



EUROPEAN UNION – BOSNIA AND HERZEGOVINA
3RD MEETING OF THE SAA COMMITTEE
BRUSSELS, 27 MARCH 2018



EU Recommendations

Political criteria

EU integration process

- BiH should remain focused on the implementation of the Reform Agenda.
- BiH should further improve its alignment with common foreign and security policy (CSFP).

Coordination mechanism

- BiH is encouraged to make the coordination mechanism fully functional in view of providing coordinated positions on the country's EU integration path.
- All standing delegations for the joint EU-BiH bodies under the SAA need to be nominated in line with the agreed coordination mechanism.
- The Commission recalled the SAA requirement for the country to prepare and adopt a programme of legal approximation with the EU acquis.

Public Administration Reform (PAR)

- BiH should urgently adopt the **country-wide PAR strategic framework**, after it has been agreed among all levels of government and develop a common action plan within 6 months from the adoption of the PAR SF.
- BiH should inform the Commission about upcoming decisions regarding the next steps to develop a credible and relevant **countrywide Public Financial Management (PFM)** strategic framework, as *Republika Srpska* entity should expedite as a matter of urgency the completion of its PFM Strategy.
- BiH authorities should ensure the **validity of the PAR Fund** encouraging all government levels in signing the temporal extension of the Memorandum of Understanding, in order to provide a legal basis for the disbursement of donor' assistance, as the PAR Fund represents a key tool for the implementation of public administration reform.
- BiH should adopt a legal framework and detailed guidelines **for sectoral strategic planning and monitoring** to be carried out in a harmonised way at all levels of government, as well as a common methodology for countrywide sector strategy development.
- BiH is encouraged to improve a more **evidence-based and transparent** policy making through implementation of Regulatory Impact Assessment (RIA) guidelines, as well as improvement in the legal framework for public consultation and consistent application in practice
- BiH should ensure the **harmonisation of civil service** policies along their legislative and institutional aspects, including, by as well aligning civil service legislation with the EU Principles of Public Administration, and avoiding any attempts of further politicisation of the civil service.
- BiH should introduce and promote **transparency among public institutions** at all levels of government. The set of minimum requirements that should be in place include the elaboration of an extensive catalogue of information to be provided on the websites of public institutions, regular and

effective monitoring of the implementation of the laws on access to public information, and systematic collection, aggregation and use of monitoring data.

Rule of law

- BiH is urged to finalise the draft Law on BiH Courts and the amendments to the criminal procedural code in line with recommendations of the Structured Dialogue on Justice.
- The High Judicial and Prosecutorial Council (HJPC) is encouraged to swiftly implement the Action Plan ensuring effective follow-up to the peer-reviews.
- BiH is urged to swiftly recruit the Director of the BiH State Prison.
- BiH will have to reform the execution procedure laws to reduce effectively the utility-cases backlog in courts.
- BiH authorities are expected to implement the decisions of the Constitutional Court of BiH.

MICT cooperation

- BiH is expected to develop a constructive cooperation with the Mechanism for International Criminal Tribunals.
- BiH is urged to revise the National War Crimes Strategy with a view to speeding up the clearing of the war crimes backlog, notably by setting new timelines for completing the processing of the most complex war crimes cases and by reinforcing the monitoring role of the Supervisory Body.

Anti-corruption

- BiH needs to adopt consistent anti-corruption policy documents wherever these are still missing, and ensure their effective implementation and evaluation in accordance with the corresponding strategic framework at all levels; establish preventive bodies at all levels of governance, where these are still not in place, with appropriate coordination channels to prevent and fight corruption.
- BiH needs to ensure appropriate legislative and institutional follow-up to implement the outstanding GRECO Recommendations, notably on political party financing and conflict of interest.
- BiH needs to complete the legislative framework on whistle-blowers' protection at all levels of governance and ensure its coherence.
- BiH needs to amend its legislation in order to establish an efficient mechanism for checking the accuracy of asset declarations at all levels.
- BiH needs to reinforce the track-record of investigations, prosecutions and adjudications of corruption cases, notably high-level corruption cases.

