At a glance

Plenary – 7 April 2016



Bosnia and Herzegovina: Back on the EU track?

In 2015, Bosnia and Herzegovina's Stabilisation and Association Agreement (SAA) with the EU finally came into force, and in 2016 BiH applied for EU membership. Despite these positives which have put it back on track for EU accession, BiH faces a host of deeply rooted domestic issues and reforms.

Political developments and the EU

Civil unrest in 2014, spurred by the dire <u>socio-economic situation</u> in BiH, was followed by a number of political developments. In late 2014, the EU agreed a 'renewed approach' to BiH, under which <u>concrete, socio-economic issues</u> took priority over constitutional reforms. In return, in February 2015, BiH's new government endorsed a <u>written commitment</u> to EU-related reforms, followed in July by a <u>Reform Agenda (2015-2018)</u>. These developments <u>allowed</u> the SAA, <u>signed in 2008</u> but blocked by previous EU reform priorities, to enter into force. In January 2016, BiH <u>fulfilled</u> another EU requirement, with the adoption of a <u>coordination mechanism</u> aimed at ensuring the different levels of government work jointly on EU matters. The next step came on 15 February, when BiH formally applied for EU membership.

Republika Srpska (RS), one of the two autonomous BiH entities, criticised the coordination mechanism for having been adopted without its consent. The EU membership application also drew <u>mixed reactions</u> around the country as well as questions whether it <u>'fits BiH reality'</u>, given the multiple unresolved domestic issues.

Future <u>pending tasks</u> include making the adopted EU coordination mechanism functional, advancing the Reform Agenda, <u>adapting</u> the trade part of the SAA and undertaking constitutional reform to create a functional state, an issue that is both crucial for EU integration and a source of internal <u>division</u>. An example of the constitutional challenges is RS's recently planned controversial referendum on cutting ties with the state-level judiciary and the Constitutional Court. The initiative was opposed by the EU and Serbia and is currently <u>'on hold'</u>, but it is a signal that 20 years after Dayton, break-up can still <u>not be excluded</u>.

European Commission 2015 report

The 2015 <u>report</u> has been welcomed at EU level and in BiH as the <u>'best so far'</u>, a sign that the country is <u>'back on the reform track'</u>. However, some analysts claim that a closer read shows <u>'little justification'</u> for the positive tone, <u>few cases of limited progress</u> and a need for political will to address country-wide reforms.

The report commends the SAA's entry into force, the initial implementation of the Reform Agenda and BiH's active regional role. The new public procurement law and the new justice reform strategy are seen as positive steps, but judicial independence remains under threat and legislation is generally not aligned with the EU acquis. Remaining shortcomings in the judiciary are to be addressed within the EU-established Structured Dialogue on Justice. The report deplores in particular worsened conditions on media freedom, and an environment 'not conducive' to full freedom of expression. Human rights, especially anti-discrimination and protection of minorities, as well as the large and inefficient public administration, are other sore issues. Corruption remains widespread, despite the new anti-corruption strategy (2015-2019). The complex institutional setup and the Constitution, considered discriminatory for the Sejdić-Finci case, are seen as major setbacks that obstruct efficient cooperation between all levels of government. BiH is also urged to further align its foreign policy with that of the EU. Despite some reported improvement, the economic situation is seen as difficult, with high youth unemployment and deteriorated public finances.

In 2015, the EP commemorated <u>Srebrenica</u> and marked the <u>20th anniversary</u> of the Dayton Peace Agreement with resolutions supporting BiH's European future. The <u>motion for a resolution</u> on the Commission's report (rapporteur: Cristian Dan Preda, EPP, Romania) welcomes the new Reform Agenda and recalls that implementing it, updating the SAA and setting up an effective coordination mechanism on EU matters is crucial given the recent EU membership application. It also calls for constitutional and political reforms to build a fully functional state and urges the country's leaders to abstain from divisive rhetoric, detrimental for BiH itself and for EU integration.

EPRS | European Parliamentary Research Service Author: Velina Lilyanova, **Members' Research Service** PE 580.882

