



EU Recommendations

Political criteria

Democracy

Elections and functioning of the Parliament

- As an Opinion key priority, BiH should ensure that elections are conducted in line with European standards by implementing OSCE/ODIHR and relevant Venice Commission recommendations, ensuring transparency of political party financing, and holding municipal elections in Mostar.

European integration

- As an Opinion key priority, BiH should ensure the proper functioning of the Stabilisation and Association Parliamentary Committee.
- As an Opinion key priority and an obligation under the SAA, BiH should develop and adopt a National Plan for the Adoption of the EU *Acquis* (NPAA).
- As a first step on the Opinion key priority of ensuring a track record in the functioning at all levels of the coordination mechanism on EU matters, BiH is encouraged to undertake the stocktaking exercise on the efficiency of coordination mechanism and make the coordination mechanism fully functional with the involvement of all its levels.

Regional cooperation

- As an Opinion key priority, BiH should take concrete steps towards promoting an environment conducive to reconciliation in order to overcome the legacies of the war.
- BiH should make the best use of judicial cooperation agreements with neighbouring countries, including on war crimes, and renew regional efforts towards finding missing persons.
- BiH should continue playing a constructive role in regional cooperation initiatives and implement all measures under the multiannual action plan for the Regional Economic Area and the regional investment agenda.
- BiH is encouraged to conclude and ratify border agreements with Croatia and Serbia, as well as to address the visa regime with Kosovo.
- BiH should improve its alignment with the EU Common Foreign and Security Policy.

Public Administration Reform (PAR)

- As an Opinion key priority, BiH should complete essential steps in public administration reform towards improving the overall functioning of the public administration by ensuring a professional and de-politicised civil service and a coordinated countrywide approach to policy making. To this aim, Bosnia and Herzegovina should:
 - complete the countrywide strategic framework on public administration reform and public finance management by adopting strategies at the Republika Srpska entity level;
 - establish a common performance-based monitoring framework;

- ensure financial sustainability;
- establish a political decision-making body and strengthen technical coordination structures to promote a countrywide approach in public administration reform;
- harmonise civil service laws in line with the merit principle in all procedures of recruitment, promotion and dismissal, to ensure professionalism and prevent politicisation of civil service;
- strengthen the capacities of civil service agencies to improve human resource management and trainings;
- for a country wide approach on policy making, complete and adopt the regulatory framework for medium term policy planning, including a harmonized methodology for countrywide sector strategic development, while strengthening the institutions in charge of policy planning at all levels of government.

Rule of law

Functioning of the Judiciary

- As an Opinion key priority, BiH should improve the functioning of the judiciary by adopting new legislation on the High Judicial and Prosecutorial Council and of the Courts of Bosnia and Herzegovina in line with European standards.
- BiH should address the findings of the Expert Report on Rule of Law issues, starting with establishing a credible and rigorous system of verification of assets of judicial office holders.
- In particular, BiH should:
 - implement the measures in the area of criminal procedure as set out in the HJPC action plan;
 - apply consistently and improve rules and practices on the appointment, performance appraisal, integrity and training of judges and prosecutors;
 - revise the enforcement procedure laws in the entities and Brčko District, in particular with a view to reducing the backlog of utility bill cases by relieving the courts from the burden of uncontested claims.

Domestic processing of war crimes

- BiH should improve the domestic processing of war crimes including by adopting and implementing the revised National War Crimes Strategy together with the necessary budget.

Fight against corruption and organised crime

- As an Opinion key priority, BiH is urged to strengthen the prevention and fight against corruption and organised crime, including money laundering and terrorism, notably by:
 - adopting and implementing legislation on conflict of interest and whistle-blowers' protection;
 - ensuring the effective functioning and coordination of anti-corruption bodies;
 - align the legislation and strengthen capacities on public procurement;
 - ensuring effective cooperation among law enforcement bodies and with prosecutors' offices;
 - demonstrating progress towards establishing a track record of proactive investigations, confirmed indictments, prosecutions and final convictions against organised crime and corruption, including at high-level;

- de-politicising and restructuring public enterprises and ensuring transparency of privatisation processes.
- BiH needs to establish a national contact point for cooperation with Europol and sign an agreement on operational cooperation with Eurojust.

Migration and asylum

- As an Opinion key priority, BiH should ensure effective coordination, at all levels, of border management and migration management capacity, as well as ensuring the functioning of the asylum system.
- BiH needs to identify additional suitable locations for temporary reception centres to provide dignified accommodation to migrants and refugees in the country, take over full responsibility over the management of reception centres, ensure sustainable accommodation and adopt effective contingency plans to cope with possible future increases.
- BiH needs to develop a realistic contingency plan to cope with potential additional influx of migrants and refugees.
- BiH should improve border surveillance, registration and identification of migrants. The operation and communication centre, within the sector for protection and rescue of the Ministry of Security should pro-actively coordinate the response to the migration crisis. Concerned cantonal and municipal administrations should participate in the process.
- BiH should allocate adequate resources to ensure access to the asylum procedure to the increased number of asylum seekers in the country, including by training staff, opening field offices, and recruiting interpreters and cultural mediators. This is required to ensure the respect of procedural guarantees for asylum seekers.

