

BOSNIA AND HERZEGOVINA AND THE EUROPEAN UNION



EUROPEAN COMMISSION  
DELEGATION TO  
BOSNIA AND HERZEGOVINA

# WORKING TOWARDS A BRIGHTER FUTURE





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## "EURO-ACRONYMS"

CARDS	Community Assistance for Reconstruction, Development and Stabilisation	ESDP	European Security and Defense Policy
CFSP	Common Foreign and Security Policy	EU	European Union
DEI	Directorate for European Integration.	EU-CAFAO	EU Customs and Fiscal Assistance Office
DG	Directorate General	EUFOR	European Union Force in BiH
EC	European Commission	EUMM	European Union Monitoring Mission
ECHO	European Community Humanitarian Office	EUPM	European Union Police Mission
ECSC	European Coal and Steel Community	EURATOM	European Atomic Energy Community
EEC	European Economic Community	EUSR	European Union Special Representative
EIDHR	European Initiative for Democracy and Human Rights	ICTY	International Criminal Tribunal for Former Yugoslavia
EMU	Economic and Monetary Union	IPA	Instrument for Pre-accession Assistance
		SAA	Stabilisation and Association Agreement
		SAP	Stabilisation and Association Process

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# I Foreword



The European Union has actively supported Bosnia and Herzegovina for almost a decade and a half, and has witnessed the country's progress from its war-ravaged past to its current status as a potential candidate for European Union membership.

European assistance has also evolved, adapting to the changing needs of the country and its people: from humanitarian aid to post-war reconstruction and on to economic regeneration; from grassroots relief to helping the State implement the often difficult political and economic reforms that bring Bosnia and Herzegovina closer to Europe.

Current European assistance encompasses virtually all key sectors, with the aim of helping align them with European standards, whether in public administration, energy, police and border control, finance and trade or the environment.

Little by little, Bosnia and Herzegovina has grown and consolidated a new relationship with the European Union: negotiations for a Stabilisation and Association Agreement were officially launched in November 2005 and have been held regularly in 2006. The European Union has repeatedly made it clear that Bosnia and Herzegovina has a European perspective, but success in this endeavour is, ultimately, up to the country itself. There are many encouraging signs that progress continues to be made in certain areas - the successful introduction of VAT this year being a prime example - but much remains to be done, and the leaders of this country owe it to their constituents to take the necessary steps to speed Bosnia and Herzegovina on the way to a brighter, European future.

I take up my new function as Head of Delegation of the European Commission in Bosnia and Herzegovina at a time when the European perspectives of Bosnia and Herzegovina are better than ever before. We all know that joining the European Union is not achieved simply through common political will. It requires undertaking the necessary efforts and changes, in order to reap to the full the undeniable benefits of European integration.

As Bosnia and Herzegovina's European prospects grow, so does the importance of properly communicating Europe. The European project is not merely a union of diplomats or bureaucrats: it is a union of its citizens that touches on almost every aspect of Europeans' lives. It can only be truly successful if it is embraced by society at large, and this makes it absolutely necessary that there be the proper level of information and communication. I therefore fully support the initiative of launching this publication, which aims to help people better understand the European Union, the support it provides to the institutions and the citizens of this country on its path to European integration and the integration process itself. I am certain that it will contribute to a better understanding of our common efforts and shared future. I will, on my part, make every effort to accompany our every step with adequate communication to the citizens of Bosnia and Herzegovina. Ultimately, the whole endeavour is theirs.

Ambassador **Dimitris Kourkoulas**

*Head of Delegation of the European  
Commission to Bosnia and Herzegovina*

## II EUROPE

# Brief History of the European Union

### Beginnings: War and Peace

For centuries, Europe was the scene of frequent and bloody wars: between 1870 and 1945, France and Germany fought each other three times, with terrible loss of life. A number of European leaders became convinced that the only way to secure a lasting peace between their countries was to unite them economically and politically.

In 1950, Robert Schuman, the French Foreign Minister, proposed integrating the coal and steel industries of Western Europe. In 1951, the European Coal and Steel Community (ECSC) was set up, with six members: Belgium, West Germany, France, Italy, Luxembourg and the Netherlands. The power to take decisions about the coal and steel industry in these countries was placed in the hands of an independent, supranational body called the "High Authority". Jean Monnet was its first President.

### From Three Communities to the EU

The ECSC proved such a success that, within a few years, the six countries decided to go further and integrate other sectors of their economies. In 1957 they signed the Treaties of Rome, creating the European Atomic Energy Community (EURATOM) and the European Economic Community (EEC). The Member States set about removing trade barriers between them and forming a "common market".

In 1967 the institutions of the three European communities were merged. From this point on, there was a single Commission and a single Council of Ministers as well as the European Parliament.

Originally, the members of the European Parliament were chosen by the national parliaments but, in 1979, the first direct elections were held, allowing the citizens of the Member States to vote for the candidate of their choice. Since then, direct elections have been held every five years.

The 1992 Treaty of Maastricht introduced new forms of co-operation between the Member State governments, for example, regarding defence and in the area of justice and home affairs. By adding this inter-governmental co-operation to the existing "Community" system, the Maastricht Treaty created the European Union (EU).

### Integration Means Common Policies

Economic and political integration between the Member States of the EU means that these countries must take joint decisions on many matters. They have developed common policies in a very wide range of fields - from agriculture to culture, from consumer affairs to competition, from the environment and energy



*Robert Schuman*  
Visionary and founding father.

to transport and trade. In the early days the focus was on a common commercial policy for coal and steel and a common agricultural policy. Other policies were added over time, as the need arose.

Some key policy aims have changed in the light of changing circumstances. For example, the aim of the agricultural policy is no longer to produce as much food as cheaply as possible but, rather, to support farming methods that produce healthy, high-quality food and protect the environment. The need for environmental protection is now taken into account across the whole range of EU policies.

The EU's relations with the rest of the world have also become important - it negotiates major trade and aid agreements with other countries and is developing a Common Foreign and Security Policy (CFSP).

## The Single Market

It took some time for the Member States to remove all the barriers to trade and to turn their "common market" into a genuine single market in which goods, services, people and capital could move around freely. The Single Market was formally completed at the end of 1992, though there is still work to be done in some areas, such as creating a genuine single market in financial services.

During the 1990s, it became increasingly easy for people to move around in Europe, as passport and customs checks were abolished at most of the EU's internal borders. One consequence is greater mobility for EU citizens. Since 1987, for example, more than a million young Europeans have taken study courses abroad, with support from the EU.

Europe is a continent with many different traditions and values, such as democracy, freedom and social justice. The EU defends these values. It fosters co-operation among the peoples of Europe, promoting unity and ensuring that decisions are taken as close as possible to the citizens.



*The European flag is the symbol not only of the European Union but also of Europe's unity and identity in a wider sense. The circle of gold stars represents solidarity and harmony between the peoples of Europe.*

*In 1985, the flag was adopted by all EU heads of State and government as the official emblem of the European Union (then called the European Communities).*

## The Single Currency

In 1992, the EU opted for economic and monetary union (EMU), involving the introduction of a single European currency managed by a European Central Bank. The single currency - the euro - became a reality on 1 January 2002, when euro notes and coins replaced national currencies in twelve of the fifteen Member States: Austria, Belgium, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal and Spain.

## The Growing Family

The EU has grown in size with successive waves of accessions. In the beginning, six countries - Belgium, Germany, France, Italy, Luxembourg and the Netherlands - founded the EEC, in 1957. Five successful enlargements have followed:

- 1973 - Denmark, Ireland and the United Kingdom
- 1981 - Greece
- 1986 - Portugal and Spain
- 1995 - Austria, Finland and Sweden
- 2004 - Czech Republic, Cyprus, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia.

Bulgaria and Romania will follow in 2007, while Croatia and Turkey began membership negotiations in 2005.

Nowadays, the EU comprises 450 million citizens in twenty-five Member States. The EU now accounts for 20% of world trade and 25% of global GNP. It also provides 55% of the world's overseas development assistance.

To ensure that the enlarged EU could continue functioning efficiently, it needed a more streamlined system for taking decisions, hence the Treaty of Nice established new rules governing the size of the EU institutions and the way they work. It came into force in February 2003.



*The music of the "Ode to Joy", from Beethoven's 5<sup>th</sup> Symphony, is the anthem of the European Union.*

# The EU and How it Works



## The Meaning of Membership

The EU is a family of democratic European countries working together to improve life for their citizens and to build a better world. In just over half a century, it has delivered peace and prosperity in Europe, a single European currency, the euro, and a frontier-free 'single market'. It has become a major trading power, and a world leader in fields such as environmental protection and development aid. It has grown from six to twenty-five members and more countries are queuing up to join.

The EU's success stems from the unusual way in which it works. It is not a federation like the USA, nor is it simply an organisation for co-operation between governments, like the United Nations (UN). It is, in fact, unique. The countries that make up the EU remain independent, sovereign nations, but they pool their sovereignty in order to gain a strength and world influence none of them could have on their own.

In practice, pooling sovereignty means that the Member States delegate some of their decision-making powers to shared institutions they have created, so that decisions on specific matters of joint interest can be made democratically at the European level.

## The benefits to citizens

EU citizens have unprecedented opportunities to travel, live and work in the EU country of their choice. They can shop around for the cheapest goods and services. Their rights as citizens and consumers are protected by EU laws throughout the Union, just as they would be in their home country. This is all due to the creation of the single market in which people, goods, services and money can move freely.

## European Institutions

There are three main decision-making institutions:

- the **European Parliament**, which represents the EU's citizens and is directly elected by them;
- the **Council of the European Union**, which represents the individual Member States;
- The **European Commission**, which is the executive body of the EU and seeks to uphold the interests of the Union as a whole.

This 'institutional triangle' produces the policies and laws that apply throughout the EU. In principle, it is the Commission that proposes new laws, but it is the Parliament and Council that pass them.

The **Court of Justice** upholds the rule of European law, and the **Court of Auditors** checks the financing of the Union's activities.

A number of other bodies also have key roles in making the EU work:

- the **European Economic and Social Committee** represents civil society, employers and employees;
- the **Committee of the Regions** represents regional and local authorities;
- the **European Investment Bank** finances EU investment projects, and helps small businesses via the **European Investment Fund**;
- the **European Central Bank** is responsible for European monetary policy;
- the **European Ombudsman** investigates complaints about maladministration by EU institutions and bodies;
- the **European Data Protection Supervisor** safeguards the privacy of people's personal data.