Fight against organised crime

- BiH authorities will ensure further progress in the fight against trafficking in human beings, by the further implementing the strategy and action plan and in particular improving detection and protection of victims and strengthening prosecutorial capacities.
- BiH authorities will take further steps to facilitate the mutual access to databases and data exchange between law enforcement agencies and prosecutor's offices.
- BiH authorities will reinforce the track-record of investigations, prosecutions, final convictions, seizures and confiscations of proceeds of crime in organised crime cases, including cybercrime and money-laundering cases.

Human rights and protection of minorities/Anti-discrimination

- BiH needs to develop and adopt a comprehensive and countrywide human rights strategy and anti-discrimination programme, with accompanying action plans.
- BiH authorities are encouraged to continue the efforts to fight discrimination, in particular with regard to members of vulnerable groups, such as LGBTI persons, disabled persons or Roma.
- BiH has to make use of an adequate and reliable statistical data collection on discrimination, and improve data collection on violence against women, against LGBTI persons and against human rights defenders. Adequate follow-up and investigation of hate crimes needs to be ensured.
- BiH needs to align the relevant legislation at all levels with the Istanbul Convention and encourage political participation of women. BiH should adopt a revised Gender Action Plan and allocate adequate resources for its implementation, in particular for safe houses.
- BiH is encouraged to allocate specific budget to implement the 2015-2018 action plan on children's rights, to promote the use of foster care and alternatives to institutionalisation and to promote and ensure the rights of persons with disabilities.
- Substantial steps are expected from BiH in demonstrating compliance with the ECtHR case law in Sejdić-Finci and related rulings (Zornić, Pilav, Šlaku).
- BiH is urged to bring to an end the "two schools under one roof" practice and ensure that the education system is inclusive and conducive to reconciliation.
- BiH should ensure a harmonised, consistent, non-discriminatory, effective and free legal aid system across the country.

Ombudsman

- BiH is urged to adopt a revised law on the Human Rights Ombudsman institution, in line with the Paris principles and the recommendations from the Venice Commission, to improve the independence and effectiveness of the Ombudsman institution and provide it with adequate financial and human resources to effectively fulfil its mandate as national human rights institution, including as national preventive mechanism against torture and ill-treatment.

Freedom of expression

- BiH should step up its efforts to ensure freedom of expression, including by ensuring sufficient protection of journalists and an appropriate law enforcement response to threats. BiH authorities are expected to act swiftly and demonstrate zero tolerance for threats or attacks against media, and should refrain from making statements that may create an environment not conducive to freedom of expression.
- BiH needs to finalise the reform of the public broadcasting system, including securing the funding of public broadcasters, harmonising relevant entity broadcasting legislation with the state-level law, and securing the political independence of the steering boards.
- BiH should urgently adopt and implement an adequate fee collection model to ensure the financial sustainability and political independence of the Public Broadcasting System.
- BiH needs to adopt appropriate legislation on media ownership transparency, including for online media.

Roma

- BiH should continue enhancing the socio-economic inclusion of the Roma minority, including through effective implementation of the revised Roma Action Plan 2017-2020 on employment, housing and healthcare and follow-up to the operational conclusions of the Roma Social Inclusion Seminar of January 2018.

- BiH should revise the action plan on educational needs of the Roma, integrating education issues within the Roma Action Plan, and allocate adequate funding from all levels of government for its implementation.
- BiH should continue ensuring progress on housing and civil registration and further address the high unemployment and school drop-out rates as well as access to healthcare services for the Roma population. To this aim, BiH should further extend the use of Local Roma Action Plans.
- BiH should also reinforce participation of Roma in decision-making, with particular regards to women.

Economic criteria

- BiH needs to step up **structural reforms** following a period of slowdown in reforms in 2017. Strong, coordinated and continued political support for the swift implementation of much needed structural reforms is critical.
- As regards the **ERP**, further efforts are required to present a countrywide reform programme which lists 15-20 reform measures that correspond to common countrywide obstacles to competitiveness and growth.
- BiH should reflect on how best to improve the quality and political ownership of the ERP. It should step up political awareness, support, countrywide ownership and coherence of the ERP and enhance its capacity to design, implement and monitor structural reforms to meet the requirements of the European Semester.
- BiH should use the Reform Agenda better as an inspiration and good basis for a countrywide diagnostics in the Economic Reform Programme (ERP) and strategy to boost growth and competitiveness.
- BiH needs to put in place a functioning coordination and consultation mechanism for the ERP process.
- BiH should implement the policy guidance set out in the **Conclusions of the Economic and Financial Dialogue**.

