



TEXTS ADOPTED

P8_TA(2017)0037

2016 Report on Bosnia and Herzegovina

European Parliament resolution of 15 February 2017 on the 2016 Commission Report on Bosnia and Herzegovina (2016/2313(INI))

The European Parliament,

- having regard to the Stabilisation and Association Agreement (SAA) between the European Communities and their Member States, of the one part, and Bosnia and Herzegovina (BiH), of the other part,
- having regard to the Protocol on the Adaptation of the SAA between the European Communities and its Member States, on the one part, and BiH, on the other part, to take into account the accession of the Republic of Croatia to the European Union, which was initialled on 18 July 2016, and signed on 15 December 2016,
- having regard to BiH's application for membership of the European Union on 15 February 2016,
- having regard to the European Council conclusions of 19-20 June 2003 on the Western Balkans and to the annex thereto entitled 'The Thessaloniki Agenda for the Western Balkans: moving towards European integration',
- having regard to the Council conclusions of 20 September 2016 on the application of BiH for membership of the EU,
- having regard to the EU Presidency conclusions of 13 December 2016,
- having regard to the first meeting of the EU-BiH Stabilisation and Association Parliamentary Committee (SAPC) held in Sarajevo on 5-6 November 2015 and the first meetings of the Stabilisation and Association Council (SAC) and the Stabilisation and Association Committee between BiH and the EU held on 11 and 17 December 2015 respectively,
- having regard to the Final Declaration by the Chair of the Paris Western Balkans Summit of 4 July 2016 and to the Recommendations of the Civil Society Organisations for the Paris Summit 2016,
- having regard to the joint statement of 1 August 2016 by the Vice-President/High

Representative (VP/HR) and the Commissioner for European Neighbourhood Policy and Enlargement Negotiations on Bosnia and Herzegovina's authorities' agreement on key measures on the country's EU path,

- having regard to the joint statement of 17 September 2016 by the VP/HR and the Commissioner for European Neighbourhood Policy and Enlargement Negotiations following the decision of the BiH Constitutional Court regarding the Republika Srpska (RS) day,
 - having regard to the Commission Communication of 9 November 2016 entitled '2016 Communication on EU Enlargement Policy' (COM(2016)0715), accompanied by the Commission Staff Working Document entitled 'Bosnia and Herzegovina 2016 Report' (SWD(2016)0365),
 - having regard to the Special Report of the European Court of Auditors entitled 'EU pre-accession assistance for strengthening administrative capacity in the Western Balkans: A meta-audit'¹,
 - having regard to the Fiftieth Report to the UN Security Council of the High Representative for Implementation of the Peace Agreement on Bosnia and Herzegovina²,
 - having regard to the Statement from November 2016 on behalf of the European Union and its Member States by H.E. Mr. João Vale de Almeida, Head of the Delegation of the European Union to the United Nations, at the Security Council Debate on 'The situation in Bosnia and Herzegovina',
 - having regard to the Reform Agenda for BiH 2015-2018 adopted in July 2015 and to the Coordination Mechanism adopted by the Council of Ministers of BiH and the governments of the Federation of BiH and the RS on 23 August 2016,
 - having regard to its previous resolutions on the country,
 - having regard to Rule 52 of its Rules of Procedure,
 - having regard to the report of the Committee on Foreign Affairs (A8-0026/2017),
- A. whereas the EU remains committed to BiH's EU perspective, to its territorial integrity, sovereignty and unity; whereas progress has been achieved on the EU integration path; whereas the Council asked the Commission to prepare its opinion on BiH's application for membership;
- B. whereas on 9 December 2016, in Sarajevo, the Commissioner for European Neighbourhood Policy and Enlargement Negotiations delivered the questionnaire to the BiH authorities;
- C. whereas the suspension of the Autonomous Trade Measures will be lifted once the Protocol on the Adaptation of the SAA has been signed and provisionally applied;

¹ ECA 2016 No. 21.

² S/2016/911.

