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The following points of the Guidelines to grant applicants are corrected and now read:

1.1 BACKGROUND

Corruption in Bosnia and Herzegovina (BiH) is widespread and remains a serious problem in the country. It threatens the consolidation of the state and constitutes an obstacle to the implementation of reforms necessary for EU integration. Corruption hampers economic growth and undermines trust in the political system and its institutions.

The Transparency International 2008 Corruption Perception Index (CPI) ranks BiH 92nd on a descending scale of 180 countries with a score of 3.2 which in comparison to past years indicates that the country is not perceived of having significantly improved its anti-corruption stance. Within the region, BiH ranks behind Croatia, the Former Yugoslav Republic of Macedonia, Albania, Montenegro and Serbia.

Even though there are not many quantitative assessments of corruption in BiH available, there is evidence for widespread petty and administrative corruption as well as for political and grand scale corruption.

One of the root causes of the latter in BiH goes back to the close ties between a criminal elite emerging from the war and the political elite. Economic power accumulated during the war was turned into political capital; anti-corruption reforms thus might constitute a direct threat to parts of the political elite.

Another consequence of the war and of the complex institutional set up of the country is a highly politicised public sector in general and public administration in particular. Different administrative layers with their respective legislation and competencies don't favour the enforcement of accountability of governmental structures and facilitate abuse of office and the diversion of public funds. Moreover, the practice of "ethnic" appointments in the public administration contributes to its vulnerability to corruption.

Petty or low-level corruption in public sector service delivery such as health and education seems to be widespread. Fragmentation and the lack of common oversight

structures and government enforcement of standards and performance render even the collection of data and the detection of abusive practices difficult. Petty corruption in these sectors can constitute a heavy burden on the individual household and undermines trust of citizens in the institutions. Since the distribution of negative effects on the population is always to the detriment of the most vulnerable groups, such as the unemployed, low-income groups or the elderly, corruption exacerbates poverty and inequality in the society.

The same can be said about the effect of corruption in the judiciary and the enforcement sector. Fragmentation and undue influence of the political level on the police and the judiciary undermine the rule of law and discourage recourse to legal action.

The Commission Communication of 5 November 2008 underlines the importance of the Civil Society Facility for the increased participation of Civil Society Organisations in the reforms to be undertaken. Civil society is therefore to play a fundamental role in helping to bring about both the acceptance and the implementation of EU values in aspiring Member States. For such a country to achieve European accession, new legislation and principles have to be accepted by the population and be monitored effectively. This is where the support of civil society is crucial.

All other terms and conditions of the Guidelines remain unchanged.