level and improve their human and material resources. The Sarajevo Canton anti-corruption office continued tangible efforts and remains a good example. The Brčko District and some cantons (Canton 10, Posavina, Bosnian Podrinje, Zenica-Doboj and Una-Sana) have now put in place a legal framework that should be implemented effectively. Other cantons made no progress in adopting the legal framework.

The audit department of the CEC still needs better capacities to monitor compliance with the legislation on political party financing. The parliamentary committee on anti-corruption should more proactively advocate for anti-corruption legislation in line with European standards.

The criminal justice policy and the institutional and legislative frameworks across the country are largely ineffective and inadequate. Investigative capacities are insufficient and penalties do not ensure deterrence. Crucial efforts to trace and freeze illegal gains from criminal activities and to require criminals to forfeit their gains remain overall inadequate, with the exception of those led by the State-level and Sarajevo Canton prosecutor's offices. Financial investigations are infrequent, and there are barely any extended confiscations, which prevents the disruption of criminal networks. Frequent conflicts of jurisdiction lead to case transfers and slow down proceedings. The police does not launch investigations proactively. In 2024, as in 2023 and 2022, no law-enforcement agency, including the State Investigation and Protection Agency (SIPA), submitted any report on high-level corruption to the Prosecutor's Office of Bosnia and Herzegovina. The highly formalistic manner in which SIPA



enforces actions to obtain evidence, including in high-level corruption cases, remains a cause of serious concern. Systemic shortcomings in operational cooperation between law-enforcement agencies and the very limited exchange of intelligence are a persistent challenge.

Plea agreements are frequent and often involve lenient sanctions. These plea agreements should instead be used strategically to co-opt defendants in obtaining information and evidence. In April 2025, the Prosecutor's Office of the Sarajevo Canton and the Federation entity Agency for seized property assets started conditioning plea agreements on the prior return of proceeds of crime, which is a good practice. High-level corruption cases continued to be plagued by selective judicial follow-up, legal mistakes, negligence, abuse of procedures, and questionable court decisions. Pressure, interference and verbal attacks on judicial office holders continued, including by politicians, without a systemic and efficient response by the HJPC.

Investigations are seriously hampered by both: (i) the lack of cooperation between law-enforcement agencies and prosecutors' offices; and (ii) the lack of effective monitoring by prosecutors of the work of the police. The selective unwillingness of the police, including at State level, to cooperate with prosecutors, particularly in high-level corruption cases, is a cause of serious concern. The cooperation between the *Republika Srpska* entity's Ministry of Interior and the State-level Prosecutor's Office and Court of Bosnia and Herzegovina substantially deteriorated. Between March and July 2025, the *Republika Srpska* entity police actively obstructed the enforcement of arrest warrants against the political leadership of the entity by State-level police bodies (SIPA and Border Police).

Diverging views on the authority of State-level prosecution offices to issue instructions to entity prosecution offices continue to hamper the efficiency of investigations and proceedings in high-level corruption cases. Such conflicting legal views must be remedied immediately.

The special anti-corruption departments within prosecution offices at State level and in the *Republika Srpska* entity must start to deal effectively with high-level corruption cases. Their independence and accountability must be significantly strengthened. Specialised departments in the Federation entity Prosecutor's Office and Supreme Court finally became operational in April 2025, 11 years after the legislation was adopted. They should now start to deliver.

A specialised team of State-level prosecutors continued to efficiently investigate cases based on evidence from the SKY ECC communications tool. This led to tangible results in investigations and indictments. Prosecutors should: (i) continue to show firm determination in prioritising and finalising investigations of mid- and high-level corruption cases arising out of the SKY ECC tool; and (ii) ensure efficient judicial follow-up to those cases. The former deputy director of SIPA (previously director of the Border Police) remains at large in Croatia, after illegally crossing the border to escape an arrest warrant for suspected abuse of position and corruption. An extradition request filed by Bosnia and Herzegovina remains pending.

## **Fundamental rights**

No action has been taken to address the gaps on fundamental rights. The legal framework needs to be improved and its enforcement is insufficient.

### International human rights instruments

Cooperation with international bodies that monitor human rights and the follow-up to their recommendations is insufficient. Bosnia and Herzegovina needs to address the recommendations from the January 2025 Universal Periodic Review of the UN Human Rights Council. The country is encouraged to seek observer status in the EU Agency for Fundamental Rights and should replicate the Agency's data collection methodology.

### European Court of Human Rights



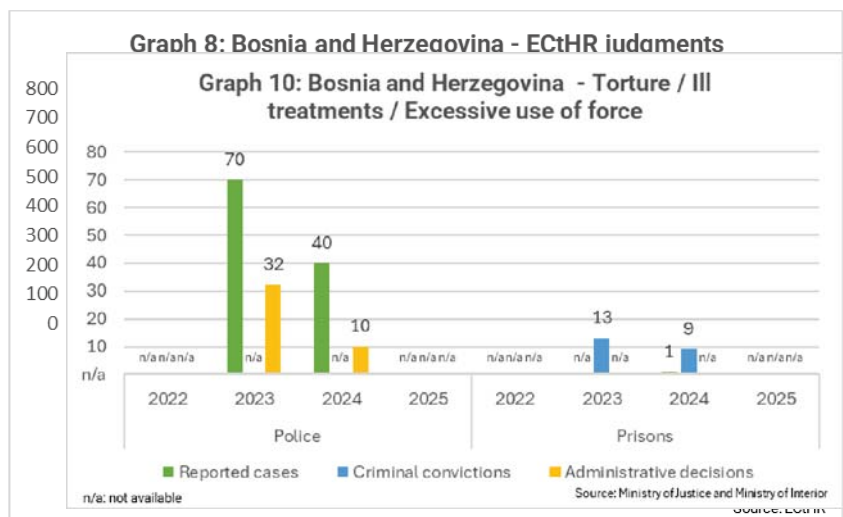
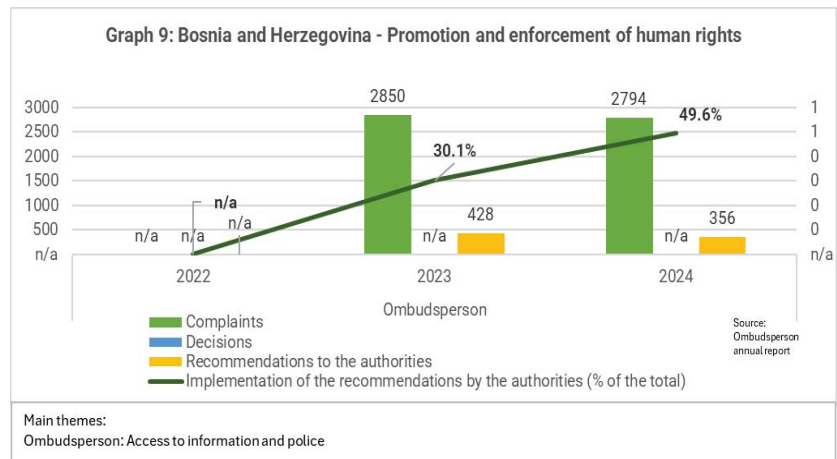
Cooperation with the ECtHR and the implementation of its judgements need to be improved. During the reporting period, the ECtHR found breaches of the European Convention on Human Rights in regard to the right to respect for private and family life. There are five rights-related cases under enhanced supervision by the Committee of Ministers, four of which related to electoral rights. The *Sejdić and Finci*, *Zornić*, *Šlaku*, *Pilav* and *Pudarić* rulings (i.e. *Sejdić-Finci* case law) require constitutional amendments to ensure political equality among all citizens. Progress needs to continue on addressing other structural reforms raised by ECtHR judgements.

### Promotion and enforcement of human rights

The legal and institutional framework for the promotion, protection and enforcement of human rights is incomplete and needs to be improved. Bosnia and Herzegovina still lacks a policy framework including countrywide strategies on human rights, non-discrimination and the protection of minorities. Consequently, the protection of human rights remains uneven across the country. The Ombudsman is accredited since 2014 as an A-status National Human Rights Institution (NHRI). However, the ethnic composition and consensual decision making of the three-person Ombudsman need reform to ensure effective functioning. The Ombudsman should act more proactively, and its independence needs to be strengthened. While only half of its recommendations have been complied with during the reporting period, the Ombudsman has not opened any minor offence proceedings for non-compliance in the past 10 years, despite having the power to do so, nor has it initiated or intervened in any administrative or judicial proceedings.

### Prevention of torture and ill-treatment

Bosnia and Herzegovina provides insufficient legal guarantees on the prevention of torture and ill-treatment and the follow-up to cases of alleged torture and ill-treatment needs to be improved. The Ombudsman started operating as a national preventive mechanism against torture and ill-treatment in March 2025. The many reports of ill-treatment need to be handled effectively. Overcrowding, poor material conditions, and inadequate healthcare services continue to raise concerns. Systemic problems remain in ensuring humane and dignified treatment of detainees and uniform standards across the country. An effective probation system should be introduced.

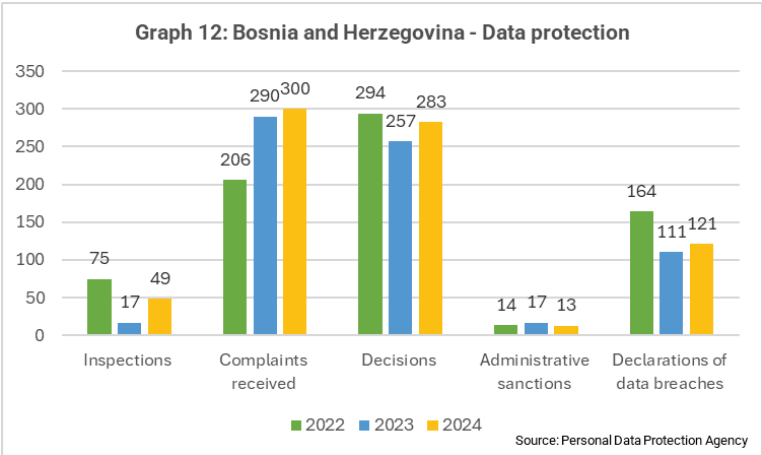


Execution of criminal sanctions

The system for the execution of criminal sanctions (including probation) needs to be improved. The continued absence of both a countrywide strategy and reliable statistics in this area is a concern. The relevant laws need to be harmonised across the country and brought in line with European and international standards. Prison directors need to be appointed based on merit. Detention facilities, prison regimes and reintegration programmes need to be improved.

Protection of personal data

The legal framework for the protection of personal data has been reinforced but the financial and staffing resources of the Data Protection Agency need to be used to full capacity, and its independence strengthened. In January 2025, Bosnia and Herzegovina adopted a Law on the protection of personal data in line with the EU *acquis*. The State-level Parliament must consult the Agency on legislative proposals, but entities and cantons’ legislative assemblies are still not required to do so.



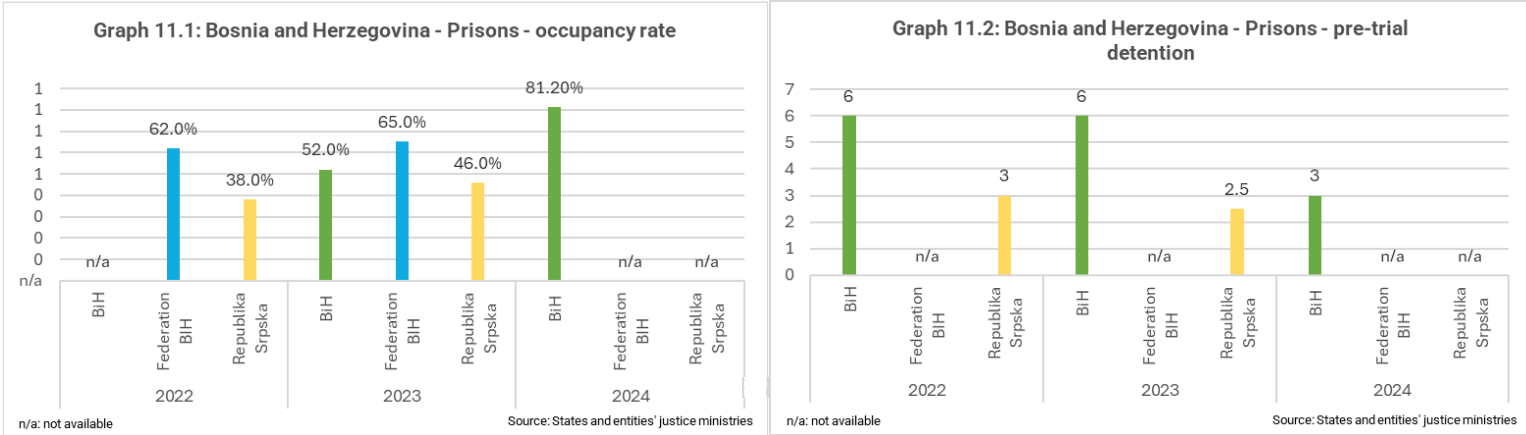
Freedom of religion or belief

Bosnia and Herzegovina provides adequate legal guarantees on freedom of religion and belief. The Serb Orthodox church returned to the Inter-Religious Council in June 2025, restoring its full composition. Cases of discrimination, hate speech and hate crimes on religious grounds persist. Cases of attacks on such grounds continue to occur in minority return areas.

Transitional justice

There is no policy framework on transitional justice and dealing with the past. Bosnia and Herzegovina needs to promote an environment conducive to reconciliation in order to overcome the legacies of the war (Opinion key priority 5). Political leaders continued to engage in historical revisionism, including genocide denial and glorification of war criminals, while contesting established facts and the independence or impartiality of international and domestic tribunals. The State-level criminal code needs to be amended to regulate genocide denial and the glorification of war criminals in line with the EU *acquis*. A first-instance conviction was issued in May 2025 in the first case under the 2021 law; another court case is ongoing.

There are no countrywide criteria set by law on the rights of civilian victims of wartime torture, a pending obligation under the Convention against Torture. Entity-level laws need to be improved. The Council of Ministers is required to address the August 2019 decision of the UN Committee against Torture on providing redress to victims of wartime torture through an effective reparation scheme, including compensation and a formal apology. The *Republika Srpska* entity has not taken measures to



waive court fees for victims of wartime torture. As a worrying consequence of this, victims continue to face repossession of property for defaulting on mortgage payments. The Federation entity and the Brčko District continue not to implement their legislation to accord the status of civilian victims of war to children born of wartime sexual violence. Positive initiatives continue at local level, often driven by civil society, including women's and veterans' groups working for peacebuilding, reconciliation and remembrance. (*For missing persons, see Section 3 – Good neighbourly relations and regional cooperation*).

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## **Freedom of expression**

### Intimidation of journalists

Political pressure, verbal attacks, intimidation and threats against journalists continued, including by high-level politicians, and in particular against women journalists. Instead of demonstrating zero tolerance towards these threats and attacks, the authorities continued downplaying these issues. A countrywide network was set up to monitor these cases; the authorities need to ensure its sustainability, and demonstrate a track record in institutional follow-up. The HJPC has started to collect official data and reported 36 attacks. The *BH Novinari* journalists' association received 54 complaints in 2024 (84 in 2023), and the Ombudsman 9. The abuse of strategic lawsuits against public participation (SLAPP) further fuels self-censorship; their number increased markedly in the course of 2024 (35 in 2024 compared with 41 in the preceding 10 years). This underlines the urgency to align with the EU's anti-SLAPP legislation and initiatives.

### Legislative environment

Constitutional and legal guarantees are unevenly implemented. Criminal penalties for defamation in the *Republika Srpska* entity continue to have a chilling effect. Defamation should be decriminalised across the country. The *Republika Srpska* law targeting civil society groups as 'foreign agents', adopted in February 2025 and repealed in May by the Constitutional Court, adversely affected freedom of association, expression and of information, in particular for those media groups registered as NGOs, as it introduced disproportionate sanctions (ban on associations and criminal liability of their managers) without appropriate procedural standards.

### Implementation of legislation/institutions

The Communications Regulatory Agency still lacks political and financial independence. The procedure to appoint its management needs reform to limit political influence. A new board of the agency was finally appointed in October 2024 after six years of delay.

### Public service broadcaster

No progress was made in ensuring the financial sustainability of the country's public broadcaster, *Radiotelevizija Bosne i Hercegovine* (BHRT). Deprived of stable funds, and in lengthy court litigation with entity-level broadcasters, BHRT remains in serious danger of shutting down. In March 2025, the Constitutional Court found that BHRT's property rights had been violated. In July, the Supreme Court of *Republika Srpska* confirmed that BHRT is entitled to a part of the fees collected in the entity. RTRS's debt to BHRT amounts to some 50 million EUR.

No steps were taken to protect State and entity-level public broadcasters from political influence exerted via their politically controlled steering boards. The Federation entity assembly appointed a director and steering board for the FTV public broadcaster between April and June 2025, after 12 years of delay. *Radio Televizija Republike Srpske* (RTRS) continues to spread Russian disinformation, including both on Russia's war of aggression against Ukraine and on Bosnia and Herzegovina's EU path.

### Economic factors

In the reporting period, only initial steps were taken to: (i) adopt legislation on transparency in media ownership, including on the prevention of hidden media concentration; (ii) adopt legislation on transparency in public advertising; or (iii) adopt criteria for distributing subsidies in the media. The advertising practices of public companies such as telecom and advertising agencies linked to political parties continue to harm media integrity. Local broadcasters funded by cantonal and municipal authorities remain subject to political pressure and influence.

#### Internet

Online platforms continue to be used to spread hate speech and disinformation, as self-regulation of online media has a limited effect. Criminal prosecution remains limited to cases of incitement of religious and ethnic hatred online.

#### Professional organisations and working conditions

Journalism remains a precarious profession, with low wages or job security. Labour rights are barely respected, unionisation remains low, and there are no branch collective agreements for media workers. Consequently, many receive a salary significantly lower than average while also working overtime. The situation is even worse for women journalists. Compliance with the Press and Online Media Council's media code remains inconsistent. The sudden closure of Al Jazeera Balkans in July 2025 left some 200 journalists without a job.

Freedom of artistic expression is guaranteed by law and generally respected. Addressing themes such as reconciliation, women's rights, and LGBTIQ issues remains a challenge, particularly in the *Republika Srpska* entity.

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#### Freedom of assembly and association

The legal guarantees for freedom of assembly and association vary across the country. Cantonal laws on freedom of assembly are slowly being harmonised with each other and with European standards, in particular in the areas of grounds for restriction of this freedom and the responsibility of organisers. Three more cantons (West Herzegovina, Central Bosnia, and Posavina) adopted legislation aiming to align their laws in these areas with European standards. Nevertheless, the main urban centres (Sarajevo, Banja Luka, Tuzla, Mostar) remain in jurisdictions with laws that are not in line with European standards.

Freedom of association faces increasing challenges. The law adopted in February 2025 in the *Republika Srpska* entity targeting civil society groups as 'foreign agents' imposed excessive and unreasonable restrictions, stigmatised foreign funded organisations, expanded control over their activities, and undermined legal certainty. The Constitutional Court of Bosnia and Herzegovina suspended the law in March, and repealed it in May. The entity authorities need to respect the ruling and not attempt to enact this unconstitutional law. The Law on associations adopted in the West Herzegovina Canton in February 2025 fragments the legal framework in the entity by repealing the entity legislation in this area, and raises concerns about legal certainty, equal treatment, and alignment with European standards.

Labour and trade union rights are covered in Chapter 19 – Social policy and employment.

#### Property rights

The legal and institutional framework for enforcing property rights is incomplete. No steps were taken to update and interconnect the entity-level cadastral and land registry databases and no solution was found to pending repossession cases. The Commission for real property claims of displaced persons and refugees remains inoperative. There is no legislative framework on restitution claims, which are handled case by case. The Federation entity needs to amend its legislation in line with several ECtHR cases on occupancy rights (*Đokić, Mago, Alekšić* cases).

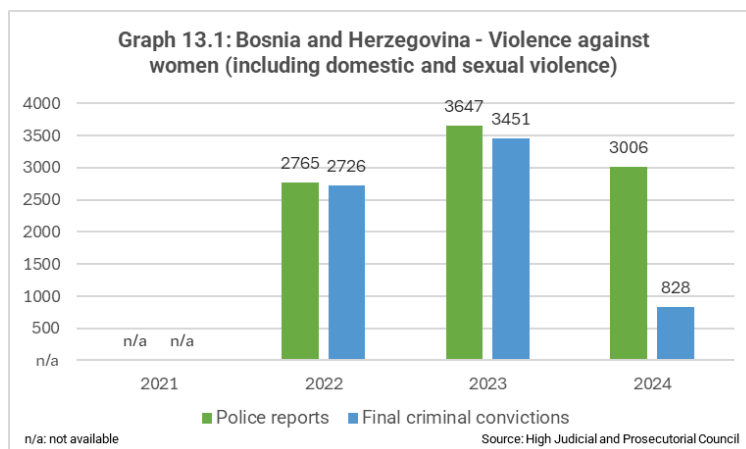
#### Non-discrimination

The legal and institutional framework on non-discrimination remains to be fully aligned with the *acquis*, including as regards the Racial Equality Directive and the Directives on standards for equality bodies. There is no countrywide non-discrimination strategy. The 2009 Law on the prohibition of discrimination is still not applied effectively. In 2024, the courts received 1738 discrimination cases (2 560 in 2023). Discrimination is still under-reported, particularly in the workplace, and judicial practice in addressing discrimination is inconsistent (in particular on burden of proof), lengthy and hardly enforced. The Ombudsman registered 196 cases of discrimination in 2024, in line with recent years, mostly for workplace and ethnic discrimination. The Herzegovina-Neretva and Central Bosnia cantons continue to ignore the 2014 and 2021 rulings of the Federation entity Supreme Court, which require eliminating the practice of ‘two schools under one roof’ to ensure inclusive and non-discriminatory education for all students.

Legislation on hate crime and hate speech is harmonised across the country’s four criminal codes, but remains to be fully aligned with the EU *acquis* and European standards. Entity-level legislation criminalises hate speech only when causing national, racial and religious hatred and still needs to be aligned with the EU *acquis* and European standards. There are very few indictments and convictions, due to a failure to identify acts as hate crimes and the high burden of proof to establish intent. In addition, case law is inconsistent. Hate speech remains present in official discourse, and there is insufficient monitoring or enforcement of online offences.

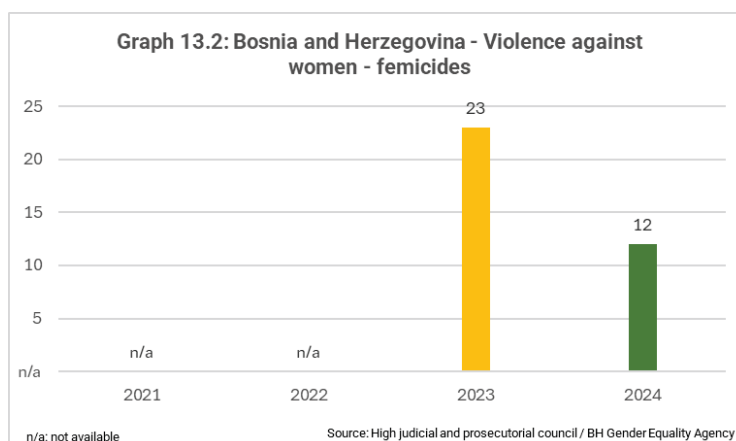
### Gender equality

The legal and institutional framework on gender equality and combating gender-based violence is incomplete and implementation/enforcement needs to be improved. Legislation on gender equality is still not harmonised across the country nor is it enforced effectively. The 2023-2027 gender action plan still lacks funds and monitoring. Despite being required by law, gender impact assessments are not carried out. Although the country has developed a partial gender equality index, institutions need to improve data collection, including on gender-based violence.





The Federation entity adopted a Law on protection from domestic violence and violence against women in March 2025 and amended its criminal code in July 2025, improving overall alignment with the Istanbul Convention and the EU *acquis*. These legislative changes now need to be implemented in practice. While gender-based violence and domestic violence is one of the most reported crimes across the country, prosecution and sentencing remain too slow and inconsistent. Improvements are also needed on: (i) issuing and enforcing protective measures; (ii) ensuring the availability of specialised support services; (iii) legal aid; and (iv) safe accommodation. The institutional response to femicide remains insufficient, including for cases garnering wide public attention and exposing systemic institutional shortcomings. Women from ethnic minorities, particularly Roma<sup>9</sup> women and women in rural areas, face additional discrimination and obstacles in accessing services, evading violence, and assuming visibility and leadership roles.



Women's rights organisations experience significant pushback to their advocacy and their members receive threats. Government-funded networks and associations in the *Republika Srpska* entity systematically aim to roll back women's rights and gender equality under the guise of promoting traditional values, including through intimidation. (See also Chapters 19 and 28; on women victims of trafficking, see Chapter 24)

### Rights of the child

The legal and policy frameworks for the protection of children's rights should be brought in line with EU *acquis*, and the implementation harmonised across the country. Bosnia and Herzegovina should draw guidance from key European Commission recommendations, in particular on integrated child protection systems. No steps were taken to adopt an action plan on protecting the rights of the child, seven years after the previous one expired in 2018. Bosnia and Herzegovina should step up the implementation of action plans on the protection of all children, including children with disabilities, from all forms of violence including domestic violence, digital violence, abuse, exploitation, trafficking in human beings, poverty and neglect. In 2024, the Ombudsman received 299 complaints on children's rights, up from 231 in 2023. The country needs to accelerate the deinstitutionalisation process, and urgently develop action plans to implement the related roadmaps. As of June 2025, there were 1 225 unaccompanied and separate migrant children in Bosnia and Herzegovina.

