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Bosnia and Herzegovina 2026 Report

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1.INTRODUCTION[1]

1.1. CONTEXT

Bosnia and Herzegovina applied for EU membership in February 2016. The Commission adopted an Opinion[2] on the membership application in May 2019, setting out 14 key priorities. In December 2022, the European Council granted Bosnia and Herzegovina candidate country status[3] on the understanding that eight steps specified in the Commission's recommendation[4] are taken. Following the Commission's recommendation[5], the European Council decided in March 2024 to open accession negotiations with Bosnia and Herzegovina. The European Council invited the Commission to prepare the negotiating framework with a view to its adoption by the Council the moment all relevant steps set out in the Commission's recommendation of October 2022 have been taken[6].

While the authorities broadly continued to publicly declare their commitment to the strategic goal of EU integration, the reporting period was marked by increasing disengagement from the EU path on the part of Bosnia and Herzegovina. The work of the executive and legislature continued to be hindered by the lack of a functioning ruling coalition, and key EU-related reforms still need to be adopted. In parallel, Bosnia and Herzegovina pursued bilateral cooperation and strategic investments with other external partners while international positions towards the country evolved. The reporting period was marked by continued fallout from the criminal conviction and removal of Milorad Dodik from the office of the President of the *Republika Srpska* entity, including institutional changes and early entity Presidential elections. In May 2026, High Representative Christian Schmidt announced his resignation, and in June 2026 his deputy Louis Crishock was appointed Acting High Representative on an interim basis, awaiting the appointment of a new High Representative. While the severe political tensions in Bosnia and Herzegovina reported last year initially subsided, political posturing, divisive rhetoric and anti-EU narratives increased ahead of the general elections. Historical revisionism, genocide denial, and glorification of war crimes were prominent among some political leaders, particularly in the *Republika Srpska* entity, as seen following the death of convicted war criminal Ratko Mladić. His funeral in Belgrade was attended by leaders and politicians from the *Republika Srpska* entity and prompted strong reactions in the country and the region. Such instances are fundamentally incompatible with EU values. Following the October 2026 general elections, Bosnia and Herzegovina should proceed with setting up all executive and legislative bodies and show a renewed commitment to deliver swiftly on EU reforms, in line with the EU *acquis* and European standards, addressing all relevant steps to progress on its EU path.

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[1] This report covers the period from 1 September 2025 to 1 September 2026. It is based on input from a variety of sources, including contributions from the government of Bosnia and Herzegovina, EU Member States, European Parliament reports and information from various international and non-governmental organisations. It also includes the results of comparative assessments and indices produced by other stakeholders, in particular in the area of rule of law.
The report uses the following assessment scale to describe the state of play: early stage, some level of preparation, moderately prepared, good level of preparation and well advanced. To describe progress made during the reporting period, it uses the following scale: backsliding, no progress, limited progress, some progress, good progress and very good progress. Where appropriate, interim steps have also been used.

[2] SWD(2019) 2022 final, COM(2019) 261 final.

[3] European Council conclusions, 15 December 2022.

[4] COM(2022) 528 final.

[5] COM(2024) 129 final.

[6] European Council conclusions, 21 and 22 March 2024, paragraph 30.

Bosnia and Herzegovina showed some engagement towards implementing the Growth Plan for the Western Balkans across its four pillars. In September 2025, Bosnia and Herzegovina adopted its Reform Agenda as envisaged under the Reform and Growth Facility (Growth Plan for the Western Balkans). Bosnia and Herzegovina still needs to sign and ratify the Facility and Loan Agreements, appoint a Reform and Growth Facility Coordinator, establish a monitoring and reporting structure and urgently proceed with implementing the reforms it has committed itself to. As a result of the delayed submission of the Reform Agenda, Bosnia and Herzegovina is operating under a shortened implementation period and with a reduced indicative allocation. The grace period for the first tranche of reforms is set to expire at the end of 2026. Should the legal framework and applicable conditions not be in place by then, Bosnia and Herzegovina will lose out on the corresponding funds.

1.2. MAIN FINDINGS OF THE REPORT

CLUSTER 1: THE FUNDAMENTALS OF THE ACCESSION PROCESS

Democracy

The legal and institutional framework regarding ***elections*** requires substantial reforms. Constitutional and electoral reforms are needed to ensure political equality and non-discrimination of all citizens. Issues of electoral integrity remain, in line with findings from international bodies. All political stakeholders must respect the independence of the Central Electoral Commission (CEC).

Parliament can exercise its powers in a partially effective way. Legislative output remained low and parliamentary sessions of the House of Peoples were regularly disrupted. Oversight over the executives remained weak.

The institutions in charge of the EU ***integration process*** are broadly in place but need to be strengthened, and key appointments need to be made. The Council of Ministers needs to: (i) strengthen the role of the Directorate for European Integration (DEI); (ii) develop and adopt a national programme for the adoption of the EU *acquis*; (iii) facilitate policy dialogue within the Stabilisation and Association Agreement (SAA) bodies; (iv) urgently appoint the National Instrument for Pre-Accession Assistance Coordinator (NIPAC) under IPA III and (v) urgently appoint a Reform and Growth Facility Coordinator and establish a related monitoring and reporting structure. Following the European Council decision to open accession negotiations in March 2024, the country needs to appoint an operational chief negotiator.

Governance is increasingly unsatisfactory. The functioning of the executive and legislature was hindered by political fragmentation, and key EU-related reforms still need to be adopted. Independent institutions remain weak. All levels of government show signs of state capture. The period following the conviction of Milorad Dodik was marked by legal uncertainty. The *Republika Srpska* entity assembly appointed three governments during the reporting period, two of which resigned amid disputes over their legitimacy. Constitutional Court decisions must be fully recognised and enforced by the *Republika Srpska* entity, and judicial vacancies filled swiftly.

Civil society, including human rights defenders, operate in a constrained environment. No significant actions were taken towards ensuring an enabling environment for civil society (Opinion key priority 11). Financial constraints overall, and restrictive legislation in the *Republika Srpska* entity in particular, restricted the space for civil society. Bosnia and Herzegovina should establish meaningful and systematic consultations with civil society and introduce a transparent funding framework for civil society organisations (CSOs).

Public administration reform

Bosnia and Herzegovina is **between an early stage of preparation and having some level of preparation** in public administration reform. There was **limited progress** in this area during the reporting period. Steps were taken to improve the country's revenue administration and performance by establishing an IT system for programme budgeting and fiscal planning, which has supported the preparation of the 2026 programme budgeting at some levels. The adoption of the 2023-2027 revised countrywide action plan on public administration reform is pending at state level and in the *Republika Srpska* entity. The validity of the 2021-2025 public financial management (PFM) strategy was prolonged by state-level institutions until the end of 2026, following its expiration at the end of 2025. The adoptions of individual PFM strategies at other levels of government are not yet completed and the new comprehensive 2027-2031 PFM strategy is not yet finalised. On the civil service, progress is uneven and the regulatory framework is not aligned with merit principles. Bosnia and Herzegovina needs to complete essential steps to improve the overall functioning of its public administration by ensuring a professional and depoliticised civil service and a coordinated countrywide approach to policymaking (Opinion key priority 14).

The Commission's recommendations from last year were not implemented and remain valid. In the coming year, Bosnia and Herzegovina should in particular:

→ adopt the action plan of the 2023-2027 countrywide strategic framework on public administration reform together with the new comprehensive 2027-2031 PFM strategy;

→ ensure a coordinated and well-harmonised approach to legislative alignment with the EU *acquis* across all levels of government, in particular by adopting the outstanding legal framework for countrywide sectoral strategic planning at state level;

→ amend and harmonise civil service laws in line with the principle of merit-based employment at state, entity and cantonal level.

Chapter 23: Judiciary and fundamental rights

Bosnia and Herzegovina has **some level of preparation** to implement the EU *acquis* and European standards in the area of the judiciary and fundamental rights. **No progress** was made during the reporting period, including on addressing the related Opinion key priorities. Despite legislative activities in both houses of Parliament concerning the new Law on the High Judicial and Prosecutorial Council and the Law on the Courts of Bosnia and Herzegovina, both laws still need to be adopted, in line with European standards.

Functioning of the judiciary

Bosnia and Herzegovina is **between an early stage of preparation and having some level of preparation** on the functioning of the judiciary (Opinion key priority 6). **No progress** was made during the reporting period with negative developments in ensuring the credibility and integrity of asset declarations and the verifications process through external monitoring. There were no positive developments in relation to other aspects, including addressing the findings of the expert report on rule of law issues (the 'Priebe Report')[7]. Serious shortcomings in the functioning of the judicial system continued to undermine citizens' rights and the fight against corruption. Legislative reforms and integrity checks are key to rebuilding public trust in the justice system.

The Commission's recommendations from last year were not met and remain valid. In the

[7] The 'Priebe Report' is available online on the website of the EU Delegation to Bosnia and Herzegovina.

coming year, Bosnia and Herzegovina should in particular:

→ urgently appoint judges to the vacancies at the Constitutional Court, ensuring its full composition and functioning; and, for the courts in general, consistently appoint judges based on merit, without prevalence of ethnic criteria, and appraise the performance of judges based on quality criteria;

→ finalise and adopt a Law on the High Judicial and Prosecutorial Council (HJPC) and a Law on the Courts of Bosnia and Herzegovina in line with Venice Commission recommendations, also ensuring that the challenges identified when implementing the integrity-related provisions introduced in 2023 are addressed effectively; fully implement the integrity-related provisions of the Law on the HJPC to establish a robust system for verifying asset declarations under close external monitoring, including by restoring the conditions for the effective external monitoring of asset declarations with the external selection arrangements for monitoring experts instead of a process controlled by the HJPC.

→ adopt a new justice sector reform strategy; complete the registration of sentences of international criminal tribunals in domestic criminal records; and implement effectively the revised national war crimes strategy, particularly by boosting regional cooperation.