Fundamental rights

Anti-discrimination and ombudsman

- As an Opinion key priority, BiH should strengthen the protection of the rights of all citizens, notably by ensuring the implementation of the legislation on non-discrimination and on gender equality.
- As an Opinion key priority, BiH should ensure the right to life and prohibition of torture, notably by (a) abolishing the reference to death penalty in the Constitution of the Republika Srpska entity and (b) designate a national preventive mechanism against torture and ill-treatment.

Freedom of expression and the media, freedom of assembly

- As an Opinion key priority, BiH should ensure an enabling environment for civil society, notably by upholding European standards on freedom of association and freedom of assembly.
- As an Opinion key priority, BiH should guarantee freedom of expression and of the media and the protection of journalists, notably by (a) ensuring the appropriate judicial follow-up to cases of threats and violence against journalists and media workers, and (b) ensuring the financial sustainability of the public broadcasting system.
- BiH should align the legislation on data protection and on freedom of access to information with EU standards.
- BiH should adopt legislation on media ownership transparency and criteria on public advertising.

Gender equality and protection of vulnerable groups, including Roma and IDPs

- As an Opinion key priority, BiH should improve the protection and inclusion of vulnerable groups, in particular persons with disabilities, children, LGBTI persons, members of the Roma community, detainees, migrants and asylum seekers, as well as displaced persons and refugees in line with the objective of closure of Annex VII of the Dayton Peace Agreement.
- BiH needs to ensure inclusive and quality education for all and overcome the discriminatory practice of ‘two schools under one roof’ by implementing the related court rulings;

Economic criteria

- BiH needs to ensure strong, coordinated and continued political support for the swift implementation of much needed structural reforms which suffer from long delays due to political stalemate and lack of cooperation and efficiency;
- BiH should collect and render countrywide statistics in order to enable and facilitate the assessment of economic accession criteria;
- BiH is encouraged to improve the business environment as well as the efficiency and transparency of the public sector and its decision-making procedures.

Economic Reform Programme (ERP)

- BiH is encouraged to ensure consistent political support, high visibility, countrywide ownership and coherence of the ERP. It should strengthen the countrywide coordination capacity on economic policy in order to improve the ERPs medium term macro-fiscal framework.
- BiH should present a consistent and consolidated countrywide analysis and policy document, taking into account the Commission’s ERP assessment of April 2019 (in particular the key structural challenges mentioned therein) and the Commission Opinion/Analytical Report of May 2019. It should also consider the policy guidance set out in the Conclusions of the Economic and Financial Dialogue of May 2019.
- BiH is expected to submit its 6th annual Economic Reform Programme on 31 January 2020.

New agenda of socio-economic reforms

- BiH needs to agree on a new set of socio-economic reform measures following the expiration of the reform agenda 2015-2018. It has to be coordinated and implemented by governments at all levels through a common Action Plan and it should be consistent with the ERP and the jointly agreed policy guidance.

Public finances

- BiH still needs to improve the quality of fiscal governance and proceed with medium term planning instead of short-term actions while accelerating the implementation of long-overdue reforms such as improving the rule of law.
- BiH should improve the business environment by removing spending inefficiencies, reviewing current spending patterns, e.g. in the area of public sector wages, better targeting of social transfers, addressing payment arrears and improving the governance of public enterprises.
- BiH has to strengthen efforts to aggregate fiscal data on a countrywide level, which is necessary to discuss matters of fiscal policy with the EU.

Statistical cooperation, including preparations for new census and agricultural census

- 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. In general, BiH should increase Data Production and improve Administrative Registers;

- BiH is urged to develop a common legal and methodological framework and timeline for conducting agriculture census.
- BiH should develop a roadmap for the preparation of the next population census.

Implementation of the Stabilisation and Association Agreement

Trade, Industry Customs and taxation

Free movement of goods

- BiH has still to adopt a countrywide strategy on quality infrastructure.

Trade

- BiH authorities are urged to complete all remaining steps to finalise the negotiation process of their membership application to the WTO. The EU reiterated its readiness to support BiH in this process.

Customs and taxation

- BiH's remaining commitment from its 2017 commitments on tax good governance is to sign and ratify the Convention on Mutual Administrative Assistance in Tax Matters (so-called MAC) and to deposit the Instrument of ratification at the OECD in Paris at the latest by end of 2019, in order to avoid significant reputational consequences for BiH.