No action was taken to ensure child-friendly justice, including for children belonging to minorities, migrant children and children with disabilities. This is cause for concern. Entity-level laws on juvenile justice have still not been fully implemented or harmonised with each other. There are no separate units for juveniles during pre-trial detention and in police stations. This is a serious breach of international law that urgently needs to be remedied. Alternatives to the detention of children need to be preferred. Only limited reintegration measures are available to juveniles upon their release from detention or State custody. As of September 2025, there were 3 minors in prison, down from 28 in 2023.

### Persons with disabilities

The legal and institutional framework on the rights of persons with disabilities is incomplete and

<sup>9</sup> In line with the terminology of European institutions the umbrella term 'Roma' is used here to refer to a number of different groups, without denying the specificities of these groups.



implementation and enforcement need to be improved. The lack of dedicated funds hinders progress. The country needs to both ensure a uniform definition of disability in line with international conventions and harmonise eligibility criteria for, rights to, and standards of social protection. It also needs to align its legislation with the EU *acquis*, including in the area of accessibility, and develop models for supported decision-making which promote the independence and autonomy of persons with disabilities. Persons with disabilities, including children, continue to face hurdles, stigma and discrimination in accessing education, healthcare, employment and social assistance. The Council for Persons with Disabilities needs to be further involved in all relevant legislative processes. The authorities also need to improve data collection, including sex-disaggregated data. Many children with disabilities continue to be placed in residential institutions in severe violation of international conventions. The ongoing reform of child disability assessments should be implemented across the country. Bosnia and Herzegovina needs to urgently develop, adopt and implement a deinstitutionalisation strategy to move towards independent living and the inclusion of persons with disabilities.

### LGBTIQ persons

LGBTIQ persons face high levels of discrimination, and the legal protection of their rights is insufficient. Bosnia and Herzegovina needs to fully implement the 2022-2026 action plan on the rights of LGBTIQ persons. The sixth Sarajevo Pride Parade took place peacefully in June 2025. Hate crimes and hate speech against LGBTIQ persons remain widespread, including harmful comments by public figures, and remain insufficiently prosecuted, despite existing legal provisions. The March 2023 physical attack on LGBTIQ activists in Banja Luka is yet to receive institutional follow-up. In April 2025, the *Republika Srpska* entity government removed gender identity as grounds for protection in its criminal code, which is now no longer in line with the State-level anti-discrimination law. This constitutes a serious step backwards. No action was taken to recognise and ensure the enjoyment of social and economic rights of same-sex couples, including the right to a family life, in line with ECtHR jurisprudence. Intersex and transgender persons continue to be particularly marginalised. In October 2024 the *Republika Srpska* entity's Constitutional Court decided that the term 'gender' was unconstitutional, prompting a change in the name of the entity's centre for gender equity and equality.

### Procedural rights and victims' rights

The legal framework on procedural rights for suspects and accused and the rights of victims of crime is insufficiently aligned with the EU *acquis*. The extent to which in particular witnesses and victims can enjoy their rights remains uneven across the country. No action was taken to harmonise the four criminal procedure codes in force across the country and ensure their consistent enforcement. Bosnia and Herzegovina needs to ensure the effective enjoyment of key procedural rights, such as the right of access to a lawyer, in particular during situations of deprivation of liberty. A law protecting the right to be tried within a reasonable time is still pending adoption in the Federation entity. Legislation is not aligned with the EU *acquis* on victims' rights, including on compensation to victims of crime, although related services are available. Without comprehensive coverage and minimum common standards, the right to legal aid is still upheld unevenly, to the detriment of the most vulnerable. The Federation entity and the Herzegovina-Neretva and Central Bosnia cantons still have no legislation on legal aid. A needs assessment is yet to be conducted to identify and address the main gaps on legal aid.

### Protection of minorities

The legal and institutional framework for the protection of persons belonging to minorities is incomplete, and persons belonging to minority groups face discrimination. No progress was made towards adopting a countrywide strategy on persons belonging to minorities, and their participation in political and public life remains low. The Councils of National Minorities should proactively develop practical, political and legislative initiatives to promote this. Members of national minorities and non-affiliated citizens still cannot run for the Presidency and House of Peoples, in breach of the ECtHR *Sejdić-Finci* case law, pending the adoption of constitutional reforms to ensure the political equality and non-discrimination of all citizens.

### Roma

The legal and institutional framework on Roma should be improved. The Roma remain the most vulnerable and disadvantaged minority due to stereotypes, prejudices, discrimination and anti-gypsyism, leading to social exclusion. Sufficient funds are not made available to implement the action plan on Roma inclusion, which should be aligned with the EU Strategy for Roma Inclusion 2020-2030. There was only limited progress in implementing the Poznań Declaration commitments. Discrimination in employment remains rampant, and unemployment is very high among the Roma, in particular for women. Roma women face multiple forms of discrimination, and are often victim of gender-based and domestic violence, trafficking in human beings, including labour exploitation of children and forced early marriages. Enrolment rates in compulsory education have increased, but too many Roma children still drop out of school. Although education is not segregated by ethnicity, there is no teaching in or of the Romani language (save as an elective subject in Tuzla Canton), and public awareness of Roma culture is very limited. Only around two thirds of Roma have access to healthcare; children outside formal education and elderly persons face the greatest hurdles in accessing healthcare.

#### Refugees and internally displaced persons

Bosnia and Herzegovina continues to host around 90 000 wartime refugees and internally displaced persons, with over 1 000 families still living in 45 collective centres and in alternative accommodation. The authorities still need to provide them with sustainable housing solutions and access to services, in line with the objectives of Annex VII of the Dayton Peace Agreements.

#### Citizenship rights

Citizenship rights are hindered by constitutional and legal structures that restrict political participation and equality, especially for minority groups. There are also challenges in accessing documentation, with some groups facing difficulties in obtaining or verifying citizenship, impacting their ability to exercise their rights.

### **2.2.2. Chapter 24: Justice, freedom and security**

*The EU has common rules for border and migration management, visa policy, and asylum. Schengen cooperation entails the lifting of border controls inside the EU. There is also cooperation in the fight against serious and organised crime and terrorism, and judicial, police and customs cooperation, all with the support of the EU agencies for Justice and Home Affairs.*

#### **Fight against serious and organised crime**

Bosnia and Herzegovina's legal framework on serious and organised crime is partially aligned with the EU *acquis*, and the capacity to fight serious and organised crime needs to be improved.

#### Legal alignment, strategic and institutional frameworks

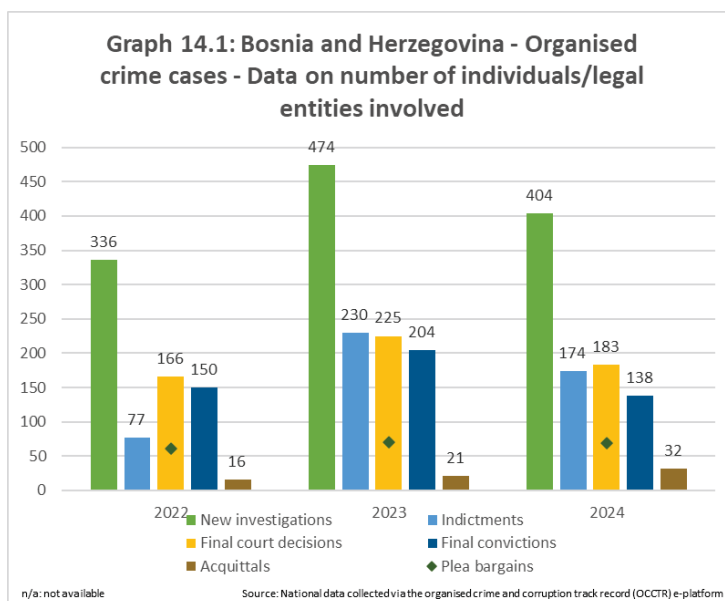
**Police legislation** needs to be further aligned with European standards and harmonised across the country. This gap hampers police operational capacities, accountability and integrity at all levels. Police oversight mechanisms via independent parliamentary boards need to be further strengthened. Bosnia and Herzegovina's former Minister of Security was arrested in December 2024 for corruption allegations and resigned in January; the post has been vacant since then. The Director of the Federation entity's police administration has not been appointed since 2019, thus hindering law enforcement capacities. The Law on police of Brčko District, adopted in July 2025, undermines the principles of equality and further contributes to fragmenting police legislation. Police directors need to be selected without further delay, in line with the law and based on merit and integrity. Standardised selection criteria for police recruitment are needed to minimise political interference, particularly for senior managers. The professionalism, integrity and accountability of law-enforcement agencies need to be significantly improved. In July 2025, the *Republika Srpska* entity adopted amendments to set up a police reserve force.

The legal framework on the **fight against organised crime** is partially aligned with the EU *acquis*. A strategy to fight organised crime for 2023-2026 is being implemented through action plans. Bosnia and Herzegovina needs to develop a new serious and organised crime threat assessment (SOCTA), in line with Europol methodology.

Bosnia and Herzegovina should put in place State-level capacities for **asset confiscation and management** by: (i) adopting the Law on asset confiscation and management in line with EU *acquis* and (ii) establishing or designating an asset recovery office. Extended and third-party confiscations are rarely used. By law, confiscation of assets requires a court conviction.

Bylaws still need to be adopted on **anti-money laundering and countering the financing of terrorism (AML/CFT)**. In July 2025, the Council of Ministers established a permanent coordination body for the prevention of money laundering and financing of terrorist activities and proliferation of weapons of mass destruction. Bosnia and Herzegovina needs to urgently address the 2024 Moneyval recommendations.

Bosnia and Herzegovina needs to further align its legislation on **cybercrime** with the EU *acquis* and European standards, and to sign the second additional protocol to the Budapest Convention on Cybercrime. The country also needs to complete its strategic framework on fighting cybercrime; at present a strategy is only in place in the *Republika Srpska* entity. The legislation on child sexual abuse online and offline needs further alignment with the EU *acquis*.



The legal framework on **trafficking in human beings** is yet to be aligned with the EU *acquis*. A strategy for 2024-2027 in this area was adopted in October 2024, while the corresponding action plan is still pending adoption. The task force for fighting trafficking in human beings and irregular migration remained the only coordination body in Bosnia and Herzegovina tackling both crimes, with a State coordinator for fighting trafficking in human beings. The special department in the Prosecutor's Office of Bosnia and Herzegovina requires additional staff. Evidentiary proceedings in this area still require additional standardisation.

Legislation on **witness protection** is largely aligned with international and European standards.

On **firearms control**, the country still needs to establish a firearms focal point and align the criminal codes with the UN Firearms Protocol. The legislation on the possession of weapons by civilians and on explosives needs to be harmonised across the country and further aligned with the EU *acquis*. A new strategy and an action plan for the control of **small arms and light weapons** were adopted in April 2025. The country needs to progress in implementing effectively the objectives of the regional roadmap on SALW control. The State-level criminal code needs to be amended on illicit production and trade of weapons, military equipment and dual use goods.

#### Implementation and enforcement capacity

Systemic shortcomings remain in the operational cooperation between State- and entity-level law enforcement agencies, at times due to political interference. In March 2025, SIPA staff members were subject to political pressure to resign and join the *Republika Srpska* entity's Ministry of Interior. After a prolonged absence, the SIPA director returned to work in July, enabled by the Council of Ministers' failure to process his resignation. This casts serious doubts about his political independence and raises questions of accountability.

After they failed to respond to prosecutorial summons, in March 2025 the Court of Bosnia and Herzegovina issued arrest warrants against the *Republika Srpska* entity President, prime minister and

assembly speaker, who remained fugitives until July 2025. In this four-month period, the *Republika Srpska* entity police actively obstructed the enforcement of arrest warrants against the political leadership of the entity by State-level police bodies. The case revealed systemic shortcomings and inefficiency in the work of prosecution and police agencies.

The country needs to step up the fight against cross-border organised crime. Law enforcement agencies need to proactively launch investigations. The cases concluded by plea bargain agreements doubled to 20, though the number of individuals concerned decreased slightly.

There is no consistent policy across the country for timely and systematic **financial investigations**. Their number remained stable at 27 investigations in 2024 compared with 28 in 2023. Guidelines issued by the HJPC need to be implemented effectively.

For **money laundering** as a stand-alone crime, there were 39 investigations in 2024 and 30 convictions against 36 individuals, resulting in only 3 prison sentences for 4 individuals.

The **freezing, management and confiscation of criminal assets** is not applied effectively. The value of assets confiscated in 2024 slightly decreased, despite an increase in the number of cases (EUR 7.6 million in 163 cases in 2024 compared with EUR 8.4 million in 128 cases in 2023).

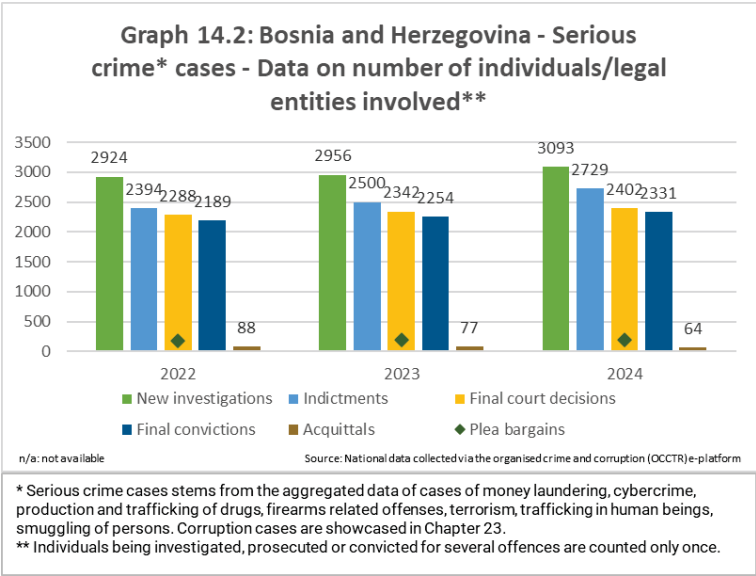
There was some progress on joint operations tackling serious and organised crime. However, both the exchange of intelligence and cooperation among law enforcement remains insufficient. Intelligence-led policing should be systematically used. Bosnia and Herzegovina took part in international operations, and cooperation with Europol significantly increased in 2024, in particular on firearms trafficking, migrant smuggling, and counterfeit goods. Cooperation in the field of cybercrime and the fight against terrorism remained low.

Bosnia and Herzegovina participated in seven operational task forces, four of which were focused on the fight against irregular migration, two on drug trafficking and one on trafficking in human beings. The number of cases initiated to Europol rose to 363 in 2024 (up from 165 in 2023 and 57 in 2022). In 2024, Bosnia and Herzegovina increased its participation in the European multidisciplinary platform against criminal threats (EMPACT), with 25 operational actions during the year (in 3 of which, the country was a co-leader), compared with 12 in 2023.

Bosnia and Herzegovina needs to revise the working arrangement for cooperation with the EU Agency for Law Enforcement Training (CEPOL). The authorities are invited to step up their participation in training activities offered by the agency and integrate the gained knowledge and competencies into the domestic law enforcement training system.

Tools for practical **cooperation between prosecutors’ offices and the police** still require structural improvements, and there have been no positive changes in: (i) the quality of the reports; (ii) the collection, analysis and sharing of data; or (iii) the capacity of specialised joint investigation teams.

The electronic exchange of data among the records of police authorities and prosecution offices needs to be improved. Forensic capacity remains fragmented. There is still no operational countrywide DNA database, and DNA profiling capacity remains limited. The swift exchange of forensic data with other countries remains limited. The creation of a new automated fingerprint information





system (AFIS) is long overdue.

SIPA's **witness protection** unit improved its operational response to vulnerable witnesses, including protection of their identity online. Inter-agency cooperation in international relocation procedures also improved. Operational measures require additional improvements, especially for both the risk analysis in designating the status of witness and relocation proceedings.

The authorities should strengthen their capacity to tackle **cybercrime** effectively, including online child sexual abuse. Law enforcement authorities increased their participation in Europol-led operations in the fight against child sexual exploitation. Yet, convictions remain very low.

The detection, identification and compensation of victims of **trafficking in human beings** need to improve. The Prosecutor's Office of Bosnia and Herzegovina continued its coordination efforts, but the number of new investigations reached the lowest in six years. In 2024, the number of potential victims detected (37) remained the same as in 2023, with a growing share of male victims (56%) and a large majority of child victims (67%). Additional measures are needed to prevent child trafficking, as highlighted by the case of 31 minors found in the Brčko District in February 2025. International cooperation in this area has improved in the reporting period thanks to instruments such as operational task forces and joint investigative teams.

On **trafficking in firearms**, a total 2024, 743 firearms, 29 675 pieces of ammunition, 132 pieces of mine explosives and 2 of explosives were seized in 2024, which represents an overall decrease compared with 2023. New investigations on trafficking in firearms increased slightly.

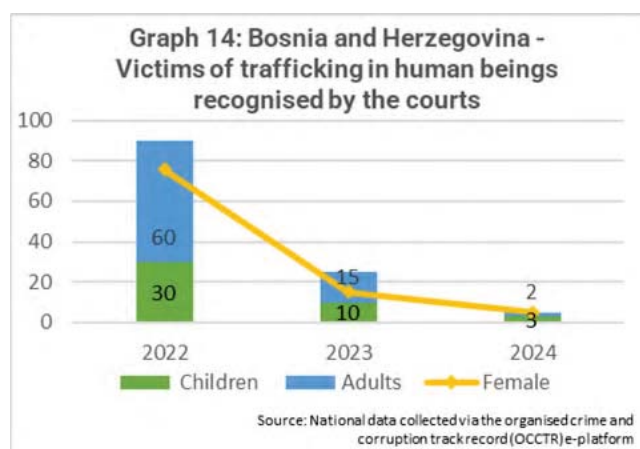
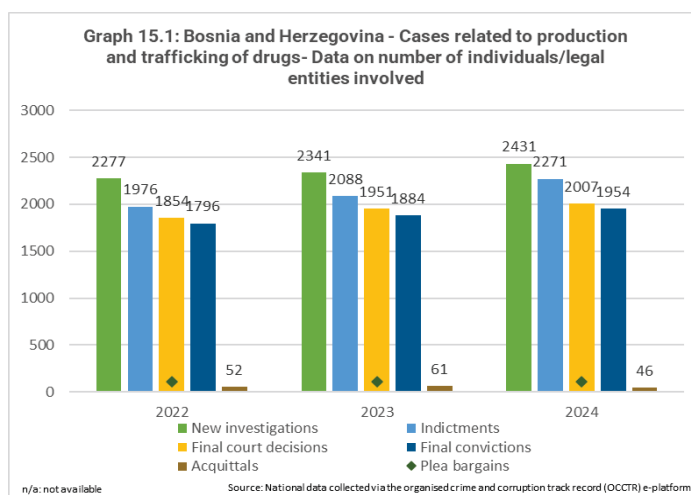
Law enforcement's capacity to handle gender-based violence cases has improved over the past decade, but gaps remain due to lack of specialisation and staff turnover.

### Cooperation in the field of drugs

The legal framework for cooperation in the fight against illegal drugs needs to be improved as does the quality of this cooperation in practice.

#### Legal alignment, strategic and institutional frameworks

The legal framework is only partly aligned with the EU *acquis*. The law still requires the entire quantity of drugs seized in a case to be presented as evidence in court proceedings. There is still no new strategy on drugs. However, the Sarajevo Canton's 2024-2028 strategy and action plan on drugs are both being efficiently implemented. Bosnia and Herzegovina should step up cooperation with the European Union Drugs Agency (EUDA), designate a correspondent agent for the EUDA, and put in place a working arrangement. Bosnia and Herzegovina should also: (i) set up a national drugs observatory; (ii) provide information in line with EUDA requirements; (iii) adopt legislation on new psychoactive substances and introduce an early warning system; and (iv) establish a focal point for drug issues for the entire country.



### Implementation and enforcement capacity

Bosnia and Herzegovina remains both a transit country and final destination for drugs. In June 2025, the Council of Ministers appointed a new commission responsible for the destruction of seized drugs and precursors, thus creating the conditions for effective action. The last destruction took place in March 2021. The number of new investigations launched during the year increased slightly, but the total amount of seized drugs decreased.

### **Fight against terrorism and prevention of radicalisation and violent extremism**

The legal framework for the fight against terrorism is partially aligned with the EU *acquis*, and the fight against terrorism needs to be improved. The legal framework for countering violent extremism and for protecting critical infrastructure / resilience of critical entities is not aligned with the EU *acquis*. The operational response needs to be improved on both of these aspects.

### Legal alignment, strategic and institutional frameworks

Criminal legislation needs to be amended to align the list of criminal offences with the EU *acquis* and ensure stricter sanctions for terrorism. Legislation on the protection of critical infrastructure and the resilience of critical entities remains to be developed and adopted at all levels of government (such a law is only in place in the *Republika Srpska* entity). Legislation on explosives precursors and the rights of terrorism victims still needs to be aligned with the EU *acquis*. The country needs to urgently address Moneyval recommended actions on countering the financing of terrorism.

### Implementation and enforcement capacity

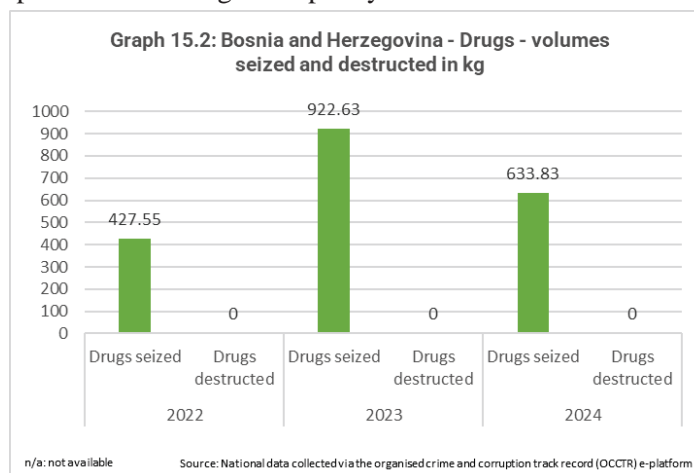
The cooperation among authorities competent for countering terrorism has been hampered by the political situation – at both strategic and operational level – and needs to become more structured and efficient. The response to terrorist attacks needs to be reviewed and better prepared by developing standard operating procedures. Bosnia and Herzegovina actively participates in the counter terrorism support network (CTSN) established with CEPOL support.

Bosnia and Herzegovina needs to step up the implementation of the 2021-2026 strategy and action plans against terrorism and violent extremism, as well as the bilateral arrangement with the EU under the Joint Action Plan on counter terrorism for the Western Balkans. The criminal code remains to be amended in line with the Joint Action Plan.

There was no repatriation of foreign terrorist fighters during the reporting period, and around 160 citizens of Bosnia and Herzegovina (including 41 women and 77 children) remain in Syria and Iraq. Bosnia and Herzegovina needs to develop a comprehensive reintegration policy.

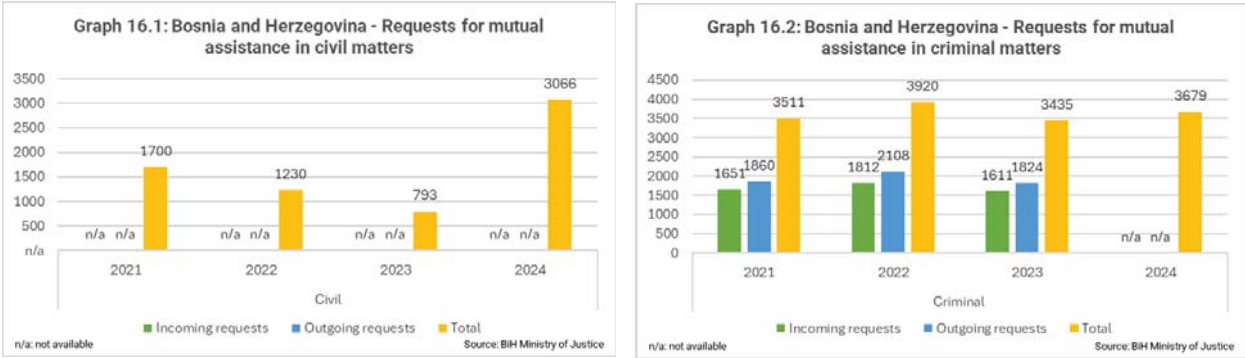
In 2024, 14 investigations for terrorism were initiated against 15 individuals (the double than in 2023) with three final convictions. Security agencies and local authorities need to develop a coordinated approach to prepare the release from prison of terrorism offenders who have served their sentences, and provide assistance to help them disengage from violent extremism.

Bosnia and Herzegovina needs to further develop the capacity to investigate and prosecute the financing of terrorism and address threats posed by new technologies. There is a need for capacity building, especially in dealing with cryptocurrencies and online content. Authorities should improve collaboration with the EU internet referral unit at Europol and proactively exchange information via the Europol contact point. Concrete measures need to be put in place to counter terrorist content online and prevent online radicalisation, in particular of youth.