- D. whereas, with the Reform Agenda for BiH 2013-2018, the authorities at all levels recognised the urgent need to initiate a process of rehabilitating and modernising the economy with a view to creating new jobs and fostering sustainable, efficient, socially just and steady economic growth; whereas BiH has demonstrated commitment and readiness to embark on further socio-economic reforms necessary to reduce youth unemployment, which is still at far too high a rate;
 - E. whereas an independent, functional and stable judiciary is important in guaranteeing the rule of law and progress on the path to EU accession;
 - F. whereas challenges remain in relation to the sustainability of the reconciliation process; whereas progress in the EU accession process will facilitate further reconciliation;
 - G. whereas BiH has still not implemented the rulings of the European Court of Human Rights (ECHR) in the *Sejdić-Finci*, *Zornić* and *Pilav* cases;
 - H. whereas corruption, including at the highest level, continues to be widespread;
 - I. whereas there are still 74 000 internally displaced persons and a significant number of refugees from BiH in neighbouring countries, across the whole of Europe and worldwide, as well as 6 808 missing persons;
 - J. whereas education is essential to creating and promoting a tolerant and inclusive society as well as fostering cultural, religious and ethnic understanding in the country;
 - K. whereas BiH is a signatory to the Convention on Environmental Impact Assessment in a Transboundary Context (Espoo, 1991);
 - L. whereas (potential) candidate countries are judged on their own merits, and whereas the speed and quality of the necessary reforms determines the timetable for accession;
1. Welcomes the consideration of BiH's EU membership application by the Council and the handing in of the questionnaire and looks forward to the Commission's opinion on the merits of the application for membership; calls on competent BiH authorities at all levels to commit actively to this process and to cooperate and coordinate in participating in the Commission's Opinion process by providing a single and coherent set of replies to the Commission's inquiries; points out that this exercise will also serve as a proof of state functionality; reiterates that the EU accession process is inclusive and involves all stakeholders;
 2. Appreciates and welcomes the role of the tripartite Presidency as playing an important role in creating the incentive for all other institutional actors on all levels to engage in efforts to fulfil their respective roles in the overall process of the country's approximation to the EU;
 3. Welcomes the progress made on the implementation of the 2015-2018 Reform Agenda, as well as the country's determination to pursue further institutional and socio-economic reforms; recalls that the renewed EU approach towards BiH has been triggered by the difficult socio-economic situation and the increasing dissatisfaction among citizens; notes that the situation has somewhat improved, but stresses that harmonised and effective implementation of the Reform Agenda in line with the action plan is needed to achieve real change across the country and make tangible improvements to the lives of

all BiH citizens;