Implementation of BiH Customs Policy Law; VAT Law, Excise duties

- BiH needs to implement the e-signature on a country-wide basis in order to allow the legislative implementation of all related customs and tax laws and regulations.

Industrial policy and SMEs

- BiH is encouraged to improve business environment and reduce institutional and regulatory barriers to single economic space by harmonising key business-related legislation and the timing of its adoption between different levels of governments.
- BiH should develop a coordinated countrywide industrial and SMEs policy to improve competitiveness and attract foreign direct investments.
- BiH is reminded to address recommendations and priorities from the analytical report bearing in mind their countrywide relevance and their aim to harmonise policies, strategies and key legislation across the country.

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

Agriculture

- BiH should provide feedback on concrete indicators of the BiH Strategic Plan, on the impact of its implementation so far and on any mechanism of harmonisation of other policy plans at all levels with this Strategic Plan.
- BiH should align its legislation with the *acquis* and prepare and adopt the state level laws on organic production and on wine.

- BiH is encouraged to continue with building its system of quality schemes as *acquis* aligned and ensure its full functioning.

Veterinary, phytosanitary and food safety matters

- BiH has to strengthen its control and coordination chain (“chain of command”) and align its legislation with the *acquis*, particularly long awaited changes of the state level laws on veterinary and on food safety. BiH's phytosanitary legislation should be aligned with the latest developments of the *acquis*, specifically concerning the new plant health law and official controls.
- BiH needs to follow up the recommendations of the Commission’s audit missions as regards authorised export of certain commodities (poultry meat and products).

Fisheries

- BiH should develop a countrywide strategy on fisheries and aquaculture
- BiH needs to considerably step up its efforts to enhance its administrative capacities and align its legal framework with the *acquis* as well as to improve the coordination in all areas related to fisheries and aquaculture, including maritime spatial planning (MSP). .

Public procurement

- BiH should continue with alignment of the public procurement legislation with the 2014 EU Public Procurement Directives, aimed at tackling corruption and conflict of interest, and keep the Commission posted of the timetable of adoption of draft amendments.

State Aid and competition

- BiH needs to revise the decision-making procedures of both the Competition Council and the State Aid Council, notably by removing ethnic vetoes, with a view to their effective functioning, as highlighted in the Analytical Report annexed to the Commission’s Opinion. So far BiH authorities did not take any legislative actions.
- BiH should ensure that the State Aids Council demonstrates its operational independence and build a solid track records of enforced decisions. It needs to raise awareness about State aid rules at all levels.

Innovation, information society and social policy

Employment and social policies

- BiH is urged to develop a countrywide strategy on employment; together with the adoption of an employment strategy at the level of Federation of BiH it should provide a policy framework and specify additional capacities for implementation and monitoring.

Education, training, youth and culture

- BiH should ensure a fully functional system of (re-) accreditation of higher education institutions (HEIs) and study programmes across the country. It should urgently address the longstanding disputes between the BiH and RS Accreditation Agencies, which hamper the accreditation of HEIs and the new study programmes and put the participation in Erasmus+ projects at serious risk.
- BiH authorities are strongly encouraged to cooperate well on time in the process of (re-) accreditation and to provide one countrywide list of accredited universities. It was reminded that the deadline for the next Erasmus+ call was 5 February 2020.
- BiH should send a reply to the letter sent by DG EAC in July 2019, underlining if the country is interested in receiving support in form of TAIEX assistance.

Research and innovation

- BiH should finalise the establishment of the working group for the development of the Smart Specialisation Strategy and ensure smooth drafting and adoption of the strategy.

Information society and media

- BiH has to improve coordination between all levels of government and step up efforts to adopt the new Law on Electronic Communication and Electronic Media, in line with the new Directive on Electronic Communication Code and the Audio-visual Media Services Directive.
- BIH should finalise without delay the digital switchover from the analogue signal which is already pending for 5 years, in line with the adopted Strategy For Digital Terrestrial Television in BiH;
- BiH should establish a Public Service Broadcasting Corporation as joint body for all three public broadcasters, in line with the Law on Public Broadcasting Services.
- BiH is urged to adopt an adequate fee collection model to ensure financial sustainability and political independence of the Public Broadcasting.
- BiH needs to improve the procedure to appoint the management of the Communications Regulatory Agency to ensure its transparency and openness, and to provide sufficient safeguards against political interference.

Transport, energy, environment and regional development

Connectivity agenda

- BiH should proceed constructing the border crossing with Croatia in Svilaj without delay to be able to use the Svilaj bridge and the adjacent highway;
- BiH has to accelerate the construction of those sections of the Corridor Vc motorway which benefit from EU funds;
- BiH is urged to step up efforts on implementing connectivity reform measures in the areas of transport and energy, as agreed at various summit meetings and highlighted by Commissioner Hahn in several letters.