Civil society and the institutions responsible for labour, social welfare, education, young people and health at all levels of government need to be more effectively included in efforts to prevent terrorism



and radicalisation, and in the implementation of the counter-terrorism strategy.

### Judicial cooperation in civil and criminal matters

Judicial cooperation in civil and criminal matters needs to be improved. The contry still needs to accede to core instruments under the Hague conference on private international law.

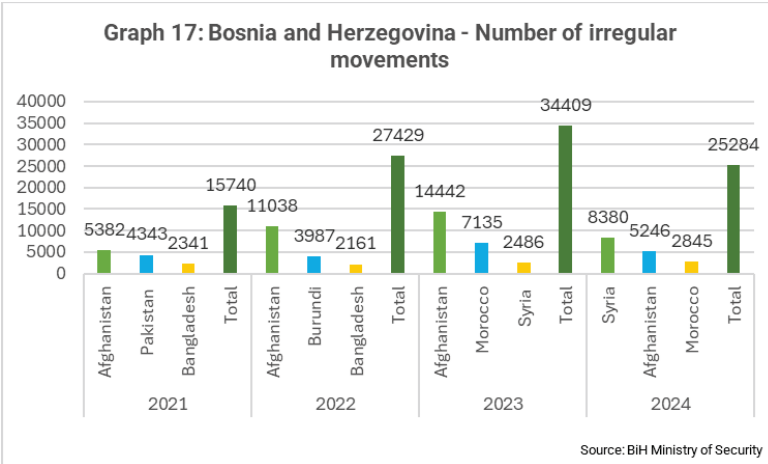
Between March 2024 and July 2025, Bosnia and Herzegovina was involved in 18 new cases at Eurojust, including 6 joint investigation teams, most of which related to swindling, fraud and money laundering. In 2025, Bosnia and Herzegovina ratified an agreement with the EU on judicial cooperation in criminal matters with Eurojust; the country now needs to conclude a working arrangement. A working arrangement between the Prosecutor’s Office of Bosnia and Herzegovina and the European Public Prosecutor’s Office (EPPO) is in place. In 2024, the EPPO sent three requests for mutual legal assistance to the authorities of Bosnia and Herzegovina.

### Legal and irregular migration

The legal framework for managing legal and irregular migration is partially aligned with the EU *acquis*. The management of legal and irregular migration needs to be further improved.

#### Legal alignment, strategic and institutional frameworks

There is still no budget allocated to implement the 2021-2025 strategy and action plan on migration and asylum. Bosnia and Herzegovina increased its annual quota of work permits for foreign employment to 7 229 in 2025 (compared with 5 798 in 2024), reflecting labour market demands. Authorities should develop a comprehensive approach to labour migration, and ensure that a due diligence mechanism is in place to prevent labour exploitation, and that legal pathways for third country nationals prevent irregular secondary movements to the EU.



#### Implementation and enforcement capacity

Bosnia and Herzegovina did not make progress in taking over responsibility for managing temporary reception centres. The competent agencies remain significantly understaffed and only very limited funding is available to manage migration. Coordination and the sharing of responsibility among all levels of government remain

insufficient. In 2024, fewer people entered the country irregularly than in 2023 (25 284 cases reported;

26.5% decrease). A total of 40 385 migrants were registered as staying in the four EU-funded temporary reception centres in the Una-Sana and Sarajevo cantons throughout 2024. Reception capacities are adequate, and the Service for Foreigners' Affairs of the Ministry of Security is registering most migrants staying in the reception centres.

Bosnia and Herzegovina needs to improve the legal framework and implementation procedures for voluntary and forced return, which remain mostly based on donors' assistance. In 2024, Bosnia and Herzegovina carried out over three times more voluntary returns than in 2023 (446 in 2024; 123 in 2023) and 14 forced returns (compared with 43 in 2023) to countries of origin.

Bosnia and Herzegovina has readmission agreements with the EU which continued to be implemented, together with protocols, further facilitating its implementation, signed with 13 Member States. A total of 62 persons were returned under these agreements. Accelerated readmission procedures with neighbouring countries remain suspended, except with Croatia. Discussions to conclude readmission agreements with third countries and further agreements or arrangements with countries of origin should continue. In 2024, Bosnia and Herzegovina accepted 3 255 migrants returned from Croatia under the bilateral readmission agreement (2 458 in 2023). Violent collective expulsion (pushbacks) of migrants and asylum seekers back into Bosnia and Herzegovina continued to be reported. The country also takes part in the Global Alliance to Counter Migrant Smuggling, and is invited to renew its engagement at the occasion of the Global Alliance's second conference scheduled to take place at the end of 2025.

## Asylum

The legal framework on asylum is broadly aligned with the EU *acquis*, and the management of asylum procedures needs to be improved.

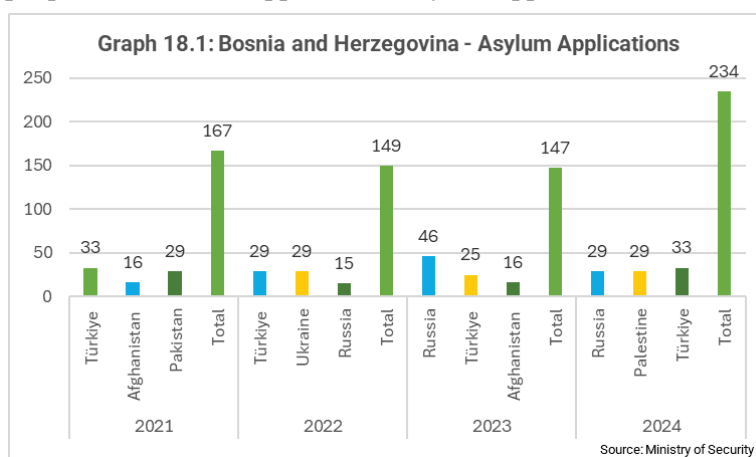
### Legal alignment, strategic and institutional frameworks

Bosnia and Herzegovina needs to guarantee access to quality and effective asylum procedures. Cooperation with the EUAA is satisfactory, and the country signed a new roadmap on asylum in March 2025. In April 2025, an assistant minister was appointed in charge of the Asylum Sector of the Ministry of Security; however, the Asylum Sector remains understaffed.

### Implementation and enforcement capacity

In 2024, 21 489 people expressed their intention to seek asylum in Bosnia and Herzegovina (compared with 27 915 in 2023), out of which 234 people submitted an application. Asylum applications in 2024 increased by 59% compared with 2023 while remaining very low (1%) compared to the number of people who expressed an intention to apply for asylum.

The average processing time for asylum requests slightly increased to 225 days, compared with 211 days in 2023. There is an overreliance on subsidiary protection. Out of 234 applications lodged in 2024, two persons received refugee status and 97 persons received subsidiary protection.



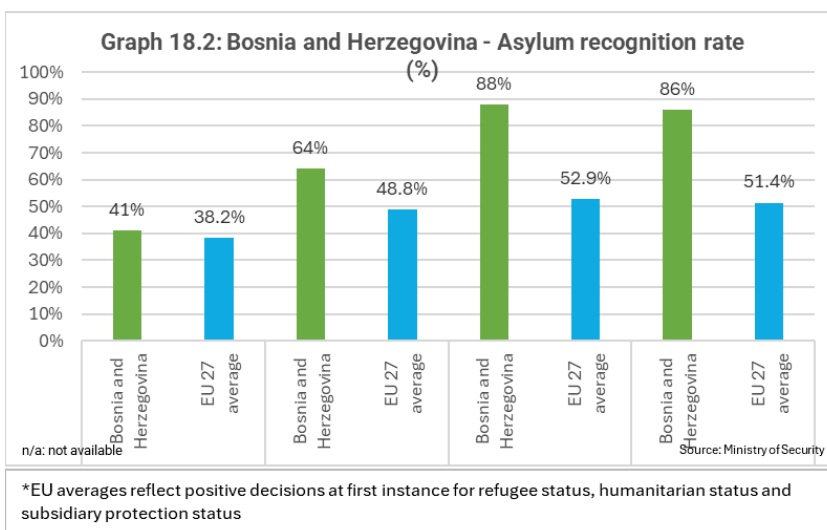
Practical obstacles remain to accessing the asylum procedure. One of these obstacles is that asylum seekers cannot register their claims at their own initiative, despite this being provided for by law. Further alignment is needed on strengthening the asylum and reception systems, particularly to ensure standardised examination of applications for international protection and systematic access to procedural guarantees. Unaccompanied migrant children face specific challenges, such as accessing

safe accommodation and asylum procedures.

In 2024, a total of 275 Ukrainian refugees resided in Bosnia and Herzegovina (2 013 in 2023), benefiting from renewable temporary residence on humanitarian grounds for six months.

The country should make its fingerprint systems compatible with EURODAC standards.

No cases of *refoulement* were reported in the reporting period. The budget for the integration of refugees is sufficient. The Delijaš asylum centre has good reception conditions but is underutilised (only 20 residents in 2024), in part due to its remote location.



In 2024, 1 420 asylum applicants from Bosnia and Herzegovina were registered in the EU-27 (-11.5% compared with 1 605 in 2023).

### Visa policy

The country's visa policy continues not to be fully aligned with that of the EU. Bosnia and Herzegovina needs to terminate visa-free regimes with Azerbaijan, Qatar, Kuwait, Türkiye, Russia and China, as well as with Vanuatu, which was removed from the EU's visa-free list in December 2024. The country has seasonal visa-exemption measures for nationals of Saudi Arabia, Bahrain and Oman which are not in line with the EU *acquis* and should be removed.

Pending full alignment, Bosnia and Herzegovina should apply additional security measures, such as increasing the capacity of border guards and engaging with non-EU countries and airlines. Procedures for applying for and issuing visas are harmonised with the EU *acquis*. The rulebook on the registration of biometric features of foreigners was adopted in July 2025. The country should start using external service providers and commercial intermediaries. Bosnia and Herzegovina still does not have a fully functional central visa information system.

The country needs to introduce additional checks on the procurement and manufacturing of biometric travel documents. Security features and procedures for applying for and issuing travel documents, notably biometric passports, are fully aligned with EU standards.

### Schengen governance and external borders

The legislative and strategic framework for the management of external borders is partially aligned with the EU *acquis*, and the management of borders needs to be improved.

#### Legal alignment, strategic and institutional frameworks

In January 2025, Bosnia and Herzegovina adopted a Law on border control aiming to align its legislation with the EU *acquis*. The law enables to introduce the advanced passenger information (API) system, which should be set up without delay. The country needs to adopt legislation to introduce the passenger name record (PNR) system. In July 2025 the Council of Ministers adopted the 2025-2029 strategy and action plan for integrated border management.

In June 2025, Bosnia and Herzegovina signed the Frontex status agreement with the EU. Upon request of Bosnia and Herzegovina, Frontex will be able to deploy border management teams with executive powers. As of September 2025, there were nine Frontex-deployed officers, with further deployments pending the conclusion of the necessary operational plan between Frontex and the Border Police. Negotiations for an updated working arrangement with Frontex are ongoing.

The joint risk analysis centre improved its working methods and continued to make progress in exchanging police data with neighbouring countries and Member States. Bosnia and Herzegovina needs to establish a national coordination centre in line with the Frontex Regulation.

#### Implementation and enforcement capacity

The Border Police remains understaffed, with a quarter of vacancies still not filled. Between March and July 2025, the then political leaders of the *Republika Srpska* entity continued to travel abroad despite countrywide arrest warrants, which raises questions of effectiveness and accountability of the Border Police.

Inter-agency cooperation on fighting irregular migration continued, with support for border surveillance operations. Joint preventive operations against trafficking in human beings and smuggling in temporary reception centres led to increased detection of smuggling cases, but the central investigation office within the border police still lacks staff. The prosecutorial response to migrant smuggling improved, with final convictions increasing by over four times. Border Police cooperation with neighbouring countries continued, with joint operations taking place. Border infrastructure and equipment are yet to be improved. Bosnia and Herzegovina needs to eliminate illegal border crossings, particularly on the border with Montenegro. The Border Police has an anti-corruption plan in place and officers attend regular training.

#### **Counterfeiting of the euro (criminal law aspect)**

Bosnia and Herzegovina's legislation on the suppression of counterfeit currency is not aligned with the EU *acquis*. The four criminal codes in force across the country are not in line with the EU *acquis* on protection against counterfeiting. Law enforcement and judicial authorities are in place to deal with counterfeit currency.

## 2.3. ECONOMIC CRITERIA

<i>Table 19:</i>	<b>2016-21</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
<b>Bosnia and Herzegovina - Key economic figures</b>	average			
<b>GDP per capita</b> (% of EU-27 in PPS) <sup>1)</sup>	32	34	36	35
<b>real GDP growth</b> <sup>2)</sup>	2.9	6.2	4.1	2.6
<b>Activity rate of the population aged 15-64 (%)</b> , total	56.0	59.1	59.8	61.8
<i>female</i>	43.9	46.3	47.0	49.3
<i>male</i>	67.8	71.8	72.3	74.0
<b>Unemployment rate of the population aged 15-64 (%)</b> , total	19.3	15.5	13.3	12.8
<i>female</i>	22.7	19.9	16.7	16.7
<i>male</i>	17.2	12.7	10.9	10.2
<b>Employment of total population</b> (annual growth %) <sup>3)*</sup>	2.4	2.3	1.4	0.5
<b>Nominal wages</b> (annual growth %)	3.0	11.7	13.0	9.8
<b>Consumer price index</b> (annual growth %)	0.5	14.0	6.1	1.7
<b>Exchange rate against EUR</b>	1.96	1.96	1.96	1.96
<b>Current account balance</b> (% of GDP) <sup>2)</sup>	-3.1	-4.3	-2.2	-3.9
<b>Net foreign direct investment, FDI</b> (% of GDP) <sup>2)</sup>	2.2	3.1	3.3	3.4
<b>General government balance</b> (% of GDP)	0.3	-0.4	-1.2	-1.9 <sup>3)</sup>
<b>General government debt</b> (% of GDP)	35.0	29.3	26.4	27.4
<i>Notes:</i>				
1) Eurostat				
2) Expenditure side GDP, Agency for statistics data revision 30 Sept.2025				
3) Agency for statistics, Central Bank of Bosnia and Herzegovina				
* There is no comparable time series for the age group 15-64				
Sources: Agency for statistics, Central Bank of Bosnia and Herzegovina and Eurostat				

### 2.3.1. The existence of a functioning market economy

#### Economic governance

**Economic governance deteriorated in 2024 due to resurfacing political tensions.** Policy formulation and implementation continued to be impeded by highly politicised decision-making processes, institutional fragmentation and insufficient cooperation among key stakeholders, in particular from the *Republika Srpska* entity. The notorious delays in agreeing on the budget for State-level institutions continues to impede their functioning and to erode their capacities. The quality and credibility of fiscal policy has further deteriorated in 2024, mainly due to its focus on short-term objectives, such as raising social transfers and wages well beyond productivity increases. Longer-term challenges (such as stemming brain drain and increasing the country's growth potential), or upcoming economic issues, such as the impact of the introduction of the EU's carbon border adjustment mechanism (CBAM), are not adequately addressed. Progress on overdue structural reforms has remained very limited. The Economic Reform Programme (ERP) was again submitted with a significant delay in 2024, for the fourth time in a row. The programme's quality continues to suffer from a lack of both internal consistency and cooperation between the various stakeholders.

**Implementation of the policy guidance jointly adopted at the May 2024 Economic and Financial Dialogue with the EU has remained limited.** Limited progress has been made since then to improve the country's statistics, especially in the area of public finance. The 2025-2027 global fiscal framework was not adopted in time, and no steps were taken to clarify the constitutional competence for setting up a central (countrywide) registry of bank accounts of private individuals. The bank



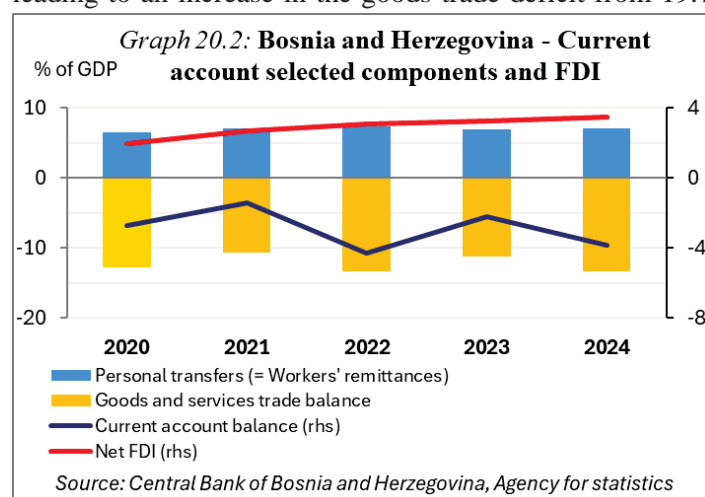
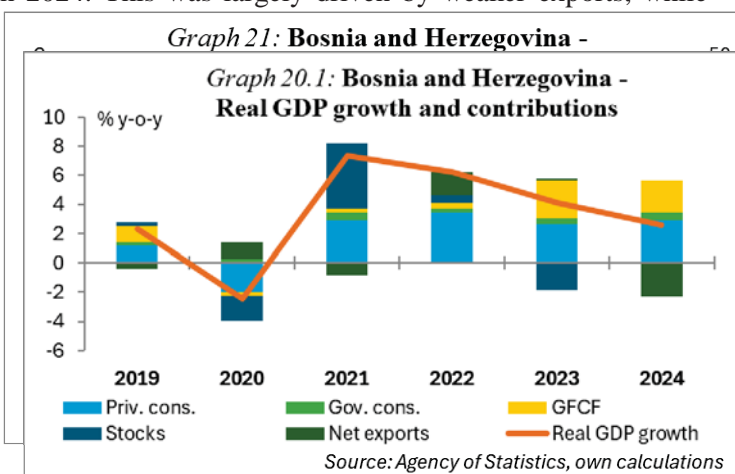
resolution framework is not fully operational. The Central Bank continued to ensure full convertibility of the domestic currency, while its governing board is complete and functioning.

### Macroeconomic stability

**Economic activity was resilient in 2024 but weakened in early 2025.**<sup>10</sup> Real GDP growth decelerated from 4.1% in 2023 to 2.6% in 2024. This was largely driven by weaker exports, while import growth held up, reflecting stronger domestic demand. In the first half of 2025, output growth slowed down to about 1.7%, driven mainly by weakening domestic demand. The process of catching up with EU living standards has remained slow, with GDP per capita in purchasing power standards at 35% of the EU average in 2024, one percentage point (pp) lower than in 2023 and only 3 pps higher than in 2019.

**A weak export performance during the reporting period led to a marked deterioration of the current account deficit.**

Deficit increased from 2.2% of GDP in 2023 to 3.9% in 2024, mainly due to a reduction in goods exports (which fell by 1.5% of GDP) and an increase in imports (which rose by 0.9 % of GDP), leading to an increase in the goods trade deficit from 19.7% of GDP in 2023 to 21.3% in 2024. The



weak export performance was broad-based, but in particular affected mineral products, base metals and footwear, while exports of military materials and transport vehicles performed significantly better. The services trade surplus stood at around 8% of GDP in 2024, benefitting from strong tourism revenues. The surplus in the secondary income balance, primarily consisting of remittances, increased slightly from 9.6% of GDP in 2023 to 9.8% in 2024. Net foreign direct investment (FDI) inflows rose slightly from 3.3% of GDP in 2023 to 3.4% in 2024, financing the bulk of

the external deficit. About 40% of those inflows were reinvested earnings.

**Headline inflation picked up from 1.7% in 2024 to 3.8% on average in the first seven months of 2025.** The main drivers for this recent increase were strong price increases for food (+8.8%), health and restaurants (+6.5% each). The measurement of inflation suffers due to the lack of disaggregated data from the *Republika Srpska* entity. The country's statistics office does not yet publish data on core inflation, while the Central Bank has started to publish its own estimates. These methodological shortcomings greatly impede the analysis of inflationary dynamics.

**A strong rise in public spending led to an increase in the fiscal deficit from 1.2% of GDP in 2023 to 1.9% in 2024, despite strong economic growth and significantly higher revenues.** Higher than expected revenues were largely used to finance additional spending, primarily for higher wages, pensions and increased social transfers. The main reasons behind the improved revenue performance

<sup>10</sup> GDP growth figures in this paragraph reflect the data released on 30 September 2025 by the Agency for Statistics of Bosnia and Herzegovina (BHAS).



were: (i) indirect tax revenues being boosted by strong household consumption; and (ii) higher revenues from social contributions due to higher wages. On the spending side, social transfers and collective consumption rose by 0.7% of GDP from 32.9% of GDP in 2023 to 35.2% of GDP in 2024. Public investment rose slightly from 3.5% of GDP in 2023 to 3.9% in 2024. General government debt rose from 26.4% of GDP at end-2023 to 27.4% at end-2024. The recent increases in current spending in response to a temporary inflation-driven revenue increase have structurally weakened the country's fiscal position. Adopted budgets for 2025 suggest a further increase in the fiscal deficit towards 2.5% of GDP. Overall, any assessment of the country's budgetary position and public debt is severely constrained by: (i) a lack of timely, countrywide fiscal data; (ii) weak compliance with EU accounting standards; and (iii) a significant level of payment arrears and contingent liabilities.

**The macroeconomic policy mix has deteriorated and does not adequately address the country's main challenges.** Bosnia and Herzegovina's currency board regime, which is an anchor of stability, limits the country's room for monetary policy. For this reason, fiscal policy is the key macroeconomic policy tool to manage aggregate demand. However, there is *de facto* no countrywide fiscal planning or *ex ante* coordination of fiscal planning between the State and the entities, as existing legislation requiring this is not being complied with. In June 2025, the Federation entity adopted legislation to issue Eurobonds without State-level approval and to increase borrowing limits from local banks. In the *Republika Srpska* entity a similar practice is already in place. This further impedes the country's ability to pursue a coordinated, countrywide fiscal policy. The country's fiscal stance and its structural fiscal position have worsened in 2024 and 2025 with procyclical spending increases in 2024 and further spending increases in 2025, largely consisting of additional expenditure on consumption and transfers. At the same time, public investment remains low, failing to increase the country's growth potential. This short-term-oriented fiscal stance fails to address the country's structural challenges, such as: (i) the overall low speed of convergence with the EU; (ii) a poor business environment; (iii) insufficient domestic and foreign investment; and (iv) significant labour market issues due to skill mismatches and a persistent and substantial brain drain.

#### Functioning of product markets

##### *Business environment*

**The institutional and regulatory business environment has further weakened.** Although property rights are largely well established, implementing these rights remains cumbersome in some areas, such as in real estate registration. The backlog in civil and commercial litigious cases at first instance has increased slightly (by about 1%) in 2024. The long duration of court cases impedes contract enforcement, in particular for the settling of commercial disputes. Doing business across the entire country continues to be impeded by technical and administrative obstacles, such as: (i) the need to obtain the same licences or permits in each entity or local government area; (ii) locally diverging rules and standards such as for construction permits; or (iii) the need to pay a range of some 3 500 different local taxes and fees. This prevents competition and deters both domestic and foreign investors. Not surprisingly, the number of foreign 'green field' investors and the growth of medium-sized companies has remained very limited. The economic and social dialogue between the authorities, social partners and academia further declined during the reporting period. This has a negative impact on the quality of adopted legislation, as in the case of the poorly prepared increase of the minimum wage in both entities.

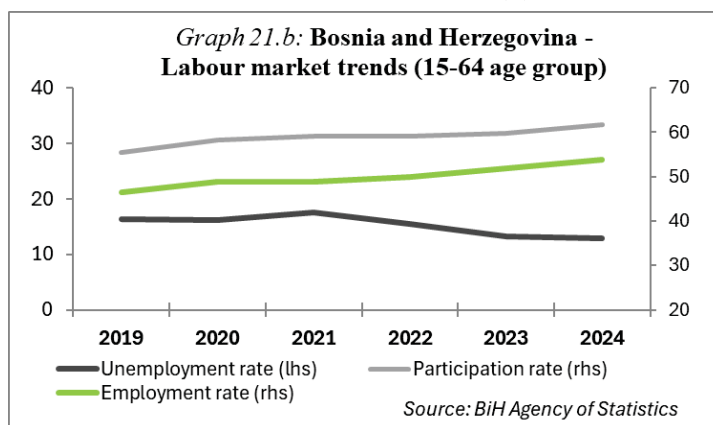
**The informal economy and the level of corruption remain sizeable.** Despite some efforts to increase employment registration, the informal sector continues to be large, accounting for up to one third of GDP. Undeclared work provides substantial employment and income but distorts competition and erodes the tax base. Together with under-reported wages, this results in lower pension benefits, increases the risk of poverty for older people, and adds to an already significant fiscal burden on registered labour. Transparency International's country-corruption index for 2024 shows a drop by 2 points compared with 2023 and a further fall in the country's ranking by six places, to 114<sup>th</sup> out of 180, indicating an increase in perceived corruption.