4. Calls for the momentum of the reform to be maintained in order to transform BiH into a fully effective, inclusive and functional state based on the rule of law, guaranteeing equality and democratic representation of all its constituent peoples and citizens; regrets that common reform efforts often continue to be hampered by ethnic and political divisions, caused by deeply-rooted disintegrative tendencies hindering normal democratic development, and through the further politicisation of public administrations; stresses also that BiH will not be a successful candidate for EU membership until the appropriate institutional conditions have been established; urges all political leaders to work on introducing the necessary changes, including the reform of electoral law, also taking into account the principles expressed in its previous resolutions, including the principles of federalism, decentralisation and legitimate representation, so as to guarantee that all citizens can stand as candidates, be eligible to be elected, and serve at all political levels, on equal grounds; considers it essential to maintain consensus on EU integration and to make progress in a concerted manner on the rule of law, including the fight against corruption and organised crime, the reform of the judiciary and public administration; highlights equally the need for a continued and effective focus on social and economic reforms, which should remain a priority;
5. Welcomes the agreement on setting up a coordination mechanism for EU matters aimed at improving functionality and efficiency in the accession process, including in relation to EU financial assistance, and enabling better interaction with the EU; calls for its swift implementation; calls, moreover, for effective cooperation and communication between all levels of government and with the EU in order to facilitate the alignment and implementation of the *acquis*, and to provide satisfactory replies to the Commission's inquiries throughout the Opinion process; deems it unacceptable that the Government of the RS is trying to establish parallel channels of communication by adopting provisions on direct reporting to the Commission; calls for the role and capacities of the Directorate for European Integration to be further enhanced with a view to assuming its coordinating functions in full within the implementation of the SAA and, overall, in the accession process;
6. Expresses satisfaction about the signature of the Protocol on SAA adaptation that has been provisionally applied as of 1 February 2017, automatically reinstating the autonomous trade measures that had been suspended as of 1 January 2016; looks forward to a rapid and smooth ratification of the Protocol;
7. Regrets that the Rules of Procedure (RoP) of the SAPC have still not been adopted, due to the attempts to introduce ethnic blocking into the SAPC's RoP, as a consequence of which BiH has remained the only enlargement country where such a body could not be properly constituted; urges the presiding bodies of the BiH Parliament to find, without delay, a solution in order to meet the requirements of the EU's institutional and legal framework and to provide meaningful parliamentary oversight of the accession process; recalls that the SAA requires the adoption of the RoP and failure to do so is in direct breach of SAA implementation;
8. Welcomes some improvements of electoral legislation in line with OSCE-ODIHR recommendations; notes that the local elections of 2 October 2016 have been conducted broadly in an orderly manner; regrets that after six years, the citizens of Mostar still cannot exercise their democratic rights to elect their local representatives owing to

continued disagreements between political leaders; urges the swift implementation of the Constitutional Court ruling on Mostar by amending electoral legislation and the city's Statute; strongly condemns the unacceptable violence against electoral officials in Stolac and calls on the competent authorities to resolve the situation by respecting the rule of law, including the investigation of all acts of violence and electoral irregularities as well as the prosecution of the perpetrators; notes the annulment of elections in Stolac by the BiH Central Electoral Commission and calls for re-elections to be conducted under democratic standards, in a peaceful manner and an atmosphere of tolerance;

9. Regrets that the declared political commitment to combat corruption did not translate into tangible results; underlines that there is no track record of high-profile cases and that the legal and institutional framework for combating systemic corruption such as in relation to political party finance, public procurement, conflicts of interest, and assets declaration is weak and inadequate; acknowledges progress in adopting anti-corruption action plans and setting up corruption prevention bodies at various levels of governance and calls for the consistent and swift implementation of these decisions; notes with concern that fragmentation and weak inter-agency cooperation hamper the effectiveness of anti-corruption measures; calls for greater professional specialisation within the police and the judiciary by means of appropriate coordination channels; stresses the need to establish a track record of effective scrutiny of political party and electoral campaign financing, to develop transparent employment procedures in the broader public sector, as well as to eliminate corruption in the public procurement cycle;
10. Stresses that the results of the 2013 census are an important basis for providing an adequate response to the Commission questionnaire and are essential for effective socio-economic planning; welcomes the final assessment made by the International Monitoring Operation concluding that the census in BiH was as a whole conducted in compliance with international standards; regrets that the RS refused to acknowledge the census results as legitimate, and that the RS authorities published their own results, different to those confirmed by the BiH Agency for Statistics; urges the RS authorities to reconsider their approach; calls on the BiH statistical agencies to make significant progress in this crucial field and to align their statistics and methodologies with Eurostat standards;
11. Recalls that a professional, effective and merit-based public administration is the backbone of the integration process for any country that aspires to become an EU member; is concerned about the continued fragmentation and politicisation of public administration, which hampers institutional and legislative reforms and makes the delivery of public services to citizens cumbersome and expensive; calls, as a matter of urgency, for a more harmonised approach to policy development and coordination between all levels of government, the depolitisation of public administration and of the public sector, better medium-term planning and for a clear strategy on public financial management;
12. Reiterates its concern about the continued fragmentation into four different legal systems; stresses the need to address swiftly any outstanding shortcomings of the judiciary, to strengthen judicial efficiency and independence, including through the depolitisation of the judiciary, to fight corruption in the judiciary and to implement adequate procedures for the execution of court decisions; urges the rapid adoption of the action plan for the implementation of the 2014-2018 justice sector reform; calls for full implementation of the laws on the protection of children and effective access to justice

for children; welcomes the adoption of the law on free legal aid at state level and the introduction by the High Judicial and Prosecutorial Council of guidelines on the prevention of conflicts of interest, the drafting of integrity plans and disciplinary measures;