In addition, specialised agencies have been set up to handle specific technical, scientific or management tasks.

The powers and responsibilities of the EU institutions, and the rules and procedures they must follow, are laid down in the treaties on which the EU is founded. The treaties are agreed on by the Presidents and Prime Ministers of all the Member States and ratified by their parliaments.

## The Councils

### The European Council

The **Heads of State or Government** (Presidents and/or Prime Ministers) of all the Member States and the President of the European Commission. The European Council usually meets four times a year to **agree on overall EU policy and to review progress**. It is the highest-level policy-making body in the EU, which is why its meetings are often called 'summits'.

### The Council of the EU

Formerly known as the *Council of Ministers*, this institution consists of **government Ministers** from all the Member States. The Council meets regularly to **take detailed decisions and to pass European laws**. Which Ministers attend which meeting depends on what subjects are on the agenda. If, for example, the Council is to discuss environmental issues, the meeting will be attended by the Environment Minister from each EU country and it will be known as the 'Environment Council'.

## The Treaties

The EU is founded on four treaties:

- ❑ The **Treaty establishing the European Coal and Steel Community** (ECSC) was signed in April 1951 in Paris, came into force in July 1952 and expired in July 2002.
- ❑ The **Treaty establishing the European Economic Community** (EEC) was signed in March 1957 in Rome and came into force in January 1958. It is often referred to as 'the Treaty of Rome'.
- ❑ The **Treaty establishing the European Atomic Energy Community** (Euratom) was signed in Rome along with the EEC Treaty.
- ❑ The **Treaty on European Union** (EU) was signed in Maastricht in February 1992, and came into force in November 1993.

These treaties are the basis for everything the EU does. They have been amended each time new Member States have joined and three times to reform the EU's institutions and to give it new responsibilities:

- ❑ The **Single European Act (SEA)** was signed in February 1986 and came into force in July 1987. It amended the EEC Treaty and paved the way for completing the single market.
- ❑ The **Treaty of Amsterdam** was signed in October 1997 and came into force in May 1999. It amended the EU and EC treaties.
- ❑ The **Treaty of Nice** was signed in February 2001 and came into force in February 2003. It further amended the other treaties, streamlining the EU's decision-making system so it could continue to work effectively after the 2004 enlargement.

Having so many treaties makes the EU complicated and difficult to understand; hence, in June 2004, the EU's Presidents and Prime Ministers decided to replace all the existing treaties with a single Constitution, setting out clearly what the Union is, how it takes decisions and who is responsible for doing what. It cannot come into force until it has been ratified by all Member States.



*Council of the European Union*

## The Council of Europe

This is not an EU institution at all. It is an inter-governmental organisation which aims to protect human rights, to promote Europe's cultural diversity and to combat social problems such as racial prejudice and intolerance, amongst others. It was set up in 1949 and one of its early achievements was to draw up the European Convention on Human Rights and Basic Freedoms. It then set up the European Court of Human Rights, to enable citizens to exercise their rights under the Convention. The Council of Europe now has forty-six member countries, including the twenty-five European Union Member States. Bosnia and Herzegovina is also a member.

# The European Commission

## Role and Responsibilities

The European Commission is independent of national governments; it represents and upholds the interests of the EU as a whole. It drafts proposals for new European laws, which it presents to the European Parliament and the Council.

It is also the EU's executive arm, responsible for implementing the decisions of Parliament and the Council. This means managing the day-to-day business of the EU: implementing its policies, running its programmes and spending its funds.

The Commission has four main roles:

1. to propose legislation to Parliament and the Council;
2. to manage and implement EU policies and the budget;
3. to enforce European law (jointly with the Court of Justice);
4. to represent the EU on the international stage, for example by negotiating Stabilisation and Association Agreements between the EU and other countries.

It is also an important mouthpiece for the EU on the international stage. It enables the Member States to speak 'with one voice' in international forums such as the World Trade Organisation (WTO).

## Who are “the Commission”?

The term 'Commission' is used in two senses:

- It refers to the team of men and women - one from each EU country - appointed to run the institution and take its decisions.
- It refers to the institution itself and to all its staff.



Informally, the appointed Members of the Commission are known as 'Commissioners'. They have all held political positions in their countries of origin and many have been government ministers, but, as Members of the Commission, they are committed to acting in the interests of the Union as a whole and not taking instructions from national governments.

*European Commission President  
José Manuel Barroso and the  
members of the Commission.*

The "Berlaymont building",  
EC Headquarters in Brussels.



## The Structure of the Commission

The European Commission (EC) is divided into twenty-six directorates-general (DGs) and fifteen services, which are in turn divided into directorates and sub-divided into units. Extra structures can be set up when needed.

In order to ensure the effectiveness of Commission actions, the DGs are required to work together closely and to co-ordinate in the preparation and the implementation of decisions.

The everyday work of the EC is carried out by some 24,000 officials who are citizens of all twenty-five Member States.

## Delegations

The EC plays a key role in the implementation of the EU's foreign and other policies: Delegations and Representation Offices around the world are the eyes and ears of the Commission in their host countries and its mouthpiece vis-à-vis the authorities and the general population. The Delegations are part of the Commission structure but serve EU interests as a whole in 123 countries and at five centres of international organisations, including the UN, OSCE and WTO.

Commission Delegations play an active role in external assistance and are being consistently strengthened so that this assistance can be delivered more rapidly and efficiently.

## EC Directorate-Generals and Services

### POLICIES

- Agriculture and Rural Development
- Competition
- Economic and Financial Affairs
- Education and Culture
- Employment, Social Affairs and Equal Opportunities
- Enterprise and Industry
- Environment
- Fisheries and Maritime Affairs
- Health and Consumer Protection
- Information Society and Media
- Internal Market and Services
- Joint Research Centre
- Justice, Freedom and Security
- Regional Policy
- Research
- Taxation and Customs Union
- Energy and Transport

### EXTERNAL RELATIONS

- Development
- Enlargement
- EuropeAid Co-operation Office
- External Relations
- Humanitarian Aid (ECHO)
- Trade

### GENERAL SERVICES

- Communication
- European Anti-Fraud Office
- Eurostat
- Publications Office
- Secretariat-General

### INTERNAL SERVICES

- Budget
- Bureau of European Policy Advisers
- Informatics
- Infrastructures and Logistics - Brussels
- Infrastructures and Logistics - Luxembourg
- Internal Audit Service
- Interpretation
- Legal Service
- Personnel and Administration
- Translation

# The EU - a Global Player

## An Economic Power

The sheer size of the EU in economic, trade and financial terms makes it a world player. It has a web of agreements with most countries and regions of the globe. The biggest international trader and home to the euro - the world's second currency - the EU spends € 500 million a month on assistance projects in all five continents.

The EU did not set out to become a world power. Born in the aftermath of World War II, its first concern was bringing together the nations and peoples of Europe. But as the Union expanded and took on more responsibilities, it had to define its relationships with the rest of the world. Just as it has worked to remove trade barriers, develop poorer regions and promote peaceful co-operation within its frontiers, so the EU works with other countries and international organisations to bring everyone the benefits of open markets, economic growth and stability in an increasingly interdependent world. At the same time, the EU defends its legitimate economic and commercial interests in the international arena.

Finally, the EU shows how countries can successfully pool economic and political resources in the common interest. It has served as a model for integration between countries in other regions of the world, such as Mercosur in South America and ASEAN in South-east Asia.

## A Growing Political Power

In the last fifteen years, the EU has intensified efforts to play an international political and security role more in line with its economic status. The conflicts that erupted in Europe after the fall of the Berlin Wall in 1989 convinced EU leaders of the need for effective joint action. More recently, the fight against international terrorism has strengthened this conviction.

A major challenge now is to spread peace and security beyond the EU's borders. To meet this challenge, the EU is developing a Common Foreign and Security Policy (CFSP) so that it can act as a force for stability, co-operation and understanding in the wider world.

For more than forty years, the Cold War divided much of the world into two camps. Its ending led to a more complex and fragile world order, requiring greater EU involvement in preventing conflicts and keeping the peace. For example, the EU helps pay for the UN civil administration in Kosovo and the Office of the High Representative in Bosnia and Herzegovina, provides ongoing financial support for the Palestinian Authority and is contributing substantially to reconstruction in Afghanistan.

In 2003, the EU embarked on the first missions under its new European Defence and Security Policy, in the Western Balkans and central Africa. More will follow. Currently, 55,000 European peacekeepers are deployed around the world. By helping to create security and stability in the wider world, the EU also helps to make life safer within its own borders.

The EU is particularly active in promoting the human aspects of international relations, such as solidarity, human rights and democracy.



*To ensure that the different aspects of its external policies are consistent with each other and convey a clear message, in 1999 the EU appointed a High Representative for Foreign and Security Policy - Javier Solana.*

# More than Trade and Aid

## The Human Aspect of International Relations

The EU's agreements with its partners around the globe cover not only trade and traditional financial and technical assistance; they also provide a framework for political dialogue and contain a clause which enables the EU to suspend or cancel trade or aid if the partner country violates human rights. In 2003, the EU decided that all new agreements must include a clause in which its partners commit themselves to the non-proliferation of weapons of mass destruction.

The EU is the world's biggest trader and has brought growing prosperity to all its Member States. It therefore takes a lead in efforts to open up world trade for the benefit of rich and poor countries alike.

The EU's trade policy is closely linked to its development policy, helping developing countries fight poverty and integrate into the global economy. The EU offers lower tariffs on imports from countries which respect the basic working conditions and labour standards laid down by the International Labour Organisation.

The EU and its Member States pay out more than € 30 billion a year in official aid to developing countries, of which about € 6 billion is channelled through the EU institutions. The Union has committed itself to raising the annual total to € 39 billion by 2006.

## Promoting Human Rights

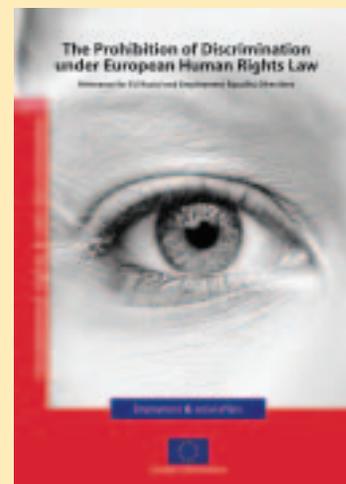
The EU promotes respect for human rights at home and abroad. It focuses on civil, political, economic, social and cultural rights. It also seeks to promote the rights of women and children as well as of minorities and displaced persons.