Fight against corruption

Bosnia and Herzegovina is **between an early stage of preparation and having some level of preparation** in the fight against corruption (Opinion key priority 7). **No progress** was made. The political authorities continuously failed to tackle widespread corruption and instead actively obstructed progress, leading to extended stagnation and continued signs of state capture. The 2024 state-level Law on the prevention of conflict of interest has still not been implemented effectively. The Federation entity failed to adopt new legislation on the prevention of conflict of interest, even though it has not had enforceable legislation on the matter since 2013. The Federation entity's special departments for fighting corruption, organised crime and inter-cantonal crime, set up in 2025 after an 11-year delay, still have not achieved operational efficiency or ensured effective implementation of the law. No efforts were made to harmonise anti-corruption legislation across the country or to remedy operational inefficiency and political interference (including pressure and intimidation). This continued to result in selective and opaque judicial follow-up to corruption cases of public resonance. The track record on fighting corruption remains weak, with very few convictions, in particular in high-level cases. Gaps remain regarding rules on conflicts of interest, verification of asset declarations and protection of whistle-blowers. The Sarajevo Canton continued to demonstrate tangible results in these areas. Targeted risk assessments and dedicated measures are needed to address corruption in the most vulnerable sectors.

The Commission's recommendations from last year were not implemented and remain valid. In the coming year, Bosnia and Herzegovina should in particular:

→ complete the legislative and institutional framework across the country in line with European standards and step up implementation of the rules on the prevention of conflicts of interest and the protection of whistle-blowers;

→ demonstrate progress towards establishing a track record of proactive investigations, prosecutions and convictions in high-level corruption cases; in this context, improve cooperation between the police and prosecutors' offices;

→ professionalise corruption prevention bodies across the country by ensuring their permanent status and upholding their financial and operational independence.

Fundamental rights

The general framework for fundamental rights needs to be improved, as the continued absence of legal and strategic documents increasingly impairs the authorities' ability to uphold fundamental rights. The country did not adopt constitutional and electoral reforms to ensure that all citizens are able to effectively exercise their political rights, notably to bring the country's Constitution into line with the *Sejdić-Finci* case law of the European Court of Human Rights (ECtHR) (Opinion key priority 4.f), as well as implement relevant decisions of the Constitutional Court. Further progress is required across key priorities 9-13. Some bylaws on the Federation entity's Law on protection from domestic violence and violence against women were adopted, but there is a lack of data on implementation. The legal framework on procedural rights for suspects and accused persons and on the rights of victims of crime remains incomplete.

The Commission's recommendations from last year were not implemented and remain valid. In the coming year, Bosnia and Herzegovina should in particular:

→ implement court rulings to end divided education ('two schools under one roof');

→ ensure full respect, protection and promotion of the freedom of assembly, association and expression, and refrain from actions that may adversely impact the exercise of those freedoms;

→ harmonise and improve legislation against domestic and gender-based violence to meet international standards and align laws across the country with the Gender Equality Law to increase the public and political participation of women.

Freedom of expression and media freedom

There is **some level of preparation** in the area of freedom of expression. **No progress** was achieved during the reporting period, including in guaranteeing freedom of expression and of the media and the protection of journalists (Opinion key priority 12). Media freedom continues to experience deep stagnation, with worrying signs of deterioration. The challenges faced by public broadcasters continue, and the authorities failed to ensure their sustainable and stable financing, impacting also editorial independence. In particular, the situation of the state public broadcaster *Radiotelevizija Bosne i Hercegovine* (BHRT) further deteriorated, and it remains at serious risk of shutting down. The legal disputes between the three public broadcasters continue. Further steps are needed to ensure the full implementation of the countrywide network of contact points for the safety of journalists.

The Commission's recommendations from last year were not implemented and remain valid. In the coming year, Bosnia and Herzegovina should in particular:

→ ensure the protection of journalists and systematic institutional follow-up to threats and violence against them;

→ ensure the financial sustainability and political independence of public broadcasters and harmonise entity legislation with the state-level Law on the public broadcasting system;

→ adopt legislation on both transparency in media ownership and criteria for public advertising; and ensure that defamation is decriminalised across the country.

Chapter 24: Justice, freedom and security

Bosnia and Herzegovina has **some level of preparation** in the area of justice, freedom and security. **Limited progress** was made in this area, including on Opinion key priorities 7 and 8. Bosnia and Herzegovina (i) adopted action plans on fighting trafficking in human beings; (ii) introduced biometric data gathering in the visa application process; (iii) finalised the operational plan with the European Border and Coast Guard Agency ('Frontex'), building on the finalisation of the status agreement with the EU and enabling the deployment of the

European Border and Coast Guard standing corps officers; and (iv) adopted relevant bylaws on the Law on border control. The authorities failed to take action to further align with the EU's visa policy, and instead reinstated and extended the seasonal visa exemptions that are not in line with the EU *acquis,* representing backsliding in this area. There was no further action in taking over responsibility for migration management. While broadly aligned with the EU *acquis*, legislation on migration management is often not harmonised across the country, and institutional cooperation and coordination remain weak, leading to uneven implementation.

The Commission's recommendations from last year were partially implemented and therefore remain broadly valid. In the coming year, Bosnia and Herzegovina should in particular:

→ take over responsibility for managing migration, including by adopting and implementing a comprehensive transition plan on migration management and the rulebook on the management of reception centres; guarantee access to quality and effective asylum procedures;

→ amend legislation on trafficking in human beings, migrant smuggling and terrorism in line with the EU *acquis;*

→ align with EU visa policy, in particular for non-EU countries presenting irregular migration or security risks to the EU, implement a passenger data-exchange (advanced passenger information – API) system, and introduce security measures to better screen visa-free arrivals.

Fight against serious and organised crime

Bosnia and Herzegovina is **between an early stage of preparation and having some level of preparation** in the fight against serious and organised crime. **Some progress** was made, in particular with the adoption of: (i) a list of criminalised psychoactive substances; (ii) the new Serious and Organised Crime Threat Assessment (SOCTA), in line with Europol methodology; and (iii) the rulebook on the implementation of the Law on anti-money laundering and countering the financing of terrorism (AML/CFT). Systemic shortcomings continue to hinder the operational cooperation and investigative capacity of law enforcement agencies due to fragmented criminal legislation, poor institutional coordination and insufficient resources. Financial investigations and asset seizures and confiscations remain insufficient. A proactive approach is essential to stop criminal infiltration in the political, legal and economic systems and to tackle the political capture of law enforcement institutions.

The Commission's recommendations from last year were partially implemented and therefore remain broadly valid. In the coming year, Bosnia and Herzegovina should in particular:

→ regularly establish specialised multi-agency investigation teams for complex cases; set up an asset recovery office and put in place capacities for the management of crime proceeds at state level; strengthen financial investigations;

→ improve civilian oversight mechanisms over all police forces; consistently appoint police directors based on merit;

→ further align the legislation on the possession of weapons by civilians and on explosives with the EU *acquis*; establish a firearms focal point.

ECONOMIC CRITERIA

The existence of a functioning market economy

Bosnia and Herzegovina is at **an early stage of preparation** and made **no progress** during the reporting period in establishing a functioning market economy. GDP growth remained relatively resilient despite external headwinds, such as weaker international demand and the Middle East crisis, but slowed from 2.1% in 2025 to 1.7% in the first quarter of 2026. Output growth was supported mainly by domestic demand. Employment growth decelerated further, while the continued outflow of workers contributed to labour shortages and upward pressure on wages. Higher energy prices and wages drove inflation up in 2025 and the first half of 2026. Financial markets and the currency remained stable, although delays in aligning with international norms resulted in the country's grey-listing by the Financial Action Task Force (FATF). The authorities' commitment to EU accession-related reforms remained partial. Economic governance suffered from a very short-term policy approach and insufficient cooperation between key stakeholders at entity level. The business environment continued to be negatively affected by a highly fragmented internal market, reduced predictability of official policies, and long-standing weaknesses in the rule of law framework.

The Commission's recommendations from last year were not implemented and remain valid. In the coming year, Bosnia and Herzegovina should in particular:

→ strengthen the functioning of the country's internal market through the adoption and implementation of the necessary harmonised regulations enabling the mutual recognition of licences and certificates between the entities;

→ bolster analytical and policy-formulation capacity, among others by agreeing on the national accounts sectorisation of the general government sector; and increase the transparency and efficiency of the public sector, in particular by aligning the country's public sector accounting and fiscal reporting standards with those of the EU.

→ Improve the targeting and efficiency of social spending, including through a broader application of means-testing methods.

The capacity to cope with competitive pressure and market forces within the EU

Bosnia and Herzegovina is **between an early stage of preparation and having some level of preparation** and made **no progress** in coping with competitive pressure and market forces within the EU. The overall quality of education remains inadequate, and no significant progress has been made in improving the situation. The country continues to lag behind in the energy and digital transitions. Economic integration with the EU remains high, but overall trade with the EU is still below potential. Labour shortages contribute to wage increases that exceed productivity growth, which could negatively affect the country's external price competitiveness.

The Commission's recommendations from last year were not implemented and therefore remain valid. In the coming year, Bosnia and Herzegovina should in particular:

→ improve the quality of education and training in the country, in particular by accelerating the modernisation of curricula and improving skills-needs projections with a view to better aligning them with labour market needs;

→ improve the quality of public finance by increasing the share of government capital spending in GDP, in particular by focusing on transport and energy infrastructure, improving environmental standards, and applying international best standards in public procurement;

→ improve the management of public investment and accelerate the implementation of investment projects that have undergone a clear, positive cost-benefit assessment.

Chapter 5: Public procurement

Bosnia and Herzegovina has **some level of preparation** in public procurement. **No progress** was made in this area during the reporting period.

The Commission's recommendations from last year were not implemented and remain valid. In the coming year, Bosnia and Herzegovina should in particular:

→ further align the Law on public procurement with the EU *acquis* and develop a roadmap to harmonise the legal framework on public-private partnerships and concessions with EU standards, including measures for improved coordination;

→ develop the electronic procurement system and increase its use to ensure transparency;

→ increase staffing levels and strengthen capacity in the Public Procurement Agency and the Public Procurement Review Body.

Chapter 18: Statistics

Bosnia and Herzegovina is at an **early stage of preparation** on statistics. **Limited progress** was made in the reporting period, although some new statistics was produced. Bosnia and Herzegovina should improve coordination, decision-making processes, cooperation and the legal basis to develop the national statistical system and ensure progress in key areas.

The Commission's recommendations from last year were not implemented and remain valid. In the coming year, Bosnia and Herzegovina should in particular:

→ adopt the law for the agricultural census, and secure the necessary budget allocation to conduct it;

→ adopt a roadmap for preparing the next population and housing census;

→ finalise the classification of regions equivalent to the NUTS (nomenclature of territorial units for statistics) classification.