13. Calls for the overall efficiency of the judiciary to be enhanced, the transparency and objectivity of the process of selecting new judges and prosecutors to be increased, as well for the accountability and integrity mechanisms in the judiciary to be strengthened; underlines the need to reinforce mechanisms for the prevention of conflicts of interests and for establishing mechanisms for the transparency of financial reports and asset declarations in the judiciary; notes the important role of the Structured Dialogue on Justice in addressing the shortcomings in the BiH judiciary; calls for a legislative solution which would allow for tracking the efficiency of the handling of cases throughout the territory of BiH;
14. Regrets that a high number of constitutional court decisions are not being implemented, including the decision concerning the respect of the basic democratic rights of the citizens of Mostar to vote in local elections; calls for prompt implementation of all these decisions; highlights, in particular, the constitutional court decision on the RS day, which was contested in the referendum held on 25 September 2016; considers this as a serious violation of the Dayton Peace Agreement and an attack on the judiciary and the rule of law; stresses the need for dialogue rather than unilateral initiatives; emphasises that nationalistic and populist rhetoric and actions are serious obstacles for development and that respect for the rule of law and the country's constitutional framework is of paramount importance in advancing on the EU path and in order to preserve peace and stability in BiH;
15. Strongly condemns the Law on Order in RS which is still in force and undermines the fundamental democratic rights of the freedom of assembly, freedom of association and freedom of the media, as well as the provision on the death penalty in the RS; urges the full implementation of the Freedom of Access to Information Act; urges the authorities to swiftly implement the Additional Protocol to the Council of Europe Convention on Cybercrime, concerning the criminalisation of acts of a racist and xenophobic nature committed through computer systems;
16. Urges leaders on all sides to refrain from divisive, nationalist and secessionist rhetoric that polarises society as well as from actions that represent a challenge to the cohesion, sovereignty and integrity of the country; urges instead that they engage seriously in reforms that will improve the socio-economic situation of all BiH citizens, create a democratic, inclusive and functioning state and move the country closer towards the EU;
17. Emphasises the importance of the recent decision of the Constitutional Court on the principle of constituent status and the equality of its three constitutive peoples to elect their own legitimate political representatives based on legitimate and proportional representation in the House of People of the Parliament of the Federation of Bosnia and Herzegovina;
18. Notes satisfactory cooperation on war crimes cases with the International Criminal Tribunal for the former Yugoslavia (ICTY) and encourages more regional cooperation with regard to processing war crimes cases; expresses concern that different legal

standards are applied when processing war crimes cases; welcomes the fact that the backlog of domestic war crimes cases is being tackled and that some further progress has been achieved in the successful prosecution of war crimes involving sexual violence; welcomes the agreement between the EU Delegation and the BiH Ministry of Finance and Treasury to finance the activities of the prosecutors' offices and the courts in BiH in relation to the processing of war crimes;