Human rights feature in the EU's trade and co-operation agreements with its partners and are a prerequisite for countries seeking to become members. The EU has maintained a human rights dialogue in recent years with countries such as China and Iran, and has imposed sanctions on several countries for human rights breaches, including Burma/Myanmar and Zimbabwe.

The EU also helps pay for a range of activities that defend human rights, such as the European Initiative for Democracy and Human Rights (EIDHR), which spends around €100 million a year on:

- strengthening democracy, good government and the rule of law;
- supporting the worldwide abolition of the death penalty;
- combating torture and impunity and supporting international tribunals and criminal courts;
- combating racism, xenophobia and discrimination against minorities and indigenous peoples.

*The EIDHR has been active in BiH for a decade, providing grants to non-governmental organisations (NGOs) and institutions of learning.*

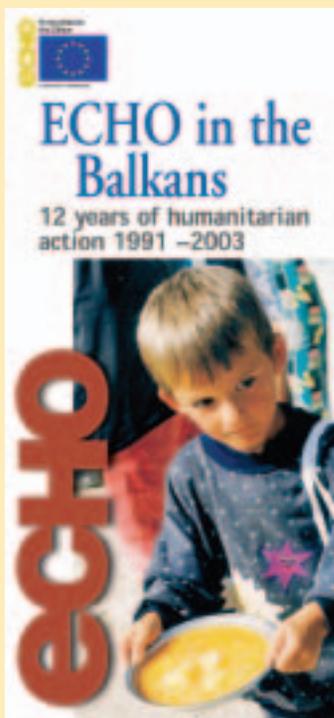


## Acting together in the world

The EU believes in seeking multilateral solutions to global problems and attaches great importance to effective multilateralism, with a strong UN at its heart. The UN, with its universal mandate and legitimacy, is uniquely placed to respond to common challenges.

EU Member States strongly endorse the millennium development goals adopted by the UN in September 2000 and seek to support these goals by focusing on six priority areas where the EU can use its special expertise:

- trade and development;
- regional co-operation;
- poverty-reduction policies to support health and education;
- transport infrastructure;
- food security and sustainable rural development;
- institutional capacity-building, good governance and the rule of law.



### Humanitarian Aid

EU humanitarian aid is unconditional; the aim is to get help to victims as quickly as possible irrespective of race, religion or the political convictions of their government.

The EU channels its relief funding through its Humanitarian Aid Office (ECHO). Since it was set up in 1992, ECHO has confronted serious crises in more than 100 countries around the world, getting essential equipment and emergency supplies to the victims as quickly as possible. From its budget of more than € 500 million a year, ECHO also funds medical teams, mine-clearance experts, transport and logistical support.

*Between 1992 and 2001, ECHO provided over €1 billion to support relief, emergency reconstruction and refugee return in Bosnia and Herzegovina.*

# European Presence in Bosnia and Herzegovina

## The EC Delegation to BiH

Delegations play an important role in the conduct of the Common Foreign and Security Policy (CFSP), providing regular political analysis, carrying out evaluations jointly with Member State Embassies and contributing to the policy-making process.

The Delegation of the European Commission to Bosnia and Herzegovina (BiH) was established on 10 July 1996. In addition to the tasks mentioned above, this Delegation plays a key role in the implementation of substantial external assistance to BiH.

The 2006 Financing Agreements with BiH total € 51 million, to help BiH meet its commitments under the European Partnership. For 2005 it was € 49.4 million and during the course of that year, the Delegation managed 472 contracts including grants, service contracts, works contracts and supplies contracts.

The Delegation has a wide array of partners implementing or benefiting from these projects and no sector of society is left untouched by EU support. The public sector benefits from a wide range of technical assistance and twinning projects - which provide valuable first-hand experience on the implementation of EU laws from Member State ministry staff - as well as receiving state-of-the-art equipment. A variety of measures to improve the economy and business infrastructure help develop the nascent private sector, while actions which support civil society - including the media and non-governmental organisations (NGOs) - help disseminate and support human rights and other key messages. From local NGOs implementing grassroots efforts to foreign consultants who bring development and pre-accession expertise to the country, from international organisations to governmental agencies, all are effective partners in bringing BiH closer to Europe.

## Internal Organisation

The EC Delegation staff number almost 100, making it one of the largest in the world. The Delegation has four main areas:

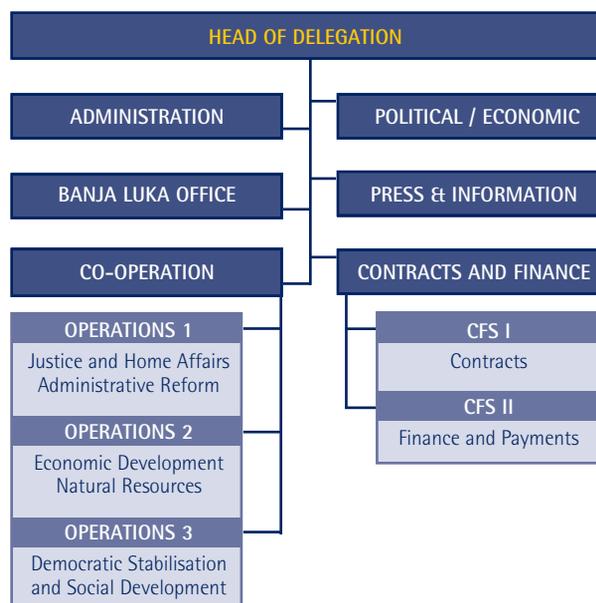
**Diplomatic** - the Head of Delegation, his advisors and assistants, provide political and press analysis and reporting, participate in trade relations and SAA negotiations;

**Operations** - designs and manages the implementation of EU-funded projects, in consultation with State authorities;

**Contracts and Finance** - ensures that projects are implemented in accordance with current financial regulations;

**Administration** - provides logistical support to all.

### DELEGATION OF THE EUROPEAN COMMISSION TO BOSNIA AND HERZEGOVINA





## EU presence in Bosnia and Herzegovina

As BiH moves from the era of Dayton onto the road to Brussels, the EU itself has assumed a leading position in BiH's international engagement - not to the exclusion of other partners, but through a naturally evolving relationship based on BiH's aspiration to obtain EU membership.

### EUSR

The EU Special Representative (EUSR) for Bosnia and Herzegovina plays a central role in promoting overall EU political co-ordination in BiH. The present EUSR in BiH, Dr. Christian Schwarz-Schilling, was appointed in January 2006. The EUSR is also the International Community's High Representative for BiH: the Office of the High Representative is due to phase out by June 2007 but EUSR will remain.

The EUSR is tasked with maintaining an overview of the whole range of activities in the field of the Rule of Law and in providing advice to the Secretary General of the Council of the EU and High Representative for Foreign and Security Policy and to the EC, as necessary. The EUSR also has authority to give direction, as necessary, to the head of the EUPM.

### EUFOR

In December 2004, the EU launched a peacekeeping military operation in BiH, replacing NATO's SFOR mission. EUFOR deploys a robust military force at the same force levels as SFOR - 7,000 troops - to ensure continued compliance with the Dayton/Paris Peace Agreement (DPA) and to contribute to a safe and secure environment in BiH. Key supporting tasks are to provide support to the International Criminal Tribunal for the Former Yugoslavia (ICTY) and relevant authorities, including the detention of ICTY indictees, and provide the security environment in which the police can act against organised crime.

### EUPM

As part of the broader rule of law approach in BiH and in the region, the EU Police Mission was established in January 2003 to replace the UN's International Police Task Force (IPTF). EUPM aims to establish a sustainable, professional and multiethnic police service in BiH, operating in accordance with best European and international standards. This is achieved through mentoring, monitoring, and inspecting.

EUPM operates in accordance with commitments made as part of the Stabilisation and Association Process with the EU, in particular with regard to the fight against organised crime and police reform. EUPM is the lead in the co-ordination of policing aspects of the European Security and Defense Policy (ESDP) efforts in the fight against organised crime. It assists local authorities in planning and conducting investigations into major and organised crime.

### EUMM

The primary objective of the EU Monitoring Mission is to contribute, through information-gathering and analysis activities, to the effective formulation of EU policy towards the Western Balkans. The particular focus of the EUMM is to monitor political and security developments as well as border monitoring, inter-ethnic issues and refugee returns. EUMM also contributes by its activities to early warning and confidence-building measures.

# III THE ROAD TO EUROPE

## Enlargement

### Understanding Enlargement

Enlargement is one of the EU's most powerful policy tools. The pull of the EU helped to transform countries of Central and Eastern Europe into modern, well-functioning democracies. More recently, it has inspired far-reaching reforms in candidate and potential candidate countries. All European citizens benefit from having neighbours that are stable democracies and prosperous market economies. Enlargement is a carefully managed process which helps the transformation of the countries involved, extending peace, stability, prosperity, democracy, human rights and the rule of law across Europe.

### Accession Process and Criteria

According to the Treaty on European Union, any European country may apply for membership if it respects the principles of liberty, democracy, respect for human rights and fundamental freedoms, and the rule of law. Accession, however, can only follow if the given European country fulfils all criteria of accession, also known as the Copenhagen Criteria, which were fixed by the European Council in Copenhagen in 1993:

- political: stable institutions guaranteeing democracy, the rule of law, human rights and respect for/protection of minorities;
- economic: a functioning market economy and the capacity to cope with competition and market forces in the EU;
- the capacity to take on the obligations of membership, including adherence to the objectives of political, economic and monetary union.

The Copenhagen criteria were reinforced by the European Council in Madrid in 1995, with a further one added:

- adoption of the *Acquis Communautaire* (the entire European legislation) and its effective implementation through appropriate administrative and judicial structures.

In addition, the EU must be able to absorb new members, so it reserves the right to decide when it will be ready to accept them.

### How does a country join the EU?

A country that wishes to join the EU submits an application for membership to the Council, which asks the Commission to assess the applicant's ability to meet the conditions of membership. If the Commission delivers a positive opinion and the Council unanimously agrees, negotiations are formally opened between the candidate and all the Member States.



*Olli Rehn,  
Commissioner for  
Enlargement.*

### The Recent Enlargement - All Win

Two years on, the biggest enlargement ever of the EU is an economic success: the ten new Member States' economies are growing at a rapid pace, enabling them to progressively bridge the gap with their richer neighbours. But the latter also win, as the increase of the EU's single market by 75 million to 450 million inhabitants brings a wealth of trade and investment opportunities. Enlargement has also acted as a force for modernisation in the EU as a whole.