Chapter 32: Financial control

Bosnia and Herzegovina has **some level of preparation** and made **limited progress** in the area of financial control. Steps were taken to improve external audit through the adoption of Strategic Development Plans 2026-2030, improved application of quality audit management system at state level, improved implementation of external audit recommendations and outreach activities in the reporting period.

The Commission's recommendations from last year were only partially implemented and remain valid. In the coming year, Bosnia and Herzegovina should in particular:

→ improve managerial accountability by introducing the delegation of decision-making responsibilities to senior civil servants at entity level and implementing related regulations at state level more effectively;

→ set up and improve the oversight function for identifying fiscal risk in public companies, particularly at entity level, and ensure data collection on the public internal financial control (PIFC) of public companies at all levels of government via the relevant IT application;

→ improve external audit effectiveness through stronger parliamentary scrutiny of audit reports in legislative assemblies and stronger coordination among parliaments, audit

authorities and governments at state and entity level on the implementation of external audit recommendations in public sector.

CLUSTER 2: INTERNAL MARKET

Chapter 1: Free movement of goods

Bosnia and Herzegovina is at an **early stage of preparation** on the free movement of goods. **No progress** was made in this area during the reporting period.

The Commission's recommendations from last year were not implemented and remain valid. In the coming year, Bosnia and Herzegovina should in particular:

→ draw up a list of technical regulations on the free movement of goods that are currently in force and start to repeal legislation and standards across the country that conflict with EU legislation and European standards in this area;

→ adopt a countrywide strategy for quality infrastructure;

→ examine all existing legislation and administrative practices in the non-harmonised area to assess whether they comply with Articles 34-36 of the Treaty on the Functioning of the European Union and plan how to address all non-compliant elements.

Chapter 2: Freedom of movements for workers

Bosnia and Herzegovina has **some level of preparation** in the freedom of movement for workers. **No progress** was made in this area during the reporting period.

The Commission's recommendations from last year were not implemented and therefore remain valid. In the coming year, Bosnia and Herzegovina should in particular:

→ start developing a countrywide database on vacancies;

→ continue negotiating and concluding new bilateral agreements on social security with EU Member states;

→ start preparing for the alignment of national legislation with the EU *acquis* on free movement of workers, including access for EU nationals to the labour market and equal treatment of EU workers.

Chapter 3: Right of establishment and freedom to provide services

Bosnia and Herzegovina is at an **early stage of preparation** on the right of establishment and the freedom to provide services. **No progress** was made during the reporting period.

The Commission's recommendations from last year were not implemented and therefore remain valid. In the coming year, Bosnia and Herzegovina should in particular:

→ develop a countrywide law on services in line with the EU Services Directive, including by setting up a point of single contact and remove the remaining barriers to setting up a single economic space;

→ Finalise and adopt a countrywide strategy and countrywide law on postal services, and align legislation with the EU postal *acquis,* including the Postal Services Directive and the Regulation on cross-border parcel delivery services to gradually open the postal services market to competition;

→ align legislation with the EU *acquis* on mutual recognition of professional qualifications, including with the Directive on recognition of professional qualifications and with the Directive on a proportionality test, before regulating any new profession.

Chapter 4: Free movement of capital

Bosnia and Herzegovina is **moderately prepared** in the area of free movement of capital. There was **limited progress** in aligning with the EU *acquis* in this area during the reporting period. Both entities adopted legislation on the physical cross-border transfer of cash and while progress was made towards alignment with the EU *acquis* on payment services, significant shortcomings remain in the anti-money laundering and countering the financing of terrorism (AML/CFT) framework, as reflected by Bosnia and Herzegovina's placement on the list of jurisdictions under increased monitoring by the Financial Action Task Force (FATF).

The Commission's recommendations from last year were only partially implemented and remain valid. In the coming year, Bosnia and Herzegovina should in particular:

→ Urgently implement the FATF Action Plan, further align the AML/CFT framework with the EU *acquis*, and address the outstanding recommendations of MONEYVAL's fifth-round mutual evaluation report.

→ Ensure effective access by competenent authorities to beneficial ownership information across the country in line with the EU *acquis*, including, through the interconnection of exisiting registers;

→ further expand the scope of, simplify procedures for, and reduce administrative requirements related to short-term capital transactions, and amend its legislation to comply with SAA commitments on the acquisition of real estate by EU citizens;

Chapter 6: Company law

Bosnia and Herzegovina has **some level of preparation** in the area of company law. **Limited progress** was made in this area during the reporting period notably with the adoption of a new Law on accounting and auditing in the *Republika Srpska* entity. Significant gaps remain in the alignment with the EU *acquis* on company law, company reporting and statutory audit.

The Commission's recommendations from last year were not implemented and therefore remain valid. In the coming year, Bosnia and Herzegovina should in particular:

→ finalise the review of company law legislation and identify the amendments needed to further align with the EU *acquis*, on digital tools and processes, cross-border operations and shareholder rights;

→ improve the connection and coordination of business registers among the entities and the Brčko District;

→ continue aligning the legislative framework on accounting, financial reporting, company reporting, and statutory audit across the country, including by harmonising the relevant legislation across the entities and the Brčko District.

Chapter 7: Intellectual property law

Bosnia and Herzegovina is **moderately prepared** on intellectual property law. **Some progress** was made in this area during the reporting period as the Laws on patents, trademarks and trade secrets, as well as on topographies of semiconductor products were adopted.

The Commission's recommendations from last year were partially implemented and remain mostly valid. In the coming year, Bosnia and Herzegovina should in particular:

→ adopt and implement a new strategy on intellectual property and implement the existing strategy on the enforcement of intellectual property rights (IPRs);

→ further align the legal framework on copyright and related rights with the EU *acquis*;

→ amend the industrial property laws on designs and on craft and industrial geographical indications, to align them with the EU *acquis*.

Chapter 8: Competition policy

Bosnia and Herzegovina has **some level of preparation** on competition policy. There was **no progress** in this area during the reporting period. The country has not yet removed ethnic-based decision-making procedures and vetoes from the Competition Council and State Aid Council (Opinion key priority 4.g).

The Commission's recommendations from last year were not implemented and remain valid. In the coming year, Bosnia and Herzegovina should in particular:

→ amend the Law on competition and the Law on State aid to revise decision-making procedures in order to remove ethnic-based veto rights in line with the EU *acquis*;

→ improve the enforcement record on State aid by ensuring that State aid measures are notified by the granting authorities to the State Aid Council before they are approved;

→ in line with the SAA, ensure that the State Aid Council operates independently and align the existing aid schemes with the EU *acquis*.

Chapter 9: Financial services

Bosnia and Herzegovina is **between having some and a moderate level of preparation** on financial services. There was **no progress** in this area during the reporting period. Coordination among supervisory authorities and enforcement bodies needs to improve significantly.

The Commission's recommendations from last year were not implemented and remain valid. In the coming year, Bosnia and Herzegovina should in particular:

→ continue the work towards full alignment of its banking regulations with the EU *acquis,* including by introducing consolidated supervision of banking groups and financial holding companies across the country and strenghtening supervisory powers;

→ continue efforts to align its regulation on non-banking sectors with the EU *acquis*, including insurance, investment funds, securities markets and financial market infrastructures;

→ strengthen coordination and harmonisation of the regulatory and supervisory framework across the country to ensure consistent implementation and enforcement of the financial services *acquis*.

Chapter 28: Consumer and health protection

Bosnia and Herzegovina is at an **early stage of preparation** on consumer protection and public health. **Limited progress** was made in this area during the reporting period, as the country ratified the Protocol to Eliminate Illicit Trade in Tobacco Products.

The Commission's recommendations from last year were not implemented and remain valid. In the coming year, Bosnia and Herzegovina should in particular:

→ further align the state-level Law on consumer protection and product safety with the EU *acquis*;

→ align its tobacco-control legislation with the EU *acquis* at all levels of government and enforce it, and fully implement the protocol to eliminate the illicit trade in tobacco products;

→ further align state-level legislation with the EU *acquis* on all health-related issues most

urgently on substances of human origin and on human and veterinary medicinal products, as well as in the area of e-Health, and put in place an oversight system to ensure efficient coordination across the whole country.

CLUSTER 3: COMPETITIVENESS AND INCLUSIVE GROWTH

Chapter 10: Digital transformation and media

Bosnia and Herzegovina is at an **early stage of preparation** on digital transformation and media. **No progress** was achieved in this area, except for the completion of phase two of the digital switchover.

The Commission's recommendations from last year were partially implemented and therefore remain largely valid. In the coming year, Bosnia and Herzegovina should in particular:

→ adopt a framework strategy for access to broadband networks;

→ develop and adopt legislation on electronic identity and trust services for electronic transactions, in line with the EU Digital Identity Framework Regulation; and develop a legislative framework on cybersecurity in line with the EU *acquis*;

→ develop and adopt a law on electronic communications and electronic media in line with the EU *acquis*.

Chapter 16: Taxation

Bosnia and Herzegovina has **some level of preparation** on taxation. **No progress** was achieved in this area. Bosnia and Herzegovina adopted the necessary bylaws for the amendments to the Law on value added tax (VAT) refunds on the purchase of a first property started in 2025. Countrywide harmonisation remains insufficient, hindering progress towards a single economic space.

The Commission's recommendations from last year were only partially implemented and remain largely valid. In the coming year, Bosnia and Herzegovina should in particular:

→ further align its legislation on VAT and excise duties with the EU *acquis*, particularly for beer and energy products; commit to automatically exchanging financial account information based on the OECD common reporting standard;

→ take further steps for the organization of the administrative capacity and ensuring staffing levels of the Indirect Taxation Agency (ITA);

→ start preparations for interconnection and interoperability with the common EU IT systems for taxation.

Chapter 17: Economic and monetary policy

Bosnia and Herzegovina made **limited progress** and is at an **early stage of preparation** on economic and monetary policy. The Economic Reform Programme (ERP) was submitted on time. However, the timeliness of the data provided was limited and internal inconsistencies remained. Cooperation and coordination of macroeconomic and fiscal policies remain a challenge, as evidenced by the repeated delay in preparing and adopting the global fiscal framework or in agreeing on the state budget.

The Commission's recommendations from last year were only partially implemented and remain largely valid. In the coming year, Bosnia and Herzegovina should in particular:

→ maintain the integrity of the currency board arrangement and the independence of the

Central Bank;

→ further strengthen the analytical capacities of all institutions responsible for fiscal accounting and planning, and improve procedures for preparing the ERP in order to ensure compliance with the requirements;

→ adopt the global fiscal framework and the budgets of all levels of government in a timely manner.