19. Strongly condemns the decision of the RS National Assembly in October 2016 to express appreciation to former leaders of the RS convicted of war crimes; calls, as a matter of urgency, for respect for the victims of war crimes and for reconciliation to be promoted; reminds all political leaders and institutions in BiH of their responsibility to assess war-time events objectively, in the interests of truth and reconciliation, and to avoid misuse of the judiciary for political purposes;
20. Commends the progress made in relation to the prosecution of war crimes involving sexual violence and urges the competent authorities to enhance further access to justice for victims of conflict-related sexual violence, including by making available free legal aid, strengthening psychosocial and health services, as well as better compensation and follow-up; calls for guarantees that the rights to reparation of such victims are recognised in a consistent manner;
21. Notes some progress with regard to refugees and internally displaced persons, who were displaced as a result of the Bosnian war, in terms of the repossession of property and occupancy rights as well as the reconstruction of houses; calls on the competent authorities to facilitate their sustainable return, access to healthcare, employment, social protection and education and to devote further attention to compensation for damage to property which cannot be returned;
22. Is concerned about the persistently high number of persons missing as a result of the war; calls on the competent authorities to address more forcefully the issue of their unresolved fate, including by intensifying cooperation between the two entities; stresses that solving this issue is of paramount importance for reconciliation and stability in the region;
23. Expresses its concern about the state of the health system in BiH, one of the systems most subject to corruption in the country; calls on the authorities to be vigilant in preventing discrimination in access to medical care;
24. Notes some progress in fighting organised crime; is concerned, however, about the absence of a consistent approach in tackling organised crime owing to the numerous action plans by the various law enforcement agencies at different levels; highlights the need to strengthen further the framework for inter-agency cooperation; welcomes joint investigations, but calls for more coordinated operations and a better exchange of information; calls for the enhancement of the capacities of law enforcement bodies, including on counter-terrorism; calls on the competent authorities to take measures to combat the financing of terrorism and money laundering and to enhance the capacity for conducting financial investigations; welcomes the signing of the operational and strategic cooperation agreement with Europol aimed at combating cross-border criminality by, *inter alia*, exchanging information and jointly planning operational activities; encourages the conclusion of a cooperation agreement with Eurojust as well;

25. Underlines the need to improve the fight against human trafficking; calls on the Federation entity to make swift changes to the criminal code that would ban all forms of human trafficking, 80 % of whose victims are women and girls;
26. Calls for the strengthening of mechanisms for collecting, sharing and analysing data on migration as statistics show an increasing trend of people coming to BiH from the high-migratory-risk countries; calls on the competent authorities to process all refugees and migrants applying for asylum or transiting through its territory in accordance with international and EU law as well as to develop further the regulatory framework on migration and asylum, to enhance inter-institutional coordination and to build the necessary capacities; calls on the Commission to continue work on migration-related issues with all countries of the Western Balkans in order to make sure that European and international norms and standards are observed;
27. Points out that the polarisation of the country, in combination with the deterioration of the socio-economic situation, especially for young people, increases the danger of spreading radicalism; calls, as a matter of urgency, for the boosting of efforts to combat radicalisation and further measures to identify, prevent and disrupt the flow of foreign fighters as well as channels of untraceable money intended for further radicalisation, including through close cooperation with the relevant services of the Member States and countries in the region, as well as by enforcing the relevant laws; calls for better coordination between security and intelligence services and the police; encourages the decisive resolution and sanctioning of cases of hate speech and transmitting extremist ideologies through the social media; calls for the swift introduction of programmes on deradicalisation and preventing youth radicalisation in cooperation with civil society through comprehensive human rights education in order to help deconstruct narratives on radicalisation and to build social cohesion amongst children and youth; encourages, in this respect, greater youth participation in the democratic political process; urges the competent authorities to combat religious extremism; notes with concern the existence of radicalised communities across the country and highlights the important role of religious leaders, teachers and overall of the education system in this respect; stresses further the need to provide tools for reintegration and rehabilitation into society and the upgrading and enhancement of deradicalisation tools;
28. Notes the active engagement of the Joint Parliamentary Committee for Security and Defence in ensuring democratic control over the armed forces of BiH; notes with concern the large stockpiles of unregistered firearms and ammunition held illegally by the population and urges the total eradication of these weapons; is equally concerned by the presence of inadequately stored, large stockpiles of ammunition and weapons under the responsibility of the armed forces; underscores the importance of tackling arms trafficking and calls for the strengthening of cooperation between the EU and BiH to this effect; urges a comprehensive approach to address the remaining challenges of clearing the country of mines by 2019;
29. Deems it essential to enhance public participation in decision-making and to engage citizens, including young people, more effectively in the EU accession process; reiterates its calls for transparent and inclusive public consultation mechanisms with civil society organisations (CSOs) to be implemented at all levels of government as well as to introduce transparent and non-discriminatory procedures for allocating public funding to CSOs; notes that civil society is fragmented, institutionally and financially weak, which has an impact on its sustainability and independence; calls for further EU

