At a glance

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Bosnia and Herzegovina: a renewed approach?

Bosnia and Herzegovina (BiH) is the only western Balkan country that has not yet formally applied to join the EU. In March 2015, the Council finally approved the conclusion and entry into force of the Stabilisation and Association Agreement (SAA) with BiH, a major breakthrough which puts the country on track for eventual EU membership.

European Commission 2014 progress report: highlights

The <u>report</u> underlines BiH's lack of progress in the European integration process, <u>a continuing crisis</u> in state legitimacy, institutional paralysis, and a faltering economy. As <u>in 2014</u>, BiH's meeting of political criteria was assessed as limited, showing a lack of political will for reform. Although a key element to fully benefit from the <u>Instrument for Pre-accession Assistance (IPA)</u>, BiH failed to establish an effective coordination mechanism on EU issues. The report notes 'no progress', or 'very limited progress', in establishing functional institutions, improving the efficiency of all levels of government, adopting EU-related legislation, and reforming public administration. Judicial-system reform has barely advanced, and corruption remains problematic throughout the public sector. Major reforms are needed to develop a functioning market economy. In 2014, the economy was hampered by high unemployment, a large public sector, an inefficient legal and judicial system, and heavy flooding. The European Court of Human Rights' ruling on the <u>Sejdić-Finci case</u>, requiring a constitutional reform enabling Roma and Jewish communities to participate in political life, has not been implemented, although <u>pivotal to progress</u> towards EU integration. The Commission's attempt to facilitate progress through a <u>'high level dialogue'</u>, was <u>abandoned</u> in February 2014.

2014: protests and elections

In February 2014, <u>popular protests</u> and violence erupted on BiH's streets. Unlike the parallel <u>Kiev protests</u>, the EU perspective was not 'a <u>key driver in the so-called Bosnian Spring</u>'. <u>Basic social needs</u>, frustration with a dysfunctional state, and the dire economic situation were the trigger. In February 2014, the Commission announced three new initiatives: to broaden the EU-BiH <u>Structured Dialogue on Justice</u>; advance implementation of projects under the <u>IPA</u>; and bolster economic governance through a <u>Compact for Growth and Jobs</u>, targeting key economic issues. The protests, calling for urgent reforms, were seen as a potential catalyst for change, but general elections on 12 October 2014 dashed these hopes, bringing the <u>same parties</u> to power and <u>'little to no change</u>'. Six months later, the parties <u>agreed to form a new government</u>, in March 2015.

EU-Bosnia and Herzegovina: re-prioritising relations

Since <u>signing the SAA</u> with BiH in 2008, little progress has been made in EU-Bosnia bilateral relations. The protests renewed the debate on BiH's future and EU engagement. In November 2014, the UK and Germany launched a <u>Joint Initiative</u>, to revive BiH's European path. The initiative suggests a <u>'re-sequencing' of EU conditionality</u> (to delay implementation of the Sejdić-Finci ruling as a precondition for entry into force of the SAA), if BiH leaders commit to reforms. The EU <u>is willing to move forward</u> with BiH, yet <u>experts are sceptical of the outcome</u>. The next step, formal accession talks, remains a long-term perspective.

In December 2014, the Council agreed to a renewed approach to BiH, without, however, changing EU accession conditions. On 16 March 2015, the Foreign Affairs Council approved the entry into force of the SAA with BiH. This was made possible by BiH's Presidency adopting a written commitment to reforms on 29 January 2015, endorsed in Parliament on 23 February 2015, during EU High Representative, Federica Mogherini's visit to Sarajevo. The EP Foreign Affairs Committee is preparing a motion for resolution on BiH's 2014 Progress Report, drafted by Christian Dan Preda (EPP, Romania). It points out that 'meaningful progress on the implementation of the agenda for reforms, including the Compact for Growth and Jobs, will be necessary for a membership application to be considered'. It also reaffirms that implementing the Sejdić-Finci ruling is key to eventual EU membership.