##### *State influence on product markets*

**State influence in the economy remains large.** About one third of total employment is in public administration, health, education and publicly owned enterprises. Many of these public enterprises remain unreformed despite ongoing poor performance. Public procurement procedures continue to be complex, and administrative capacities remain low. This facilitates corruption and leads to a preference for domestic suppliers, which is incompatible with the EU *acquis* (see also Chapter 5 – public procurement). There is still a wide range of regulated prices in the economy. The official level of State aid is relatively low (at 1.1% of GDP in 2022), although significant indirect State support continues to undermine the level playing field. Monitoring and control of State aid is still hindered by both (i) the only partial legal alignment with the EU State aid framework; and (ii) the lack of consistent enforcement of State aid rules throughout the country. The State Aid Council's powers and capacities remain limited.

#### *Privatisation and restructuring*

**No progress was achieved during the reporting period on the restructuring of publicly owned companies.** Some 540 companies are owned or controlled by different levels of government, accounting for about 10% of total employment and about one quarter of public-sector employment. The debt of those public companies is substantial, amounting to nearly 30% of GDP, with a high share of short-term liabilities. Contingent liabilities with a high risk of realisation account for about 5% of GDP. Monitoring and management of those debt risks is often insufficient. Close to half of those companies require both explicit and implicit budgetary support, which is a heavy burden on the public finances. Although legislation partially provides for open and transparent selection procedures, in practice appointments to boards of public companies are highly politicised. Some of the public enterprises benefit from a less strict collection regime when it comes to paying taxes and social contributions, accumulating payment arrears. This also allows them to pay wage premiums, which puts them in an advantageous position when compared with private companies. Actual steps to restructure, dissolve or privatise public enterprises remained very limited. However, there have been some steps in the *Republika Srpska* entity towards strengthening the management and oversight of the entity's publicly owned enterprises. Functional mechanisms and capacities for effective oversight and governance of public enterprises are still lacking. While the *Republika Srpska* entity has started publishing a consolidated report on the financial performance of publicly owned enterprises, a countrywide report is still missing. This represents a significant gap in transparency and accountability. The *Republika Srpska* entity still lacks an updated single register of public companies, and the Federation entity has not yet put in place units to oversee and manage public companies.



#### Functioning of the financial market

**The financial sector remained stable and asset-quality indicators remained solid during the reporting period, although some weaknesses remain.** Banks have robust capital and liquidity buffers, while bank profitability remained solid in the reporting period. Bank deposits grew robustly (by 7.6% in 2024 and 7.8% in the first seven months of 2025) while nominal credit growth accelerated to 9.0% in 2024, and 10% in the first seven months of 2025. Bank lending as a share of GDP rose from 46.2% in 2023 to 48% in 2024. The ratio of non-performing loans continued to decline, from 3.5% in the second quarter of 2024 to 2.9% in the second quarter of 2025. However, credit risks appear markedly higher in some smaller, domestically owned banks. During the reporting period, the entity-level banking supervisory authorities extended measures to contain the increase in domestic lending rates. They did this to preserve households' repayment capacity and discourage higher-risk lending. A comprehensive assessment of financial-sector risks is hampered by both: (i) gaps in data availability, particularly in the real-estate sector and on private debt; and (ii) the overall fragmentation of the domestic financial market. Bosnia and Herzegovina does not have a countrywide financial

safety net, such as a single resolution framework. The size of the non-bank financing sector and of the capital markets remained small, with a stock market capitalisation of about 22.5% of GDP at the end of 2024. For many micro and small companies, gaining access to credit remained difficult.

#### Functioning of the labour market

**Recent labour market improvements have slowed down, but high levels of youth and long-term unemployment, low labour participation, and labour shortages all point to persistent structural weaknesses.** Registered employment growth slowed down to 0.1% in the first seven months of 2025, compared to 0.4% the year before. There were job losses in manufacturing, while the construction, trade, tourism and health sectors registered moderate employment growth. The unemployment rate according to the labour force survey rose from 12.7% on average in 2024 to 13.3% in the first half of 2025. Youth unemployment (those aged 15-24) rose from an average of 29.9% in 2024 to 34.6% in the first half of 2025. Plans to establish the EU Youth Guarantee scheme have been further delayed. A relatively high inactivity rate among women contributes to an overall rather low activity rate. The level of informal employment remains high. Significant numbers of workers continued to leave the country during the reporting period, leading to labour shortages and damaging the country's medium-term growth potential. In response, the authorities have increased available quotas for foreign employment permits. Long-term unemployment as a share of total unemployment slightly declined but was still a very high 73.2% in 2024. The key causes of this are skills mismatches, insufficient job opportunities and a high tax wedge on labour. The impact on the labour market of the recent reduction of the tax wedge might be observable only at a later stage. Measures to address the high youth and structural unemployment and skill mismatches have remained limited and fragmented at cantonal and entity level. Official real wages grew by 8.1% in 2024 and some 10% in the first seven months of 2025, while labour productivity growth during this period was significantly lower, at around 2-2.5% annually. Such above-productivity wage increases could fuel inflationary pressures and hamper the country's external competitiveness.

#### **2.3.2. The capacity to cope with competitive pressure and market forces within the EU**

##### Education and innovation

**Measures to develop the country's human capital have remained insufficient.** Despite a large number of local-level education and research strategies, efforts to coordinate these activities in a highly fragmented institutional set-up have remained limited. As a result, despite sizeable public spending on education (some 4% of GDP), the education system does not sufficiently provide the workforce with the required skills and knowledge, in particular in view of the upcoming green and digital transitions. The insufficient coordination among the many stakeholders in the education sector leads to both a lack of common standards in education and differences in the quality of teachers' training and performance evaluation, both of which impede labour mobility. In 2020, the country stopped participating in the Programme for International Student Assessment (PISA) evaluation, abandoning an important source of information for education policy. Some measures have been taken at local level to modernise education curricula and increase available funds. In a positive development, Bosnia and Herzegovina joined the European Alliance for Apprenticeships (EaFA) in October 2024, showing its commitment to improve its systems for vocational education and training and to take measures to increase youth employment. Investment in research and development has remained low, while the lack of coordination in this area results in overall poor spending efficiency. No progress was made during the reporting period in improving the functioning of science and technology parks.

##### Physical capital and the quality of infrastructure

**Bosnia and Herzegovina's fixed capital endowment continues to remain insufficient for reaching a higher growth potential.** Ongoing political deadlock and uncertainties, along with inadequate progress in improving public investment management procedures, have negatively affected public and private investment. This has prevented the country from reaching a higher growth trajectory. Net FDI inflows continue to remain significantly lower than in other countries of the region, at 3.4% of GDP in 2024 and 3.3% in the first quarter of 2025. Some progress has been made – largely with foreign financing – in improving road infrastructure, and there are local initiatives aimed at attracting

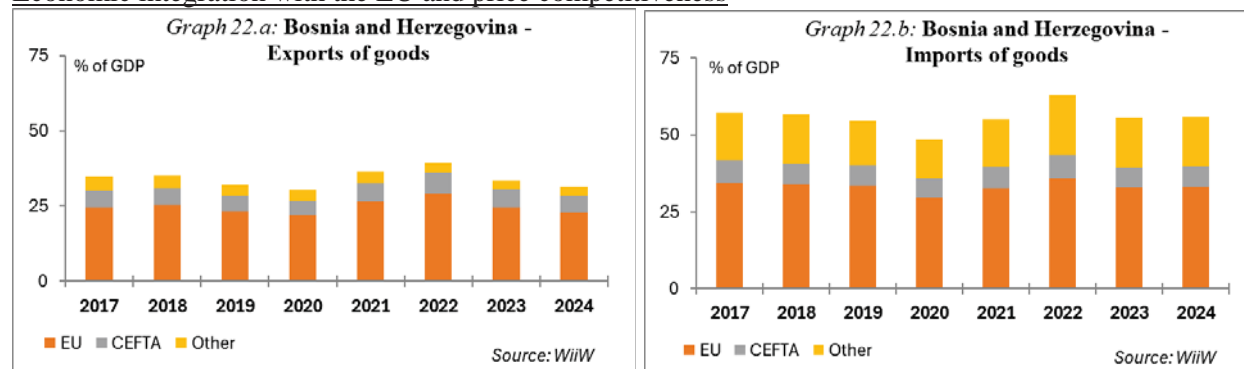
investment. The energy sector relies heavily on lignite coal with a high level of CO<sub>2</sub> emissions per unit of energy production. Efforts to improve the energy mix by allowing solar-generated electricity to access the country's energy grid are insufficient. The absence of a unified regulatory framework hampers investments in renewable energy sources. While the country has begun drafting a national energy and climate plan (NECP), this has yet to be adopted. Environmental standards remain low and are frequently neglected. This is detrimental to the health (and thus productivity) of the labour force.

**The degree of digitalisation of government services remains relatively low.** Insufficient coordination, cooperation and data exchange between administrations slow down progress. An important example in this respect is the failure to agree on a countrywide harmonisation of e-signature systems. Furthermore, appropriate legislation and countrywide institutions in line with European standards are missing.

#### Sectoral and enterprise structure

**Bosnia and Herzegovina's production structure is gradually shifting towards services.** The share of production-oriented sectors (manufacturing, electricity production, water management) in total value added declined between 2019 and 2024 (from 35.2% of gross value added to 30.3%) while the share of trade and tourism, IT and administrative services increased (from 33.1% of gross value added to 37.2%). The number of registered active companies has increased in recent years. However, this has mostly been driven by micro companies (0-9 employees) in the trade sector. Some 90% of all companies are small and micro businesses (i.e. with less than 50 employees).

#### Economic integration with the EU and price competitiveness



**Trade and investment integration with the EU remained high, despite weak demand in 2024 from key EU trading partners.** In 2024 and the first half of 2025, Bosnia and Herzegovina's external trade experienced a slight diversification away from the EU, mainly due to weaker exports to key EU trading partners, such as Germany and Italy and stronger trade with non-EU neighbours such as Serbia. As a result, the share of trade with the EU remained at some 73% of total trade, while trade with the CEFTA countries rose from 15.9% in the first 7 months of 2024 to 16.9% in January–July 2025. Bosnia and Herzegovina's openness to trade (exports and imports as a percentage of GDP) stood at 97.4% of GDP in 2024, largely back to its pre-COVID-19 level. This remains relatively low given the small size of its economy. The composition of the country's exports is not very diversified, relying strongly on basic metals, machinery and chemical products. About two thirds of the FDI stock originates from EU countries.

**Domestic wage pressures affect the country's external competitiveness.** Significant increases of nominal wages in 2023 and 2024 risk to negatively affect the country's export industries. The nominal effective exchange rate of the domestic currency appreciated in 2024 due to its peg to the euro, which appreciated against the currency of key third-country trading partners, in particular the Turkish Lira. However, when using the consumer price inflation (CPI) as a deflator, Bosnia and Herzegovina's real effective exchange rate depreciated in 2024 as a consequence of higher average inflation rates in key export destinations, such as Türkiye, Serbia and Croatia. In the first half of 2025, both indicators appreciated, again mainly due to the appreciation of the EUR exchange rate against the country's main trading partners.



## 2.4. PUBLIC PROCUREMENT, STATISTICS AND FINANCIAL CONTROL

### Chapter 5: Public procurement

*EU rules ensure that public procurement of goods, services and works in any Member State is transparent and open to all EU companies on the basis of non-discrimination and equal treatment.*

#### Institutional set-up and legal alignment

The **legal framework** is partially in line with the EU *acquis*. The public procurement strategy for 2024-2028 and its action plan are being implemented with the aim to draft a new public procurement law.

The legal framework for concessions and public-private partnerships (PPPs) remains fragmented and not aligned with basic EU principles, lacking strategic planning and efficient review mechanisms. The competent institutions at State and entity level should jointly develop a roadmap to harmonise the legal framework with the EU *acquis* including measures for improved coordination and consistent application throughout Bosnia and Herzegovina.

Implementation of the Law on public procurement lagged behind. Further alignment is necessary with EU procurement practices, procedures and concepts, including innovation partnership, dynamic purchasing system, electronic catalogues, best price-quality ratio and life-cycle costing. Further reforms are needed to fully integrate electronic communication and information exchange into the procurement process to enhance efficiency and reduce bureaucracy. Despite improvements, the system still lacks user-friendly features or full e-communication functionalities to achieve its full impact. In 2024, the activities under the action plan accompanying the public procurement strategy were successfully implemented.

#### Implementation and enforcement capacity

The share of **public procurement market** in the total nominal GDP for 2024 is 9.8%, down from 10.3% in 2023. The average number of bids per tender remains low at 1.75 in 2024.

In **monitoring the award and implementation of contracts**, the administrative capacities of the Public Procurement Agency (PPA) is insufficient to fulfil its tasks. Its role should be strengthened to identify potential weaknesses and irregularities in procurement procedures. Better coordination is needed with the Competition Council and with the audit and judiciary institutions. The use of the negotiated procedure without prior publication of all awarded contracts decreased slightly (5.1% in 2024 compared with 6.1% in 2023). Over half of tenders received only one bid, and 75.2% of public contracts used price as the only award criterion. There is no mechanism to coordinate the interpretation of public procurement legislation between the key institutions.

**The capacity to manage public procurement processes** is weak. Specialised procurement functions need to be established in each contracting authority. More efforts are needed to improve integrity and avoid conflicts of interest in public procurement, which remains prone to irregularities and vulnerable to corruption. The Public Procurement Agency organised specialised training for most contracting authorities and strengthened its cooperation with prosecutors and civil society to monitor violations of procurement rules. Cooperation with the courts and with civil society needs to be strengthened.

#### Efficient remedy system

The legislation on the **right to legal remedy** is partially in line with the EU *acquis*. The Procurement Review Body (PRB) faces insufficient technical capacity and a high volume of appeals (3 072 in 2024, 4 038 in 2023), compounded by challenges with case law accessibility, prolonged appeals and legal loopholes disrupting procurement processes. Improved search function for decisions of the Procurement Review Body and judgments of the Court of Bosnia and Herzegovina have been available since June 2025 in line with SIGMA recommendations.



## Chapter 18: Statistics

*European statistics are developed, produced and disseminated by EU Member States, guided by the principles and quality criteria laid down in the Regulation on European statistics, such as professional independence, impartiality, reliability, accessibility and statistical confidentiality. Common rules are provided for the methodology, production and dissemination of statistical information, which are further specified in sectoral legislation that constitute the EU *acquis* on statistics.*

As regards **statistical infrastructure**, the Law on statistics still needs to be aligned with European standards and integrate the principles of the European statistics code of practice. The Agency for Statistics of Bosnia and Herzegovina (BHAS) needs to strengthen its coordination role towards other domestic authorities producing official statistics.

On **classifications and registers**, the statistical business register is in place, but data received from administrative sources remains insufficient. The main statistical classifications are in place. However, the equivalent to NUTS II regions has only been provisionally defined and is accepted by the European Commission until Bosnia and Herzegovina finalises the entire classification and includes in it also the definition of the equivalent to the NUTS III level.

On **macroeconomic statistics**, national accounts are not aligned with the EU *acquis*, and a master plan to align national accounts needs to be agreed among the three statistical institutes at State and entity level. Furthermore, Bosnia and Herzegovina needs to provide the Commission with its GDP per capita figures, harmonised at NUTS II level. The sector classification is complete except for the sub-sectors of the general government sector.

As regards government finance statistics and excessive deficit procedure (EDP) tables, Bosnia and Herzegovina should improve sector coverage, timeliness and coverage of transactions, in line with ESA 2010, and resume regular submission of government finance statistics (GFS) and EDP tables to Eurostat. The series of GDP data at State and entity level must be methodologically harmonised. The country does not send harmonised indices of consumer prices data to Eurostat.

On **business statistics**, short-term statistics for industry, construction and services need to be established in line with the EU *acquis*. Regarding statistics on international trade in services, the amount of publishable data was increased but more timely and consistent datasets need to be produced and submitted. Foreign affiliates statistics still need to be aligned with the EU *acquis*. The results of the structure of earnings survey (SES), conducted for the first time, were published in December 2024.

On **science, technology and innovation statistics**, a web questionnaire was developed by the statistical offices to collect information about the use of ICT by companies. It was used in February 2025 with the aim of improving the data collection process. A two-year survey on innovation activities of enterprises 2022-2024 is being carried out.

On **social statistics**, a full-scale survey of income and living conditions is conducted annually, but further efforts are needed to align data quality with the EU *acquis*. A labour force survey is conducted regularly. On public health statistics, fully compliant healthcare expenditure data were transmitted to Eurostat. The three statistical institutes need to improve the collection of sex-disaggregated data and statistics, including data about persons with disabilities and their labour market participation, as well as about occupational accidents and occupational diseases. All three statistical institutes developed their demographic resilience portal.

On **agricultural statistics**, preparations are ongoing for the agricultural census, which is now planned to take place from October to December 2026. On **population and housing census**, Bosnia and Herzegovina should finalise and adopt the Law on census of population, households and dwellings, adopt the roadmap and carry out the census.

Regarding **environmental statistics**, available data for the economic account environmental tax were sent to Eurostat for the period 2017-2024. For the first time, BHAS published the statement on environmental taxes by economic activities. On **energy statistics**, further work is needed to improve

the quality of data in line with the EU *acquis*. BHAS has continued to improve **transport statistics** and continued cooperation with the Directorate of Civil Aviation.

## Chapter 32: Financial control

*The EU promotes the reform of national governance systems to improve managerial accountability, sound financial management of income and expenditure, and external audit of public funds. The financial control rules protect the EU's financial interests against fraud in the management of EU funds and protect the euro against counterfeiting.*

### Public internal financial control

The implementation of the strategic and legislative frameworks across all levels of government remains inconsistent. The strategic framework, laid out in PIFC strategies 2020-2025, continued to be implemented in a harmonised way by the PIFC coordination board, composed of central harmonisation units (CHUs) located in the ministries of finance at State, entities and Brčko District level. Annual PIFC reports for 2024 were adopted at State and entity level.

**Managerial accountability** guidelines are in place for State institutions and the Federation entity, and remain to be developed in the *Republika Srpska* entity. Delegation of authority remains limited to the political level and not to senior civil servants. Fragmented, complex and unaccountable administrative structures and the lack of clear lines of accountability hinder the development of public internal financial control.

The legal framework for the functioning of **internal control** is largely in place at all levels of government, but implementation lags behind. Lack of reporting on fiscal risks of public companies in the annual PIFC reports and ineffective fiscal oversight function undermine internal control. Management and control systems remain inadequate and inconsistent, posing significant challenges for risks, irregularities and fraud.

**Internal audit practice** is in line with international standards. Challenges persist in quality assurance, methodological consistency, staffing, comprehensive planning, and implementing audit recommendations. Internal audit remains absent in the Brčko District. Additionally, the lack of quality assurance frameworks aligned with the international professional practices framework (IPPF) remains a significant weakness, undermining the credibility and effectiveness of internal audits. The capacities of central harmonisation units need to be improved to support institutions in implementing recommendations on public internal financial control.

### External audit

The functional, operational and financial independence of State audit offices is set out in the legal framework and is yet to be anchored in the Constitution.f

The **institutional capacity** of supreme audit institutions (SAIs) needs to be strengthened at all levels of government. Some progress was made in launching a modular and customisable audit management system (AMS) for all four supreme audit institutions, to streamline audit workflows, improve traceability, and enhance compliance with international standards, with the aim to improve the **quality of audit work**. The **impact of the audit work** varies: only some 28%-55% of recommendations are implemented, and numerous recommendations are repeated year over year. All supreme audit institutions have strengthened their impact by supervising the implementation of recommendations, conducting follow-up audits, and publishing databases of recommendations issued. However, the inconsistent usage of audit reports by legislative assemblies and low recommendation implementation rates remain problematic. The *Republika Srpska* entity still needs to adopt a communication strategy on external audit.

### Protection of the EU's financial interests

The legal framework is yet to be aligned with the EU *acquis*. Bosnia and Herzegovina should set up an anti-fraud coordination service (AFCOS) to facilitate effective cooperation and exchange of information with the Commission and its European Anti-Fraud Service (OLAF), as envisaged in the

anti-corruption strategy.

#### Protection of the euro against counterfeiting

Bosnia and Herzegovina has not ratified the 1929 Geneva Convention for the suppression of counterfeiting currency. The legal framework is yet to be assessed against the EU *acquis*.

### **3. GOOD NEIGHBOURLY RELATIONS AND REGIONAL COOPERATION**

Good neighbourly relations and regional cooperation form an essential part of Bosnia and Herzegovina's European integration process. They contribute to stability, reconciliation and a climate conducive to addressing open bilateral issues and the legacies of the past.

Bosnia and Herzegovina maintained its involvement in a number of **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, of which it hosts the seat<sup>11</sup>. Bosnia and Herzegovina also chaired the EU Strategy for the Danube Region and the US-Adriatic Charter (A5) in 2025.

The fifth annual **EU-Western Balkans Summit** took place in Brussels in December 2024, reaffirming the EU membership perspective of the Western Balkans and exploring measures to further advance gradual integration. Bosnia and Herzegovina has actively engaged in the regional dimension of the **Growth Plan for the Western Balkans**, participating in both ministerial and leaders' meetings.

On the **Common Regional Market (CRM)**, at the Berlin process summit in London in October 2025, the leaders of the region endorsed a revised and streamlined action plan to implement the Green Agenda for the Western Balkans, adopted a Western Balkans Climate Adaptation Roadmap and committed to make progress in the promotion of regional mobility and implementation of relevant regional agreements and CEFTA decisions.

Bosnia and Herzegovina has ratified four of the five **regional mobility agreements**. Bosnia and Herzegovina signed in October 2024 and subsequently ratified the fifth mobility agreement on access to higher education and admission to studies in the Western Balkans and supported the CRM action plan for 2025-2028. The agreement on the recognition of professional qualifications of nurses, veterinarians, pharmacists and midwives entered into force in December 2024. The country needs to swiftly ratify the mobility agreement on freedom of movement with identity cards.

The **roadmap for roaming** between the Western Balkans and the EU entered its first phase of implementation during the reporting period. Twelve decisions were agreed by the CEFTA joint committee in October 2024 following an agreement between CEFTA members that allowed decision making in the organisation to be unblocked.

Bosnia and Herzegovina continued to cooperate closely with Croatia, Montenegro and Serbia under the **Sarajevo Declaration Process** to find sustainable solutions for refugees and persons displaced by the conflicts in the 1990s. Following the closure of the Regional Housing Programme, Bosnia and Herzegovina made no progress to complete the remaining housing units to ensure the sustainable return of up to 3 100 families, despite a commitment to do so.

Despite progress during the reporting period on the issue of **missing persons**, 7 575 people are still missing as a result of the conflict in the 1990s. 82 missing persons were identified in 2024, and 54 so far in 2025. Regional efforts are needed through the missing persons group established in 2018 under the Berlin Process.

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<sup>11</sup> Bosnia and Herzegovina also actively participates in initiatives such as the Brdo-Brijuni Process; the Central European Initiative; the Adriatic-Ionian Initiative; the EU Strategies for the Danube Region and for the Adriatic-Ionian Region; the Migration, Asylum, Refugees Regional Initiative (MARRI); the Regional School of Public Administration (ReSPA); the Regional Youth Cooperation Office in the Western Balkans (RYCO); the South East European Cooperation Process; and the Western Balkans Fund.

Bosnia and Herzegovina generally maintains good **bilateral relations** with other enlargement countries and neighbouring EU Member States.

Relations with **Albania** are good, with occasional high-level bilateral visits. Albania reopened its embassy in Sarajevo in May 2025.

There are no official relations with **Kosovo**<sup>\*</sup>, as Bosnia and Herzegovina does not recognise its independence. Kosovo unilaterally lifted its requirement for visas for citizens of Bosnia and Herzegovina as of January 2025, although Bosnia and Herzegovina maintains a strict visa regime for people from Kosovo, and still has to ratify the regional mobility agreement on freedom of movement with identity cards. Bilateral meetings and visits took place occasionally during the reporting period. Kosovo's prime minister was received in Sarajevo in December 2024, and Bosnia and Herzegovina's foreign minister visited Pristina in May 2025.

Relations with **Montenegro** are good, with occasional high-level bilateral visits. The agreed border demarcation is yet to be physically marked and illegal border crossings eliminated.

Relations with **North Macedonia** are good, with occasional high-level bilateral visits. Bilateral agreements in place focus on cooperation on EU integration and on economic cooperation.

Relations with **Serbia** are overall good and stable. They continue to be affected by political tensions in relation to the 2024 'all-Serb assembly' and its declaration on 'the common future of the Serbian people'. Every year, senior political leaders from Serbia also attend the unconstitutional *Republika Srpska* entity celebrations on 9 January and other entity-level events. Milorad Dodik continued to receive political and logistical support from Serbia after the arrest warrant and after the final conviction, which the Serbian President and government refuse to accept. As a signatory to the Dayton / Paris Peace Agreement, Serbia is obliged to respect Bosnia and Herzegovina's sovereignty and territorial integrity. The two countries need to reach an agreement on State borders, including on two dams on the Drina river and a part of the Belgrade-Bar railway.

**Türkiye** is a strong international supporter of the country and exchanges at high level are frequent.

Relations with **Georgia** are good. A visa-free regime is in force.

Relations with the **Republic of Moldova** are good, with sporadic bilateral contacts. A visa-free regime is in force. Although both countries are part of CEFTA, trade flows remain low.