Transport

- BiH needs to accelerate the alignment with the 4th railway package, particularly with regard to railway safety and interoperability, and to complete the process of separating infrastructure management from railway operation to ensure full independence;
- BiH should speed up the process of drafting and adopting its Aviation Law in order to align with the requirements of ECAA agreement. It should also ensure that adequate organisation and resources are allocated to the Civil Aviation Authority in order to prevent any serious risks in terms of safety and security, in line with EASA requirements.
- BiH needs to address without delay the problem of administrative capacity in the aviation sector, notably in the context of BiH taking over the control over its sky as of 15 December 2019.

Energy

- BiH should urgently invest additional efforts and demonstrate tangible progress in meeting legal obligations stemming from the Energy Community Treaty. The country remains in serious and persistent breach of its obligations in a number of fields, particularly on natural gas and electricity as well as on guidelines for trans-European energy infrastructure. The lack of

political agreement in the sector of natural gas is jeopardizing security of supply that affects the economy of the country and lives of its citizens;

- BiH authorities are expected to complete necessary steps at state level to ensure the adoption of the crucial State Electricity and Gas Law in line with the Third Energy Package, as outlined in the Joint Statement signed following the 5th Energy Summit;
- Once the State law sets the legal framework, FBiH will need to adopt the law on gas while the RS entity law will have to be amended in order to ensure harmonisation with state level legislation and overall compliance with the EU Third Energy Package.
- BiH authorities, including Elektroprivreda and BiH State Aid Council, are encouraged to cooperate with the Energy Community Secretariat in the current infringement procedure regarding alleged violation of the EU/Energy Community State aid rules concerning Tuzla Block 7.
- BiH is encouraged to start working on the development of state level legislation on energy efficiency and on renewable energy sources;
- BiH should amend in the short term entity laws on energy efficiency respecting the constitutional provisions as well as Energy Efficiency Directive (EED) requirements and ensure a systematic approach to the implementation of the Action Plans at the state and entities level, Brcko District should adopt the law on Energy Efficiency;
- BiH authorities at entity level and Brcko District should adopt laws on the promotion of Renewable Energy Sources (RES) and respective by-laws.
- BiH needs to deal with the challenge of simultaneously increasing the capacity of renewable energy sources and protecting the environment in accordance with best practice and with respect to environmental laws;

Environment

- BiH should take into account the results of the Regional Strategy for Sustainable Hydropower in the Western Balkans as well as the cumulative impact of investments into small hydropower plants on water management and nature protection; it has to ensure full compliance with the relevant environmental legislation and proper consultations with the civil society.
- When planning and implementing such investments, BiH needs to respect environmental legislation, in particular Strategic Environmental Assessment (SEA), Environmental Impact Assessment (EIA), Water Framework Directive, Birds Directive and Habitats Directive. Entity levels and other levels of governance need to apply stricter methodologies when it comes to issuance of required permitting and licensing to ensure that environmental concerns are duly addressed.
- BiH will provide the Commission with more detailed information and questions as regards plans for a potential nuclear waste disposal site in Trgovska Gora (Croatia) in the vicinity to the border with BiH, which raise serious concerns among citizens as well as institutions and authorities at all levels of government. The Commission will return on this issue in writing and at the next Subcommittee on TEERD in March 2020.

Climate change

- BiH has to step up alignment and implementation of the EU climate *acquis* and to strengthen its administrative structures as well as the inter-institutional cooperation on climate change;
- BiH is urged to start implementing the Paris Agreement and its Nationally Determined Contribution (NDC) while acknowledging the ongoing revision of the NDC document done together with the 2020-2030 Action Plan by the end of 2019;

- BiH has to accelerate the revision of the 2013 Climate Change Adaptation and Low Emissions Development Strategy for BiH to allow for its implementation;
- BiH is reminded to put more efforts in mainstreaming the climate change policy into all economic sectors, such as energy, transport and agriculture, and to raise climate change awareness.

Financial Assistance

- BiH needs to strengthen and implement a sector approach by ensuring a clear link between the reforms foreseen in the new sector strategies and the priorities for EU support. This is a key requirement for the absorption of IPA III funds.
- BiH (NIPAC) has to sign without delay the Financing Agreement for IPA 2019 and 2020 in order to allow timely implementation of the programmes; NIPAC has also to advance preparation and implementation of previous IPA programmes;
- BiH should now adopt a sector investment pipeline (SPP) for the energy sector and develop one of the social sectors following the adoption in early 2019 of a revised Single Project Pipeline covering transport and environment; this will prepare for future WBIF rounds and extend the use of SPPs as a prioritisation and planning tool for all infrastructure investments;
- BiH needs to find a solution on internal coordination for IPA programming and implementation, in compliance with IPA framework and BiH Coordination Mechanism;
- BiH should adopt and communicate with urgency a plan on migration management, also in terms of budgetary commitments.