Public finances

- BiH needs to improve the quality of fiscal governance, which is mainly driven by short-term requirements, and enhance the growth-friendliness of public spending.
- BiH should improve the efficiency of public administration and avoid building up payment arrears as this approach contributes to the country's internal imbalances with very counterproductive effects for growth.
- BiH should address the sustainability of social security systems and improve targeting of social spending.
- BiH is encouraged to considerably increase efforts to establish countrywide aggregated and consolidated data, the lack of which impedes the analysis of macro-financial developments.
- BiH should adopt a countrywide reform programme for public financial management.

Statistical cooperation, including preparations for agricultural census

- The European Commission considers the agriculture census an important step to improve agriculture statistics in BiH and to make data available for agriculture policy, and therefore urges BiH to reflect upon timing as well as the legal and common methodological framework for conducting an agriculture census.

- BiH is reminded about the importance of using data from the 2013 population and housing census to update sample frames for household surveys.
- BiH should improve the provision of timely and exhaustive statistics, applying European and international standards, in particular in macroeconomic statistics such as of national accounts, government finance statistics and labour market statistics.
- BiH authorities should adopt the multi-annual work programme for Official Statistics for the period 2017-2020. BiH is encouraged to reflect on and propose amendments to the Law on Official Statistics and take into consideration relevant elements from the amended regulation 223/2009 on European Statistics.

Financial assistance

- BiH should ensure a clear link between the reforms foreseen in the new sector strategies and the priorities for EU support. The challenge will be to absorb the available funds and to ensure that they contribute to the **implementation** of the reform priorities.
- The NIPAC is invited to **sign the Financing Agreement for the IPA 2017 programme** to allow access to funds as soon as possible. NIPAC is invited to advance in preparation and implementation of the previous IPA programmes.
- BiH is urged to take on board the comments from the Commission in the elaboration of full Action Documents by mid-April. BiH is urged to assume **ownership** in implementation of EU support and the NIPAC is encouraged to ensure consultation with all the relevant stakeholders.

Implementation of the SAA

SAA institutional provisions – functioning of joint EU-BiH bodies and implementation of EU recommendations in BiH

- As a part of the Opinion process, the Commission will review the compliance of SAA provisions by BiH, including the functioning of joint EU-BiH bodies established under the Institutional Provisions of the SAA.
- BiH authorities are urged to undertake political initiative and resolve the issue of non-adoption of the Rules of Procedure for the Stabilisation and Association Parliamentary Committee.

SAA article 70 – BiH Programme of law approximation

- BiH is urged to proceed with developing and adopting a Programme of EU Integration, including a consolidated law approximation plan covering all levels of government.

Justice, freedom and security

Judicial cooperation, Europol

- BiH should swiftly amend its data protection law in line with the advice by Eurojust to allow for progress on a possible cooperation agreement with Eurojust.
- BiH should swiftly and fully implement the Europol agreement by establishing the new single National Contact Point as a matter of priority.
- BiH should ensure the fast selection and deployment of the BiH Europol liaison officer.

Visa policy, border management, asylum and migration issues

- BiH should strengthen the Joint Risk Analysis Centre and the border control capacities.

- BiH should reconsider the human resources distribution among law enforcement authorities in order to increase the border control capacities and ensure continuity in cooperation and coordination in investigations.
- BiH should closely monitor the situation of the migration route. In light of the ongoing developments and the nature of the current migration flow, BiH should reconsider their rapid and crisis response measures and re-evaluate the capacities of the various facilities. BiH should provide information to the European Commission on further measures to ensure preparedness.

Police

- BiH should introduce a plan for the systematic joint training of police and prosecutors, as well as strengthen the offer of specialised training in relevant specific crime domains.

Anti-money laundering

- BiH should continue its efforts to implement all FATF recommendations and to align with EU legislation.