Bosnia and Herzegovina supports the territorial integrity and sovereignty of **Ukraine**, condemning Russia's war of aggression. Bilateral relations are generally good but have been affected by the support for Russia's war of aggression expressed by the political leadership of the *Republika Srpska* entity and by the continued non-implementation of restrictive measures against Russia and Belarus by ministries controlled by the SNSD party. Bosnia and Herzegovina took part in the third South East Europe – Ukraine summit in October 2024 but not in the June 2025 summit.

Relations with **Croatia** are good overall, although affected by outstanding bilateral issues. High-level bilateral visits took place during the reporting period. The 1999 border agreement has not been ratified by either side. Implementation of the 2001 succession agreement has been affected by issues of private property and acquired rights. Bosnia and Herzegovina continued to object to Croatia's plan to build a facility for radioactive waste at Trgovska Gora near the border. Some 15 000 citizens of Croatia voted from Bosnia and Herzegovina in Croatia's presidential elections in December 2024 and January 2025.

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<sup>\*</sup> This designation is without prejudice to positions on status and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence.

## 4. ABILITY TO ASSUME THE OBLIGATIONS OF MEMBERSHIP

### CLUSTER 2: INTERNAL MARKET

This cluster covers: the free movement of goods (Chapter 1); freedom of movement for workers (Chapter 2); right of establishment and freedom to provide services (Chapter 3); free movement of capital (Chapter 4); company law (Chapter 6); intellectual property law (Chapter 7); competition policy (Chapter 8); financial services (Chapter 9), and consumer and health protection (Chapter 28).

#### Chapter 1: Free movement of goods

*The free movement of goods ensures that many products can be traded freely across the EU based on common rules and procedures. Where products are governed by national rules, the principle of the free movement of goods prevents these rules from creating unjustified barriers to trade.*

##### General principles

Bosnia and Herzegovina does not have a coherent legislative and institutional framework for the **production, distribution and marketing of industrial products**. No countrywide approach or strategy exists for alignment with the EU *acquis* and conflicting regulations have not been repealed. Work is ongoing at technical level to formulate a comprehensive strategy.

##### Non-harmonised area

No steps were taken to align with the obligations of **Articles 34-36** of the Treaty on the Functioning of the European Union. No specific body is empowered to provide notifications of technical regulations.

##### Harmonised area: quality infrastructure

The legal bases and administrative structures to ensure technical regulations, standards, conformity assessment, accreditation, metrology and market surveillance are not aligned with the EU *acquis* and are fragmented. There is still no countrywide strategy for the quality infrastructure in place and coordination among competent institutions remains weak. The standardisation, accreditation, and market surveillance bodies are understaffed.

In 2024, the Institute for **Standardisation** adopted 1 136 European standards. However, conflicting mandatory ex-Yugoslav standards have still not been systematically withdrawn.

On **accreditation**, the designation of conformity assessment bodies and conformity assessment procedures are not applied consistently throughout the country. There are 184 conformity assessment bodies in Bosnia and Herzegovina, comprising 95 testing laboratories, 3 medical and 9 calibration laboratories, 6 product certification bodies and 71 inspection bodies.

Rules on **metrology** are not applied evenly across the country, undermining legal certainty and the single economic space. The Institute of Metrology needs to cooperate and coordinate its activities with the entities' metrology bodies. In December 2024, the Court of Bosnia and Herzegovina annulled the rulebook on TV audience measurement ("peoplemetre"). In July 2025, the Council of Ministers endorsed a draft law on units of measurement aimed at aligning with the EU *acquis*; parliamentary adoption is pending.

**Market surveillance** is still largely based on mandatory standards and pre-market inspections. In 2024, 198 market surveillance inspections were carried out on 197 products, leading to 4 396 products being withdrawn from the market, of which 3 699 were destroyed.

##### Harmonised area: sectoral legislation

On the EU '**new and global approach**' **product acquis**, no alignment with the EU *acquis* has taken place over the past 13 years. Legislation aimed to align with the EU *acquis* is not applied across the country as its legislative framework is fragmented. The *Republika Srpska* entity implements its legislation separately, contrary to a Constitutional Court ruling.

There was no progress on alignment with the EU '**old approach**' **product acquis**, including on registration, evaluation, authorisation and restriction of chemicals (REACH) and on strengthening



administrative capacity in this area, or on classification, labelling and packaging (CLP), or with **procedural measures**.

There are no anti-corruption measures to monitor risks in product safety and no transparency of public bodies when inspecting products for market surveillance and conformity assessment.

## Chapter 2: Freedom of movements for workers

*Citizens of one Member State have the right to work in another Member State and must be given the same working and social conditions as other workers.*

Conditions for EU citizens to **access to the labour market** in Bosnia and Herzegovina are set in the Law on foreigners. The laws on the employment of foreigners in the entities and the Brčko District are not yet fully harmonised with the State-level law. A total of 5 798 work permits were issued in 2024, of which 3 422 work permits in the quota and 2 376 independently of it.

Employment in the public administration is reserved for citizens of Bosnia and Herzegovina. Bosnia and Herzegovina still lacks the countrywide database of vacancies required to join the **European Employment Services (EURES)** network.

In 2024, the Labour and Employment Agency concluded cooperation agreements with the employment services of Slovenia, Montenegro and Türkiye. The **coordination of social security schemes** remains fragmented, with limited administrative capacity and cooperation among authorities. Bosnia and Herzegovina has agreements on social security in place with 18 EU Member States; no new agreements were finalised. Social insurance agreements are in place with Slovenia, Serbia, Montenegro, North Macedonia, Austria, Germany and Hungary.

There was no progress on the **European Health Insurance Card (EHIC)** over the reporting period. Bosnia and Herzegovina should continue to work on concluding additional agreements on social security coordination, in particular with EU Member States, and develop IT infrastructures for EHIC and Electronic Exchange of Social Security Information (EESSI) purposes, as well as administrative capacities in view of joining the future EESSI network.

## Chapter 3: Right of establishment and freedom to provide services

*EU natural and legal persons have the right to establish themselves in any Member State and to provide cross-border services. For certain regulated professions, there are rules on mutual recognition of qualifications. EU rules on postal services focus on improving the quality of universal service, gradual market opening to competition, and the establishment of an independent regulator.*

The legislation on the **right of establishment** and on the **freedom to provide cross-border services** is not aligned with the EU *acquis*. No progress was made to develop a countrywide law on services in line with the EU Services Directive, and no screening of sector-specific legislation took place to prepare it. The point of single contact has not been established. A countrywide inventory of administrative and technical measures is needed to remove barriers to a single economic space and ensure businesses can operate across the country. Strong coordination among all levels of government is a prerequisite to ensure legislative alignment in this area.

The legal framework for **postal services** is partially aligned with the EU *acquis*. A State-level strategy is required to prepare the postal market for full opening to competition. A new postal law at the State level is necessary to ensure consistent countrywide alignment and implementation of the EU postal *acquis*, including the Postal Services Directive and the Regulation on cross-border parcel delivery services. Preparations are ongoing for drafting a postal law and to consult key stakeholders. The Agency for Postal Traffic needs stronger institutional and administrative capacities to monitor and enforce the new postal market rules.

The legislation is not yet aligned with the EU *acquis* and so it does not provide for the **mutual recognition of qualifications for regulated professions** and minimum training requirements for access to certain professions. The national qualifications framework is not yet referenced to the European qualifications framework. The Council of Ministers appointed a contact point on regulated professions. This however is not fully functional as the legislation remains fragmented across the country. A detailed list of regulated professions is also still missing.

## Chapter 4: Free movement of capital

*In the EU, capital and investments must be able to move without restrictions, with common rules for cross-border payments. Banks and other economic operators apply certain rules to support the fight against money laundering and terrorist financing.*

As regards **capital movements and payments**, there was limited progress on the liberalisation of short term capital restrictions. Limited restrictions still remain, such as conditions attached to the granting of loans.

Bosnia and Herzegovina does not provide for equal treatment of foreign and domestic natural persons for the acquisition of real estate, which depends on reciprocity. This should have been remedied by 2021, in line with SAA commitments. Foreigners also cannot own agricultural land.

Regarding payment services, Bosnia and Herzegovina still needs to adopt legislation to align with the EU *acquis* on payments. The *Republika Srpska* entity adopted in November 2024 implementing regulations on electronic money to regulate issuers and require a license by the entity's banking agency, and issued three such licences. In the Federation entity, no legislation is in place and no licenses were issued.

On **anti-money laundering and countering the financing of terrorism** (AML/CFT), a beneficial ownership register of legal persons in line with the EU *acquis* has yet to be established, and a central access point to the competent authorities is yet to be ensured. Bosnia and Herzegovina needs urgently to take the recommended actions from the fifth round mutual evaluation report of Moneyval adopted in December 2024. The financial intelligence unit (FIU) performs the tasks set forth under the AML/CFT Law in an autonomous, operational and independent way.

## Chapter 6: Company law

*The EU has common rules on the formation, registration and disclosure requirements of a company, with complementary rules for accounting and financial reporting and statutory audit.*

On **company law and corporate governance**, Bosnia and Herzegovina's legislation is aligned to a limited extent with the EU *acquis* and needs to be reviewed and harmonised across the country. Bosnia and Herzegovina needs to simplify and harmonise the requirements for businesses and companies to register and operate across the country in a single economic space, notably by interconnecting and coordinating the business registers in the entities and the Brčko District. Further harmonisation is needed on certain aspects of company law, the use of digital tools and processes in company law, cross-border operations (mergers, divisions, conversions) and shareholder rights, including encouraging long-term shareholder engagement.

On corporate reporting, the legislation is aligned to a limited extent with the EU *acquis*. Further alignment with the latest EU *acquis* is needed, especially on country-by-country reporting and transparency requirements for listed companies. As regards financial reporting, the legislation in both entities and the Brčko District prescribes the use of international financial reporting standards (IFRS) for annual and consolidated accounts of all legal persons. Bosnia and Herzegovina still needs to designate one single supervisory body to take ultimate responsibility for the oversight of statutory auditors across the country, in line with the EU *acquis*.

## Chapter 7: Intellectual property law

*The EU has to a large extent harmonised rules for the legal protection and enforcement of intellectual property rights (IPR), covering notably patents, biotechnological inventions and pharmaceuticals, including supplementary protection certificates (SPCs), trade marks, designs, geographical indications (GIs), including craft and industrial GIs, as well as copyright and related rights.*

The intellectual property strategy has expired and has still not been replaced. Some preparations started to further align with the *acquis* on **copyright and related rights**, notably with draft legislative amendments that are pending parliamentary adoption.

On **industrial property rights**, further alignment is needed with the EU *acquis* on patents, trademarks and trade secrets, as well as on topographies of semiconductor products and industrial designs. In June 2025, the Council of Ministers endorsed six draft laws aimed at aligning with the EU *acquis*; parliamentary adoption is pending. Bosnia and Herzegovina still has not acceded to the European Patent Convention as required by the SAA.

Regarding **enforcement**, the Indirect Taxation Authority (ITA) received 91 requests for customs measures based on protected trademarks, one on design, one on patent, one on copyright or related rights and one on geographical indications. It issued 75 decisions on the temporary detention and seizure of goods. The State Investigation and Protection Agency (SIPA) investigated 21 cases, four of which were closed. The administrative and judicial capacity of enforcement institutions on intellectual property rights is insufficient and their coordination needs to improve. Training and awareness-raising should continue, in particular for court officers. Bosnia and Herzegovina continued collaboration with the European Union Intellectual Property Office (EUIPO), notably as regards integration into EUIPO databases and networks.

## Chapter 8: Competition policy

*EU rules protect free competition. They include antitrust rules against restrictive agreements between companies and abuse of dominant position, and also include rules on concentrations between companies which would significantly impede effective competition. EU rules also set out a system of State aid control. Governments are only allowed to grant State aid if restrictive conditions are met, with a view to preventing distortion of competition.*

### Antitrust and mergers

The **legislative framework** on antitrust and mergers is partially aligned with the EU *acquis*. The Law on competition of Bosnia and Herzegovina largely mirrors the rules in the EU treaties on restrictive agreements and abuse of dominant position but needs to be aligned with the most recent EU *acquis*, including implementing legislation.

As for the **institutional framework**, the functioning of the Competition Council is significantly impeded by ethnic-based decision-making, as decisions require support by at least one representative from each constituent people to be adopted. The Law on competition needs amendments to revise voting procedures in line with the EU *acquis*. Regarding **enforcement capacity**, the staff of the Competition Council needs to increase its expertise.

On **implementation**, in 2024 the Competition Council conducted 28 investigations, took 48 decisions (compared with 11 in 2023) and imposed fines in 7 proceedings. It also issued 18 expert opinions. In the first half of 2025, it conducted 12 investigations, adopted 7 decisions – with no fines imposed – and issued 8 opinions. The Competition Council should improve its enforcement record, in particular (i) on cartels, by conducting more on-site inspections and by raising awareness on its leniency programme, and (ii) on mergers, by imposing remedies where necessary. The judiciary's capacity to handle complex competition cases is improving but needs further strengthening. To tackle unfair competition in the market, the cooperation with other regulatory bodies needs to increase.

### State aid

The **legislative framework**, including the Law on the State aid system, is partially aligned with the latest EU *acquis* and SAA provisions. The implementing legislation is uneven across the country. The Federation entity government adopted a bylaw on *de minimis* aid in March 2025. The legislation on *de minimis* aid, on services of general economic interest and on the purpose and conditions for granting State aid needs to be aligned with the EU *acquis* at State level and in the Brčko District. A regional aid map has not yet been drawn up and the existing aid schemes have not been aligned with the EU *acquis* and the SAA provisions.

As for the **institutional framework**, the functioning of the State Aid Council is significantly impeded by ethnic-based decision-making, as decisions require support by at least one representative from each

constituent people to be adopted. The Law on State aid needs amendments to revise voting procedures in line with the EU *acquis*.

The State Aid Council has insufficient **enforcement capacity** and is unable to fulfil its mandate. All its eight members have been appointed, including from the Federation entity, and carry out their duties alongside their primary jobs by meeting once a month. With only seven staff members, its secretariat also needs reinforcement.

On **implementation**, the State Aid Council issued only one decision during the reporting period. Most State aid measures are put in place by granting authorities without notification or prior approval. Transparency of State aid measures is not ensured in Bosnia and Herzegovina.

#### Liberalisation

On **liberalisation**, the Law on competition and the Law on State aid apply to public undertakings and undertakings with special or exclusive rights. These rules need to be enforced. The rules on financing services of general economic interest are not fully aligned with the EU *acquis*.

### Chapter 9: Financial services

*EU rules aim at ensuring fair competition among financial institutions, and the stability and integrity of financial markets, namely in the field of banking, insurance, supplementary pensions, investment services and securities. They include rules on authorisation, operation and supervision of these institutions.*

On **banking and financial conglomerates**, legislation requires further alignment with the latest EU *acquis* on capital requirements (Regulation and Directive). Both entity-level banking agencies adopted methodologies to identify systemically important banks, in line with the guidelines of the European Banking Authority (EBA).

The country continued implementing the methodology for the supervisory review and evaluation process (SREP). New legislation should introduce stronger corrective and enforcement powers of supervisors and a consolidated supervision of banking groups across the country.

Regarding bank resolution, no concrete steps have been taken to further align with the EU *acquis* and to reduce the institutional and legal obstacles to a well-functioning resolution framework. These include establishing a countrywide resolution fund, in line with the Bank Recovery and Resolution Directive, to ensure that there are adequate resources available to efficiently handle potential crises.

Regarding **insurance and occupational pensions**, the entities' legislation on compulsory vehicle insurance were further harmonised with a view to achieving a countrywide approach to the liberalisation of the insurance market. The Insurance Agency of Bosnia and Herzegovina prepared a conformity analysis of the entity laws with the Solvency II Directive. No progress was made on voluntary pensions. Alignment with the EU *acquis* governing financial supervision of institutions for occupational retirement provision has not been addressed.

In terms of **financial market infrastructure**, no measures have been taken in the reporting period to further align with the EU *acquis* in order to achieve safe and efficient securities clearing and settlement or the reliable provision of associated post-trade services.

On **securities markets and investment services**, the entity-level legislation and regulatory bodies remain neither harmonised across the country nor aligned with the EU *acquis*. Coordination between the entities still needs to improve. No progress was made on investment funds. The first alternative investment fund and first company to manage alternative investment funds were established in the Republika Srpska entity, aiming to align with the EU *acquis*.

On **sustainable and digital finance**, there were no developments in the reporting period. There is no legal and regulatory framework for digital identity, and banks can only offer hybrid solutions.

### Chapter 28: Consumer and health protection

*EU rules protect consumers' economic interests and also ensure product safety, prevent dangerous*



*imitations and establish liability for defective products. The EU also guarantees a high level of protection of public health and in particular also ensures high common standards for tobacco control, blood, tissues, cells and organs, and human and veterinary medicinal products. The EU also has rules for upholding patients' rights in cross-border healthcare and in preparing for and responding to serious cross-border health threats, including communicable diseases.*

### Consumer protection

On **horizontal aspects**, the 2006 State-level Law on **consumer protection** is not aligned with the latest EU *acquis*. Countrywide alignment with the latest EU *acquis* is needed, including on digital markets and to address the risk of unequal protection of consumers across the country. Administrative capacities, notably of the Ombudsman institution, need to be further improved. The legal framework for consumer credit and distance marketing of financial services is also not aligned with the EU *acquis*. The Ombudsman's office for consumer protection issued decisions and provided legal advice in 1 100 consumer complaints in 2024.

No annual State consumer protection programme was prepared by the Consumer Protection Council, and the legal framework for **product safety** is still not aligned with the EU *acquis*. The State-level Market Surveillance Agency has initiated a reactive market surveillance mechanism based on the information on unsafe products and is publishing notifications on unsafe products on its website, as well as the weekly reports of the EU safety gate rapid alert system.

### Public health

No progress was made in drafting a **public health** strategy at State level or in the Brčko District. There is no State-level health information strategy and there were no developments on e-Health in the reporting period. On **tobacco control**, legislation in the entities and the Brčko District is not aligned with the relevant EU *acquis*. The Federation entity Law on tobacco control is not fully enforced due to lack of controls. There is no systematic monitoring of the implementation World Health Organization (WHO) framework convention on tobacco control. In October 2025 the Council of Ministers approved joining the protocol to eliminate illicit trade in tobacco products. There were no developments on anti-microbial resistance in the reporting period.

There was no progress on alignment with the EU *acquis* on human and veterinary **medicinal products**, on medicinal products for veterinary use, or on medical devices or on health technology assessment. Patients have only limited access to certain medicines, due to long registration and control procedures. The legal framework on **blood, tissues, cells and organs** is not aligned with the EU *acquis*, and there is no administrative capacity to apply it. The cooperation between the entities' transfusion institutes is very limited, with no countrywide oversight system to ensure efficient coordination.

Legislation on **serious cross-border health threats**, including **communicable diseases**, is not aligned with the EU *acquis*. Coordination among the entities and State institutions on communicable disease surveillance and response needs to be strengthened. Bosnia and Herzegovina's participation in the technical activities of the European Centre for Disease Prevention and Control (ECDC) remains limited. The legislation is not aligned with the EU *acquis* on patient's rights in cross-border healthcare.

Measures to promote healthy lifestyles and prevent **non-communicable diseases** are partially implemented by the competent institutions of the entities and the Brčko District.

On **preventive measures**, as regards cancer screening, both entities have cancer registers but there is no countrywide cancer control plan or early detection programme. The *Republika Srpska* entity has an early detection programme. There was no progress on mental health, on drug abuse prevention and harm reduction, or on nutrition and physical activity. Civil society groups work to reduce harmful use of alcohol and prevent related disorders.

On **health inequalities**, access to healthcare is still a key challenge, especially for marginalised groups including Roma, women from rural areas and women with disabilities. Women and girls suffer from



lack of health insurance and poorly organised services, especially on sexual and reproductive health. Conditions in hospitals and maternity hospitals need to be improved and obstetric violence eliminated. Specialised support for victims of sexual violence is not available across the country, with only three crisis centres, all located in the Federation entity. Despite improvements in addressing gender-based violence, a multi-sectoral response mechanism for victims still needs to be developed. (*See also Chapter 19 – Social policy and employment*)

Persistent **corruption** at all levels continues to significantly affect healthcare policy and delivery of healthcare services throughout the country. Corruption occurs notably at high level and when procuring essential medical equipment and medications for most severe diseases. Addressing corruption in this sector requires comprehensive reforms, strengthening the legal framework, boosting transparency and accountability, and encouraging a professional culture of integrity.

### CLUSTER 3: COMPETITIVENESS AND INCLUSIVE GROWTH

This cluster covers: Digital transformation and media (Chapter 10); Taxation (Chapter 16); Economic and monetary policy (Chapter 17); Social policy and employment (Chapter 19); Industrial policy (Chapter 20), Science and research (Chapter 25); Education and culture (Chapter 26); and Customs union (Chapter 29).

#### Chapter 10: Digital transformation and media

*The EU supports the smooth functioning of the internal market for electronic communications, electronic commerce and audiovisual services. The rules protect consumers and support the universal availability of modern services.*

On **electronic communications**, Bosnia and Herzegovina made no progress in aligning the legislation with the EU *acquis*, including the Broadband Cost Reduction Directive (BCRD) and the Gigabit Infrastructure Act (GIA). Bosnia and Herzegovina needs to adopt a telecommunications sector policy, and to develop a broadband strategy. The granting of radio spectrum licences for 5G mobile communications is further delayed. The Communications Regulatory Agency (CRA) still lacks financial and political independence.

On **digital services**, Bosnia and Herzegovina made no progress in adopting a countrywide strategy and action plan for the development of an information society. Bosnia and Herzegovina took no action to develop an open data policy. The country is invited to fully align with the EU's Digital Services Act (DSA), the Digital Markets Act (DMA), the Artificial Intelligence Act, the European interoperability framework and the Interoperable Europe Act. There is still no coordinated and jointly planned approach for the digital transformation of public services throughout the country, with very limited data exchange between the services.

On **digital trust and cybersecurity**, Bosnia and Herzegovina still does not have a comprehensive legislative framework on the security of networks and information systems. No countrywide single point of contact has yet been designated. Bosnia and Herzegovina needs to establish one or more computer security incident response teams (CSIRTs) to facilitate strategic cooperation and the exchange of information. The continued lack of a comprehensive legislative or strategic framework for cybersecurity increases the scale of potential threats. The country needs to continue implementing the EU toolbox on cybersecurity of 5G networks, including by assessing the risk profile of suppliers and by putting in place appropriate restrictions and exclusions for high-risk suppliers. No progress was made in adopting a Law on electronic identity and trust services for electronic transactions in line with the EU *acquis*. The EU recommendation remains to establish a single supervisory body for the whole country. There was no progress in ensuring the interoperability of electronic signature throughout the country.

As regards the **media**, TV stations suspended analogue terrestrial broadcasting, prompting public broadcasting services to acquire equipment for the switch to digital terrestrial broadcasting. A public services broadcasting corporation should be set up as a separate legal entity as provided by the Law. Bosnia and Herzegovina should revise the financing model for local public broadcasters to reduce the risk of political pressure and influence. Without stable, independent and adequately funded public

service media, the country cannot fulfil core obligations related to media pluralism, digital transformation, and democratic accountability.

## Chapter 16: Taxation

*EU rules on taxation cover VAT, excise duties and aspects of corporate taxation. They also cover cooperation between tax administrations, including the exchange of information to prevent tax evasion.*

The legislative framework for **indirect taxation** is partially aligned with the EU *acquis*. In April 2025, the Law on the value added tax (VAT) was amended to allow VAT refunds on the purchase of a first real-estate property. However, the necessary bylaws have yet to be adopted.

As regards **excise duties** on tobacco, alcohol and energy, and general rules for the production, keeping, storage, movement and controls on products that are subject to excise duties, full alignment of the legislation with the EU *acquis* is needed.

On **direct taxation**, the tax and social contribution regimes in the two entities still differ, hindering progress towards a single economic space. The Federation entity assembly adopted amendments that reduced the labour tax wedge by decreasing the cumulative rate of social contributions, specifically by reducing pension and health insurance contributions paid by employers. The *Republika Srpska* entity amended its Law on income tax, harmonising thresholds for self-employed professionals with the Federation entity.

On **administrative cooperation and mutual assistance**, Bosnia and Herzegovina has not yet committed to automatically exchanging financial account information based on the OECD single global standard.

Concerning **operational capacity** and **digitalisation**, the various tax administrations should further improve coordination, cooperation and data exchange. The administrative capacity and staffing levels of the Indirect Taxation Agency (ITA) remain insufficient. Bosnia and Herzegovina needs to improve cooperation between the Indirect Taxation Authority and the tax administrations, including through joint audits.

## Chapter 17: Economic and monetary policy

*EU rules require the independence of central banks and prohibit them from directly financing the public sector. Member States coordinate their economic policies and are subject to fiscal, economic and financial surveillance.*

As regards **monetary policy**, the currency board anchors the convertible mark (BAM) to the euro. The Central Bank's objective of currency stability remains in contrast with the primary objective of monetary policy in the EU, which is price stability. The Law on the Central Bank does not ensure the bank's unconditional independence and is not fully aligned with the EU *acquis* as regards the prohibition of monetary financing. Preserving the integrity of the currency board arrangement and the independence of the Central Bank remains crucial.