support, better cooperation mechanisms between government and CSOs, including the development of a strategic framework for cooperation, as well as more concrete involvement of civil CSOs in the EU accession process; condemns repeated smear campaigns and violent attacks on CSO representatives and human rights defenders;

30. Underlines the need for a substantial improvement in the strategic, legal, institutional and policy frameworks on the observance of human rights; calls for the adoption of a countrywide strategy on human rights and non-discrimination and for further measures to ensure the effective implementation of the international human rights instruments signed and ratified by BiH; calls for the swift adoption of the law on the reform of the BiH Ombudsman; calls for adherence to the recommendations of the International Coordinating Committee and Venice Commission when adopting it; is concerned that the Ombudsman's Office is not functioning properly, mainly due to a lack of adequate human resources and serious financial constraints; calls on BiH authorities at federal level and in the RS to facilitate the work of the Human Rights Ombudsman;
31. Is concerned about continued discrimination against persons with disabilities in the fields of employment, education and access to health care; calls for the adoption of a single national action plan on the rights of persons with disabilities; calls for the development of a comprehensive and integrated strategy on the social inclusion and representation of the Roma community; calls for better targeting of social assistance in order to reach the most vulnerable populations; welcomes the fact that some governments and parliaments have begun discussing LGBTI rights and drawing up specific measures for their protection; calls for the safety and right of assembly of LGBTI groups to be guaranteed; welcomes changes to the BiH anti-discrimination law extending the listed grounds for discrimination to include age, disability, sexual orientation and gender identity; calls for its proper enforcement; welcomes the introduction of the prohibition of hate crimes in amendments to the Criminal Code of the Federation of BiH; encourages the inclusion of courses on hate crimes into the curricula and training programmes of police officers, prosecutors and judges and calls for improved cooperation between police and judicial bodies in prosecuting hate crime cases; urges again the repeal of the provision on the death penalty in the RS entity's Constitution;
32. Calls for efforts to strengthen further child protection systems in order to prevent and address violence against and the abuse, neglect and exploitation of children; recommends an increased allocation of resources for prevention and the further enhancement of community-government coordination in protecting children; calls for the implementation of the BiH Action Plan on Children 2015-18;
33. Notes that the legal framework for the protection of minorities is largely in place and in line with the Council of Europe Framework Convention for the Protection of National Minorities; welcomes the reactivation of the Federation entity Council of National Minorities in BiH; is concerned that due to a continued lack of coordination between the state and the entities, existing laws are not being implemented and the state-level strategic platform on national minorities has not yet been adopted; regrets that national minorities continue to have a low presence and participation in political and public debates and in the media;
34. Calls for further efforts to promote gender equality and increase the participation of women in political and public life and employment, to improve their socio-economic

situation and to strengthen women's rights on the whole; notes that legal provisions instituting equality between women and men are broadly in place, but that their implementation continues to be ineffective; notes with concern that there is still maternity-related discrimination in employment and that entities and cantons have no harmonised legislation on maternity and parental leave; highlights, furthermore, that the existing active labour market measures aimed at supporting the employment of the long-term unemployed and vulnerable groups, such as persons with disabilities, are not being effectively implemented; underlines the importance of enhancing the completion rate of primary and secondary schools by girls, particularly from the Roma community;