Enlargement did not create economic problems for the EU nor did it trigger massive migration flows from the acceding nations. It enabled the rapid economic development of the new Members at a cost to the EU of €28 billion in fifteen years.

## Pre-accession strategy

The pre-accession strategy is designed to prepare the candidate countries for future membership. It encompasses the following frameworks and mechanisms:

- Europe Agreements / Stabilisation and Association Agreements
- Accession Partnerships / European Partnerships
- Pre-accession assistance
- Co-financing from International Financing Institutions
- Participation in EU Programmes, Agencies and Committees
- National Programme for the adoption of the *Acquis*
- Regular/Progress Reports
- Political and Economic Dialogue



*Michael Leigh,  
Director General,  
DG Enlargement.*

## Negotiations

The first step in negotiations is the so-called "screening". It is an analytical examination of the *Acquis* to explain it to the candidate countries and, with them, to identify areas where there may be problems to be addressed.

## Monitoring

The Commission keeps the Council and the Parliament duly informed about the candidates' preparations for membership with the help of "Monitoring Reports". They also serve to guide the candidate countries in their preparations. A "Comprehensive Monitoring Report" serves as a basis to decide on any possible remedial measure to be taken by the Commission.

## The Ratification Process and Accession

Once negotiations are concluded, the results are incorporated into a draft Accession Treaty, which is agreed on between the Council and the acceding country. It is subsequently submitted to the Commission and to the European Parliament. Each Member State and the acceding country must also ratify it, in accordance with their constitutional procedures. When the ratification process has been concluded and the Treaty takes effect, the candidate becomes a Member State.

## The steps to Membership in the EU



# The Stabilisation and Association Process

## What is the Stabilisation and Association Process?

The Stabilisation and Association Process (SAP) is a part of the enlargement process. It is the framework for the European course of the Western Balkan countries all the way to their future accession.

Based on the success of over fifty years of European regional and political co-operation, the EU is actively assisting the countries of the Western Balkans to foster democracy and closer co-operation, whilst promoting sustained economic growth throughout the region. Albania, BiH, Croatia, the former Yugoslav Republic of Macedonia, Montenegro and Serbia are all committed to the concept of lasting economic, social and political stability guaranteed through closer ties to Europe.

Recognising this, in May 1999 the EC launched the SAP, which marks out the principles by which the countries and people of the region move towards integration and eventual membership of the Union. These priorities include:

- the establishment of democracy based on the rule of law;
- development of a market economy and
- combating organised crime.

The process aims to equip the countries of the Western Balkans with the means to maintain stable democratic institutions; to ensure that the rule of law prevails; and to sustain open, prosperous economies based on European practice and standards. Strong links are created between each country and the EU through three main mechanisms:

- trade;
- financial assistance and
- contractual relations.

Closer co-operation is also encouraged between the countries in the region, in particular through the conclusion of free trade agreements and stronger collaboration in customs and refugee return.

## Stabilisation and Association Agreements

An important pillar in the process is the conclusion of individual Stabilisation and Association Agreements (SAA). These set out the common values and principles governing the relationship between the EU and each country.



*Dirk Lange, Head of Unit for Albania and BiH in DG Enlargement, and Igor Davidović, Chief Negotiator for BiH, at the first round of SAA technical negotiations, held in March 2006, in Sarajevo.*

The main elements of the Agreements are:

- Promoting the free movement of goods;
- Creating efficient institutions;
- Developing a market economy;
- Reducing crime and corruption;
- Promoting higher education reform;
- Developing democracy, human rights, and an independent media; and
- Improving the region's transport infrastructure.

## European Partnerships

Within the framework of the SAP, the EU set up European Partnerships with Albania, BiH, Croatia, the former Yugoslav Republic of Macedonia, as well as Serbia and Montenegro, including Kosovo. The aim of these Partnerships is to prepare the countries for greater integration with the EU. The EU decided to apply to these countries the same methodology as that followed for the new Member States that joined in 2004.

The European Partnership for BiH reflects its current stage of preparation and is tailored to its needs. The country is expected to respond to the European Partnership by preparing a plan with a timetable and details of how it intends to address the European Partnership's priorities. Progress in implementing the priorities will be monitored regularly.

### Country Strategy for BiH

In 2001, the EC adopted a Country Strategy for BiH, covering the period 2002-2006. It provides a framework for EU assistance, supporting BiH's participation in the SAP and to:

- Help consolidate the peace process and foster inter-entity co-operation;
- Help ethnic reconciliation and the return of refugees and displaced persons to their homes of origin;
- Establish functioning institutions and a viable democracy, based on the rule of law and respect for human rights;
- Lay the foundations for sustainable economic development and growth;
- Bring BiH closer to EU standards and principles.



*Informal Meeting on the Western Balkans - March 2006.*

*Ministers of Foreign Affairs of EU Member States met with their counterparts from potential candidate countries included in the SAP. The participants reaffirmed their full support for the SAP and the EU confirmed that the future of the Western Balkans lies in the EU.*



*European Commission President José Manuel Barroso - here with the three Members of the BiH Presidency - during his first official visit to BiH in February 2006. The visit was part of a four-day tour of the Western Balkans to confirm the European perspective of these countries.*

## Milestones on BiH's Road to Europe

- ❑ **1997: Regional Approach.** The EU establishes political and economic conditionality for the development of bilateral relations.
- ❑ **June 1998:** the **EU-BiH Consultative Task Force (CTF)** is established.
- ❑ **1999:** The **EU proposes the new Stabilisation and Association Process** for five countries of South-Eastern Europe, including BiH.
- ❑ **June 2000:** The European Council states that **all the Stabilisation and Association countries are "potential candidates"** for EU membership.
- ❑ **November 2000:** Zagreb Summit; the **SAP is officially endorsed by the EU and the Western Balkan countries** (including BiH).
- ❑ **2001:** First year of the **new CARDS programme**, specifically designed for the Stabilisation and Association countries.
- ❑ **June 2003:** Thessaloniki Summit; the **SAP is confirmed as the EU policy for the Western Balkans.** The EU perspective for these countries is confirmed.
- ❑ **November 2003:** The EC produces a **Feasibility Study assessing BiH's capacity** to implement a future SAA. The study concludes that negotiations should start once BiH has made progress on sixteen key priorities.
- ❑ **June 2004:** the EU adopts the first **European Partnership** for BiH (amended in 2006).
- ❑ **October 2005:** The EC judges that BiH has made sufficient progress in the implementation of the Feasibility Study reforms and recommends starting SAA negotiations.
- ❑ **November 2005:** **SAA negotiations** between the EU and BiH are officially launched.

In line with the region's European prospects, since early 2005 the EC's Enlargement DG took over the management of all relations with the countries of the Western Balkans, including BiH, from the DG External Relations. This includes political relations and the development and management of the CARDS programme.

# IV FINANCIAL ASSISTANCE TO BOSNIA AND HERZEGOVINA

## Funding to Date

### BiH's Closest Partner

The EU provided more than € 1 billion for humanitarian assistance from 1992 to 1995, so it was natural that after the signing of the Dayton/Paris Peace Agreement (DPA), the EU became BiH's closest partner in consolidation of peace, the rule of law, democratisation and the establishment of a market economy.

Following the DPA, the country faced the massive task of building a stable social and political structure as well as a functioning economy. Initially through the Regional Approach, and subsequently the SAP, the EU has worked to consolidate the peace process and bring BiH closer to the EU.

#### Over €2.5 billion of European funds have supported BiH since 1991:

- From 1991 to 2000, humanitarian assistance provided by ECHO, the European Commission's Humanitarian Aid Office, totalled €1.035 billion.
- Between 1996 and 2000, assistance under the OBNOVA and PHARE programmes amounted to € 890.7 million.
- Since 2001, over € 500 million has been committed under the CARDS and other Programmes.

In addition, EU Member States have contributed very substantial bilateral assistance over the years.

### CARDS

Since 1991, the EU has committed € 6.8 billion to the Western Balkans through various assistance programmes. In 2000, this aid was streamlined through a new programme called CARDS - Community Assistance for Reconstruction, Development and Stabilisation.

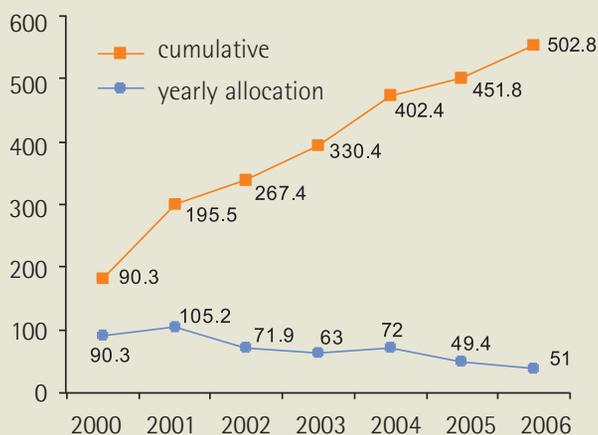
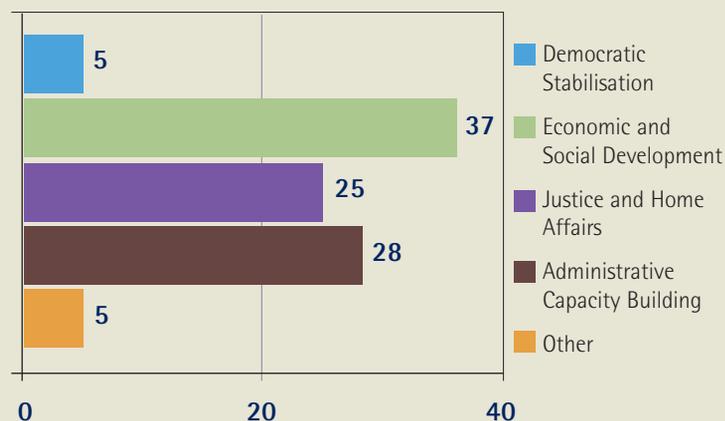
The programmes wider objective is to support the participation of the countries of the Western Balkans in the SAP.