Regarding **economic policy**, fiscal rules remain at entity level and there is no independent fiscal institution to monitor and enforce compliance countrywide. The underlying statistical framework is not sufficiently aligned with the requirements and definitions of the European system of national and regional accounts (ESA 2010). The country failed again to adopt in time the global fiscal framework, as set by law, to provide a countrywide medium-term budgetary framework as guidance for the coordinated and timely adoption of the annual budgets by all levels of government. The country's Fiscal Council does not comply with the EU *acquis* requirements, notably lacking institutional independence. The Central Bank postponed the 2025 excessive deficit procedure notification. (*See also Chapter 18: Statistics*)

There were no significant improvements in the quality of the **Economic Reform Programme** (ERP) which was again submitted with a substantial delay. The policy guidance, jointly agreed in May 2024, was implemented only to a limited degree, which is a deterioration compared to the previous year. The

capacity to design, implement and monitor structural reforms remains limited, while insufficient political support contributes to delays in formulating the countrywide reform programme. The Directorate for Economic Planning of the Council of Ministers still lacks sufficient resources, powers and political support to efficiently coordinate the process.

## Chapter 19: Social policy and employment

*EU rules in the social field include minimum requirements for labour law, equality and non-discrimination health and safety at work. They also promote social inclusion and social protection, and social dialogue at EU level.*

To fully meet European standards regarding the labour law, the legal framework requires further improvement in several areas, notably as regards the protection of workers from discrimination. Implementation remains inadequate, especially on social dialogue, protection of workers and the enforcement of labour inspections.

The bylaws on **health and safety at work** regulating specific aspects of occupational safety and health need to be adopted and harmonised with the EU *acquis* throughout the country. Enforcement and implementation of legislation remain partial, especially when it comes to inspection capacity, prevention of injuries, investment in safety and training, and risk assessment. Data collection and dissemination on work-related injuries and diseases needs to be improved. No countrywide data are collected on accidents and fatalities.

**Social dialogue** is weak at all levels, with no significant improvements. Social partners are not sufficiently involved in the design and implementation of policies. Their capacities are low and need to be strengthened, particularly in the private sector. There are no general collective agreements, and only few concluded branch and sectoral collective agreements, mainly in the public sector. Entity-level Economic and Social Councils operate unevenly, and there is no such body at State level. Significant gaps remain in ensuring freedom of association for trade unions and the right to collective bargaining.

A countrywide **employment policy** strategy is pending adoption by the Council of Ministers, 11 years after the previous one expired in 2014. According to the labour force survey for 2024, the activity rate is 49.1%, the employment rate is 42.9%, the unemployment rate is 12.6% and the inactivity rate is 50.9%. (*See the statistical annex and the section on the functioning of the labour market under 2.3 Economic criteria*).

Women are 31.6% of all employed persons and 48.4% of the unemployed. Unemployment especially affects the youth, as registered at 30.2% for the 15-24 year cohort. Informal employment remains high. Public employment services are burdened by administering social benefits rather than assisting active jobseekers. Registration with public employment services gives access to social benefits including basic health insurance, encouraging even informal workers and inactive persons to register as unemployed. While both entities now have strategies that embed the Youth Guarantee, Bosnia and Herzegovina needs to swiftly complete and adopt the Youth Guarantee implementation plan.

There are no countrywide strategies on poverty reduction, **social protection and inclusion**, nor is there a State-level monitoring system. For persons with disabilities, institutional care is still prevalent, accessibility remains a challenge, and there are only few community services to support independent living. Some progress was made in the reform of the assessment of children with disabilities. The social protection system remains underdeveloped and ineffective. A large number of people is not covered by public health insurance while eligibility conditions and coverage differ among entities and cantons. Cooperation between social service centres and employment services is not well established. No measures were taken to address child exploitation, child begging and child poverty. Roma children are particularly vulnerable to the worst forms of child labour. The country needs to ensure health insurance to all children. Following the invitation by the European Commission, a national contact point for the European Child Guarantee has been nominated.

Both entities and the Brčko District adopted a roadmap and are developing an action plan for **deinstitutionalisation** in cooperation with UNICEF and the Ministry of Civil Affairs, to improve the condition and status of institutionalised children. (*See Chapter 23 – Fundamental rights*)

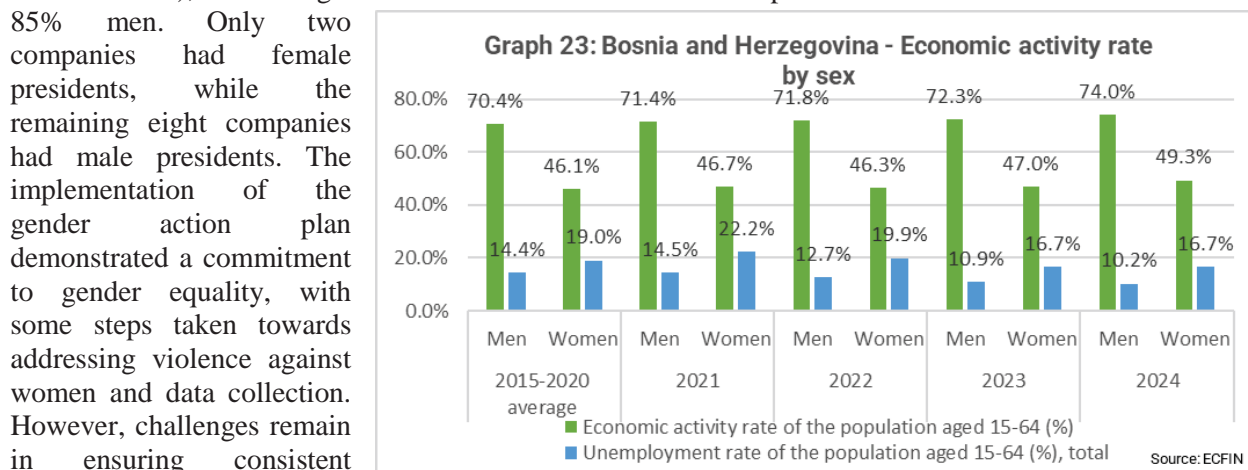
Bosnia and Herzegovina should adopt countrywide measures to improve the living conditions of older people. Bosnia and Herzegovina is yet to publish the EU statistics on income and living conditions (EU-SILC), stemming from surveys conducted in 2022-2023.

Positively, Bosnia and Herzegovina joined the ‘Employment and Social Innovation’ (EaSI) strand of the European Social Fund Plus (ESF+) allowing CSOs and public administrations to develop social innovation practices, capacity-building actions, and social and employment policies.

There are no comprehensive strategies or action plans on **non-discrimination in employment and social policy**. Although entity labour laws address the issue of non-discrimination at work, alignment with the EU *acquis* must be completed, including the employment equality and racial equality directives. Most public bodies do not have mechanisms for dealing with complaints of mobbing and discrimination in line with the country’s Law on non-discrimination.

The principle of equal opportunities and **equal treatment of men and women in matters of employment and social policy** is regulated by the laws on gender equality and anti-discrimination, and by the entity-level labour laws, but enforcement remains low. Rights prescribed by the EU Directive on work-life balance for parents and carers are only partially recognised by law. The country needs to establish uniform minimum maternity leave benefits across the country and harmonise the definition of maternity, paternity and parental leave to eliminate discrimination and harmonise relevant benefits in public and private sector. Despite existing legislation on workplace sexual harassment, enforcement remains weak. The gender pay gap persists, with women earning only 78–85% of men's salaries for the same work. The gender action plan 2023–2027 lacks funding and monitoring. Bosnia and Herzegovina is stagnating or declining across most areas of the gender equality index, and the gap to the EU average continues to grow. While its legal framework partially aligns with the EU *acquis*, gender stereotypes persist, and women bear most unpaid care work. Access to affordable childcare and early childhood education facilities remain limited. The tax-benefit system is predominantly reflecting traditional gender roles.

Bosnia and Herzegovina’s Gender Equality Law has only general provisions on equal rights to access economic activities. The law prohibits denial of promotion on the basis of gender; however it has no specific provision on achieving the gender balance among directors of listed companies. In 2022 (last data available), the management structure of the selected companies consisted of 15% women and 85% men. Only two companies had female presidents, while the remaining eight companies had male presidents. The implementation of the gender action plan demonstrated a commitment to gender equality, with some steps taken towards addressing violence against women and data collection. However, challenges remain in ensuring consistent



implementation across all levels of government and harmonised data collection practices. Bosnia and Herzegovina has made some progress on institutional frameworks and policy dialogue in terms of gender mainstreaming. However, changes are limited and fragmented throughout the country. The country has embedded gender responsive budgeting (GRB) in its legislation since 2009, with gender indicators required in budget planning with entity-level implementation. Traditional norms persist, with 25% of households viewing childcare as solely a woman’s responsibility and 50% reporting that women manage household tasks alone. There is no evidence of tax-benefit systems that equalise financial incentives for both parents to enter the labour market. Family benefits and caregiving income



recognition exist, but they are modest and inconsistent. Active harmonisation with EU systems has not yet been achieved. The alignment with the pay transparency directive has not started yet.

## Chapter 20: Enterprise and industrial policy

*EU industrial policy strengthens competitiveness, facilitates structural change and encourages a business-friendly environment that stimulates small and medium-sized enterprises (SMEs).*

During the reporting period, both entities increased and diversified incentives for SMEs, to raise competitiveness through technological modernisation and energy efficiency.

In January 2025, the Federation entity adopted a Law on social enterprises to improve support for hard-to-employ groups, and in March 2025 it also adopted a strategy for the development of SMEs, valid until 2027. The Federation entity adopted bylaws for a more enabling environment for SMEs. In November 2024, the *Republika Srpska* entity adopted legislation on individual traders and on incentives, as well as the annual SMEs report. The *Republika Srpska* entity also amended its SME law to align with EU principles on business failure second chance. There are still no countrywide guidelines for harmonisation of SME support in line with the EU Small Business Act. The alignment of the legislation with the EU *acquis* remains to be assessed.

On **enterprise and industrial policy principles**, there is still no countrywide development strategy and no State-level body promoting policy consistency with industrial strategies. In February 2025, the *Republika Srpska* entity adopted an action plan for its industrial development strategy.

Limited steps were taken to improve the business environment and to attract investments. The *Republika Srpska* entity amended its law on foreign direct investments (FDI) and adopted the action plan for its FDI strategy 2025-2027 and decisions on the functioning of the foreign investors council and on granting free zone status to Gradiška. Work also started on a countrywide roadmap to improve competitiveness of free zones. High barriers to starting a business, rules on taxes and para-fiscal (non-tax) charges and regulatory differences across various levels of government remain to be addressed. Separate business registers make it harder for companies to operate throughout the country. (See Chapter 6 – Company law)

As for **investment environment**, the resolution rate of commercial disputes remains low and arbitration weakly developed. There is room to align alternative dispute resolution mechanisms with EU standards and best practices.

Functional mechanisms and capacities for effective **oversight and governance of publicly-owned enterprises** are still lacking. Notably, only the *Republika Srpska* entity has published an annual report on the performance of the 20 largest public companies, highlighting a significant gap in transparency and accountability at all government levels. The *Republika Srpska* entity has introduced legislative preconditions but still lacks a single register of publicly-owned enterprises, and the Federation entity has formally established oversight and management units but they are still not functional. (See Section 2.3 *Economic criteria-Privatisation and restructuring*)

Preparations for the **green and digital transitions, resilience, and global competitiveness of industry** are at a very early stage. Progress on energy diversification and a greater focus on green investments in manufacturing are needed. The financial support for introducing innovations in green and digital transformation needs to be improved, in particular for SMEs, including start-ups.

There is no improvement of transparency and accountability in the use of public funds. The capacity and funding to perform **monitoring and evaluations** of enterprise and industrial policy measures are still overly limited, and the statistical data remain insufficient.

As for **enterprise and industrial policy instruments**, no progress was made in aligning with the EU *acquis* the legislation against late payments in commercial transactions.

Bosnia and Herzegovina continues to participate in the EU Single Market programme through two entity-based consortia selected under the call for European Enterprise Network. As regards **sectoral policies**, some cantons are implementing dedicated programmes for the development of tourism.



However, the level of harmonisation with the EU *acquis* and standards remains to be assessed for all adopted legislation in the sector. In January 2025, the Federation entity adopted its sectoral strategy for textiles and clothing for 2024–2033.

## Chapter 25: Science and research

*The EU provides significant support for research and innovation. All Member States can participate in the EU's research and innovation programmes and benefit from them, especially where there is scientific excellence and a solid investment in research and innovation.*

The legislative framework on **research and innovation policy** remains fragmented and needs to be improved. Bosnia and Herzegovina needs to develop and adopt a new strategy and action plan for scientific development, as well as a smart specialisation strategy.

The estimated total allocations for research and innovation remain below 0.3% of GDP, which is far below the European Research Area objective. There is no countrywide policy on topics related to the European Research Area, as decisions are made by each university.

Bosnia and Herzegovina is included in the European Innovation Scoreboard with performance at 33.1% of the EU average in 2024. The country's performance is below the average of 'emerging innovators' (48%) and the performance gap with the EU is increasing. Further progress should be made to ensure reliable and comprehensive statistics on research and innovation, useful for instance for the European Innovation Scoreboard and the European Research Area.

Regarding **EU framework programmes**, Bosnia and Herzegovina takes part in Horizon Europe as an associated country. It received EUR 1.7 million in 2024, compared to EUR 3.2 million in 2023.

## Chapter 26: Education and culture

*The EU supports cooperation in education and culture through funding programmes and the coordination of Member State policies through the 'open method of coordination'. The EU and the Member States must also prevent discrimination and ensure quality education for children of migrant workers, including those from disadvantaged backgrounds.*

On **education and training**, Bosnia and Herzegovina needs to move from a content-oriented towards a competency-based approach to education. Transformation and harmonisation of curricula is needed to ensure systemic regulation of learning and teaching process.

Bosnia and Herzegovina did not take part in the 2024 TALIS assessment. It only partially joined the 2023 ICILS and 2023 TIMSS assessments, as the *Republika Srpska* entity and the West Herzegovina Canton did not conduct them. The country dropped out of the 2021 PIRLS. After failing to participate in two PISA rounds (2022 and 2025), preparations to join the 2029 PISA need to intensify. No systemic measures have been taken to address the findings of the 2018 PISA and 2019 TIMSS. In the absence of a countrywide approach, some cantons have started reforming their curriculum based on student learning outcomes to improve quality in line with recommendations. Bosnia and Herzegovina has enrolled to join TIMSS 2027.

Although the legal framework is in place, there is still no mechanism to systematically measure or monitor the quality of education inputs, outputs or outcomes, and data does not feed into the policymaking process. Due to demographic changes, the number of students is in decline.

Disputes over education continue, while systemic solutions are not in place to ensure inclusive and non-discriminatory education, eliminating the practice of 'two schools under one roof'. The common core curriculum remains incomplete and is not applied throughout the country, and the availability of teaching of the national group of subjects remains limited. Despite Constitutional Court decisions, the name of the Bosnian language is still not recognised in schools in the *Republika Srpska* entity, leading to recurrent friction. Biased narratives on wartime heroes and victims are present in all curricula, contributing to a politicised education. In January 2025, the Constitutional Court repealed as unconstitutional certain history lessons on the 1992-1995 war.

Bosnia and Herzegovina is a member of the European Higher Education Area. On higher education, according to the 2024 Bologna Process implementation report, the country still needs to ensure full implementation of the key commitments, especially with regards to national qualifications frameworks, automatic recognition and quality assurance.

Regarding **inclusiveness**, some positive steps were undertaken through the roadmap for improving inclusive education, notably with a decision of the Council of Ministers in September 2025 to intensify efforts to support quality education for all. All education authorities should step up work to implement the 2020 roadmap, meeting all recommendations and reporting on it. Infrastructure and fundings are needed for the education of children with special needs.

There is no countrywide coordinated approach and only limited effort in supporting the digital transformation of education and training, including on digital skills, also ensuring that core teacher competencies are properly developed. The authorities need to strengthen their efforts, in line with the EU digital education action plan 2021-2027. The establishment of an advisory board for digital education represents a step forward but further efforts are needed.

A countrywide policy document on **vocational education and training** (VET) has been in place since 2021, based on the Riga conclusions. However, no noticeable progress followed. In a positive development, Bosnia and Herzegovina joined the European Alliance for Apprenticeships (EaFA) in October 2024, showing its commitment to improving youth employment. Measures to promote life-long learning of adults (including women) also need to be stepped up.

Bosnia and Herzegovina's national qualifications framework (NQF) is not yet referenced to the European qualifications framework (EQF), nor is there a mechanism for the validation of prior learning. Cooperation continued between the two accreditation agencies, one at State level and one in the *Republika Srpska* entity. Bosnia and Herzegovina needs to further improve quality assurance in higher education and to intensify accreditation of study programmes with a view to joining the European Association for Quality Assurance (ENQA).

Bosnia and Herzegovina benefits from the international dimension of the 2021-2027 Erasmus+ programme. The country is participating in all the working groups 2021-2025 of the European Education Area (Bologna process). Four universities from Bosnia and Herzegovina have been selected as partners in alliances funded by the European Universities Initiative.

Bosnia and Herzegovina continued to participate in the European week of **sport**.

In the area of **culture**, Bosnia and Herzegovina continues to implement measures under the UNESCO Convention on the protection and promotion of the diversity of cultural expression. The country still has to ensure a permanent solution to the legal status and financing for the seven 'cultural institutions of national significance for Bosnia and Herzegovina'. Bosnia and Herzegovina continues to participate fully in the Creative Europe programme.

The budget allocation for culture at all levels of government would improve with longer-term, multiannual funding decisions to provide financial stability for cultural creation and operation. Bosnia and Herzegovina would benefit from establishing formal partnership structures enabling transparent and organised participation in cultural policymaking.

## **Chapter 29: Customs union**

*All Member States are part of the EU customs union and follow the same customs rules and procedures. This requires legislative alignment as well as adequate implementing and enforcement capacity and access to and interoperability with the EU electronic customs environment.*

The Indirect Taxation Authority (ITA) is in charge of implementing the **customs legislation** and policies, which should be further aligned with the EU *acquis* including the Union customs code. Four companies have been recognised as authorised economic operators (AEOs), two of them in the reporting period. The customs tariff and classification of goods are aligned with the EU's combined nomenclature. The country continues to apply the Pan-Euro Mediterranean Convention and has begun adopting the transitional rules of origin in trade with the EU.

Bosnia and Herzegovina is still an observer in the Common Transit Convention and intends to join it once it has met all legal and technical requirements, including upgrading its new computerised transit system, which has been operational since August 2022. Bosnia and Herzegovina should continue aligning with the EU *acquis* its provisions on the customs enforcement of intellectual property rights. The country should implement the CEFTA additional protocol 5 on the mutual recognition of AEO programmes. The AEO programme was positively assessed by CEFTA during the reporting period. Bosnia and Herzegovina should improve cooperation, including with the European Anti-Fraud Office (OLAF), and step up the use of anti-fraud tools to combat cross-border smuggling of tobacco products and other illicit activities. Bosnia and Herzegovina has yet to accede to the WHO Framework Convention on Tobacco Control and its protocol to eliminate illicit trade in tobacco products. In October 2025 the Council of Ministers approved joining the latter protocol. The exchange of customs information within the framework of mutual administrative assistance to detect, prevent and combat customs fraud needs to be made effective and fully operational.

The **administrative and operational capacity** of the Indirect Taxation Authority should be substantially strengthened, especially in operational posts. The risk management system remains inadequate and customs authorities still perform 40% of checks physically (decrease from 60% in 2023). Bosnia and Herzegovina needs to align its customs IT systems with EU requirements to achieve interoperability with the common customs IT systems.

#### CLUSTER 4: THE GREEN AGENDA AND SUSTAINABLE CONNECTIVITY

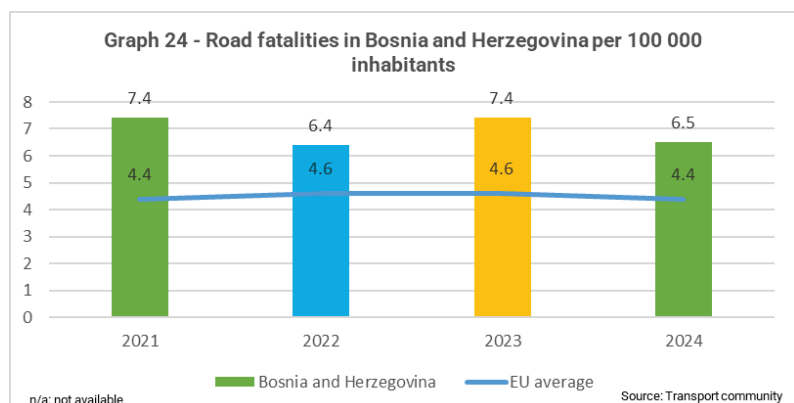
This cluster covers transport (Chapter 14); energy (Chapter 15); trans-European networks (Chapter 21); and environment and climate change (Chapter 27)

##### Chapter 14: Transport policy

*The EU has common rules on technical and safety standards, security, social standards, State aid and market liberalisation in road transport, railways, inland waterways, multimodal transport, aviation and maritime transport.*

Regarding the **general EU transport acquis**, Bosnia and Herzegovina implements its transport strategy valid until 2030; an updated strategy with more realistic actions and deadlines is still pending adoption. Reforms in the transport sector have been insufficient for several years. The country should speed up proper implementation in all modes of transport. Activities mostly relate to infrastructure projects while little or no attention is given to delivering on the commitments contained in the Transport Community Treaty (TCT), its action plans and elements arising from the smart and sustainable mobility strategy for the Western Balkans. Sustainable urban mobility plans should be developed following EU practice, respecting environmental and social standards. An overall strategy for an intelligent transport system covering all modes of transport is yet to be adopted and appropriate resources should be allocated for its implementation.

On **road transport**, the implementation of road safety legislation remains a concern, as the number of crashes and fatalities is still very high. Discrepancies persist between domestic and WHO data. There is still no lead agency for road safety or countrywide system to collect data on road crashes. No progress was made in the area of



transport of dangerous goods. The legislation on road infrastructure safety management is yet to be aligned with the EU *acquis*, including on inspections and audits. Alignment on social and market rules in road transport is also needed; the transition towards smart tachograph technology has been a first

step.

On **rail transport**, half of the railway infrastructure remains unsafe, outdated and unreliable, and cannot enable suitable international transit. Bosnia and Herzegovina still needs to fully align the Law on railways with the fourth EU railway package, notably to open the railway market, separate infrastructure management and transport operations, and strengthen the independence and administrative capacity of the regulatory body, the safety authority and the investigation body. The country still needs to adopt a multiannual maintenance plan for the entire network. Bosnia and Herzegovina should use modern systems in line with EU rail interoperability and safety standards to build or rebuild railway sections. At entity level, railway legislation aiming to provide non-discriminatory access to the network needs to be brought in line with the EU *acquis*. No progress was made on negotiating protocols on railway border crossing procedures with Croatia.

Bosnia and Herzegovina needs to prepare and adopt legislation on **maritime transport** in line with the EU *acquis*, enabling the country to become a maritime shipping flag holder. On **inland waterway transport**, Bosnia and Herzegovina should adopt State-level legislation in line with the EU *acquis* to ensure the safety of navigation and maintenance of inland waterways.

The 2009 Law on **civil aviation** still needs to be aligned with the requirements of the European Common Aviation Area Agreement (ECAA). The authorities should continue efforts to address the chronic lack of adequately trained and qualified staff within the Bosnia and Herzegovina Directorate of Civil Aviation (BHDCA), which increases the risks of safety oversight.

Bosnia and Herzegovina has not started to develop its policy, institutions, legal and regulatory framework on **multimodal transport**. Bosnia and Herzegovina has not yet aligned with the EU *acquis* on combined transport. No progress was made regarding EU **passenger rights**, although the legislation on air passenger rights is largely aligned with EU *acquis*.

## Chapter 15: Energy

*EU energy policy covers energy supply, infrastructure, the internal energy market, consumers, renewable energy, energy efficiency, nuclear energy and nuclear safety, radiation protection, and nuclear safeguards.*

No progress was made in establishing a compliant legal framework governing the **security of supply** in electricity which needs to be redirected from coal to renewables. No progress was made in the gas and oil sectors to align the legislative framework with the EU *acquis*, including on drafting legislation on emergency oil stocks.

Although only 3% of the energy supply comes from natural gas, the country remains fully dependent on one single source from Russia. Full implementation of the Regulation on the security of gas supply is pending, including development of risk assessment, preventive action plan and emergency plan, as per Energy Community *acquis*. The country still needs to adopt and enforce a new law for the unbundling, certification, and operation of the gas transmission system operator in line with the third energy package.

To ensure the opening of the **internal energy market**, Bosnia and Herzegovina still needs to adopt outstanding electricity and gas legislation. Bosnia and Herzegovina is late in aligning with and implementing the electricity integration package, adopted in the Energy Community, which is a precondition for market integration. This, among others, includes unbundling and certification of the transmission system operator, appointing the nominated electricity market operator (NEMO) and establishing the power exchange and day-ahead and intra-day markets. A new law on the regulator, electricity transmission and the electricity market, aimed at aligning with the electricity integration package, is yet to be adopted. The entity-level laws need to be fully harmonised with this legal framework and be implemented. For electricity, the independence of regulatory authorities at all levels is still hampered by political interference.