Chapter 19: Social policy and employment

Bosnia and Herzegovina has **some level of preparation** on social policy and employment. There was **no progress** in this area. Serious challenges still need to be addressed in employment, social dialogue, social inclusion and social protection.

The Commission's recommendations from last year were not implemented and therefore remain valid. In the coming year, Bosnia and Herzegovina should in particular:

→ adopt a countrywide employment strategy, putting in place additional capacity for implementation and monitoring;

→ finalise and adopt the Youth Guarantee implementation plan in line with the EU model and guidance, and prepare for the piloting to start;

→ introduce a uniform minimum level of benefits and protection for maternity leave throughout the country, starting by harmonising the definitions of maternity, paternity and parental leave.

Chapter 20: Enterprise and industrial policy

Bosnia and Herzegovina remains at an **early stage of preparation** in the area of enterprise and industrial policy. **Limited progress** was made in this area during the reporting period. Both entities took several steps in support of competitiveness, employment of businesses and the industrial base. The *Republika Srpska* entity amended its Law on registration of business entities, adopted a new Law on incentives, amended the laws on publicly owned enterprises (POEs) and SME development and adopted three decisions providing incentives for SMEs and strengthening entrepreneurial infrastructure. The Federation entity took decisions for the allocation of incentives for SME investments. The *Republika Srpska* entity adopted its 2026-2032 social entrepreneurship development strategy and a new tourism law.

The Commission's recommendations from last year were not implemented and therefore remain valid. In the coming year, Bosnia and Herzegovina should in particular:

→ adopt regulation allowing for the mutual recognition of licences and certificates between the entities and ensure that the e-registration of companies and business registers across the country are interconnected and fully operational, including e-signature/e-stamps;

→ take first steps towards aligning with the Late Payments Directive;

→ accelerate improvements to the investment environment to attract sustainable investments that integrate with the domestic industrial base.

Chapter 25: Science and research

Bosnia and Herzegovina has **some level of preparation** on science and research. **No progress** was made in this area during the reporting period. Research capacities remain very limited.

The Commission's recommendations from last year were not implemented and therefore remain valid. In the coming year, Bosnia and Herzegovina should in particular:

→ develop a new strategy and action plan for scientific development and finalise the development and adoption of a Smart Specialisation Strategy;

→ continue efforts to strengthen Bosnia and Herzegovina's participation in the Horizon Europe programme and strengthen its network of national contact points;

→ improve reporting on research and innovation statistics by reporting on at least 24 European Innovation Scoreboard indicators.

Chapter 26: Education and culture

Bosnia and Herzegovina is **at an early stage of preparation** on education and culture. There was **no progress** in this area during the reporting period, however Bosnia and Herzegovina took steps to develop a national qualifications framework.

The Commission's recommendations from last year were only partially implemented and therefore remain valid. In the coming year, Bosnia and Herzegovina should in particular:

→ Adopt a national qualifications framework (NQF) referenced to the European qualifications framework;

→ continue implementing the action plan to improve quality assurance with a view to joining the European Association for Quality Assurance (ENQA);

→ ensure continued participation in international assessment studies[8], intensifying preparations to join the 2029 Programme for International Student Assessment (PISA) and implement findings to improve PISA results.

Chapter 29: Customs union

Bosnia and Herzegovina has **some level of preparation** on customs union. There was **some progress** in this area during the reporting period. Bosnia and Herzegovina continued preparations to join the Common Transit Convention, and a decision implementing the Law on customs policy was adopted by the Council of Ministers.

The Commission's recommendations from last year were partially implemented and remain largely valid. In the coming year, Bosnia and Herzegovina should in particular:

→ continue preparations to apply the common transit procedure; connect its transit system to the common IT infrastructure of the new computerised transit system; and start preparations towards achieving interconnection and interoperability of its customs IT systems with the EU's electronic customs environment;

→ strengthen the administrative and operational capacity of the Indirect Taxation Authority in combating customs fraud, in particular the smuggling of tobacco products by finalising the accreditation of the laboratory and implementing a new administrative structure, and by cooperating with the European Anti-Fraud Office (OLAF);

→ increase post-clearance checks based on risk analysis, expand the use of simplified procedures for compliant economic operators, in particular by increasing the number of

[8] Programme for International Student Assessment – PISA, Trends in International Mathematics and Science Study – TIMSS, Progress in International Reading Literacy Study – PIRLS, International Computer and Information Literacy Study – ICILS, Teaching and Learning International Survey – TALIS.

authorised economic operators, and implementing the CEFTA Protocol on the mutual recognition of authorised economic operators.

CLUSTER 4: THE GREEN AGENDA AND SUSTAINABLE CONNECTIVITY

Chapter 14: Transport policy

Bosnia and Herzegovina has **some level of preparation** in transport policy. **No progress** was achieved in the reporting period in this area.

The Commission's recommendations from last year were not implemented and therefore remain valid. In the coming year, Bosnia and Herzegovina should in particular:

→ set up a lead agency for road safety and a countrywide system to collect data on road fatalities and serious injuries;

→ bolster the independence of, strengthen the capacity of, and ensure sufficient funding for all bodies at state and entity level in the area of transport;

→ adopt a strategic framework and legislation to implement intelligent transport systems (ITS) in road transport, in line with Bosnia and Herzegovina's Reform Agenda.

Chapter 15: Energy

The country remains at an **early stage of preparation** on energy. **No progress** was made in this area during the reporting period. Bosnia and Herzegovina is continuing with plans for gas-related infrastructure projects, including the Southern Interconnection gas pipeline. Strengthening energy security must not undermine climate objectives..

The Commission's recommendations from last year were not implemented and therefore remain valid. In the coming year, Bosnia and Herzegovina should in particular:

→ adopt gas and electricity laws and bylaws at state and entity levels in compliance with the EU's third energy package, adopt and implement the Electricity Integration Package, and ensure the full alignment of entity-level laws on electricity and gas to ensure coupling with the EU electricity market;

→ adopt state-level legislation and improve entity-level legislation on renewable energy and energy efficiency;

→ adopt the 2021-2030 National Energy and Climate Plan (NECP), in line with Energy Community targets.

Chapter 21: Trans-European networks

Bosnia and Herzegovina has **some level of preparation** on trans-European networks (TEN). There was **limited progress** in this area, notably with the continuation of works across five sections of the Corridor Vc motorway, while two were completed and another opened.

The Commission's recommendations from last year were only partially implemented and therefore remain valid. In the coming year, Bosnia and Herzegovina should in particular:

→ continue developing the planned extension of the trans-European transport networks (TEN-T) and trans-European networks for energy (TEN-E) in line with the priorities identified and accelerate the preparatory work and maintain focus on investments to ensure the timely completion of the Western Balkans – Eastern Mediterranean European Transport Corridor;

→ accelerate the implementation of connectivity reform measures and continue to

regularly adopt amended multiannual maintenance plans for the road and rail core networks;

→ align its legislation with the EU *acquis* on guidelines for trans-European energy infrastructure.

Chapter 27: Environment and climate change

Bosnia and Herzegovina is **between an early stage of preparation and having some level of preparation** in the area of environment and climate change**. No progress** was made in this area during the reporting period.

The Commission's recommendations from last year were not implemented and therefore remain valid. In the coming year, Bosnia and Herzegovina should in particular:

→ ensure coordinated implementation and monitoring of the countrywide environmental approximation strategy and formalise a procedure for the merit-based and transparent appointment of a focal point for Bosnia and Herzegovina in environmental conventions;

→ adopt a state-level climate law and countrywide environmental protection and climate strategies and action plans in line with the EU *acquis*; submit a new nationally determined contribution to the United Nations Framework Convention on Climate Change (UNFCCC); and urgently align with the EU *acquis* on monitoring, reporting, verification and accreditation (MRVA) of greenhouse gas emissions;

→ adopt the required legislation at all levels of governance and action plans to introduce the single European emergency number 112 across the country.

CLUSTER 5: RESOURCES, AGRICULTURE AND COHESION

Chapter 11: Agriculture and rural development

Bosnia and Herzegovina is at an **early stage of preparation** on agriculture and rural development and made **no progress** in this area.

The Commission's recommendations from last year were not implemented and therefore remain valid. In the coming year, Bosnia and Herzegovina should in particular:

→ adopt a multiannual, countrywide strategy for agriculture and rural development, and harmonise support measures across the country in line with the EU *acquis*;

→ adopt a state-level Law on organic production and a state-level Law on quality policy, and ensure a clear distribution of competences, and adopt implementing legislation on wine, in line with the EU *acquis*;

→ set up the administrative structures required for the common agricultural policy.

Chapter 12: Food safety, veterinary and phytosanitary policy

Bosnia and Herzegovina has **some level of preparation** in this area. **No progress** was made over the reporting period.

The Commission's recommendations from last year were not implemented and therefore remain valid. In the coming year, Bosnia and Herzegovina should in particular:

→ introduce an inter-laboratory comparative test system, increase the number and administrative capacity of official controls;

→ set up the system of national reference laboratories in food/feed analysis hygiene,

veterinary and phytosanitary inspections in line with the EU *acquis*;

→ adopt legislation on food safety, on animal health, on animal welfare and on plant health, in line with the EU *acquis* and adopt the OECD seed schemes, particularly for agricultural seeds and forestry.

Chapter 13: Fisheries and aquaculture

Bosnia and Herzegovina is at an **early stage of preparation** in this area, and **no progress** was made during the reporting period.

The Commission's recommendations from last year were not implemented and therefore remain valid. In the coming year, Bosnia and Herzegovina should in particular:

→ for fisheries, prepare and adopt a countrywide strategic document and the state-level legislative framework;

→ for aquaculture, prepare and adopt a countrywide strategy and the state-level legislative framework;

→ harmonise the methodology for data collection for fish and fishery/aquaculture products across the country and set up the relevant statistical system.

Chapter 22: Regional policy and coordination of structural instruments

Bosnia and Herzegovina remains at **an early stage of preparation** in regional policy and the coordination of structural instruments. **No progress** was made during the reporting period.

The Commission's recommendations from last year were not implemented and therefore remain valid. In the coming year, Bosnia and Herzegovina should in particular:

→ develop and adopt a countrywide strategy guiding preparations for structural and cohesion funds and regional development;

→ urgently appoint a NIPAC for IPA III, and strengthen institutional and administrative capacity to manage EU funds;

→ improve public investment management and adopt an updated single-country project pipeline covering priority sectors, based on a sound, transparent and inclusive methodology.