The CARDS programme has provided € 4.6 billion to the region between 2000 and 2006, to support institution-building and other measures that help achieve four main objectives:

1. reconstruction, democratic stabilisation, reconciliation and the return of refugees;
2. institutional and legislative development, including harmonisation with EU norms and approaches, to underpin democracy and the rule of law, human rights, civil society and the media, and the operation of a free market economy;
3. sustainable economic and social development, including structural reform;
4. promotion of closer relations and regional co-operation among countries, as well as between them, the EU and the candidate countries.

### External Aid Funding Dynamics

Money for External Aid is determined by a Commission Decision, which allocates funding for programmes, and subsequently by a Financing Agreement signed with the beneficiary country, which details how the funds will be distributed.

Cumulative CARDS Assistance for BiH,  
in Million EuroCARDS allocation per sector for BiH,  
2005-2006, in Million Euro

## EU ASSISTANCE TO BiH - YEARLY ALLOCATIONS IN MILLION EURO

1991-1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	Total
<b>PHARE, OBNOVA and CARDS</b>													
0.21	0.65	229.77	211.16	190.50	118.36	90.30	105.23	71.90	63.00	72.00	49.4	51	1253.48
<b>ECHO (humanitarian assistance)</b>													
495.26	145.03	142.45	105.00	87.95	58.90	0.40	0.75						1035.74
<b>Specific actions</b>													
	70.00	65.40	39.90	15.00	30.90	3.96							225.16
<b>Democracy &amp; Human Rights + Anti-personnel Mine Programme</b>													
	0.70	4.80	4.80	1.80	0.80	0.60	4.75	2.33	0.50	0.87	4.37	2.90	29.22
<b>Balance of payments support</b>													
					25.00	10.00	25.00		15.00	35.00		10	120.00
<b>Total EU assistance</b>													
495.47	216.38	442.42	360.86	295.25	233.96	105.26	135.73	74.23	78.5	107.87	53.77	639	2663.6

# IPA - the New Financing Instrument

## Streamlined External Aid

Over time, the EU developed a broad spectrum of external aid programmes, which resulted in a complex set of more than thirty different legal instruments. The need to facilitate coherence and improve consistency, to achieve better results and a higher impact with the resources available, led the EC to propose a new architecture for external actions, in September 2004.

There are six external relations instruments that are due to apply from 2007 to 2013, including the new Instrument for Pre-accession Assistance (IPA). At the junction between external assistance and internal policies, the IPA intends to facilitate the entry into the Union of candidate countries and potential candidate countries.

## Objectives and scope of IPA

IPA will be an accession-driven instrument, fulfilling all the requirements stemming from the accession process, notably in terms of priorities, monitoring and evaluation. IPA will replace the current pre-accession instruments: PHARE, ISPA, SAPARD and CARDS.

To simplify and co-ordinate the delivery of external assistance, the major objective when designing the IPA was to streamline all pre-accession assistance into a single framework and to unite under the same instrument both candidate and potential candidate countries, thus facilitating the transfer from one status to another.

IPA components	eligible recipients
<ul style="list-style-type: none"> <li><input type="checkbox"/> Transition Assistance and Institution Building;</li> <li><input type="checkbox"/> Regional and Cross-Border Co-operation;</li> </ul>	potential candidates & candidate countries
<ul style="list-style-type: none"> <li><input type="checkbox"/> Regional Development;</li> <li><input type="checkbox"/> Human Resources Development;</li> <li><input type="checkbox"/> Rural Development.</li> </ul>	candidate countries only

## Assistance under the IPA

Assistance to potential candidate countries under the IPA will concentrate on institution building, in particular to strengthen the Copenhagen political criteria, enhance administrative and judicial capacity and encourage some alignment with the *Acquis*. The IPA regulation also foresees investments to promote economic and social development. Potential candidates will also be able to use institution building to build capacities and ensure that the correct programming and management structures are in place to start their preparation for managing the Structural Funds once they become candidate countries.

All countries in the Western Balkans have already been identified as potential candidates, though in designing the IPA regulation, no assumptions were made as to the date of graduation or accession for any country. The regulation was designed with flexibility, to accommodate such events whenever they occur and following the legal procedures that govern such graduation.

The length of the process leading a country closer to the EU depends on the pace of the political, economic, legislative and administrative reforms carried out by the country. These reforms are supported by the EU not just through its financial assistance but also through intense policy advice and dialogue. However, the responsibility for the reforms lies with the country itself and is not purely contingent upon the availability of donors' assistance.

## Directorate for European Integration

### Increased Ownership - Leadership in Programming

Technical Assistance has enabled the Directorate for European Integration (DEI) to take the lead in the programming of EC assistance, and thus started the preparations for decentralisation. DEI has become one of the most effective BiH institutions, leading and co-ordinating EU matters for the BiH authorities. It has successfully attracted young and motivated staff to work in the civil service on EU integration matters.

As a potential candidate, BiH is eligible for the first two components of IPA and DEI staff recently attended a conference on the Regional and cross-border Co-operation Component of IPA.



*Osman Topčagić, Director of DEI.*



*The DEI Team.*

# V SECTORS OF SUPPORT

## Democratisation and Human Rights

A strong civil society in BiH is an EU priority - building democracy from grass-roots level, to eradicate discrimination, reconcile ethnic tensions and improve human and civil rights, is critical to fulfilling the Copenhagen political criteria for EU Membership.

### Return of Refugees

The right to return was enshrined in Annex 7 of the DPA and the EU invested vast resources and efforts to support the process. Since the immediate post-war period, the EU has funded a comprehensive housing reconstruction programme covering all parts of the country - in which some 40,000 houses were rebuilt - and also supported efforts to ensure that rightful occupiers of property could regain possession of their homes. The EU funded a substantial part of the costs of the Commission for Real Property Claims (CRPC), which was created under the DPA to deal with the claims of dispossessed to refugees and displaced persons.

The approach taken by the EU was integrated, with housing reconstruction going hand in hand with rebuilding health centres and schools and the revival of small businesses. For return to be sustainable, people need schools, health care, social security and, above all, jobs.

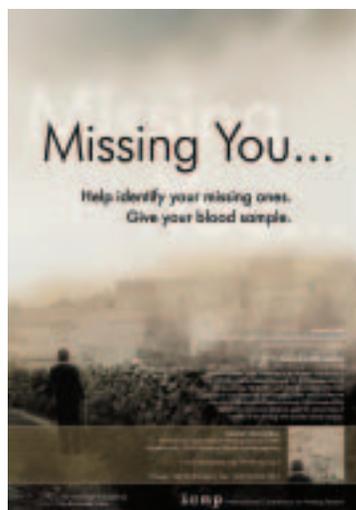
Although the EU devoted almost €408 million to housing reconstruction under its return programme since 1996, reconstruction grants were never enough for all the families wishing to return. In the framework of the multi-donor refinancing fund which operates in collaboration with BiH commercial banks, the EU set up a housing loan programme which has provided almost 5,000 housing credits.

### Civil Society Development

Democracy means empowering the people to voice their concerns and the EU has provided significant support to the development of civil society in BiH. Major aspects include the capacity building of civil society organizations, development of advocacy skills, support to NGOs in monitoring government policies and enhancing minority participation in local government. In addition, the EU has provided support to youth organisations or organisations which work with the disabled, elderly people and those which promote gender equality. Protection of children's right to education and non-discrimination of children with special needs, full implementation of the Freedom of Access to Information Act in BiH are other areas where the EU is providing support.

### Human Rights and Social Cohesion

Macro and Micro-projects that promote the rule of law, respect for human rights, protection of minorities and political pluralism are funded through the European Initiative for Democracy and Human Rights (EIDHR) and implemented by international and local partners. Some are countrywide, such as the Corruption Perception Study and Corruption Hotline, which included sociological, psychological and economic analyses on the subject and resulted in the creation of the first dedicated country-wide database. It allowed citizens not only to assess the extent to which corruption has taken root in society but also to propose effective measures to fight it. Other projects are community based, such as efforts



to promote the inclusion of Roma citizens in specific municipalities. The dissemination of key Democracy and Human Rights messages has often been supported, such as advocacy videos against racism and xenophobia. Since 2001, fifty-two micro-projects - worth a total of almost € 3 million - have been funded, with another € 1.4 million forthcoming, while over € 8 million have been allocated to macro-projects since 2002. Funding from the EIDHR is independent from the CARDS national allocation.

## Education

Since 1996, BiH has participated in the TEMPUS inter-university co-operation programme and the EU and Council of Europe are assisting BiH universities in the implementation of the Bologna Process, an initiative in which the governments of forty countries in Europe and beyond are co-operating to streamline their university study courses, to make them compatible with one another.

Reform of the education sector is part of the European Partnership and is followed closely by those responsible for BiH's process for EU integration, although education reform has never been part of any other negotiation process. This is because many believe that the current status of education in BiH represents a violation of human rights and a lack of fulfilment of international obligations.

Among the EU-funded Functional Reviews was a review of the education sector and support is now provided for the implementation of its recommendations, through technical assistance. In July 2006, the EC and the Ministers of Education signed a Memorandum of Understanding, committing to co-operate and further develop joint efforts, so as to establish an efficient and functional "architecture" of an education system, with a clear definition of mechanisms for co-operation and a well-defined decision-making process.

EU support has launched a reform of Vocational Educational Training (VET), through institution building, staff and curriculum development, teacher training and partnerships with EU schools. The emphasis is on bringing VET closer to the labour market.

The EU has provided over € 16 million to support this sector through the Obnova, PHARE and CARDS programmes.

## Health

A functional review of the health sector was conducted and implementation of its recommendations is ongoing. EU-funded support includes technical assistance for health care reform, encompassing health financing, development and implementation of the family medicine concept in primary health care and quality assurance and accreditation in the health sector. Assistance has also been provided for the pharmaceutical sector.



The Public and Environmental Health Programme supported the development of strategic and business plans for the reform of public health and the development of an integrated public health plan. In total, almost € 10 million have been invested by the EU in this sector.

## De-mining

Millions of mines and unexploded ordonances left over from the war hampered refugee return, freedom of movement and economic development. Since 1996, the EU has provided almost €22 million under the OBNOVA, CARDS and Anti Personnel Landmines (APL) programmes, to fund de-mining operations, procurement of equipment and capacity building.

The EU is currently financing the 8<sup>th</sup> Phase of its de-mining programme with the Civil Protection Agencies (CPAs), with over 80% co-financing from the entity governments. These grants cover 2006, after which activities will be fully funded from the entity budgets, as foreseen in the 2003 Exit Strategy agreed between the EC and BiH. This ensures the sustainability of the de-mining capacity built through EU support. The strategy foresaw a gradual decrease in EU funding for both CPAs until 2006, which would be met by increased financial contributions from the Entity Governments.