For gas, the wholesale and retail market remains closed without adequate regulatory oversight and lacks transparency, particularly on setting prices for end consumers.



A State-level legal framework is still lacking on **renewable energy**, although both entities and the Brčko District continue to prepare implementing legislation. Both entities and the Brčko District need to launch renewable energy support scheme auctions. An electronic register on issuance, cancellation and trade of guarantees of origin (GOs) is in place in the *Republika Srpska* entity, while the Federation entity is still conducting procurement procedures to introduce it.

Despite large capacity, there are only three wind parks in place and an increasing number of solar plants. Hydropower planning is still being carried out without complying with the Espoo Convention. Despite existing legal obligations, environmental impact assessments are still not consistently prepared, which lead to protests and court challenges. (*See Chapter 27 – Environment and climate change*)

No progress was made in aligning legislation on **energy efficiency** with EU *acquis*, including the energy performance of buildings. Incentive measures must be gender- and class-balanced.

In the area of **governance**, a national energy and climate plan (NECP), in line with the Energy Community 2030 energy and climate targets, is yet to be finalised and adopted.

Bosnia and Herzegovina made no progress on **nuclear energy, nuclear safety and radiation protection**. The country is yet to finalise the outstanding actions required to join the European Community Urgent Radiological Information Exchange (ECURIE). On **nuclear safeguards**, upon EU accession the existing systems of accountancy and control of nuclear materials would need to be adapted in line with the safeguard provisions of Chapter 7 of the Euratom Treaty.

## Chapter 21: Trans-European Networks

*The EU promotes trans-European networks (TENs) in the areas of transport, telecommunications and energy to strengthen the internal market and contribute to growth and employment.*

On **transport networks**, Bosnia and Herzegovina should accelerate the implementation of connectivity reform measures and continue adopting multiannual maintenance plans for the entire road and rail core networks. More efforts are required to strengthen mutual relations and cross-border cooperation with neighbouring countries on border crossing agreements.

Bosnia and Herzegovina should continue with the development of the planned extension of the core trans-European transport networks (TEN-T) and trans-European networks for energy (TEN-E) in line with the priorities identified in the Economic and Investment Plan for the Western Balkans, the Green Agenda and the Transport Community's five-year rolling work plan.

The single project pipeline for priority TEN-T connectivity projects has not been updated since 2019, which puts into questions its continued relevance. In relation to the Corridor Vc motorway, works have continued across six sections, and one sub-section is pending opening (Poprikuše – Nemila). The Federation entity still needs to close the financing gap to complete the construction of the motorway. As regards the two infrastructural investments located in the *Republika Srpska* entity (Corridor Vc road and rail), the Commission will proceed with the signature of the contribution agreements only after the end of the political crisis, with the return to the full functioning of State institutions. An agreement is still pending with Croatia on the category of the Svilaj border crossing. The Gradiška border crossing is awaiting completion of the access expressway on Croatian territory.

On rail infrastructure, design studies for the Doboj – Rasputnica – Miljacka railway section were finalised. Effort is needed to accelerate progress on the rail core network where investments continue to be limited. Rehabilitation activities are ongoing for the navigability of the Sava river, including in the Brčko Port, while tendering for the demining activities is yet to be launched.

On **energy networks**, Bosnia and Herzegovina needs to align with the revised TEN-E Regulation, as per Energy Community requirements, and should finalise its single project pipeline to also include the energy sector. Bosnia and Herzegovina still needs to develop its regional electricity connections in line with the Green Agenda for the Western Balkans, the Central and South-Eastern Europe Energy Connectivity (CESEC) action plan on electricity and renewable energy and the Projects of Energy Community Interest (PECI) involving Bosnia and Herzegovina, in particular increasing the capacity of



the existing 220 kV interconnection with Montenegro (220 kV overhead line Trebinje – Perućica), and the Trans Balkan Corridor: double overhead line 400 kV Bajina Bašta (Serbia) – Višegrad (Bosnia and Herzegovina) / Pljevlja (Montenegro).

## Chapter 27: Environment and climate change

*The EU promotes strong climate action, sustainable development and protection of the environment. EU rules contain provisions addressing climate change, water and air quality, waste management, nature protection, industrial pollution, chemicals, noise and civil protection.*

### Environment

**Horizontal legislation** is aligned with the EU *acquis* to a limited extent. No progress was made in this sector, including with implementing countrywide environmental approximation and environmental protection strategies, aligning with horizontal directives (on environmental impact assessment – EIA, strategic environmental assessment – SEA, environmental liability, infrastructure for spatial information – INSPIRE, and environmental crime), and strengthening access to information and public participation in decision-making in line with obligations under the Espoo Convention. Bosnia and Herzegovina should ensure the quality of the preparation and implementation of environmental investments – including the transparency of procedures, compliance with EIA/SEA and other elements of the horizontal *acquis* – notably to ensure that there is an institutional structure in place to deliver coordinated, strategic planning for environmental investments. The country still needs to formalise a procedure for merit-based, transparent appointment of a focal point for Bosnia and Herzegovina to ensure its undisputed representation in environmental conventions to which the country is a signatory.

On **air quality**, Bosnia and Herzegovina still needs to develop a countrywide strategy to systematically and efficiently combat air pollution.

Bosnia and Herzegovina still needs to adopt a countrywide strategy for **waste management**, focusing on circular economy, the EU plastic strategy and the Directive on single-use plastics. Bosnia and Herzegovina still needs to align with the Landfill Directive as well as with the EU *acquis* on sewage sludge, batteries, packaging, polychlorinated biphenyls / polychlorinated terphenyls and end-of-life vehicles.

On **water quality**, a consistent and harmonised countrywide strategy and sustainable investment plan on water management and urban wastewater management are still missing. There is no State-level legislation that regulates water management, and alignment with the EU *acquis* is very fragmented. Specific plans for implementing EU legislation on drinking water, urban wastewater and flood risk management still need to be adopted. Bosnia and Herzegovina still needs to adopt a roof report on river basin management plans, on flood hazards and risks plans, as well as a revised action plan for flood protection and river management.

On **nature protection**, further alignment with the EU *acquis* should take place in a coordinated manner across the country. The country still needs to adopt the list of potential Natura 2000 sites and implementing legislation and set up a biodiversity monitoring system. The Convention on international trade in endangered species of wild fauna and flora (CITES) needs to be fully implemented. Bosnia and Herzegovina should prepare legislation to ratify and become a party to the Nagoya Protocol to the 1992 Convention on biological diversity.

Regarding **industrial pollution control and risk management**, the pollutants release and transfer register (PRTR) protocol to the Aarhus Convention still needs to be ratified. Bosnia and Herzegovina needs to ensure the implementation of its national emissions reduction plan (NERP). The country still needs to align with the EU directives on industrial emissions, eco-labelling and eco-management and audit schemes, as well as with the Seveso III Directive on the control of major-accident hazards involving dangerous substances.

On **chemicals**, the country needs to ensure alignment with EU regulations (on registration, evaluation, authorisation and restriction of chemicals – REACH, on classification, labelling and packaging of substances and mixtures – CLP, and on biocidal products – BPR), and appoint the responsible bodies.

Bosnia and Herzegovina still needs to implement the Rotterdam Convention on trade of hazardous chemicals, to which it is a party. There has been no progress in acceding to the Minamata Convention on Mercury.

Significant further efforts are still needed to align with the EU *acquis* on environmental **noise**.

On **civil protection**, Bosnia and Herzegovina actively participates in the Union Civil Protection Mechanism (UCPM) activities. The country should establish trans-European services for telematics between administrations (TESTA) as a precondition for connecting to the common emergency communication and information system (CECIS). Adequate early warning systems and risk-based planning are needed for a more proactive approach to disaster risk reduction across the country. Bosnia and Herzegovina still has to adopt legislation to introduce the single European emergency number 112 across the whole country. Both entities and the Brčko District should afterwards implement such a law.

#### Climate change

No progress was made in the area of climate change during the reporting period. Bosnia and Herzegovina should urgently step up its efforts to align with the EU climate *acquis*.

Bosnia and Herzegovina needs to adopt a State-level climate law and a countrywide long-term climate strategy consistent with the 2050 climate neutrality objective. The country should urgently align with and implement the EU *acquis* on monitoring, reporting, verification and accreditation (MRVA) for the purpose of introducing carbon pricing and aligning with the EU emission trading system (ETS) in its full scope.

Bosnia and Herzegovina needs to finalise and adopt its national energy and climate plan (NECP). The country needs to step up the implementation of its revised nationally determined contribution (NDC) and submit a new and ambitious NDC to the United Nations Framework Convention on Climate Change (UNFCCC) in line with the efforts to limit global warming to 1.5°C. Furthermore, the country should submit their first biennial transparency report without delay.

Bosnia and Herzegovina urgently needs to significantly strengthen its administrative capacity in the sector in order to make progress in aligning with the EU climate *acquis*. Awareness-raising activities should be strengthened.

### **CLUSTER 5: RESOURCES, AGRICULTURE AND COHESION**

This cluster covers: agriculture and rural development (Chapter 11); food safety, veterinary and phytosanitary policy (Chapter 12); fisheries and aquaculture (Chapter 13); regional policy & coordination of structural instruments (Chapter 22); and financial & budgetary provisions (Chapter 33).

#### **Chapter 11: Agriculture and rural development**

*The EU's common agricultural policy supports farmers and ensures Europe's food security. It helps tackle climate change and the sustainable management of national resources; maintains rural areas and landscapes across the EU; and keeps the rural economy alive by promoting jobs in farming, agri-food industries and associated sectors. This requires strong management and control systems. There are also common EU rules for marketing standards, quality policy and organic farming.*

On **horizontal issues**, there was no progress in setting up the administrative structures required for the common agricultural policy (CAP), including a paying agency, and in developing elements of an integrated administration and control system (IACS) or a farm sustainability data network (FSDN). The country needs to substantially improve the data collection and processing system for planning agricultural and rural development policies, and ensure its implementation, monitoring and reporting. The implementation of the 'Strategic plan for rural development 2023-2027 – framework document', endorsed in October 2024, has not advanced. The country still needs to develop a multiannual countrywide strategy on agriculture and rural development, improve sector coordination and

strengthen administrative capacity at all levels of government. Bosnia and Herzegovina still needs to set up the necessary institutional structures to benefit from the Instrument for Pre-accession Assistance for Rural Development (IPARD). It should also develop a farm advisory service.

As regards **agricultural markets - common market organisation (CMO)**, there was no progress in aligning the regulatory framework with the EU *acquis*. Bosnia and Herzegovina still needs to adopt implementing legislation to the State-level Law on the organisation of the market of wine and set up a register of grapes and wine producers and a vineyard register.

Bosnia and Herzegovina made no progress in harmonising **rural development** programmes and support measures. No progress was made to improve and align the legal framework **on quality policy** with the EU *acquis* and ensure clarity in the distribution of competences. There was also no progress in adopting a State-level Law on **organic farming** and production, in line with the EU *acquis*, and a regulatory framework harmonised across all levels of government.

On the **fight against corruption measures**, the general anti-corruption legal framework equally applies to agriculture, with no specific provisions in place for the sector yet.

## **Chapter 12: Food safety, veterinary and phytosanitary policy**

*The EU food acquis including hygiene rules for foodstuff production ensure a high level of food and feed safety, and a high level of protection of consumers' interests. Animal health and welfare, and the safety of food of animal origin, are safeguarded together with the quality of seeds, plant protection material, the protection against harmful organisms and animal nutrition.*

On **general food safety**, food safety rules and specific rules for feed, Bosnia and Herzegovina has yet to ensure compliance with public and animal health requirements, in particular related to official controls for the export of beef, sheep and goat meat to the EU, and to ensure reliable certified animal health statements of the export certificates. A reliable central database for animals and official controls is not yet in place, and the surveillance of notifiable diseases is not regularly implemented. A system of national reference laboratories is still not in place, and existing laboratories are still not accredited to detect notifiable diseases.

Improving the official controls system remains crucial, particularly for animal identification and the registration of holdings to ensure data reliability. Alignment has yet to be ensured for the surveillance of notifiable diseases, particularly for early detection system and raising awareness among farmers. The inter-laboratory comparative test system is still not set up, nor is the system of reference laboratories for food and feed analysis, official controls for hygiene, and animal and plant health. Bosnia and Herzegovina has yet to fulfil the criteria for the export of table eggs to the EU, or fully implement its updated Salmonella control plan.

The alignment with the EU *acquis* of the laws on food (2004) and veterinary medicine (2002) remains low. Further work is necessary to prepare and adopt laws on official controls, on animal health and on animal welfare. Additional efforts are needed to implement the hygiene package.

On **veterinary policy**, the country has yet to substantially strengthen the control, prevention and eradication of transmissible animal diseases, as well as to improve the monitoring and surveillance of brucellosis and rabies, which are not yet eradicated. Further efforts are needed to improve coordination for the management of animal disease outbreaks. The central system for management of animal disease notification and outbreak information, as well as the central animal identification and registration systems for sheep, goats, pigs and horses, are yet to be aligned with the EU *acquis*.

On the **placing on the market of food, feed and animal by-products**, Bosnia and Herzegovina has yet to align its food and feed control system with the EU *acquis*. Further reforms are still necessary at all levels of government, particularly for official control authorities and laboratories. There is yet no countrywide strategy nor effective system for managing animal by-products. On **food safety rules** and its **specific rules for feed**, no progress was reported.

On **phytosanitary policy**, the country has yet to adopt key national laws, notably on plant health and on official controls. The adoption of countrywide programmes for surveillance of quarantine pests for

all agriculture crops and forests remains important, not only for potatoes which are exported to the EU. The country has yet to align its national legislation with the EU *acquis* on the rules for the authorisation of plant protection products in commercial form and for their placing on the market, use and control. Reforms are still needed for Bosnia and Herzegovina to issue plant passports, to adopt OECD seed schemes and to set up national reference laboratories providing phytosanitary checks. Surveys, early detection and eradication of pests must be strengthened.

The alignment with the EU *acquis* on **genetically modified organisms (GMOs)** remains low. Competent authorities at all levels of government need to be strengthened and a reference laboratory is yet to be set up to test, control and monitor the presence of GMOs in food and feed.

### Chapter 13: Fisheries and aquaculture

*The common fisheries policy lays down rules on fisheries management, protects living resources of the sea and limits the environmental impact of fisheries. This includes setting catch quotas, managing fleet capacity, rules on control and inspection, rules on markets and aquaculture and support for fisheries and coastal communities. Further, it promotes a sustainable aquaculture.*

Bosnia and Herzegovina needs to develop a countrywide policy framework (strategy) and State-level legislation on fisheries and aquaculture to prepare for the EU's common fisheries policy (CFP). The country needs to substantially strengthen its institutional capacity and administrative structures to support small-scale and/or inland fisheries and aquaculture.

No progress was made on **resource and fleet management**. Bosnia and Herzegovina still needs to set up a fleet register and a system for management and control of fishing activities in line with the CFP. On **inspection and control**, the country still needs to improve and harmonise the data on catches and landings per type of fishery and improve methodologies and planning for data collection. Bosnia and Herzegovina has yet to align **structural actions** and **State aid** measures with the EU *acquis*.

On **market policy**, Bosnia and Herzegovina still needs to establish most of the provisions of the EU *acquis* on the common market organisation in fishery and aquaculture products, among others setting up a framework to recognise producers' organisations.

Regarding **international agreements**, Bosnia and Herzegovina continues to cooperate with the General Fisheries Commission for the Mediterranean (GFCM) as part of the Food and Agriculture Organization (FAO), to which it is a cooperating non-contracting party.

There was no progress on **aquaculture** or on **maritime spatial planning** in the reporting period.

### Chapter 22: Regional policy and coordination of structural instruments

*Regional policy is the EU's main tool for reducing regional disparities and investing in sustainable and inclusive socio-economic growth. It operates through 'shared management' between the Commission and EU Member States. The implementation of cohesion policy programmes requires appropriate administrative capacity on programme and project level, the establishment of systems of sound financial management and controls and also the fulfilment of other EU *acquis* elements such as environmental or public procurement legislation.*

On the **legislative framework**, in the areas underpinning regional development (*see Chapters 5, 8, 15, 19, 27, 32*), Bosnia and Herzegovina needs to increase alignment with the EU *acquis* and standards, and to commit to regional development reforms, including definition of the planning regions (e.g. NUTS) and their powers, statistical profile and financing. The country needs to adopt a countrywide strategy to guide the process.

The **institutional framework** for the management of EU funds is not yet in place. The country has not yet appointed a national IPA coordinator (NIPAC) for IPA III to steer the programming and the use of the EU funds, and to drive reforms under this chapter. The absence of a NIPAC may be considered as a fundamental weakness in the management and control system, especially under shared management. There is no countrywide strategic framework guiding the preparations for the structural and cohesion funds and regional development. The coordination is challenging due to institutional and



administrative fragmentation and lack of quality statistical and administrative data to support a common strategic vision.

The **administrative capacity** for programming and managing EU pre-accession funds remains weak due to delays in public administration reform and the absence of efficient IPA structures including a NIPAC, with limited understanding of the EU regional and cohesion policy.

On **programming**, Bosnia and Herzegovina completed the programming of the remaining IPA III funds (allocations for 2025-2027). A Reform Agenda under the Reforms and Growth Facility was submitted to the Commission for agreement in September 2025. Bosnia and Herzegovina needs to improve the planning of capital investments across the country and ensure that an up-to-date single project pipeline guides EU and domestic investments in a coherent way, covering priority sectors, based on a sound, transparent and inclusive methodology. The country continues to gain experience in programming and implementation of regional policy through participation in nine EU cooperation programmes. Bosnia and Herzegovina participates in three cross-border programmes, three transnational programmes and three inter-regional programmes. In 2025, Bosnia and Herzegovina chaired the EU Strategy for the Danube Region (EUSDR). In the 2021-2027 period, more applicants from Bosnia and Herzegovina have expressed interest to join territorial cooperation programmes.

Regarding **monitoring and evaluation**, Bosnia and Herzegovina needs to significantly improve the quality of monitoring and reporting on the use of the EU funds, and to ensure a higher rate of implementation of recommendations from the SAA process and the IPA monitoring committee. In absence of a NIPAC, the IPA monitoring committee has not taken place since May 2022.

On the **financial management, control and audit system**, Bosnia and Herzegovina needs to put in place a roadmap for establishing the management and control systems for the structural and cohesion instruments and ensure their implementation.

On **fight against corruption**, anti-corruption and anti-fraud measures need to be put in place and enforced in close coordination among anti-corruption bodies at all levels of government.

### **Chapter 33: Financial and budgetary provisions**

*This chapter covers the rules governing the funding of the EU budget ('own resources'). These resources mainly consist of: (i) contributions based on the gross national income of each Member State; (ii) customs duties; (iii) the non-recycled plastic resource and (iv) a resource based on value added tax. Member States must have the appropriate administrative capacity to adequately coordinate and ensure the correct calculation, collection, payment and control of own resources.*

There was no or limited progress in the underlying policy areas that indirectly affect the own-resources system. (For progress in these areas, see Chapters 16 – Taxation, 17 – Economic and monetary policy, 18 – Statistics, 29 – Customs union, and 32 – Financial control)

There was limited progress in improving the capacity of the Indirect Tax Authority (ITA) and in implementing an accounting system for customs duties to distinguish between recovered and outstanding debts, in line with the EU's **traditional own-resources** accounting. ITA now allows uploading files from the customs and other subsystems into the single account ledger. The VAT law is still to be aligned with the EU *acquis*, notably on special schemes and exceptions.

On the **gross national income (GNI) resource**, Bosnia and Herzegovina makes use of the definitions and accounting rules of ESA 2010 to compile its GNI. Setting up a countrywide accounts system is a longstanding priority that should be tackled with urgency, notably by adopting a master plan to that aim, in line with ESA 2010.

In terms of **administrative infrastructure**, there was no progress in providing sufficient human and administrative resources to ensure the full and correct application of relevant rules in line with EU *acquis* on payments into the EU budget. Administrative structures and implementing rules need to be better coordinated to ensure correct forecasting, calculation, accounting, collection, payment and monitoring of own resources.



## CLUSTER 6: EXTERNAL RELATIONS

This cluster covers: external relations (Chapter 30); foreign, security and defence policy (Chapter 31).

### Chapter 30: External relations

*The EU has a common commercial policy towards third countries, based on multilateral and bilateral agreements and autonomous measures. There are also EU rules on humanitarian aid and development policy.*

On the **common commercial policy**, Bosnia and Herzegovina needs to conclude negotiations for its accession to the WTO. Bosnia and Herzegovina needs to continue implementing the CEFTA additional protocol 5 on trade facilitation and CEFTA additional protocol 6 on trade in services. Bosnia and Herzegovina should adopt the additional protocol 7 on dispute settlement, thus contributing to implementing the 2025-2028 Common Regional Market action plan.

Bosnia and Herzegovina applies export controls on **dual-use goods** according with its 2003 legislation, which needs to be aligned with the relevant EU *acquis*, namely the 2021 Regulation on export controls and its annual updates as regards the list of dual-use items. Bosnia and Herzegovina has yet to align with the EU *acquis* on screening of foreign direct investments.

As regards **bilateral agreements with third countries**, Bosnia and Herzegovina needs to further strengthen its administrative capacity and improve cooperation and coordination among all levels of government to ensure consistency of implementation and enforcement. The country has 37 bilateral investment treaties in force, including 18 with EU Member States.

There was no progress in the areas of **development policy** and **humanitarian aid**. The country is a recipient of aid programmes and has so far provided humanitarian aid only *ad hoc*. Bosnia and Herzegovina is encouraged to establish a legal framework, according to EU policies and principles, and to build dedicated administrative structures.

### Chapter 31: Foreign, security and defence policy

*Member States must be able to conduct political dialogue under the EU foreign, security and defence policy, align with EU statements, take part in EU actions, and apply agreed sanctions and restrictive measures.*

The **political dialogue** between the EU and Bosnia and Herzegovina on foreign and security policy issues continued, including at high level. In April 2025, Bosnia and Herzegovina participated in the 11<sup>th</sup> EU – Western Balkans meeting of political directors on common foreign and security policy (CFSP) and hosted the 12<sup>th</sup> meeting in Sarajevo in October 2025.

The country's foreign policy strategy expired in 2023 and has not been replaced. Its implementation was affected by frequent divergent positions within the Presidency, also in relation to domestic developments, Russia's war of aggression against Ukraine, the Middle East or the UN General Assembly resolutions.

In August 2025, Bosnia and Herzegovina appointed a political director and a European correspondent within the Ministry of Foreign Affairs. Rules and practices based on ethnic quotas in appointing the diplomatic and consular staff have a negative impact on the capacity of the ministry, adversely affecting the country's foreign policy objectives.

Bosnia and Herzegovina has maintained full alignment with the EU **common foreign and security policy** (statements by the High Representative on behalf of the EU and Council decisions on sanctions), signalling its clear commitment to the EU path.

Bosnia and Herzegovina aligned with the EU positions at the United Nations, the OSCE and the Council of Europe on Russia's war of aggression against Ukraine, including co-sponsoring the UNGA resolution on "Advancing a comprehensive, just and lasting peace in Ukraine", marking three years since Russia's full-scale invasion of Ukraine. However, the *Republika Srpska* entity authorities

continue to maintain frequent contacts with Russia at the highest levels.

Alignment with EU **restrictive measures** remains politically contested as the member of the Presidency elected from the *Republika Srpska* entity advocated for a neutral stance and the former *Republika Srpska* entity President openly supported Russia's war of aggression against Ukraine. This resulted in significant hindrances to their implementation by those ministries controlled by the SNSD party, including not banning flights from Russia or the broadcast of Russian State-sponsored media. SNSD-controlled ministries and bodies at State level have also started stepping up cooperation with Russian counterparts. Notably, in September 2025 the Institute of Metrology and the Institute for Standardisation signed memorandums of understanding with *Rosstandart*, an EU-sanctioned Russian entity. Bosnia and Herzegovina should continue to strengthen its capacity to implement and enforce international restrictive measures, including EU sanctions it has aligned to, also by introducing legislation in line with the relevant EU regulations.

Regarding **cooperation with international organisations**, Bosnia and Herzegovina is an active member of the major international organisations, including the United Nations, the Council of Europe and the OSCE. The country participates in NATO's membership action plan since 2019. An action plan on women, peace and security remains pending adoption since 2023.

Bosnia and Herzegovina maintains a bilateral immunity agreement with the United States, granting US citizens exemptions from the jurisdiction of the **International Criminal Court**, which does not comply with the EU common positions on the integrity of the Rome Statute or related EU guiding principles on bilateral immunity agreements. Alignment with the EU position is therefore needed.

Bosnia and Herzegovina supports all EU measures and instruments for **conflict prevention**.

On **non-proliferation**, Bosnia and Herzegovina is not yet a participating State of multilateral export control regimes. Alignment with the EU Common Position 2008/944 on arms export control is largely complete, with further work required on end user certificates. Bosnia and Herzegovina is a party to the Arms Trade Treaty, but is still to establish effective measures to prevent diversion of arms and ammunition. Its non-proliferation strategy has expired.

As regards the control of **small arms and light weapons**, Bosnia and Herzegovina has been implementing the new regional roadmap 2025-2030. It needs to harmonise legislation on firearms within the country and further align it with the EU *acquis*. While some progress was achieved in the Brčko District, Posavina Canton, and Canton 10, the country still needs to mark and register all weapons of security forces into a single registry to ensure adequate traceability.