Anti-terrorism

- As a matter of priority, BiH should ensure the regular functioning of the counter-terrorism task force operational group.
- BiH should ensure further efforts on countering and preventing terrorism and radicalisation, including in local communities and in prison programmes. BiH should ensure proportionate sanction and reintegration mechanisms for all different categories of persons involved in terrorism and radicalisation [including women].
- BiH is encouraged to
 - closely cooperate within the Western Balkan Counter-Terrorism Initiative (WBCTi) process authorities and consider identifying a single contact point/body;
 - implement effectively the BiH Strategy for Preventing and Combatting Terrorism 2015-2020 and its Action Plan and ensure the functioning of the Counter Terrorism Taskforce (CTTF);
 - increase its efforts on prevention of violent extremism, notably by appointing a PVE co-ordinator to ensure the appropriate focus and co-ordination across policies, such as in education and in the prison system;
 - create the conditions to enable the swift establishment of the Automatic Fingerprint Identification System (AFIS).
- The EU is ready to assist BiH through the EU Radicalisation Awareness Network (RAN) to support practitioners in addressing this issue.

Trade, industry, customs and taxation
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Trade (WTO accession)

- BiH is encouraged to **intensify and conclude** in the very near future its bilateral negotiations with a view to conclude its accession path to the WTO. The EU is fully supporting all efforts and stands ready to assist BiH in finalising the WTO accession.

Free movement of goods (incl. countrywide strategy for quality infrastructure)

- BiH needs to ensure a better coordination and cooperation among all relevant institutional bodies and stakeholders.
- BiH has still to adopt a countrywide Strategy for Quality Infrastructure.

Industrial policy (countrywide strategies; SME)

- BiH is encouraged to address the lack of a single economic space, including through harmonised and coordinated industrial and SME policies in line with the priorities of the Reform Agenda.
- BiH still needs to complement the initiatives of entities and cantons with a countrywide coordinated SME strategy, in order to avoid market distortions, reduce administrative requirements, and ensure the equal treatment of economic operators throughout the country.
- BiH is urged to simplify and harmonise business registration procedures.
- BiH is encouraged to promote the COSME programme in order to ensure that business operators and financial intermediaries are fully aware of all the possibilities offered by the programmes in favour of SMEs. The EU stands ready to support this through TAIEX assistance.

Customs and taxation

- BiH is urged to speed up the implementation of the Law on Customs Policy.
- BiH is encouraged to ensure the inter-operability of the different e-signature schemes across the country.
- BiH is encouraged to apply equal conditions for EU companies and businesses in BiH vis-à-vis local authorities (in particular tax administration)
- BiH should align its definition of independent small breweries, particularly the yearly production threshold of 400.000 hl, with EU Directive 92/83/EEC.
- BiH is encouraged to update its VAT and excise legislation in line with the latest developments of the EU law in these areas.

Internal market and competition

Banking, insurance and other financial services

- BiH is encouraged to develop a single economic area for the free movement of capital.
- BiH is urged to adopt the amendments to the Law on Deposit Insurance to allow for the use of the deposit insurance fund for resolution purposes.

Company law, accounting and auditing

On company law

- BiH is urged to demonstrate effective implementation of the company laws and regulations.
- BiH needs to proceed with a comprehensive review of domestic legislation on company law at all levels with the aim of examining its compatibility with relevant EU acquis. The EU stands ready to provide technical assistance for that purpose (including peer assessment review missions and TAIEX assistance).

On accounting

- BiH and its entities are encouraged to work on a harmonised set of accounting rules with a view of creating a single economic space between the Entities.

On auditing (development of a single supervisory body on auditing)

- BiH authorities are encouraged to continue aligning its public audit oversight system with the new EU regulation, in particular regarding the requirement of a single supervisory authority with ultimate responsibility for the oversight of statutory auditors in the whole country.

Public procurement

- BiH should invest more efforts in developing transparent public procurement procedures.
- BiH is urged to speed up its activities on alignment with the 2014 EU Public Procurement Directives, including legislation on concessions.

Public health policy and consumer protection

Public health: Cooperation between central level and entities; access to health for all citizens

- BiH, with the Ministry of Civil Affairs to drive the process, is encouraged to implement public health reforms based on EU standards and legislation.
- BiH has to ensure closer cooperation between the health authorities of the Entities in the area of policy planning and implementation, with the aim to ensure equal access to good health care for all citizens throughout the country, including for citizens from the Brčko District.