Chapter 33: Financial and budgetary provisions

Bosnia and Herzegovina is at an **early stage of preparation** on financial and budgetary provisions. **No progress** was made in this area.

The Commission's recommendations from last year were not implemented and remain valid. In the coming year, Bosnia and Herzegovina should in particular:

→ strengthen capacity and inter-agency cooperation to combat tax and customs fraud;

→ further improve the capacity of the Indirect Tax Authority to implement customs legislation effectively;

→ adopt a master plan for the production of national accounts for Bosnia and Herzegovina.

CLUSTER 6: EXTERNAL RELATIONS

Chapter 30: External relations

Bosnia and Herzegovina has **some level of preparation** in external relations. **No progress**

was made in this area during the reporting period. The capacity to tackle key challenges in trade policy has yet to be strengthened.

The Commission's recommendations from last year were not implemented and therefore remain valid. In the coming year, Bosnia and Herzegovina should in particular:

→ finalise its accession to the World Trade Organization (WTO);

→ fully implement the 2021-2024 Common Regional Market (CRM) action plan (in particular by urgently implementing the Central European Free Trade Agreement (CEFTA) additional protocol 5 on trade facilitation and the additional protocol 6 on trade in services); take the necessary steps to implement additional protocol 7 on dispute settlement; and implement actions under the new action plan for 2025-2028;

→ start the process of establishing a development and humanitarian aid policy.

Chapter 31: Foreign, security and defence policy

Bosnia and Herzegovina has **some level of preparation** in the field of foreign, security and defence policy. There was **some progress** as Bosnia and Herzegovina maintained full alignment with the common foreign and security policy (CFSP) during the reporting period, including statements by the High Representative on behalf of the EU and Council decisions on restrictive measures. However, the implementation of restrictive measures still faces significant hindrances by those ministries and bodies controlled by the SNSD party, which are also stepping up cooperation with Russian counterparts. The *Republika Srpska* entity authorities continue to maintain frequent contacts with Russia at the highest levels. The Law on targeted financial sanctions, adopted in May 2025, remains to be further aligned with the EU *acquis*.

The recommendations from last year were not implemented and therefore remain largely valid. In the coming year, Bosnia and Herzegovina should in particular:

→ continue to ensure full alignment with the EU CFSP;

→ ensure thorough implementation of EU restrictive measures the country has aligned with, and make efforts to close the space for foreign information manipulation and interference (FIMI);

→ align legislation and procedures with EU standards on the marking and deactivation of small arms and light weapons (SALW), including for seized and confiscated weapons.

1.3. ASSESSMENT OF THE IMPLEMENTATION OF THE STEPS SPECIFIED IN THE COMMISSION'S RECOMMENDATIONS FOR CANDIDATE STATUS

***Step 1**: ensure a track record in the functioning at all levels of the coordination mechanism on EU matters, including by developing and adopting a national programme for the adoption of the EU acquis.*

The Directorate for European Integration finalised the programme for EU integration, and submitted it to the European Commission in March 2024. This programme for EU integration is a key step towards putting in place the national programme for the adoption of the EU *acquis* (NPAA); it should be revised in line with the Commission comments provided in May 2024, in view of agreement with the Commission on the NPAA. The Council of Ministers should urgently appoint the national IPA coordinator (NIPAC) for IPA III.

***Step 2**: adopt, as a matter of priority, integrity amendments in the existing Law on the High Judicial and Prosecutorial Council.*

The Parliament adopted the integrity amendments to the HJPC Law in September 2023, further corrected in January 2024. In March 2026, the HJPC adopted amendments to its internal rules, representing a negative development for the independent external monitoring of its asset declarations department which should be addressed.

***Step 3**: adopt a new law on the High Judicial and Prosecutorial Council and adopt the law on the Courts of Bosnia and Herzegovina*

Despite legislative activities in both houses of Parliament concerning the new Law on the High Judicial and Prosecutorial Council and the Law on the Courts of Bosnia and Herzegovina, both laws still need to be adopted, in line with European standards.

***Step 4**: adopt the law on prevention of conflict of interest.*

The law on the prevention of conflict of interest was adopted by Parliament in March 2024. The law aims to improve compliance at state level, although it is not yet fully in line with European standards. The state-level commission in charge found 5 cases of conflicts of interest in 2025 and handed down one sanction.

***Step 5**: take decisive steps to strengthen the prevention and fight against corruption and organised crime.*

A law on anti-money laundering and countering terrorism financing (AML/CFT) was adopted in February 2024 and the rulebook on the implementation of the law was subsequently adopted in December 2025. A permanent coordination body on AML/CFT is in place.

In January 2025, Bosnia and Herzegovina adopted a law on personal data protection, based on which the Eurojust cooperation agreement was signed and ratified. In July 2026, the Council of Ministers adopted the working arrangement agreed between Eurojust and the Ministry of Justice of Bosnia and Herzegovina for the implementation of the international agreement, which was subsequently signed in October 2026. A strategy and action plan on public procurement 2024-2028 has been adopted by the Council of Ministers in March 2024.

Bosnia and Herzegovina should strengthen cooperation among law enforcement agencies, and adopt a strategic approach towards fighting serious and organised crime, and follow up the recommendations from the 2026 Action Plan developed by the Financial Action Task Force (FATF) after its placement on the list of jurisdictions under increased monitoring by the FATF.

Progress in tackling high-level corruption still needs to be seriously stepped up in order to establish a credible track record. Indictments were confirmed against some senior officials, and investigations are ongoing. No new final conviction was recorded.

***Step 6**: decisively advance work to ensure effective coordination, at all levels, of border management and migration management capacity, as well as ensuring the functioning of the asylum system.*

In terms of migration management, reception capacities are sufficient and readmission agreements and implementing protocols continue to be implemented. Bosnia and Herzegovina needs to assign an appropriate budget for migration management, continue efforts for the return of irregular migrants to their countries of origin and take further steps to ensure a functioning asylum system. Obstacles persist to ensuring quality and effective access to asylum procedures. Authorities should establish concrete plans to take responsibility over migration management and reduce dependence on international organisations and donors.

In January 2025 Bosnia and Herzegovina adopted a law on border control aimed at aligning with the EU *acquis*. Since 2025, Frontex deploys standing corps in the country. A 2024-2029 strategy and action plan on integrated border management is in place. Bosnia and Herzegovina did not further align with the EU visa policy.

***Step 7**: ensure prohibition of torture, notably by establishing a national preventive mechanism against torture and ill-treatment.*

In October 2019 the Constitutional Court repealed the reference to death penalty in the Constitution of the *Republika Srpska* entity. In August 2023 the Parliament amended the Law on the human rights Ombudsman to designate it as national preventive mechanism against torture and ill-treatment – an international obligation of the country.

***Step 8**: guarantee freedom of expression and of the media and the protection of journalists, notably by ensuring the appropriate judicial follow-up to cases of threats and violence against journalists and media workers.*

A countrywide network of contact points in prosecutors' offices and law enforcement agencies was set up across the country to monitor cases of threats and violence against journalists and media workers. The authorities need to ensure its sustainability and demonstrate a track record in institutional follow-up. Political influence over public broadcasters persists, and their financial sustainability is to be urgently ensured, pending the adoption of a new law on the public broadcasting system.

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2. CLUSTER 1: THE FUNDAMENTALS OF THE ACCESSION PROCESS

2.1. FUNCTIONING OF DEMOCRATIC INSTITUTIONS AND PUBLIC ADMINISTRATION REFORM

2.1.1. Democracy

The functioning of democratic institutions in Bosnia and Herzegovina is challenged by persistent discriminatory elements in the constitutional structure, the constant misuse of entity and ethnic-based vetoes for political purposes, and divisive rhetoric and actions of the *Republika Srpska* entity that systematically undermine the legal and constitutional order. The *Republika Srpska* entity still does not recognise all rulings of the Constitutional Court of Bosnia and Herzegovina.

Bosnia and Herzegovina needs to bring in line its constitutional framework with European standards and ensure the functionality of its institutions to be able to take over EU obligations. While a decentralised state structure is compatible with EU membership, Bosnia and Herzegovina will need to reform its institutions to be able to effectively participate in EU decision-making and to fully implement and enforce the *acquis*.

Elections

The country needs to urgently adopt constitutional and electoral reforms to ensure that all citizens are able to effectively exercise their political rights, notably bring the country's Constitution into line with the *Sejdić-Finci* case law of the ECtHR (Opinion key priority 4.f). The working group established to prepare draft amendments to the Constitution and the Election law did not agree on a proposal.

Bosnia and Herzegovina held general elections on 4 October 2026. According to the preliminary findings and conclusions of the Organisation for Security and Cooperation in Europe (OSCE) / Office for Democratic Institutions and Human Rights (ODIHR) Election Observation Mission (EOM), there was genuine competition, contestants were largely able to reach voters and the election day proceeded in an orderly manner. For the first time, Bosnia

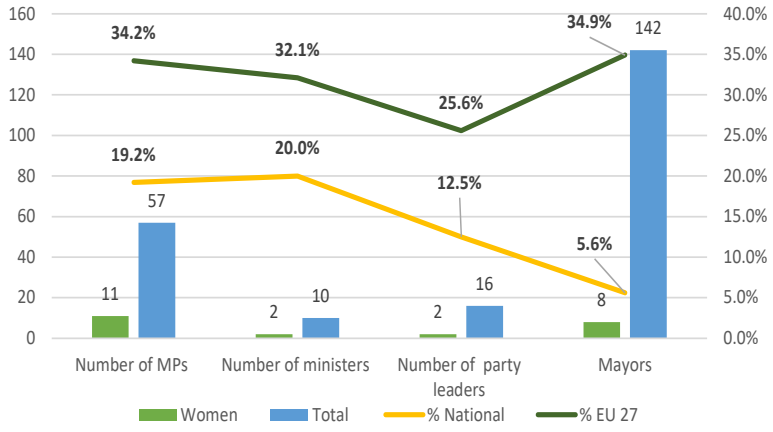
and Herzegovina introduced countrywide use of electoral information and communication technologies to address longstanding electoral integrity concerns. The EOM noted the considerable efforts of the election administration amid institutional and operational constraints, while also observing technical difficulties in the use of the technologies, complex procedures in the voting and counting processes, and issues with secrecy of the vote. The EOM further noted that issues pertaining to misuse of administrative resources, election dispute resolution, campaign finance oversight, and dissuasive sanctions remain unaddressed. The voting procedures for voters with disabilities were regulated by bylaws enacted by the Central Election Commission.