For 2006–2008, an additional € 3 million has been allocated to BiH under the APL Budget Line (APL). A recent Call for Proposals earmarks € 1.7 million for physical de-mining, technical surveys and assistance to mine victims, with another € 1.3 million foreseen.

## Media

Reform and development of public media in BiH is a key priority for the EU and reform of the Public Broadcasting System (PBS) remains an outstanding Feasibility Study priority. The EU is supporting the establishment of single, professional, efficient, qualitative self-sustainable PBS, and has invested over € 2,5 million to this effect, including the procurement of technical equipment such as transmitters, IT hardware and software and production equipment. Specific projects, such as production and broadcasting of news in sign language for people with hearing impairments, have also been funded. Expert assistance from leading European media companies helps improve management, editorial and production practices and will continue until the above-mentioned goals are reached.

The EU is providing support to the BiH Communication Regulatory Agency, consisting of technical equipment and expert assistance, through a twinning project.

## Labour and Employment

Support to date includes a twinning project for the Department of Labour and Employment within the Ministry of Civil Affairs. Furthermore, job creation initiatives have been funded through integrated return programmes and economic development projects.

# Economic Development

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CARDS assistance seeks to promote the emergence of a vibrant private sector and helps create a legal framework that meets EU single market rules. Progress on these key issues has a direct, positive impact on the standard of living of the entire population.

The initial funds for economic regeneration of BiH date back to 1997, when the EU made its first contribution to the European Fund for Bosnia and Herzegovina (EFBH), which enabled local banks to extend long-term credits to entrepreneurs. Since then, a total of €66 million have been made available for such financial instruments, which support the creation of small and medium-sized enterprises (SMEs) and strengthen the banking sector.

The EU has also provided € 120 million for macro-financial assistance through grants and loans, to support to the balance of payments of BiH.

EU assistance is increasingly shifting towards support for sustainable economic development and preparing BiH for EU integration. It has promoted BiH's integration into the world economy and, in particular, the EU economy.

## Trade

Promoting trade - both exports and foreign investment - is necessary to create sustainable development and economic growth. As trade increases, individuals benefit from greater choice and opportunities.

The EU supports the expansion of exports from BiH through assistance to establish an Export Promotion Agency and an Export Council, which brings together the public and private sectors, as well as by assisting businesses to improve their export capacities.

Increasing foreign direct investment (FDI) is important as it enables businesses to attract external investors. The EU has, therefore, supported the Foreign Investment Promotion Agency (FIPA) over the past six years.

The EU has also helped BiH to develop its institutional capacity - in particular within the Ministry of Foreign Trade and Economic Relations (MoFTER) - in formulating and implementing a comprehensive trade policy that strengthens the regulatory framework for trade. Support has also helped MoFTER prepare for and carry out bilateral and multilateral negotiations, as part of WTO, the Central Europe Free Trade Agreement (CEFTA) and SAA negotiations.

Overall, EU funds amounting to almost € 3 million have been invested to develop trade.

## Corporate Governance and Restructuring

Corporate governance refers to the processes, customs, policies, laws and institutions which affect the way a corporation is directed or administered. Good corporate governance enables companies to grow and prosper, bringing economic benefits to society as a whole. In BiH companies, the corporate governance framework is weak and makes the company restructuring process very slow. This stems from the lack of incentives for managers and owners to exercise effective control over companies to embark on the restructuring process. The existing legal framework and institutional arrangements are also a hindrance.



Privatisation in BiH resulted in a particular ownership structure where Privatisation Investment Funds (PIFs), insiders and the State became the majority shareholders in a large number of companies. The dispersed share ownership, the absence of strong and effective owners, the dominance of insiders and weak incentives to attract investors, all contribute to the weakness of corporate governance. The World Bank will implement an EU-funded project to transform PIFs into active owners which can improve the real value of their portfolios through improved portfolio management, company restructuring and attracting new buyers and investors. In total, over € 2.5 million have been provided to improve corporate governance.

## Single Economic Space

With the SAP, BiH assumed the obligation to establish its internal market, named single economic space, in line with the EU's Internal Market. A single economic space is a geographical area where internal borders do not represent boundaries for economic activities. Establishing a single economic space within BiH is fundamental for economic recovery, the establishment of a free market and to attract much needed foreign investment.

Working with counterparts from the State and entity governments, EU support has made a major contribution to resolving this problem by developing a new system of technical regulations governing the safety of industrial products and food. The system's advantages include fulfilling SAP requirements, approximating the requirements of the *Acquis* and meeting the requirements of WTO regulations, which only recognise health and safety considerations, as well as protection of the environment, as legitimate barriers to free trade.

Regarding industrial products, a major step forward has been the incorporation of current EU directives into BiH's legal framework and transposing a number of EU directives on the safety of machinery and electrical equipment into draft national technical regulations. Standardising industrial production helps guarantee the safety of workers, protects the health of consumers and prevents or reduces environmental pollution.

To date, € 3.8 million has supported the creation of a single economic space.

## Fiscal Policy

The European Partnership calls for BiH to establish a National Fiscal Council and to strengthen the procedures for budget preparation, execution and accountability. These are vital for the country's fiscal stability and for the EU integration process.



Strengthening BiH macroeconomic and fiscal management is essential, to send a message to potential investors that the country is capable of pursuing a sound, coherent and stability-oriented economic policy. To this effect, the EU is supporting the Macroeconomic Analysis Unit under the Governing Board of the Indirect Tax Administration (ITA).

Low technical capacity in the BiH government to design and execute a comprehensive economic reform strategy has hindered policy development, hence the EU supported the establishment and development of the Directorate for Economic Planning, to provide policy advice and strategic guidance to the BiH Council of Ministers, and is providing technical assistance to Directorate for Economic Planning staff and equipment worth € 1.7 million.

A twinning project is also assisting the authorities in the formulation and implementation of macro-economic and fiscal policies through the provision of statistical data for the country as a whole. It will improve data collection and harmonisation of statistical methods and information between the three Statistical institutes, in line with EU standards.

## Internal Market

State Aid refers to the impact subsidies, tax breaks and other government concessions have on trade and competition, the more extreme cases of which can have negative effects and tend to infringe on EU law. An inventory of state aid in BiH is currently being conducted with EU support and a working group is expected to convene soon to draft the State Aid Law.

A properly functioning Competition Council will foster improved trade and investments for BiH. Assistance has already resulted in the 2005 adoption of the BiH Competition Law and the Competition Council. Current support focuses on technical assistance to Council staff.

EU assistance has supported the drafting of State and entity-level legislation which permit the development of a single economic space for the insurance sector in BiH. Co-operation between the Entity Insurance Supervisory Agencies was formalised through a Memorandum of Understanding, while a new State Insurance Agency was established.

## Regional Economic Development

The regional approach has been tried and tested in the EU and has proven to achieve balanced economic development, by ensuring that funding targets disfavoured areas. The EU has designed specific funds that are allocated not on a country-wide basis but on a regional one.



The EU has actively supported local and regional economic development projects in BiH since 1999, first with pilot projects in Tuzla and Mostar, followed by the Quick Impact Facility (QIF) in 2000, which fostered the first local or sub-regional development initiatives and supported job creation schemes for returnees and domicile populations, which created some 2000 new jobs.

Since 2003, technical assistance helped establish and strengthen five Regional Development Agencies (RDAs) in BiH and assisted them in the preparation of Regional Economic Development Strategies, which were developed through a participatory process with a range of stakeholders from the public and private sectors. The EU continues to provide technical assistance to the RDAs and is now also helping MoFTER to establish the necessary legal framework for SME and Regional Economic Development, including the establishment of a Development and Entrepreneurship Council.

The RED Fund provides grants for regional development projects implemented by local NGOs, business associations, tourism boards, etc. throughout BiH, to help develop tourism and the SME sector. To date, the RED Fund has supported 48 such projects worth a total of € 7.7 million. A further € 3.8 million were recently made available for such projects under CARDS 2006. Over € 11.2 million has supported local and regional development activities.

## Infrastructure:

### Transport

Transport infrastructure is vital to the free movement of goods and people, it fosters economic recovery by making the market accessible. From 1996 to 2001, the focus of EU assistance was predominantly on rehabilitating physical infrastructure, while CARDS 2005-2006 assistance focuses on institutional development and facilitating access to international lending institutions.

The EU has invested almost €100 million in the sector over the past decade, a quarter of which assured full or partial reconstruction of the key road and railway bridges. A further €8 million was provided for road rehabilitation while vehicles were donated to public bus operators, to provide safe and comfortable public transport in both entities.

Support has included over €12 million to re-establish the continuous electric power for railways on the Pan-European V-c Corridor, rehabilitate railway maintenance facilities and provide tools and spare parts for the entity railway companies. A further €11 million funded rehabilitation of the airports in Sarajevo, Banja Luka and Mostar, including reconstruction and equipping of the terminal buildings and reconstruction of runways.



The Civil Aviation sector in BiH has benefited from support for air traffic control facilities as well as advisory assistance in institutional transformation from EU regional projects aiming to facilitate its integration into international civil aviation institutions. In June 2006, BiH joined EU Member States and other European countries in signing the European Common Aviation Area Agreement (ECAA). The EU also provides technical assistance to complement an EBRD loan that supports the implementation of the Air Traffic Management Strategy in BiH, which includes the provision and installation of radar equipment to return control of the upper sky to the BiH authorities.

Following the successful completion of emergency rehabilitation, the EU focus turned to facilitating access to substantial loan funds offered by international financial institutions. The EU has subsidised fixed interest rates of 2% on loans provided to BiH by the EIB: €40 million for railway reconstruction and €60 million for infrastructure. This support has enabled the reconstruction of Čapljinina Bridge, the ongoing construction of the Banja Luka-Gradiška motorway and the imminent construction of the Sarajevo bypass. Equally, the railway track overhaul of the Banja Luka-Jošavka section and the Bradina-Konjic section have been completed.

## Energy

In the immediate post-war period, the EU focus was on reconstructing and rehabilitating the energy sector: electricity production has now reached 85% of pre-war production.

BiH is committed to reforming the energy sector and in October 2005 signed the "Energy Community Treaty", in which countries in South-East Europe agreed to develop a functioning electricity market (including market liberalisation targets) and to integrate it into the EU's internal electricity market.