Consumer protection

- BiH is urged to align with EU acquis on consumer protection-related issues.

Right of establishment, freedom to provide services and recognition of professional qualifications

Approximation to Services Directive

- BiH is urged to put more efforts in alignment with the Services Directive in order to support shaping a business-friendly environment. BiH should be aware that the Directive is a complex instrument and alignment will require careful planning, preparation and resources.
- BiH needs to fully eliminate discriminatory and unbalanced application of laws and procedures in order to improve the business climate and attract more investment.
- BiH is encouraged to start by adopting a horizontal law and subsequently screening existing legislation in order to identify the instruments which will have to be amended and eliminate any discriminatory and unbalanced application of laws and procedures.
- BiH authorities are urged to further analyse the issue of double registration of companies and any additional registration requirements in the two entities in order to abolish such requirements, if existing.

Approximation to the acquis on postal services

- The Commission regrets that BiH CoM failed to adopt the law on postal services.
- BiH is urged to adopt the law on postal services, as developed with TAIEX assistance, aligned with the acquis without further delay and to develop a state-level strategy for postal services.

Competition and State Aid

Alignment of BiH competition and State aid legislation with EU acquis

- BiH is encouraged to further align competition and state aid legislation with the EU acquis.
- BiH should improve the functioning of the Competition Council, which is still hampered by ethnicity based veto rights and very strict deadlines. Sound legal framework and procedures are necessary to ensure effective competition enforcement.

Financing of the State Aid Council

- BiH is urged to ensure financing of the State Aid Council and its Secretariat. In particular, the RS is urged to contribute its share for the financing as proscribed under the law and in line with the relevant court rulings.

Application of a uniform legal framework for state aid

- BiH is encouraged to fully and uniformly implement the state aid legislation in the entire territory of BiH.
- BiH is encouraged to abolish ethnicity based veto rights in decision making of the State Aid Council.
- BiH should proceed with alignment of the aid schemes with the state aid rules.
- BiH is urged to step up the advocacy activities with the aim to raise awareness among grantors of the need to notify new aid schemes and ensure compliance with the state aid law.

SAA Article 71(7): providing the regional accounts at NUTS II level and drawing a regional aid map

- BiH is urged to comply with Article 71(7) of the SAA by swiftly providing the regional accounts at NUTS II level and by drawing a regional aid map.

Intellectual, Industrial and Commercial policy

Alignment with EU legislation

- BiH is encouraged to step up its efforts to effectively enforce intellectual property rights, through adoption of strategies aimed at, on the one hand, enforcing **intellectual property rights** and, on the other hand, strengthening the capacity and coordination of enforcement institutions.

Innovation, information society and social policy

Employment (incl. countrywide strategy), social protection and social inclusion policies

- BiH is urged to develop and adopt a countrywide sector Strategy on Employment as a precondition for accessing EU sector budget support.
- BiH needs to monitor the effects of the new entity-level labour laws to establish whether the reforms yield results.
- BiH is urged to increase incentives to work, in particular through better capacities to offer employment services and implementation of active labour measures to address high unemployment, notably youth unemployment, and provide effective support to job seekers.
- BiH authorities are encouraged to better coordinate the active labour market policies with social assistance programme to ensure smooth inclusion of beneficiaries to the labour market.

Developments on labour legislation

- BiH authorities are encouraged to develop autonomous social dialogue, modernise health and safety laws and harmonise them between the entities, establish a system of coordination of social security schemes within BiH, improve and better implement social protection and social inclusion policies particularly for disadvantaged people, such as persons with disabilities and the elderly.

Education, training, youth and culture

- BiH authorities are encouraged to improve the effective coordination among different levels within their governance structure, especially via regular meetings of the Conference of education ministers, to complete and harmonise the legislative framework on education at all levels.
- BiH needs to ensure an inclusive education system without ethnic-based separation and discrimination.
- BiH is encouraged to increase early-care and pre-school enrolment.