Early elections for the President of the *Republika Srpska* entity were held on 23 November 2025 and partially repeated on 8 February 2026 due to irregularities. The Organisation for Security and Cooperation in Europe (OSCE) / Office for Democratic Institutions and Human Rights (ODIHR) Special Election Assessment Mission described these elections as overall professionally administered but marred by inflammatory rhetoric and polarising narratives. It identified several challenges, including the abolishment of all political party financing from entity, city and municipal budgets by the *Republika Srpska* entity assembly in May 2025. The law on financing of political organisations was subsequently repealed by the Constitutional Court of Bosnia and Herzegovina in March 2026. The election featured no women candidates.

Bosnia and Herzegovina still needs to address outstanding and new recommendations by the OSCE/ODIHR, the Council of Europe's Group of States against Corruption (GRECO) and the Venice Commission (Opinion key priority 1). These include: (i) transparency of parties and electoral campaign financing; (ii) transparency and targeting of political advertising and (iii) the registration of political parties. Bosnia and Herzegovina needs to ensure alignment with all relevant EU *acquis* in this area, including Regulation (EU) 2024/900 on the transparency and targeting of political advertising, taking into account European and international democratic standards.

Reports of fraud in elections rarely lead to prosecution. The CEC still needs to strengthen its ability to monitor compliance on political party financing. All political stakeholders must respect its independence, including by refraining from threatening to dismiss its members.

Graph 1 : Bosnia and Herzegovina- Women in political life



Source: National- Central Election Commission
EU-27- European Institute for gender equality

Political parties lack democratic internal policies and structures, including policies to promote the representation of women and minorities. During the reporting period, one party elected a woman leader, and only a few women occupy such leadership positions. The legislative framework, including the Election law, should be aligned with the state-level gender equality law to increase women's public and political participation.

Parliament

The Parliamentary Assembly of Bosnia and Herzegovina adopted only 12 laws during the

reporting period, of which five were adopted under urgent procedure. The use of urgent legislative procedures was considerable at entity level. The state budget for 2025 was adopted only in November 2025, and a state budget for 2026 was adopted in July 2026.

The *Republika Srpska* entity assembly appointed three governments during the reporting period. Two of them resigned amid challenges before the Constitutional Court of Bosnia and Herzegovina regarding the legitimacy of their appointment. In October 2025, the *Republika Srpska* entity assembly declaratively repealed some laws already struck down by the Constitutional Court of Bosnia and Herzegovina. The *Republika Srpska* entity assembly should comply with its long-overdue constitutional obligation and immediately appoint judges to vacancies at the Constitutional Court of Bosnia and Herzegovina. The Federation entity assembly should complete the appointment of successors for two retiring Constitutional Court judges. The oversight of the executive remains weak, including at local level. Assemblies do not monitor executives' compliance with the recommendations of independent institutions.

EU integration

Policy dialogue with the EU continued within the ninth cycle of subcommittees under the SAA, though meetings were repeatedly hampered by contestation of agenda items and delays in submitting supporting documentation on the part of Bosnia and Herzegovina. The Stabilisation and Association (SA) Parliamentary Committee took place regularly (Opinion key priority 3), and the SA Committee of the eighth cycle was held in September 2025. The Council of Ministers has yet to act on Commission recommendations from 2022 and 2025 to facilitate policy dialogue within SAA bodies, including by simplifying procedures, empowering the DEI to submit preparatory documents to the European Commission without unnecessary and lengthy political adoption, and appointing permanent delegates to sectoral subcommittees.

Coordination on EU matters needs to be significantly improved to focus on countrywide harmonised alignment with the EU *acquis* and its effective enforcement. The DEI should step up its role in assessing countrywide alignment with the EU *acquis*. As an outstanding obligation under the SAA, Bosnia and Herzegovina needs to develop and adopt a national plan for the adoption of the EU *acquis* (NPAA, Opinion key priority 2) that takes into account Commission comments and reflects on the role that all levels of government play in EU *acquis* alignment.

The Council of Ministers should urgently appoint a NIPAC for IPA III. The Commission would welcome the appointment of the DEI Director to perform this function as in previous financial periods. Bosnia and Herzegovina should also urgently appoint a chief negotiator for EU accession negotiations. This is important with a view to the start of the explanatory meetings with the Commission on the EU *acquis* (part of the screening), based on the materials already received by Bosnia and Herzegovina in 2024. Political disagreements on the applicable procedure resulted in contradictory approaches, with separate proposals in the Council of Ministers and the House of Representatives. In March 2026 the Constitutional Court annulled the decision of the House of Representatives and requested the Parliamentary Assembly to regulate the appointment of the Chief Negotiator within six months.

Governance

The members of the Presidency convened regularly but continued to present diverging stances during the reporting period. The Presidency adopted the 2026 state budget in July 2026 and ratified the 2025-2027 IPA Financing Agreement in August 2026. The Council of Ministers of Bosnia and Herzegovina met regularly but its work remained hindered by the absence of a functioning coalition, and key EU-related reforms still need to be adopted. The

aftermath of Milorad Dodik's conviction saw a period of legal uncertainty. In July 2026, the Constitutional Court upheld the constitutionality of the High Representative's criminal code amendments under which the case was prosecuted. Independent institutions remain weak.

Civil society

The space for civil society remained constrained during the reporting period, with no significant actions taken towards ensuring an enabling environment for civil society (Opinion key priority 11). Financial constraints overall and the restrictive legislation previously adopted in the *Republika Srpska* entity – in particular criminal penalties for defamation and the law targeting civil society groups as 'foreign agents', although the latter has since been repealed by the Constitutional Court – restricted the space for civil society.

No action was taken to align legislation on public consultations across the country and ensure meaningful and systematic consultations with civil society. The e-consultation web platform remains underutilised and is not in use at entity or cantonal level, where most legislation of public interest is adopted. Implementation of the first national strategy for the development of civil society and the related action plan is lacking and constrained by the absence of an advisory body for cooperation with CSOs.

Human rights defenders and activists dealing with sensitive issues in particular continued to be targeted and subject to threats, harassment, verbal abuse, smear campaigns and even physical attacks, and to strategic lawsuits against public participation (SLAPPs). The authorities continue to fail to condemn and properly investigate such attacks. Women activists and environmental rights defenders in particular face increasing pressures. Women's associations reach multiple vulnerable groups in society, and grassroots organisations maintain a key role in policy advocacy.

There is no countrywide framework for the transparent, systematic and impartial distribution of public funds to associations, and CSOs continue to face administrative burdens, including disproportionate tax inspections. The functioning of CSOs and independent media outlets was impacted by financial constraints, including the continued impact of reduced third-party funding. There is no State-level legal framework on volunteering, which is regulated by the entities and the Brčko District.

2.1.2. Public administration reform

Strategic framework for public administration reform

The implementation of the 2018-2027 **strategic framework** has remained marginal, undermined by a general lack of political support. Approximately 75% of activities remain unimplemented since the adoption of the action plan in 2020. The coordination arrangement, also called the Common Platform, facilitated the finalisation in November 2024 of a revised action plan for public administration reform for 2023-2027. However, its effectiveness remains to be improved. This new action plan on public administration reform still needs to be adopted by the Council of Ministers and in the *Republika Srpska* entity, whereas adoption has taken place in the Federation of Bosnia and Herzegovina and Brčko District. Reforms are hindered by a lack of political steering, as the coordination board has not convened since 2024. Also, effective coordination at technical level remains weak.

Policy development and coordination

The legal framework for policy development and coordination is fragmented, as only the entities have such a framework in place, while the state level legislation on countrywide sectoral planning is pending adoption. State level institutions need to be strengthened in coordinating countrywide policies. Although there are procedures in place for medium-term planning, monitoring and reporting across all levels, there is still no coordinated approach to

medium-term and annual priority setting. The country still needs to ensure effective monitoring and alignment of policies, with annual budgets and government working plans at each level of government, and credible costing on sectoral policies. The institutional framework remains fragmented, with insufficient oversight functions on quality of policies, and the various centres of government remain poorly coordinated with one another. There is no methodology in place that has strong quality assurance or a conflict-resolution mechanism for harmonised legislative alignment with the EU *acquis*.

Implementation of the legal framework for **evidence-based policymaking** across all levels of government remains weak. In 2025, the *Republika Srpska* entity launched the e-consultation platform, alongside the existing state-level platform. The lack of common standards for monitoring and reporting hampers public and governmental scrutiny of policy implementation.

Public financial management

The validity of the 2017-2025 strategy for the reform of **public financial management** (PFM) has been extended by state-level institutions until December 2026, and the process is ongoing for the other levels. Systemic weaknesses remain, including weak and complex monitoring methodologies and insufficiently harmonised indicators across levels of government. Bosnia and Herzegovina needs to ensure that there is a credible and sustainable PFM strategy in place. The new comprehensive 2027-2031 PFM strategic framework still needs to be finalised. The implementation of programme budgeting was promoted through IT systems and digitalisation efforts, methodologies, which has already led to the development of the programme budget 2026 in the Federation entity. The full operationalisation of IT systems requires legal changes and more consistent application across all administrative levels, alongside stronger adherence to budget calendars and improved links with medium-term fiscal planning. Basic elements of the PFM system still need to be put in place, including: (i) regular adoption of a state budget; (ii) credible costing of sectoral policies, both annually and in the medium term; and (iii) budget transparency.

Fiscal risk monitoring remains underdeveloped, particularly for public enterprises and municipalities, while an independent fiscal oversight body still needs to be set up at state level and in the Federation entity. Further key reforms that still need to be completed in the PFM area include: (i) better linking of the annual strategic planning and budgeting processes in the annual and medium term; (ii) strengthening capacities, coordination and funding mechanisms in the area of **public investment management**; and (iii) continuing to implement the laws on programme budgeting and adopting such legislation in the *Republika Srpska* entity.

As regards **budget transparency**, the country still scores very low in public participation in the budget process. The framework of budget classification is aligned with international standards, but consolidated reporting remains incomplete. In-year budget reporting varies between monthly and quarterly cycles across the country, and detailed data on budget users across state and entity level remains insufficient. Legislative scrutiny of the budget remains limited.

Public service and human resources management

Civil service laws are still not harmonised with one another, and **merit principles** are not enshrined in the **recruitment**, promotion and dismissal of civil servants.