Until 2006, the BiH energy power sector was composed of three vertically integrated, state-owned monopolies, each with its own sources of raw materials, power plants, transmission networks and distribution facilities. The cornerstone of energy reform involves "unbundling" these vertically integrated companies into separate structures for generation, transmission and distribution. The transmission system has been unified into two companies: the Independent System Operator (ISO), registered in 2005, is responsible for managing the operation of the transmission network, while the Electricity Transmission Company (Transco), registered in 2006, is responsible for transmission, maintenance and construction.

The EU has invested almost €4.5 million in BiH's energy sector.



## Environment

Sustainable development can only be achieved if environmental issues are properly dealt with. However, environmental planning throughout the wider region is inadequate and recent neglect of environmental considerations has left visible and invisible scars.

Initial assistance to BiH in this sector dates back to the PHARE programme, with technical assistance amounting to some € 5 Million to support the creation of a Waste Management Strategy, the preparation of environmental legislation and the first phase of institutional reform of the water sector. This created the conditions for extensive support under the CARDS programme, which over the past three years has provided funding amounting to € 20 million. The assistance is aimed at creating the conditions for sustainable environmental management and bringing BiH closer to EU standards.

**Water** - The EU has been the lead donor in reform of the water sector since 1998. Key features of this assistance are the support to integrated water management based on the river basin model and assistance in the preparation and implementation of water legislation based on the EU Water Framework Directive. The main result is the completion of harmonised entity-level Water Laws - drafted through a consensus-building process with relevant stakeholders - which are now enacted in one entity and close to adoption in the other.

A national Water Information System with a Geographic Information System (GIS) base was developed with EU assistance, which included the supply of hardware and software and training of specialists in its use.

Ongoing assistance is currently preparing the "BiH Water Management Quality Plan", to address the urgent need to prioritise investment in municipal wastewater treatment infrastructure, which is necessary to improve the quality of surface water.

**Waste** - Recent EU support addressed the implementation of the Waste Management Strategy (adopted in both entities in 2003) through the preparation of waste management plans for three waste management regions: Livno, Trebinje and Doboje-Tešanj. It also supported the development of secondary legislation and a number of policy documents on the closure and reclaiming of wild dumps, treatment of medical waste, and introduction of recovery and recycling.



Twenty-two municipalities from both entities were involved in the creation of Waste Management Boards, aimed at creating capacities at local level to attract funding for the construction and remediation of new and existing landfills, based on a regional principle.

Ongoing assistance includes both technical assistance and the supply of equipment to introduce waste recycling through pilot projects for the treatment of medical waste, the creation of waste collection centres and waste recovery through source separation. Many EU grants implemented by local NGOs address waste management at the local level, tackling specific types of waste, such as used motor oil, or raising awareness on what individual actions can be taken to reduce waste production. Since 2005, the EU has provided grants of this type worth a total of some €1.5 million.

**Air** - EU support includes technical assistance in the preparation of a national air monitoring strategy and supplying monitoring equipment. In this context, existing and new air monitoring stations have been supported in Banja Luka, Sarajevo and Ivan Sedlo. Specialised software and associated hardware were also provided for the Air Quality National Reference Centres in Banja Luka and Sarajevo. Automatic transfer of air quality data from the stations to the centres will ensure continuous monitoring of toxic substances in the air, to inform the public on air quality and potential health risks, and help the authorities to decide on priority activities to improve air quality.

## Institutional Issues

The *Acquis* includes a vast array of environmental legislation and standards, as well as environmental directives which require substantial investment. Experience in the new EU Member States indicates that an average of 2-3 % of GDP must be allocated to environment infrastructure.

EU support has strengthened the capacity of entity Ministries of Environment, to enable them to create an environmental policy and introduce economic analysis in environmental management. Progress has been made on the development of environment institutions and the definition of responsibilities at the State level, as a step towards the establishment of a BiH Environmental Agency. Technical assistance to entity authorities also developed working procedures for an Environment Impact Assessment.

The establishment of a National Monitoring System - through the creation of a monitoring structure which is in line with the European Environment Agency's reporting requirements - also received EU support. Future EU assistance will support the establishment of the State Environment Agency, in accordance with the recommendations of the Functional Review of the Environment Sector.



In order to foster public access to information, technical assistance currently supports inspections, particularly in the preparation of Pollution Release and Transfer Registries. Increased participation of non-state actors is promoted through the preparation of Local Environmental Action Plans (LEAP) in Tuzla, Ugljevik, Gradiška and Konjic municipalities.

## Agriculture and Veterinary Sectors

Support for the agricultural sector began in the immediate post-war reconstruction period, with the distribution of livestock, machinery and tools. This was followed by more structured support, with initial institutional strengthening efforts aimed at veterinary services, extension services and associations of farmers. The total value of such aid between 1996 and 1998 was € 40 million, including € 7 million for forestry.

The EU also provided € 2.2 million to establish the BiH Animal Identification and Movement Control Scheme and veterinary laboratories in five cities were equipped to monitor animal health. When livestock is registered, tracked and controlled, it is possible to know where an animal came from and transited, which is crucial for effective intervention in cases of disease. Such a scheme increases consumer confidence as meat and dairy products are controlled and human health is better protected. At present, live animals and animal products from BiH cannot be exported to the EU and many other countries, whose consumers need to be assured that imported foods originated from countries with reliable veterinary services. Current support to the veterinary sector also includes a twinning project.

Following the Functional Review, the CARDS programme included € 1 million for follow-up assistance, to help BiH improve its administrative capacity at State level. The technical assistance facilitated the recent completion of a "Draft BiH Law on Agriculture, Food and Rural Development" through the work of a government-appointed working group. It defines the framework of institutional structures and competencies at all levels of government, including the proposed new State Ministry of Agriculture, Food and Rural Development. The law also outlines the initial legal and institutional framework required to gradually prepare the sector for EU integration.

The EC Delegation to BiH played an important role as focal point between the DG for Health and Consumer Affairs, BiH authorities and the International Community in BiH during the recent avian influenza outbreak in the region. It is also a member of the International Community Task Force on Avian Influenza, convened to co-ordinate possible relevant assistance. The EU plans to provide assistance to BiH in prevention and protection measures against avian influenza.



## Justice and Home Affairs

Justice and Home Affairs are of central importance to the EU in building a space of justice, liberty and security in Europe. A high level of administrative capacity in the fields of Justice and Home Affairs is a prerequisite for the accession of any country to the Union and the EU development programme places great emphasis on strengthening BiH's capacity. Indeed, one third of EU assistance is spent in these fields.

### Policing

Police Reform was a priority in the Feasibility Study and remains of utmost concern to the EU and to BiH on its road to Europe. The EU has invested over € 17 million in state-of-the-art policing equipment, training and support to the Police Reform Process.

Successfully completed projects include a weapons database of all legally held weapons and their holders and the Criminal Analysis Network, a central database where all intelligence data is stored, which is connected to analysts in Police units. The EU also provided and equipped a DNA laboratory and a scanner for explosives, and helped draft a Book of Rules on the manner of taking, handling, processing and archiving biological samples.

Current assistance includes the establishment of a € 4 million telecommunications system, which connects police units throughout the country, allowing them to exchange images, documents, fingerprints, e-mails and telephone calls or faxes free of charge.

Training has been provided in IT, Management and the use of the new specialized software, among others, with further training activities planned for Financial Managers, Investigators, Instructors at Training Centres and others.

Technical assistance provided follow-up of the EU-funded Functional Review, which constituted the basis for the work of the Police Restructuring Commission (PRC). This assistance includes support for the Directorate for Police Restructuring and a planned CARDS 2006 project to support the Ministry of Security in the establishment of the National Security Authority.



## Judicial Reform

Proper administration of civil and criminal justice requires an independent, impartial and professional judiciary, as well as a regulated legal profession and an adequate enforcement mechanism. For years, the EU has provided financial and political support for judicial reform, first to the Independent Judicial Commission and then to the High Judicial and Prosecutorial Council (HJPC), which replaced it. Indeed, the establishment of this single HJPC was the first Feasibility Study priority that BiH fulfilled.

The EU has already invested, or is planning to invest, around € 5.6 million in Information Communication Technology (ICT): the HJPC is in charge of a centrally-managed ICT system for planning, purchasing and distribution. EU support has included the provision of a wide array of state-of-the-art equipment now in use in all courts and prosecutor's officers throughout the country. This was complemented by training based on the European Computer Drivers License (ECDL) for over 2,000 staff members. An upcoming action will purchase legal texts and publications for the Courts and Ministry of Justice.

Support has developed the ability of BiH Judiciary and Prosecution professionals and has also strengthened relevant Training Centres, to guarantee institutionalised education of judges and prosecutors.

The Registry for War Crimes and Organised Crime, Economic Crime and Corruption started working in January 2005. Assistance is crucial for the transfer of war crime cases from the ICTY to the BiH courts: the EU has contributed € 3.5 million to this multi-donor effort.

Support has also been provided to the Human Rights Commission within the BiH Constitutional Court and, through UNHCR, the EU has supported Asylum Management Capacities, to continue training BiH officials in the Ministry of Security and the Ministry of Human Rights and Refugees in international standards on asylum. CARDS 2006 foresees € 1 million to establish a reception centre which will create the conditions for adequate reception, accommodation and detention of illegal immigrants.

Within the Land Administration/Registration project, the EU provided the co-ordinated capture and validation of data from the cadastre and land registration, to help establish a future Land Information System.



## Border Management

Integrated Border Management (IBM) aims to create open borders for the movement of people and goods, while at the same time ensuring that these borders are closed for illicit trafficking and criminal activities. It is a priority in the European Partnership, and, in July 2005, BiH adopted the "National Integrated Border Management Strategy Paper" and nominated the members of an Inter-ministerial Working Group.

The concept of IBM includes co-ordination and co-operation of all relevant services and agencies involved in border activities, notably between the Border Police of BiH for migration issues, the Indirect Taxation Authority (ITA) for Customs and the Veterinary, Phytosanitary, Sanitary and Market Inspectorates.

BiH benefited from the CARDS IBM Regional Programme, which committed € 2 million to help Western Balkan countries draft their IBM Strategy Papers and Action Plans; the CARDS national envelope provided another € 2 million to support its implementation. Technical assistance for the implementation of the national IBM plan includes capacity building for all the institutions involved - including the Ministry of Security, which is responsible for IBM - as well as providing the necessary IT equipment.

Infrastructure - the construction of border crossing points - is part of the wider EU assistance for IBM. Since 2001, some € 34 million have been invested to build new or improve existing facilities. The EU is also aiming to provide assistance to block illegal border crossings.