35. Highlights the importance of the effective implementation of the legislation on the prevention of and protection from gender-based violence in accordance with the international conventions dealing with the prevention of and protection from domestic violence that BiH has signed and ratified; welcomes the commitment of the competent authorities to implement the Istanbul Convention of the Council of Europe on preventing and combating violence against women and domestic violence; calls for the harmonisation of legislation and public policies with this convention; calls for women survivors of violence to be informed about the available forms of support and assistance, the establishment of crisis centres for victims of rape or other forms of sexual violence; is concerned about the absence of systematic recording of gender-based violence;
36. Deplores the fact that BiH is still in breach of the European Convention on Human Rights through not implementing the rulings of the European Court of Human Rights (ECHR) in the *Sejdić-Finci*, *Zornić* and *Pilav* cases; calls firmly and as a matter of urgency, for progress to be made in this regard in order to advance the country's EU perspective; stresses that the implementation of these rulings would contribute to the establishment of a democratic and well-functioning society in which equal rights for all are guaranteed; reiterates that failing to implement these rulings permits the overt discrimination of citizens in BiH and is incompatible with EU values;
37. Is concerned about cases of political pressure and the intimidation of journalists, including physical and verbal attacks, also those perpetrated by high-level officials or former officials, as well as about the lack of transparency in media ownership; is also concerned about the use of civil libel suits against critical media outlets and journalists; emphasises the need to investigate attacks against journalists and ensure proper judicial follow-up; calls on the authorities to condemn unequivocally all attacks against journalists and media outlets and to ensure that such cases are fully investigated and those responsible brought to justice; calls for further measures necessary to guarantee full respect of the freedom of expression, of the press and of access to information both online and offline; calls on the BiH authorities to undertake urgent measures to save the public service media from collapse; calls on the competent authorities to ensure the independence and financial stability of the three public service broadcasters as well as the political, operational and financial independence and transparency of the Communications Regulatory Authority; calls on the competent authorities to guarantee media pluralism and ensure broadcasting in all official languages of BiH; calls for the finalisation of the digital switchover and the setting up of a broadband strategy;
38. Remains concerned by continued fragmentation, segregation, inefficiency and complexity in the education system; calls for the adoption of a countrywide common core curriculum that will contribute to the cohesion of the country; calls for better

coordination between the different levels of education governance in order to promote an inclusive and non-discriminatory education system and to foster cooperation across cultural, religious and ethnic lines; calls on the authorities to promote the principles of tolerance, dialogue and intercultural understanding among the different ethnic groups; urges the adoption of concrete measures to improve the efficiency of the education system and to eliminate segregating practices, while guaranteeing the right to equal education opportunities in all official languages of BiH; continues to be concerned about the high proportion of early leavers from education and training and the persistently high school-drop-out rates of Roma pupils; regrets the slow progress in addressing and resolving the issue of ‘two schools under one roof’, mono-ethnic schools and other forms of segregation and discrimination in schools;

39. Welcomes the measures to modernise labour legislation, to improve the business environment and to address weaknesses in the financial sector within the framework of the Reform Agenda; notes positively also the increase in registered employment and the steps taken to strengthen economic policy coordination; welcomes the 3-year Extended Fund Facility programme agreed with the IMF, which is expected to improve the business climate further, to reduce the size of the government and to safeguard the financial sector; continues to regret the absence of a unified single economic area, which hampers the business environment, foreign direct investments and SMEs; calls for these issues to be addressed through harmonised and coordinated country-wide industrial and SME policies; calls, as a matter of urgency, for the competent authorities to outline coordinated measures with a view to strengthening the rule of law, simplifying contract enforcement procedures and combating corruption in the economy;
40. Welcomes the slight reduction in unemployment; remains concerned, however, that unemployment continues to be largely of a structural nature and that youth unemployment continues to be high, resulting in very high levels of brain drain; encourages BiH to participate actively in various programmes designed for young people in the region, such as those in the framework of the Positive Agenda for the Youth in the Western Balkans or Regional Youth Cooperation Office (RYCO); calls on the competent authorities to further strengthen existing laws and to introduce active labour market policies targeting in particular young people, women, vulnerable groups, including the Roma, and the long-term unemployed, as well as reinforcing the capacities of the employment services;
41. Regrets that the labour laws in both entities were adopted by means of the urgent procedure and without proper dialogue with the social partners; notes that labour and trade union rights are still limited and stresses the importance of further enhancing and harmonising these laws across the country; recalls that BiH has signed a number of ILO Conventions, which, *inter alia*, recognise the principles of social dialogue and the importance of cooperation with social partners; stresses the importance of further enhancing and harmonising health and safety laws across the country; highlights also the need to reform and harmonise the fragmented social protection systems, to promote social cohesion and ensure social protection for the most vulnerable;
42. Notes that some progress has been achieved in further aligning policies and legislation in the area of environmental protection; calls for significant efforts in relation to the proper and systematic implementation and enforcement of existing legislation; stresses the need to adopt a countrywide strategy for the approximation of environmental *acquis*, to enhance the legal framework and to strengthen administrative and monitoring