- BiH is encouraged to develop measures supporting the transition to employment in all education sectors (higher education, secondary education, and vocational education and training) by tackling the skill mismatch, including the development of the entrepreneurial skills.
- BiH authorities are urged to ensure an effective system for quality assurance in higher education in BiH by strengthening the capacity of State-level education agencies to develop EU standards, establishing an effective coordination mechanism in the Federation of BiH entity and improving cooperation between responsible bodies across the country.
- BiH is urged to develop and adopt a new Vocational Education and Training (VET) strategy.
- BiH is encouraged to adopt occupational standards for teachers; to implement the outcome-based Common Core Curriculum; to establish national statistics in line with international requirements and to accelerate the development of the Qualification Framework for BiH.
- BiH authorities are encouraged to create an Umbrella Youth Council which would gather the two already existing Youth Councils.

Research and innovation

- The Commission welcomes the adoption of the Strategy on Research 2017-2021 and encourages BiH to develop a Smart Specialisation Strategy.
- BiH is encouraged to step up efforts to strengthen its research and innovation capacity in order to enable the country to fully benefit from participation to EU programmes, as well as to increase efforts to recover the contribution paid into Horizon 2020.
- BiH authorities are encouraged to conduct an assessment of the infrastructure capacities for research and to produce a national roadmap for research infrastructures.
- BiH is encouraged to step up involvement in Research Infrastructure projects (ESFRI) as an area of immediate potential for further successful project participation, as well as to participate in Open Access, Open data and European Open Science Cloud programmes.

Information society and media (including telecommunication strategy; digital switchover)

- BiH is urged to fully align with the acquis the draft Law on Electronic Communication and adopt it without delay.
- BiH should introduce the emergency number 112 throughout the country.
- BiH should ensure the financial independence of the Communication Regulatory Authority.
- BiH is urged to complete the digital switchover without delay.

Public Broadcasting Service (PBS) – independence and financial sustainability

- BiH is urged to adopt and implement with no further delays an adequate fee collection model to ensure the financial sustainability and political independence of the Public Broadcasting System.
- BiH should establish the Public Services Broadcasting Corporation as joint body for all three Public Broadcasters, as provided for in the law.

Transport, energy, environment and regional development
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Connectivity agenda and connectivity reform measures - follow up to 2017 WB6 Summit in Trieste

- The Commission encourages a steady pace in the construction of the Svilaj bridge project and welcomes BiH efforts to advance maturity of the Gradiška bridge project in cooperation with Croatia, as visible outcomes of the connectivity agenda.

- BiH should accelerate negotiations with Croatia regarding Rail Border crossing point agreement and protocol signing (pending priority from December 2017 Sherpa's meeting).
- Further efforts are also needed to transpose the ITS directives in road, rail and IWW sector (pending priority from December 2017 Sherpa's meeting)
- BiH is encouraged to take advantage of the dedicated assistance under the connectivity agenda in electricity and effectively apply the best practices into its policy and projects for establishment of a day-ahead market and its coupling within the region.
- Progress on connectivity reform measures is also important with regard to the summits in Sofia in May and London in July 2018 (letter Csr Hahn of 16 March 2018).

Framework Transport Strategy of BiH - implementation

- BiH is encouraged to proceed with the timely implementation of the Framework Transport Strategy and its Action Plans.
- BiH should ensure close coordination between all stakeholders and inform the Commission about steps taken and planned actions.

Alignment with the EU acquis in all transport sectors

- BiH needs to step up efforts to implement the EU transport acquis in all transport sectors.
- In particular, BiH needs to
 - improve road safety through the effective enforcement of traffic rules, better education and continuous campaigns to raise awareness, given the still high road fatality rate despite some progress in recent years. Adopt as soon as possible a comprehensive countrywide Road Safety Strategy with clear objectives and concrete measures;
 - enhance cooperation on rail transport in line with the competences defined by the BiH Law on Railways and the acquis requirements between the different authorities and participate in the SEETO/TCT Rail Working Group;
 - finalise the laws on the transport of dangerous goods on road and rail in line with the relevant international agreements and create the necessary administrative structures for implementation;
 - address in the area of air transport the shortage of qualified staff in the Directorate of Civil Aviation and empower it for taking over full control of BiH air space;
 - take corrective actions to close the findings identified by the European Aviation Safety Agency (EASA);
 - comply with the requirements under the first transitional phase of the European Common Aviation Area (ECAA) Agreement;
 - Implement the EU acquis on passenger rights for all modes of transport.