In terms of **security measures**, the country continued to implement the agreement with the EU on security procedures for exchanging and protecting classified information. The national security authority (NSA) under the Ministry of Security is understaffed and without a director since April 2024. The Law on the protection of classified information needs to be further aligned with EU standards, entrusting supervision to the NSA.

On the **common security and defence policy** (CSDP), the Armed Forces of Bosnia and Herzegovina (AFBiH) continued to contribute to the EU Training Mission (EUTM) in the Central African Republic. Bosnia and Herzegovina is invited to further step up participation in CSDP military missions and operations. Bosnia and Herzegovina contributes to regional cooperation in military medicine through the Balkan Medical Task Force (BMTF).

Bosnia and Herzegovina does not have an overall assessment or a policy framework for addressing **hybrid threats** and its public institutions remain vulnerable to serious cyber-attacks. Banja Luka-based provider M-tel continued to carry the signal of the RT channel, despite Bosnia and Herzegovina's alignment with relevant EU sanctions on Russia. The country also aligned with EU statements on hybrid and cyber. Bosnia and Herzegovina needs to make clear efforts on closing space for foreign information manipulation and interference (FIMI), including disinformation, taking actions towards building societal resilience against all forms of hybrid threats.

## ANNEX I – RELATIONS BETWEEN THE EU AND BOSNIA AND HERZEGOVINA

The **Stabilisation and Association Agreement** (SAA) entered into force in June 2015. Policy dialogue in the joint bodies under the agreement continued. The SA Committee was held in September 2024. The country also participates in the economic and financial dialogue between the EU and the Western Balkans and Türkiye; joint recommendations were adopted at ministerial level in May 2025.

Under the SAA and its interim agreement (which commenced application in 2008) there has been progressive **trade** liberalisation and mutual duty-free access for most goods. Since 2000, Bosnia and Herzegovina has also been benefiting from autonomous trade measures. The country joined the Central European Free Trade Agreement (CEFTA) in 2007. The EU is Bosnia and Herzegovina's main trading partner, accounting for 64% of its trade in goods (73% of exports and 59% of imports), for a total trade volume of EUR 15.2 billion in 2024.

Bosnia and Herzegovina applied for EU membership in February 2016, and in May 2019 the Commission adopted its **Opinion** setting out 14 key priorities in the areas of democracy and functionality, rule of law, fundamental rights, and public administration reform. In December 2022, the **European Council** granted Bosnia and Herzegovina **candidate country** status on the understanding that a number of steps are taken, as outlined in the October 2022 Commission recommendation. The **European Council** decided on 21 March 2024 to **open accession negotiations** with Bosnia and Herzegovina. The **European Council** invited the Commission to prepare the negotiating framework with a view to its adoption by the Council the moment all relevant steps set out in the Commission's recommendation of October 2022 are taken.

**Visa liberalisation** for citizens of Bosnia and Herzegovina travelling to the Schengen area has been in force since December 2010, and a readmission agreement has been in force since 2008. The Commission's seventh report under the visa suspension mechanism in December 2024 concluded that the country continues to meet the visa liberalisation benchmarks. In April 2025 the Commission proposed that countries that have been granted the status of candidate states, including Bosnia and Herzegovina are designated as safe countries of origin at EU level.

Bosnia and Herzegovina fully aligns with EU **common foreign and security policy** positions and declarations. The country continued to participate in EU crisis management missions and operations under the common security and defence policy. The **EUFOR Althea** military operation remained deployed in the country, retaining deterrence capacity to support a safe and secure environment. The UN Security Council has extended EUFOR Althea's executive mandate until November 2026.

The Armed Forces of Bosnia and Herzegovina (AFBiH) benefit from EUR 20 million in assistance from the **European Peace Facility** (EPF), which increases their capacity to participate in CSDP military missions and operations. Their demining battalion, which is essential for achieving a mine-free Bosnia and Herzegovina, received EPF support to purchase vehicles and metal detectors. The AFBiH also received EPF support in chemical, biological, radiological and nuclear protection, and take part in the EUR 6 million EPF Balkan Medical Task Force assistance measure.

The EU is the main donor of **financial assistance** to Bosnia and Herzegovina, with EUR 539.6 million under the Instrument for Pre-accession (IPA) II 2014-2020 and EUR 357.3 million under IPA III 2021-2024. The fundamentals of EU accession – good governance, rule of law and human rights – receive 43.97% of the IPA III assistance, while 56.03% target sustainable and inclusive growth. EU assistance also includes funding for civil society and co-financing for participation in Union programmes.

Since 2009, Bosnia and Herzegovina also received EU assistance of EUR 1.1 billion through the Western Balkans Investment Framework (WBIF), leveraging total investments of EUR 6.7 billion. Overall, under the Economic and Investment Plan (EIP), Bosnia and Herzegovina benefits from EUR 1 billion of IPA funds, mobilising additional funding of EUR 2.9 billion for priority high-impact projects.

Under the new Reform and Growth Facility, Bosnia and Herzegovina may benefit from up to EUR 976.6 million in loans and grants, following the 10% cuts enacted in July 2025. Disbursements

will follow delivery on reforms as set out in the Reform Agenda that Bosnia and Herzegovina submitted to the Commission for agreement in September 2025.

The EU provides support to strengthen Bosnia and Herzegovina's resilience to hybrid threats, including cyber threats and foreign information manipulation and interference (FIMI).

Bosnia and Herzegovina participates in three cross-border cooperation programmes, as well as in transnational cooperation for the Adriatic-Ionian region and the Danube region.

Bosnia and Herzegovina participates in eight **EU programmes**: Fiscalis 2020, Customs 2020, Competitiveness of enterprises and small and medium-sized enterprises programme (COSME), Erasmus+, Creative Europe, Europe for Citizens, Horizon 2020 and the health programme 2014-2020. To enhance access to EU initiatives and funds and to support the development of national restoration plans, Bosnia and Herzegovina is participating as an observer in two pilot projects under the technical support instrument.

## Annex II – Statistical data

### STATISTICAL DATA (as of 11/09/2025)

Basic data	Note	2012	2020	2021	2022	2023	2024
Population (thousand)		3 839 i	:	:	3 464 pi	3 441 pi	3 417 pi
Total area of the country (km²)		51 209 w	51 209 w	51 209 w	51 209 w	51 209 w	51 209 w

National accounts	Note	2012	2020	2021	2022	2023	2024
Gross domestic product (GDP) (million national currency)		26 223	34 728	39 145	45 618	49 920	51 233
Gross domestic product (GDP) (million euro)		13 408	17 756	20 015	23 324	25 524	26 195
GDP per capita (euro)		3 492 i	:	:	6 733 pi	7 417 pi	7 666 pi
GDP per capita (in purchasing power standards (PPS))		8 000	10 100	:	:	:	:
GDP per capita (in PPS), relative to the EU average (EU-27 = 100)		30.3 i	32.8 i	:	:	:	:
Real GDP growth rate: change on previous year of GDP volume (%)		- 0.8	- 3.0	7.4	4.2	2.0	2.5
Employment growth (national accounts data), relative to the previous year (%)		:	:	:	:	:	:
Labour productivity growth: growth in GDP (in volume) per person employed, relative to the previous year (%)		:	:	:	:	:	:
Unit labour cost growth, relative to the previous year (%)		:	:	:	:	:	:
*3 year change (T/T-3) in the nominal unit labour cost growth index (2015 = 100)		:	:	:	:	:	:
Labour productivity per person employed: GDP (in PPS) per person employed relative to EU average (EU-27 = 100)		:	:	:	:	:	:
Gross value added by main sectors							
Agriculture, forestry and fisheries (%)		7.3	7.0	6.0	5.7	5.5	5.0
Industry (%)		20.9	22.8	24.6	24.2	22.7	20.6
Construction (%)		4.7	5.4	5.1	5.2	5.4	5.5
Services (%)		67.2 i	64.7 i	64.3 i	64.9 i	66.3 i	68.8 i
Final consumption expenditure, as a share of GDP (%)		108.2	92.7	87.5	86.1	87.5	88.6
Gross fixed capital formation, as a share of GDP (%)		21.9	22.1	21.5	22.1	23.1	24.7
Exports of goods and services, relative to GDP (%)		32.4	34.6	42.8	48.3	43.9	42.8
Imports of goods and services, relative to GDP (%)		55.8	47.9	53.9	61.9	55.7	57.2
Gross fixed capital formation by the general government sector, as a percentage of GDP (%)		:	:	:	:	:	:

Business	Note	2012	2020	2021	2022	2023	2024
Industrial production volume index (2015 = 100)		92.3	96.7	106.1	107.2	103.1	:
Number of active enterprises (number)		:	:	78 877	81 436	84 211	:
Birth rate: number of enterprise births in the reference period (t) divided by the number of enterprises active in t (%)		:	:	:	:	:	:
Death rate: number of enterprise deaths in the reference period (t) divided by the number of enterprises active in t (%)		:	:	:	:	:	:



People employed in SMEs as a share of all persons employed (within the non-financial business economy) (%)	1)	:	:	91.7	91.8	91.7	:
Value added by SMEs (in the non-financial business economy) (EUR million)	1)	:	:	7 175 i	8 709 i	9 723 i	:
Total value added (in the non-financial business economy) (EUR million)		:	:	11 228	13 419	14 484	:

<b>Inflation rate and house prices</b>	Note	2012	2020	2021	2022	2023	2024
Consumer price index (CPI), change relative to the previous year (%)	2)	2.1 w	- 1.1 w	2.0 w	14.0 w	6.1 w	1.7 w

<b>Balance of payments</b>	Note	2012	2020	2021	2022	2023	2024
Balance of payments: current account total (million euro)		- 1 158.7	- 501.3	- 295.8	- 1 022.9	- 591.6	- 1 088.3
Balance of payments current account: trade balance (million euro)		- 3 977.1	- 3 204.5	- 3 666.0	- 5 206.6	- 5 245.2	- 6 006.0
Balance of payments current account: net services (million euro)		833.8	836.3	1 445.6	2 036.5	2 245.2	2 251.7
Balance of payments current account: net balance for primary income (million euro)		104.8	- 98.4	- 255.2	- 305.6	- 147.3	- 82.2
Balance of payments current account: net balance for secondary income (million euro)		1 879.7	1 965.3	2 179.8	2 452.9	2 555.8	2 748.2
Net balance for primary and secondary income: of which government transfers (million euro)		53.8	66.7	47.2	20.2	- 8.7	- 2.6
*3 year backward moving average of the current account balance relative to GDP (%)		- 8.0	- 2.9	- 2.3	- 2.9	- 2.7	- 3.6
*Five year change in share of world exports of goods and services (%)		:	15.5	22.9	16.6	14.3	13.8
Net balance (inward - outward) of foreign direct investment (FDI) (million euro)	3)	258.8 w	357.4 w	561.3 w	730.7 w	863.7 w	:
Foreign direct investment (FDI) abroad (million euro)	3) 4)	46.4 w	70.5 w	76.9 w	74.9 w	93.5 w	:
of which FDI of the reporting economy in the EU-27 countries (million euro)	7)	:	32.1 w	33.5 w	20.5 w	74.0 w	:
Foreign direct investment (FDI) in the reporting economy (million euro)	3) 4)	305.2 w	427.9 w	638.1 w	805.5 w	957.2 w	:
of which FDI of the EU-27 countries in the reporting economy (million euro)	5)	153.7 w	267.7 w	256.6 w	419.8 w	495.0 w	:
*Net international investment position, relative to GDP (%)		- 57.9	- 33.5	- 28.9	- 26.1	- 22.3	- 23.7
Year on year rate of change in gross inflow of remittances (in national currency) from migrant workers (%)	4)	:	7.3 i	7.8 i	7.9 i	7.6 i	:

<b>Public finance</b>	Note	2012	2020	2021	2022	2023	2024
General government deficit / surplus, relative to GDP (%)		:	:	:	:	:	:
General government gross debt relative to GDP (%)		:	:	:	:	:	:
Total government revenues, as a percentage of GDP (%)		:	:	:	:	:	:
Total government expenditure, as a percentage of GDP (%)		:	:	:	:	:	:

<b>Financial indicators</b>	Note	2012	2020	2021	2022	2023	2024
Gross external debt of the whole economy, relative to GDP (%)	4)	73.6 iw	63.2 iw	57.5 iw	51.6 iw	47.4 iw	:
Gross external debt of the whole economy, relative to total exports (%)	4)	227.5 w	182.8 w	134.3 w	106.7 w	107.9 w	:
Money supply: M1 (banknotes, coins, overnight deposits, million euro)	6)	3 140.7 w	7 697.6 w	9 166.2 w	10 163.8 w	11 051.4 w	12 328.6 w
Total credit by monetary financial institutions to residents (consolidated) (million euro)		:	:	:	:	:	:
*Annual change in financial sector liabilities (%)		:	:	:	:	:	:
*Private debt, consolidated, relative to GDP (%)		:	:	:	:	:	:

Interest rates: day-to-day money rate, per annum (%)		:	:	:	:	:	:
Euro exchange rates: average of period (1 euro = ... national currency)		1.956	1.956	1.956	1.956	1.956	1.956
Trade-weighted effective exchange rate index, 42 countries (2015 = 100)		99.2 w	106.1 w	107.4 w	108.5 w	111.0 w	112.5 w
*3 year change (T/T-3) in the trade-weighted effective exchange rate index, 42 countries (2015 = 100)		0.0 iw	0.1 iw	0.1 iw	0.1 iw	0.1 iw	0.1 iw
Value of reserve assets (including gold) (million euro)		37.2	637.1	1 377.8	72.8	26.5	555.4

<b>External trade in goods</b>	Note	2012	2020	2021	2022	2023	2024
Value of imports: all goods, all partners (million euro)		7 799	8 634	11 042	14 641	14 197	14 651
Value of exports: all goods, all partners (million euro)		4 018	5 379	7 298	9 190	8 538	8 219
Trade balance: all goods, all partners (million euro)		- 3 781	- 3 254	- 3 744	- 5 451	- 5 659	- 6 432
Terms of trade (export price index / import price index * 100) (number)		98.3 iw	105.6 iw	104.4 iw	98.5 iw	106.1 iw	105.9 iw
Share of exports to EU-27 countries in value of total exports (%)		72.3 iw	72.4 iw	72.8 iw	73.6 iw	73.0 iw	73.1 iw
Share of imports from EU-27 countries in value of total imports (%)		60.6 iw	60.8 iw	58.9 iw	56.9 iw	59.0 iw	59.2 iw

<b>Demography</b>	Note	2012	2020	2021	2022	2023	2024
Crude rate of natural change of population (natural growth rate): number of births minus deaths (per thousand inhabitants)		- 0.9	:	:	- 4.2 p	- 2.8 p	- 3.2 p
Infant mortality rate deaths of children under one year of age (per thousand live births)		5.4	:	:	:	:	:
Life expectancy at birth: male (years)		:	:	:	:	:	:
Life expectancy at birth: female (years)		:	:	:	:	:	:

<b>Labour market</b>	Note	2012	2020	2021	2022	2023	2024
Economic activity rate for persons aged 20–64: proportion of the population aged 20–64 that is economically active (%)		:	:	63.4 b	63.6	64.3	66.6
Employment rate for persons aged 20–64: proportion of the population aged 20–64 that are in employment (%)		:	:	52.6 b	53.9	55.9	58.2
Male employment rate for persons aged 20–64 (%)		:	:	66.0 b	67.7	69.5	71.9
Female employment rate for persons aged 20–64 (%)		:	:	39.1 b	40.0	42.1	44.3
Employment rate for persons aged 55–64: proportion of the population aged 55–64 that are in employment (%)		:	:	35.6 b	36.3	38.6	40.9
Employment by main sectors							
Agriculture, forestry and fisheries (%)		:	:	9.4 bi	7.3 i	7.6 i	7.7 i
Industry (%)		:	:	24.4 bi	25.4 i	25.1 i	24.2 i
Construction (%)		:	:	9.1 bi	9.2 i	9.2 i	9.5 i
Services (%)		:	:	57.0 bi	58.2 i	58.0 i	58.6 i
People employed in the public sector as a share of total employment, persons aged 20–64 (%)	7) 8)	18.5 bw	19.1 bw	19.8 bw	19.0 w	19.0 w	:
People employed in the private sector as a share of total employment, persons aged 20–64 (%)	7) 8)	81.5 bw	80.9 bw	80.2 bw	81.0 w	81.0 w	:

Unemployment rate: proportion of the labour force that is unemployed (%)		:	:	17.4 b	15.4	13.2	12.6
Male unemployment rate (%)		:	:	14.4 b	12.6	10.9	10.1
Female unemployment rate (%)		:	:	22.0 b	19.8	16.7	16.6
Youth unemployment rate: proportion of the labour force aged 15–24 that is unemployed (%)		:	:	38.3 b	35.1	30.1	30.2
Long-term unemployment rate: proportion of the labour force that has been unemployed for 12 months or more (%)		:	:	13.4	11.4	9.6	9.0
Unemployment rate for persons (aged 25–64) having completed at most lower secondary education (ISCED levels 0-2) (%)		:	:	24.7 b	25.1	22.9	24.0
Unemployment rate for persons (aged 25–64) having completed tertiary education (ISCED levels 5-8) (%)		:	:	11.3 b	10.7	9.0	7.5

<b>Social cohesion</b>	Note	2012	2020	2021	2022	2023	2024
Average nominal monthly wages and salaries (national currency)		826 w	956 w	998 w	1 122 w	1 263 w	:
Index of real wages and salaries (index of nominal wages and salaries divided by the inflation index) (2016 = 100)		:	:	:	:	:	:
Gini coefficient		:	:	:	:	:	:
Poverty gap		:	:	:	:	:	:

<b>Standard of living</b>	Note	2012	2020	2021	2022	2023	2024
Number of passenger cars relative to population size (number per thousand population)		196.0 i	268.0 pi	284.0 p	292.0 p	306.0 p	321.0 p
Number of mobile phone subscriptions relative to population size (number per thousand population)		873.2 ew	1 010.0 w	1 095.5 ew	1 110.1 w	1 061.9 w	:
Mobile broadband penetration (per 100 inhabitants)		:	46.7 w	52.6 ew	60.6 w	63.1 w	:
Fixed broadband penetration (per 100 inhabitants)		:	22 w	23 ew	26 w	26 w	:

<b>Infrastructure</b>	Note	2012	2020	2021	2022	2023	2024
Density of railway network (lines in operation per thousand km <sup>2</sup> )		20.1 iw	19.9 iw	19.9 iw	19.9 iw	19.9 iw	:
Length of motorways (kilometres)		:	218	218	231	231 p	:

<b>Education, Innovation and Research</b>	Note	2012	2020	2021	2022	2023	2024
Percentage of persons aged 30-34 with a tertiary education level (ISCED 2011 levels 5 to 8)		:	:	28.8	28.6	28.2	26.7
Percentage of persons aged 30-34 with a tertiary education level (ISCED 2011 levels 5 to 8), males		:	:	23.9	23.4	23.5	21.3
Percentage of persons aged 30-34 with a tertiary education level (ISCED 2011 levels 5 to 8), females		:	:	34.0	34.1	33.1	32.6
Participation in early childhood education (children aged 3 and over)		:	25.0 w	29.6 w	43.6 w	45.0 w	:
Participation in early childhood education (children aged 3 and over), males		:	25.2 w	29.6 w	44.1 w	45.3 w	:
Participation in early childhood education (children aged 3 and over), females		:	24.7 w	29.6 w	43.2 w	44.7 w	:
Low achieving 15-year-olds in reading		:	:	:	:	:	:
Low achieving 15-year-olds in mathematics		:	:	:	:	:	:

Low achieving 15-year-olds in science		:	:	:	:	:	:
Early leavers from education and training: proportion of persons aged 18-24 with at most lower secondary education (at most ISCED 2011 level 2) who are not in further education or training		:	:	4.7	3.6	4.2	3.8
Early leavers from education and training: proportion of men aged 18-24 with at most lower secondary education (at most ISCED 2011 level 2) who are not in further education or training		:	:	4.9	3.9	5.2	5.0
Early leavers from education and training: proportion of women aged 18-24 with at most lower secondary education (at most ISCED 2011 level 2) who are not in further education or training		:	:	4.4	3.3	3.1	2.5
Proportion of persons aged 25-64 having participated in education and training (last 4 weeks)		:	:	2.1	1.8	1.8	1.6
Proportion of persons aged 25-64 having participated in education and training (last 4 weeks), men		:	:	2.0	1.6	1.5	1.2
Proportion of persons aged 25-64 having participated in education and training (last 4 weeks), women		:	:	2.1	2.0	2.0	2.0
Exposure of vocational education and training (VET) graduates to work-based learning (% of population aged 20-34)		:	:	:	:	:	:
Share of individuals having at least basic digital skills (% of population aged 16-74)		:	:	34.7	:	30.1	:
Share of individuals having at least basic digital skills (% of population aged 16-74), males		:	:	36.3	:	30.8	:
Share of individuals having at least basic digital skills (% of population aged 16-74), females		:	:	33.2	:	29.3	:
Public expenditure on education relative to GDP (%)		:	4.2	:	:	:	:
Gross domestic expenditure on R&D relative to GDP (%)		0.27	0.20	0.19	:	:	:
Government budget appropriations or outlays on R&D (GBAORD), as a percentage of GDP (%)		:	0.09	0.18 p	:	:	:
Percentage of households who have internet access at home (%)		:	72.8	75.5	:	81.6	84.2

Environment	Note	2012	2020	2021	2022	2023	2024
Index of greenhouse gas emissions, CO <sub>2</sub> equivalent (1990 = 100)		64.0 w	74.7 w	76.3 w	76.3 ew	:	:
Energy intensity of the economy (kg of oil equivalent per 1 000 euro GDP at 2015 constant prices)		:	435.2	420.4	399.8	:	:
Electricity generated from renewable sources relative to gross electricity consumption (%)		:	49.3	46.3	:	:	:
Road share of inland freight transport (based on tonne-km) (%)	9)	65.9 w	78.8 w	78.8 w	78.4 w	77.4 w	80.9 w

Energy	Note	2012	2020	2021	2022	2023	2024
Primary production of all energy products (thousand TOE)		:	5 237	5 223	5 313	5 278	:
Primary production of crude oil (thousand TOE)		:	0	0	0	0	:
Primary production of solid fuels (thousand TOE)		:	3 329	3 121	3 348	3 192	:
Primary production of gas (thousand TOE)		:	0	0	0	0	:
Net imports of all energy products (thousand TOE)		:	1 805 i	2 002 i	1 921 i	1 726 i	:
Gross inland energy consumption (thousand TOE)		:	7 108	7 374	7 310	6 951	:

Gross electricity generation (GWh)		:	16 874	18 536	16 381	17 185	:
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<b>Agriculture</b>	Note	2012	2020	2021	2022	2023	2024
Agricultural output volume index (at producer prices) (2015 = 100)		:	:	:	:	:	:
Utilised agricultural area (thousand hectares)		1 735.3 e	1 845.6 e	1 865.8 e	1 110.4 b	1 113.7 e	:
Livestock numbers: live bovine animals (thousand heads, end of period)		446.0 e	427.0 e	339.5	339.2	330.1	:
Livestock numbers: live swine (thousand heads, end of period)		539.0 e	547.0 e	569.6	471.6	400.7	:
Livestock numbers: live sheep and live goats (thousand heads, end of period)		1 069.0 i	1 085.0 i	1 083.2 i	1 041.6 i	:	:
Raw milk available on farms (thousand tonnes)		:	:	:	:	:	:
Harvested crop production: cereals (including rice) (thousand tonnes)		916.7 e	1 966.8 e	1 425.1 e	1 173.7 b	1 110.0 e	:
Harvested crop production: sugar beet (thousand tonnes)		0.0	0.0	0.0	0.0	0.0	0.0
Harvested crop production: vegetables (thousand tonnes)		256.4 e	323.7 e	292.7 e	238.2 b	238.0 e	:

**Source: Eurostat and/or the statistical authorities in Bosnia and Herzegovina**

: = not available

b = break in series

e = estimated value

n = not significant value

p = provisional

i = Eurostat estimate

w= data supplied by and under the responsibility of the national statistical authority and published on an "as is" basis and without any assurance as regards their quality and adherence to EU statistical methodology

\* = Macroeconomic Imbalance Procedure (MIP) indicator

Footnotes:

- 1) Entrepreneurs (natural persons) are not included.
- 2) Consumer price inflation
- 3) Based on IMF balance of payments manual, Asset - Liability Approach.
- 4) Based on IMF balance of payments manual, sixth edition.
- 5) Based on IMF balance of payments manual, sixth edition and OECD Benchmark Definition of Foreign Direct Investment - 4th edition.
- 6) M1 money supply comprises cash outside banks and transferable deposit in domestic currency of all domestic sectors (except central government deposits).
- 7) From January 2021, the Agency for Statistics of Bosnia and Herzegovina applies the redesigned methodology of the Labour Force Survey, in accordance with the new Regulation of the European Parliament and the Council. This has resulted in a break in the time series.
- 8) The public sector includes NACE Rev. 2 Sections O, P and Q while the private sector includes other NACE Sections.



- 9) Data not collected on inland waterways. Road share of inland freight transport based on road and rail transport.