capacities; points out that the legislation regulating access to environmental information and public participation in decision-making processes must be brought in line with the *acquis*; calls, as a matter of urgency, for alignment with the EU *acquis* in the field of nature protection; underlines that the planning and construction of hydropower plants and projects must comply with international and EU environmental legislation; urges that hydropower projects not be realised in protected natural environments and that they are not harmful to nature; stresses the need for public participation in and the consultation of civil society on relevant projects; expresses concern about the lack of progress in solving the problem of excessive and transboundary environmental pollution caused by the operations of the refinery in Bosanski Brod;

43. Highlights that agreed EU priority electricity and gas transmission interconnection projects with neighbouring countries have been held up due to lack of political agreement on a countrywide energy strategy; urges, in this connection, the adoption of a countrywide energy strategy as well as the adoption of a legal framework for gas in compliance with the Third Energy Package, so that European Energy Community sanctions can be lifted; urges that a law on natural gas be passed with a view to increasing the security of supply; urges the authorities to ensure alignment with EU and international standards and policy objectives in the field of energy and climate change;
44. Notes the country's infrastructural deficiencies and advocates continuing investment in projects that improve transport links both within BiH and with neighbouring countries; encourages the full participation of BiH in the implementation of the EU's connectivity agenda; commends the adoption of the countrywide Framework Transport Strategy for the period 2015-2030 in July 2016; underlines that this would enable BiH to access Instrument for Pre-accession Assistance (IPA) II funding; calls on the authorities to align the legal framework on transport with the relevant EU legislation, to create functional transport chains, remove the bottlenecks on corridor Vc, as well as to observe tendering rules and the principle of transparency in the selection of contractors, in order to prevent abuse and corruption;
45. Welcomes BiH's continued constructive and pro-active role in promoting bilateral and regional cooperation; calls for further efforts to resolve outstanding bilateral issues, including border demarcation with Serbia and Croatia and cases of cross-border pollution; commends BiH for further increasing the rate of its alignment with relevant EU statements and decisions under the Common Foreign and Security Policy (CFSP) from 62 % to 77 %; regrets the decision by BiH authorities not to back EU restrictive measures against Russia, following the latter's illegal annexation of Crimea; reminds BiH of the need for a unified foreign policy and that foreign policy alignment is an essential part of EU membership; considers it important to coordinate BiH foreign policy with EU foreign policy and that the EU remains actively engaged in preserving safety and security in BiH; welcomes the continued presence of Operation Althea, which retains the capability to contribute to the BiH authorities' deterrence capacity if the situation so requires, while focusing on capacity building and training; welcomes equally the prolongation of EUFOR's mandate in November 2016 for another year by the UN Security Council;
46. Instructs its President to forward this resolution to the VP/HR, the Council, the Commission, the Presidency of BiH, the Council of Ministers of BiH, the Parliamentary Assembly of BiH, the governments and parliaments of the Federation of BiH and the RS entities and of the Brčko District, and the governments of the 10 cantons.