The Border Police of BiH plays a vital role in safeguarding BiH's borders. To date, the EU has invested approximately € 5.5 million to provide IT equipment, vehicles, surveillance equipment and furniture, among others, including € 2.4 million for a new headquarters building which is currently under construction.

BiH is now a single and uniform customs territory. This is one of the tangible results of the highly successful EU Customs and Fiscal Assistance Office (EU-CAFAO) programme, which has been giving technical assistance in customs and fiscal matters to BiH since 1996. Over € 60 million in technical expertise and equipment have been donated so far through its projects in BiH. These now number five, to mirror the five main sections of the Indirect Taxation Authority (ITA): Business Services; Customs Policy and Procedures; Tax Developments; Law Enforcement and IT. Customs revenues have tripled since 1996, largely thanks to EU CAFAO, which has also been instrumental in the advances made by the ITA since its inception. The ITA itself has received € 4.5 million worth of IT equipment funded by the EU.

# Administrative Capacity Building

Adequate Administrative Capacity is essential for a modern, efficient state which provides the services its citizens expect and contributes to the creation of a competitive economy that attracts investment.

BiH needs to align its legislation with the *Acquis*, to fulfil the country's objectives of European integration. In addition to this legal transposition, it also needs to build the institutional capacities to implement it efficiently, including profound changes, such as new institutions, where administrative structures cannot simply be imported. The EU does not prescribe a model for administration but it does assume that the foundations - such as sound financial management - are there.

## Public Administration Reform

Public Administration Reform (PAR) was one of the sixteen priorities in the Feasibility Study and is one of the six key European Partnership priorities. According to the EU-financed Functional and Systems Reviews carried out in 2004-2005, the main issues to be addressed are insufficient co-ordination and co-operation between different levels of public administration and the overlap of functions and responsibilities. The administration is poorly equipped and there is no coherent and shared vision of how administrative reform should be carried out.

The EU assists the Government of BiH in PAR through strengthening the systems of public administration and through administrative capacity building of selected key sectors. The EU has supported the Public Administration Reform Co-ordination Office with the design and implementation of a national PAR Strategy and Action Plan, which was adopted by all levels of government in 2006. Its implementation will make the public administration more effective, efficient and accountable, and will have a direct and positive impact on the lives of citizens.

A range of EU-funded actions has strengthened the systems of public administration. The General Secretariat of the Council of Ministers receives support to work towards full national responsibility for policy formulation and decision-making, and to help strengthen policy co-ordination between all levels of government. An e-government project aims to enhance the efficiency of the Council of Ministers through comprehensive and crosscutting IT, while a Human Resources Management Information System aims to create a single personnel database for the Civil Service Agencies.

Over € 2 million of EU funds have supported training projects and foreign language and European Computer Driving License courses for civil servants, while a scholarship scheme for civil servants enables them to study Masters' Degrees in European Integration in Universities in the EU.

The Ministry of Finance has received support to develop its institutional capacity, for the progressive process of decentralisation of financial and contractual management of EU assistance and pre-accession funds.

Total CARDS funding between 2001 and 2006 for Administrative Capacity Building and PAR follow-up totals €40 million.

Sector	Functional Review Follow-up
<b>AGRICULTURE</b>	Ongoing technical assistance will support MoFTER in its transposition towards a Ministry of Agriculture and Rural Development (MoARD).
<b>EDUCATION</b>	Ongoing support addresses the Reform of General Education in BiH. A draft Action Plan has been produced. The Department for Education within the Ministry of Civil Affairs is also being strengthened.
<b>HEALTH</b>	Future assistance will focus mainly on the establishment of a separate Department of Health within the Ministry of Civil Affairs, strengthening policy formulation functions and reinforcing functions related to good governance.
<b>ENVIRONMENT</b>	Foreseen assistance will focus on establishment of the Environment Agency and strengthening of the relevant administration at State level.
<b>JUSTICE</b>	There is continued support to HJPC and twinning assistance to the Ministry of Justice.
<b>POLICE</b>	The Directorate for Police Restructuring - set up to prepare and implement the reorganisation of the police forces into one national force - receives EU assistance through a direct agreement with the European Institute for Public Administration.
<b>RETURN</b>	Future assistance is intended to reinforce the Ministry's capacity to effectively manage the sector and envisages its transformation into a Ministry with responsibility for combating social exclusion.

**Public Procurement** *The EU has supported an overall programme of reform of public procurement in BiH, aimed at promoting efficiency in the use of public funds, as well as reducing the potential for fraud, corruption and misappropriation of public funds.*

*Legislation adopted in 2004 is largely in line with EU procurement legislation.*

*A State-level Public Procurement Agency has been established and the EU is providing technical assistance and equipment.*

## Twinning

Launched in May 1998, the Twinning programme is one of the principal tools of Institution Building accession assistance. Twinning aims to help beneficiary countries develop modern and efficient administrations, with the structures, human resources and management skills needed to implement the *Acquis* to the same standards as Member States. Twinning provides the framework for administrations and semi-public organisations in the beneficiary countries to work with their counterparts in Member States. Together they develop and implement a project that targets the transposition, enforcement and implementation of a specific part of the *Acquis*. A Twinning project sets out to deliver specific and guaranteed results, not to foster general co-operation. The parties agree in advance on a detailed work programme to meet an objective concerning priority areas of the *Acquis*. For example, the Harmonisation of Civil Service Training Programmes through the Twinning Light project for the Training Unit of the Civil Service Agency (CSA) aimed to strengthen the Unit by improving its internal organisation and allowing for better identification, design and delivery of training programmes.

Beneficiary	Project Title	Twinning partner	Start / End
<b>Ministry of Foreign Affairs</b>	Improvement of Communication and Information Dissemination among the Ministry of Foreign Affairs and its Missions abroad, and DEI and other relevant BiH institutions.	FCl, Ministry of Foreign Affairs, France	Sept. 2005 - March 2006
<b>Ministry of Justice</b>	Assistance to the Ministry of Justice in internal organisation and improvement of administrative capacity to undertake European Integration tasks.	Centre for European Constitutional Law, Greece	July 2005 - April 2006
<b>Ministry of Communications and Transport</b>	Assistance to the Ministry of Communications and Transport in European Integration and Assistance in Alignment with the Transport <i>Acquis</i> .	ISTED, Ministry of Infrastructure, Transport, Spatial Planning, Tourism and the Sea, France	Aug. 2005 - Sept. 2006
<b>Civil Service Agency</b>	Assistance to the Training Unit of the Civil Service Agency in defining training strategy and content of training for civil servants.	State Chancellery of the Republic of Estonia	Aug. 2005 - March 2006

Beneficiary	Project Title	Twinning partner	Start / End
Ministry of Civil Affairs	Assistance to the Ministry of Civil Affairs in internal organisation and improvements of administrative capacity to undertake European Integration tasks.	GVG, Germany	Oct. 2005 - July 2006
Ministry of Finance and Treasury	Assistance to the Ministry of Finance and Treasury in internal organisation and improvement of administrative capacity to undertake European Integration tasks, including awareness-raising of future needs related to decentralisation.	Danish School of Public Administration, Denmark	June 2005 - Feb. 2006
Ministry of Foreign Trade and Economic Relations	Assistance to MOFTER in internal organisation and improvement of administrative capacity to undertake European Integration tasks.	Federal Ministry of Economics and Labour, Germany	Dec. 2005 - Oct. 2006
Directorate for European Integration - Legal Translation Unit	Assistance to the Legal Translation Unit within the DEI in the development of a multilingual, multi-term database as the initiative stage in the process of preparation for the translation of the <i>Acquis Communautaire</i> .	Government Office for European Affairs, Slovenia	Jan. 2006 - Sept. 2006
Ministry of Security	Assistance to the Establishment of the Department for the Fight Against Organised Crime and Corruption in the Sector for Co-ordination of the BiH Ministry of Security	Ministry of Interior and Administration, Poland	June 2004 - Jan. 2006
State Border Service	Support to BiH Police Forces - State Border Service Crime Investigation.	Federal Ministry of the Interior, Germany	June 2004 - Aug. 2005
Communication Regulatory Agency	Support to the Communication Regulatory Agency (CRA) of BiH.	AGCOM, Italy	June 2005 - Nov. 2006
Data Protection Commission	Support to the Data Protection Commission of BiH.	Office for Personal Data Protection, Czech Republic	Nov. 2005 - April 2007
General Secretariat of the BiH Council of Ministers	Strengthening of the General Secretariat of the BiH Council of Ministers.	FCI, Ministry of Foreign Affairs, France	April 2006 - Oct. 2007

Beneficiary	Project Title	Twinning partner	Start / End
State Veterinary Office	Twinning Support to the State Veterinary Office.	Federal Ministry of Food, Agriculture and Consumer Protection, Germany	July 2006 - July 2008
Ministry of Communications and Transport	Twinning Assistance to the Ministry of Communications and Transport in the Implementation of the BiH Law on Railways.	ISTED, Ministry of Infrastructure, Transport, Spatial Planning, Tourism and the Sea, France	July 2006 - Jan. 2008
Agencies for Statistics	Support to the Statistics Sector of BiH - Phase III.	ISTAT, Italy, in consortium with Denmark, Hungary and Slovenia	Aug. 2006 - Aug. 2008
Directorate for European Integration	Support to the DEI and other relevant BiH institutions in preparations for participations in Community Programmes.	B&SU, on behalf of the Federal Ministry of Economics and Labour, Germany	Dec. 2005 - Oct. 2006
Directorate for European Integration	Twinning support to prepare institutional preconditions in BiH ("Lifelong learning" and "Youth in Action").	SELECTION UNDERWAY deadline for proposals - July 2006	<i>In the pipeline</i>
Legislation Office of the Council of Ministers	Twinning Light assistance to the Legislation Office.	Launched - August 2006 deadline for proposals - October 2006	<i>In the pipeline</i>
Ministry of Security	Twinning support for capacity building of the Ministry of Security through establishment of a National Security Authority.	Launched - September 2006	<i>In the pipeline</i>
Communications Regulatory Agency	Twinning Light to support the Communications Regulatory Agency.	Launched - June 2006 deadline for proposals - September 2006	<i>In the pipeline</i>
Border Police of BiH	Twinning support for capacity building of the Border Police of BiH in the area of criminal investigations.	Launched - September 2006	<i>In the pipeline</i>



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