Reform efforts towards a depoliticised and professional civil service remain uneven, despite work continuing on improving job descriptions, competency profiles and job families in the Federation entity. Overall, the legal criteria for dismissals, disciplinary procedures and appeals continue to be insufficiently applied. Entity-level laws do not require the best

candidate to be appointed, allowing for political influence in recruitment, particularly for senior management positions. At cantonal level, selection still depends on ethnic background rather than merit. The excessive use of acting positions continued during the reporting period, especially in the *Republika Srpska* entity. Constitutional rules on the general representation of the population in the public service should not be interpreted as requiring strict ethnic proportionality, and the legislation should ensure that ethnicity does not prevail over professional merits in recruitment.

Civil servants' **remuneration** remained inconsistent across the country due to differences in salary legislation, job classification and pay grades, and to the absence of job evaluations. These factors hinder fairness and transparency in remuneration. Criteria for awarding salary supplements are unclear, and no information is published on salary grids by job category. A broad salary reform is required across all levels of government.

The quality and capacity of **human resources management** (HRM) remain highly fragmented. The Federation entity continued implementing the 2022-2027 strategy for the development of HRM, achieving tangible results such as the implementation of various HRM tools and attracting the highest number of candidates to civil service vacancies compared with other levels. Overall, efforts are needed to strengthen the transparent monitoring and planning of HRM performance, related capacity and data collection, particularly at state level and in the *Republika Srpska* entity. Progress is visible in the Federation entity, which developed the first HRM monitoring report based on the upgraded HRM methodology on data collection. At state level, despite the adoption of a regulation establishing a register of employees, the effective monitoring of recruitment and selection of candidates remains a challenge. The transparency of data collection in HRM should be improved, in particular in the *Republika Srpska* entity. There has been no legislative development on whistle-blower protection or on the declaration of assets.

Gender balance in top management positions in the Federation entity (where 42% of those positions are occupied by women is slightly better than the average in OECD-EU countries, but the low share of women in top management positions in the state institutions (27%) and in the *Republika Srpska* entity (33%) is a concern.

Accountability of administration

There was no improvement in the regulatory framework or practices for enhanced **accountability** of public administration. In 2025, the results of the comprehensive analysis of public administration, conducted by the public administration reform coordinators at all levels of government, identified structural inefficiencies and gaps in accountability, transparency and service delivery. The delegation of tasks and responsibilities from top to middle managers remains weak, impairing operational efficiency. Responsibilities overlap, creating convoluted accountability chains, and the distribution of workload remains inefficient and fragmented.

The state-level and Brčko District laws on **access to public information** still need to be brought fully in line with international standards on the independence of the appeal process. Open data portals need to be established. Data protection and access to information rules are still interpreted to safeguard private rather than public interests. Ombudsman recommendations are insufficiently implemented, undermining independent oversight effectiveness.

Service delivery to the public and businesses

There is no comprehensive policy on service delivery. A lack of clarity around institutional roles and functions in this area hampers the steering of reforms at technical level. The lack of a supportive legislative framework and political commitment is an obstacle to improving

the interoperability of public services. However, steps have been taken to secure data exchange between institutions, and a roadmap has been developed to steer reform.

On **digitalisation**, despite the absence of a countrywide approach, there are some positive developments at entity and cantonal level. In the *Republika Srpska* entity, progress is being made on the e-government platform, including offering online administrative services to the public. The Sarajevo Canton is extending its e-services through its e-portal, allowing the public to submit administrative requests and access certificates and registry services.

2.2. RULE OF LAW AND FUNDAMENTAL RIGHTS

2.2.1. Chapter 23: Judiciary and fundamental rights

The EU's founding values include the rule of law and respect for human rights. An effective (independent, high-quality and efficient) judicial system and an effective fight against corruption are of paramount importance, as is respect for fundamental rights in law and in practice.

Functioning of the judiciary

Strategic documents

Bosnia and Herzegovina still needs to adopt a new strategy and related action plan for the reform of its justice sector, which expired in 2020. By the end of 2025, the HJPC reported 68% implementation of planned activities and 36% implementation of intended outcomes of the 2024-2026 HJPC Reform Programme Action Plan. The HJPC should strengthen its analytical reporting on the implementation of the 2024-2026 action plan and support more effective donor coordination. In this context, the adoption of a monitoring, evaluation and reporting framework for its strategy and action plan to ensure the security of judicial officeholders and protected witnesses is a positive step.

Management body

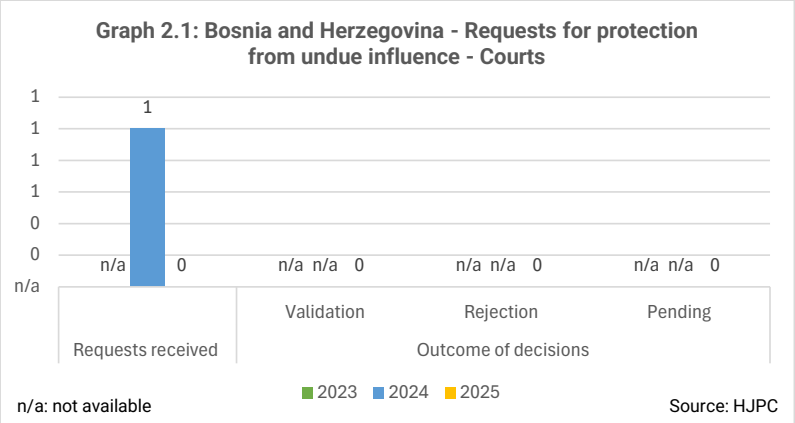
The HJPC acts as the judiciary's single self-governance body, but its independence and integrity should be strengthened, including by reinstating randomisation for ethnicity and gender in the appointment of its members. The HJPC's staffing remains partially dependent on international donors, and the asset declaration department is understaffed.

The budget of the HJPC needs to be increased to complete the recruitment of staff to the asset declaration department and to ensure that the state budget takes over the funding of all HJPC staff by 2027.

The HJPC introduced measures aimed at strengthening internal accountability and reporting across both the prosecution and court systems through enhanced monitoring frameworks. Chief prosecutors are evaluated using a standardised methodology tracking the implementation of their work programmes at mid-term and end-of-mandate. Similarly, the performance of the courts is monitored through case resolution plans and instructions designed to improve efficiency and reduce backlogs, particularly in cases involving corruption and organised crime. While these developments represent a step forward in strengthening oversight and performance management, their overall impact on the efficiency and effectiveness of judicial protection (e.g. in cases of domestic violence and attacks on returnees, journalists and activists) and judicial response to crime still needs to be ascertained.

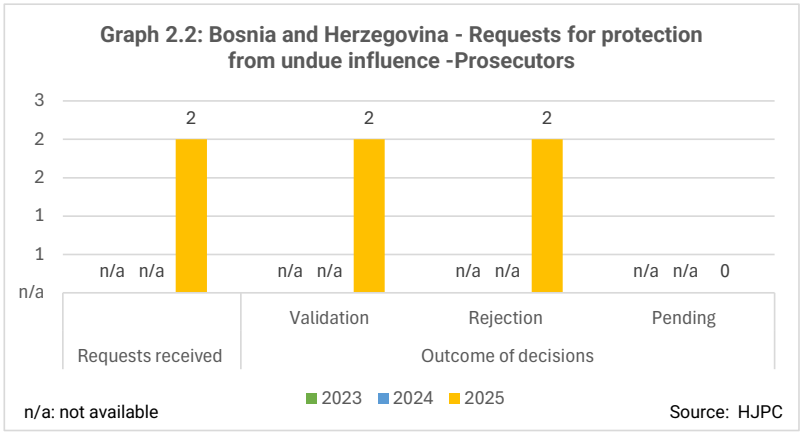
Independence and impartiality

The independence and impartiality of the judiciary need to be improved. Integrity plans are in place in almost all courts and prosecutors' offices in Bosnia and Herzegovina. Ethics codes are in place and included in initial training. A violation of the ethics codes compromising the reputation and integrity of the judiciary constitutes a disciplinary offence. In 2025, 8 cases were initiated by the HJPC and 2 were concluded (1 resulting in a 10% salary reduction for three months, 1 being dismissed). In 2026, 3 cases were initiated and 2 were concluded (1 resulting in a 20% salary reduction for three months, 1 being dismissed).



Undue internal and external pressure on the judiciary continued. A threat-reporting mechanism is in place but relatively limited and the response of the HJPC to these cases is inconsistent. The undue transfers of prosecutors involved in sensitive investigations further undermined the perception of independence within the Bosnia and Herzegovina Prosecutor's Office, raising concern of possible conflict of interest. Both the HJPC and Office of Disciplinary Counsel have failed to address the related complaints adequately and efficiently.

Legal safeguards are in place to ensure the independence of judicial appointments, yet appointments in which ethnic balance is prioritised over merit continue. The reasoning for such decisions remains insufficient, including when the ranking of candidates is not respected. Judicial appointments should be guided primarily by merit, with ethnic considerations being considered only when candidates are equally ranked.

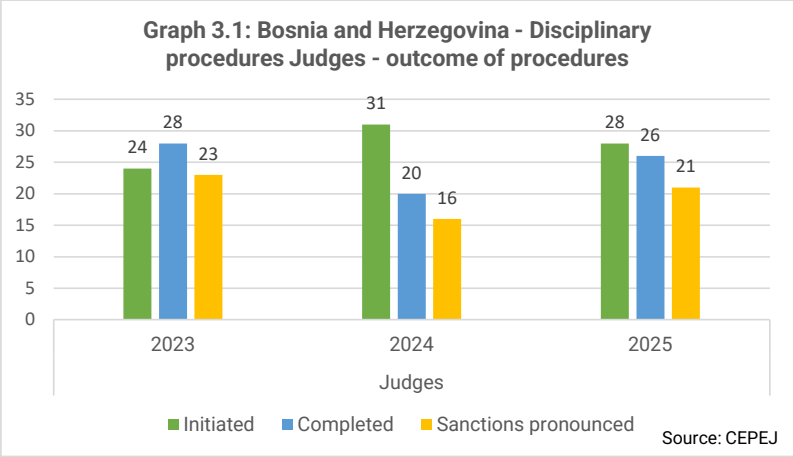


Despite having an efficient randomised case allocation system in place, the number of manually reallocated cases has increased and continues to be a concern. Each reallocation is nonetheless supported by a written decision. Out of 778 060 cases, 6.5% were reallocated without any reasoning (50 852), which is significantly less than in the past reporting periods but still an issue requiring further efforts. As the number of manual reallocations of cases remains high, HJPC members, court presidents and chief prosecutors should receive tailored training with a component on data analysis.