Energy

(Draft) Framework Energy Strategy for BiH until 2035 – state of play

- BiH is urged to finally adopt the countrywide Framework Energy Strategy and develop effective sectoral strategies and implementation plans, in consultation with the civil community.
- BiH is encouraged to apply the EU State Aids Guidelines for Energy and Environment implementation.

Internal energy market on electricity and gas

Implementation of the Energy Community Treaty obligations: open cases

- The Commission took note that several infringement cases of the Energy Community are pending their closure by BiH.
- BiH should rectify as fast as possible the serious and persistent breach of obligations in the areas of natural gas and electricity to prevent further sanctions by the Ministerial Council of the Energy Community.

Alignment with the acquis

- BiH is urged to amend its primary energy legislation in line with the third energy package, including unbundling of gas and electricity transmission and distribution system operators, to ensure corresponding harmonisation of the laws on entities level, and in the *Republika Srpska* entity the deregulation of price generation.
- In that context, the appointment procedures of General Director of BIH TRANSCO (BiH Electricity Transmission Company), General Director of ISO BIH (Independent System Operator) and respective managements need to be completed as a matter of urgency to ensure prudent operation of both companies and continuous security of supply.

Energy efficiency and renewables

- BiH needs to fully align with the acquis on renewable energy sources as well as on energy efficiency where BiH is in breach of the Energy Community Treaty provisions.
- BiH should update the National Renewable Energy Action Plan in 2018.
- BiH should undertake the outstanding measures necessary to comply with the Directive for the content of sulphur in fuels.

Hydropower

- The Commission stressed the importance of developing a strategic framework on the use of hydropower taking into consideration the envisaged “Regional Strategy for Sustainable Hydropower in the Western Balkans”.
- BiH should ensure compliance with water management and nature protection legislation, and apply qualified environmental impact assessments in the development of hydropower projects, including as regards their transboundary effects.

Environment

Environmental Approximation Strategy (EAS) of BiH

- BiH needs to ensure an effective and structured implementation of the environmental legislation in accordance with the EAS throughout the country.
- BiH is urged to strengthen the administrative and monitoring capacities at all levels of government.

Other strategic documents (waste and water management, nature protection)

- BiH was reminded of the importance of developing comprehensive and countrywide subsector strategies in order to ensure efficient management of crucial issues in environment, such as in areas of water, waste, air quality and nature protection.
- Subsectors strategies need to reflect the countrywide approach and should be implemented in a harmonised manner.

Alignment with EU acquis in all environmental sectors

- BiH should enhance its efforts and speed up necessary work in aligning with the environment acquis, which is complex and huge.

Union Civil Protection Mechanism (UCPM) – report by BiH

- The Commission is going to reassess the readiness of BiH to join the mechanism after the project for the support to civil protection has started to advance.
- The Commission will explore additional tools offered under the UCPM with the aim to speed up the process of joining.

Climate Change Strategy for BiH and preparation of cross-sectoral Action Plans to implement it

- BiH needs to revise its “Low-carbon Development and Adaptation to Climate Change Strategy” in line with the EU 2030 Framework for Climate and Energy Policies.
- The administrative and institutional capacities need to be strengthened at all levels, and in particular in support of the implementation of its Nationally Determined Contribution (NDC).

Follow-up on ratification of the Paris Climate Agreement by BiH and implementation of the BiH contribution to it

- BiH is urged to start implementing the Paris Agreement and its NDC
- This requires mainstreaming of climate change policy into all economic sectors, such as energy, transport and agriculture, as well as raising climate change awareness.

Agriculture and Fisheries (including Food Safety, Veterinary and Phyto-sanitary)

Strategic Plan of Rural development of BiH

- Following the adoption of a countrywide strategic plan for Rural Development, the BiH authorities should rapidly take measures to implement the strategy provisions and adjust accordingly the policies at every level (state, entity, local).

Fisheries

- BiH still needs to develop a strategy for the fisheries sector as well as a national fleet management plan aligned with EU Regulation 1100/2007.
- BiH should modernise its national legislation and improve monitoring/control/surveillance and data collection.

Veterinary, phyto-sanitary and food safety matters

- BiH is urged to adopt the state level Law on Veterinary and on Food Safety.
- The Commission noted that BiH did not allocate resources to continue control and eradication of rabies.