Accountability

The accountability of the judiciary needs to be improved. The prioritisation of corruption cases involving judicial office-holders and the introduction of a six-month reporting obligation by the HJPC continued to improve trial continuity and scheduling discipline in several courts. However, the further strengthening of active trial management and

enforcement of procedural discipline remains necessary. These cases should be processed efficiently and effectively. Without breaching confidentiality, prosecutors' offices should also promptly share the relevant results of their investigations with the Office of Disciplinary Counsel for disciplinary action.

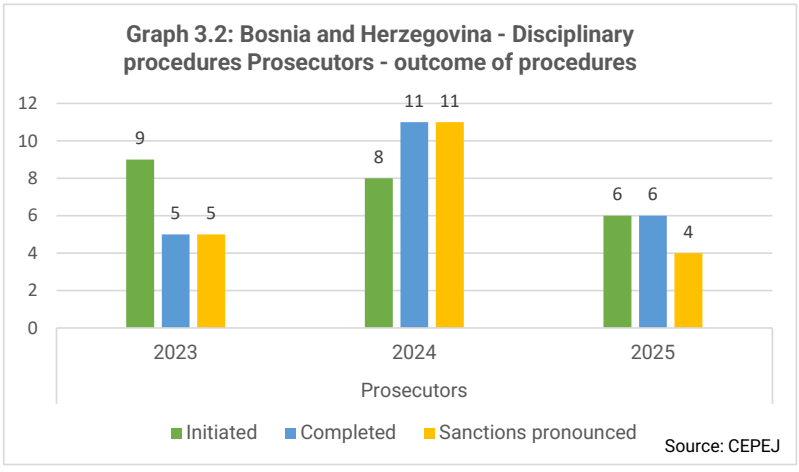


The efficiency and effectiveness of the judicial asset declaration system is constrained by systemic weaknesses, in particular understaffing, limited digitalisation, ambiguities in the legal framework, and gaps in both domestic and international data access. The credibility of the asset declaration department of the HJPC depends on addressing bottlenecks and incomplete verification coverage, which could undermine its intended impact.

Following suspension of the electronic submission of asset declarations due to a ruling by the Personal Data Protection Agency (PDPA) in June 2026, many judges and prosecutors obtained qualified electronic signatures to enable asset declarations to be submitted electronically in 2026, with mandatory electronic submission from 2027. With funding for only 10 out of 17 staff positions remaining unchanged, full funding must be secured without delay to ensure that the HJPC asset declaration department functions at full capacity.

An EU-funded external monitoring mechanism has been in place since September 2024, with a mandate to monitor the functioning of the revised asset declaration system and issue independent recommendations to the asset declaration department. The department should carefully and fully consider the External Monitoring Operation (EMO)'s recommendations, some of which remain unimplemented.

In April 2026, the HJPC adopted amendments to the book of rules on the declaration of assets and interests. These changes have modified the operational environment of the EMO in breach of an agreement with the Commission, in particular by replacing the external selection arrangements for monitoring experts with a process controlled by the HJPC. Following these changes, the EMO was discontinued in June 2026. This has eroded the safeguards for the independence and credibility of the EMO, representing a negative development in terms of establishing effective external monitoring of the revised asset declaration system. The HJPC must swiftly reverse these changes and restore the conditions for experts to monitor asset declarations effectively, as required by law.

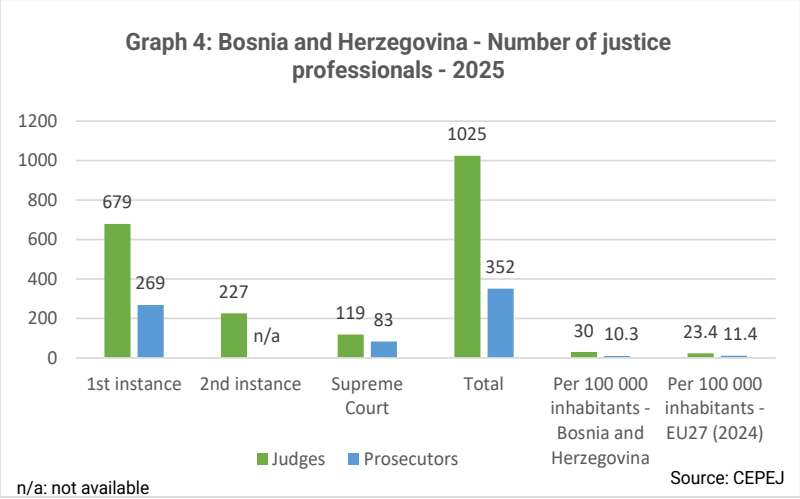


More broadly, the HJPC is expected to demonstrate full commitment to the integrity

framework by respecting the functional independence of the asset declaration department and avoiding restrictive interpretations or practices that undermine the effectiveness of the system. All relevant stakeholders are expected to provide complete and timely information to the department. The new HJPC Law should address the challenges that have been identified in implementing the integrity amendments. Disciplinary procedures continue to have little dissuasive effect despite their relatively high number. No action was taken by the HJPC disciplinary bodies to remedy serious breaches of judicial integrity for HJPC disciplinary bodies, which is a concern.

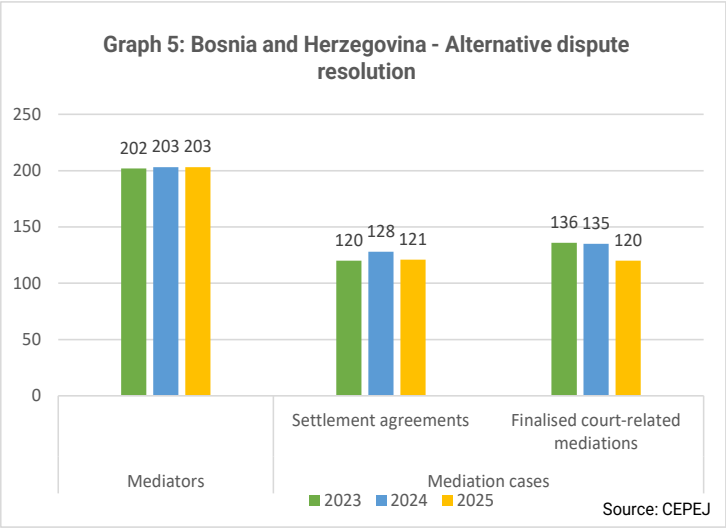
Quality of justice

The quality of justice needs to be improved. Performance appraisals lack nuance and therefore remain ineffective. The vast majority of judges and prosecutors, including in managerial roles, are assessed as having exceptional performance. The HJPC applied new appraisal criteria, of which qualitative criteria account for only 10% of the overall evaluation. The HJPC should conduct a systematic review of the first appraisal cycle under the new criteria, focusing on the application of qualitative assessment, scoring consistency and recurring issues to strengthen confidence in the appraisal system.



The HJPC should take on a stronger coordination role for training judges and prosecutors. Selecting and assessing trainers, devising programmes and evaluating the impact of training should be closely monitored and improved where needed. The total training budget for 2025 increased by 11.9% compared with 2024.

Measures previously introduced by the HJPC on the transparency of the judiciary, including in the publication of both judgments and hearing schedules, are positive and should continue to be improved. The court decision database, the case law portal and the list of cases of public interest (including war-crimes and high-level corruption cases) continued to grow.



The panels for the harmonisation of judicial practice adopted 5 positions in 2025 (5 in 2024). The HJPC should closely monitor the impact of the panels' work. The HJPC database of appellate court legal positions should further serve as a tool for ensuring uniform judicial practice across the country. In July 2025, the HJPC adopted new rules of procedure for the panels, replacing the previous ad hoc model with a more structured and predictable mechanism. Ultimately,

the country needs to put in place a judicial body capable of ensuring consistent interpretation of the law and harmonisation of case law across the country (Opinion key priority 4.e)

No steps were taken to adopt the mediation strategy proposed by the HJPC in 2022 as part of the alternative dispute resolution mechanisms. Legislation on legal aid remains fragmented across the country, to the detriment of the most vulnerable, and a needs assessment remains to be conducted.

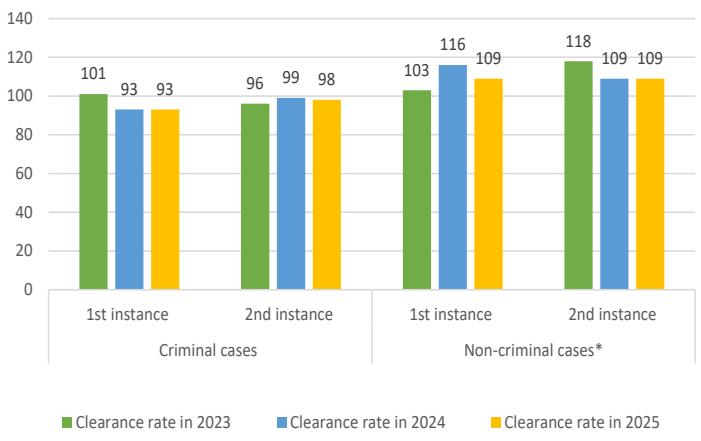
Access to justice for persons with disabilities is supported by a legal framework, but its effective and consistent implementation remains incomplete. Reasonable accommodations in judicial proceedings and legal aid are not yet uniformly ensured across jurisdictions, with persistent physical, communication and procedural barriers.

Efficiency

The efficiency of justice needs to be improved. The length of court proceedings in first-instance cases (excluding utility cases) increased slightly, from 292 days in 2024 to 299 days in 2025. In October 2025, the Federation entity adopted a law to protect the right to trial within a reasonable time, the impact of which still needs to be ascertained.

In 2025, the total budget for the judiciary, including the HJPC, was EUR 228.17 million, up from EUR 212.8 million in 2024. Although this spending on the judiciary is above average for the Western Balkans, funds remain insufficient for investments. Ensuring sufficient financing of judicial institutions is a responsibility of the executives at all levels of government. This leads to difficulties in budget planning and negotiations over budget inequalities, which have a negative effect on equal access to justice. The role of the HJPC in budget planning and negotiations for judicial institutions should be strengthened.

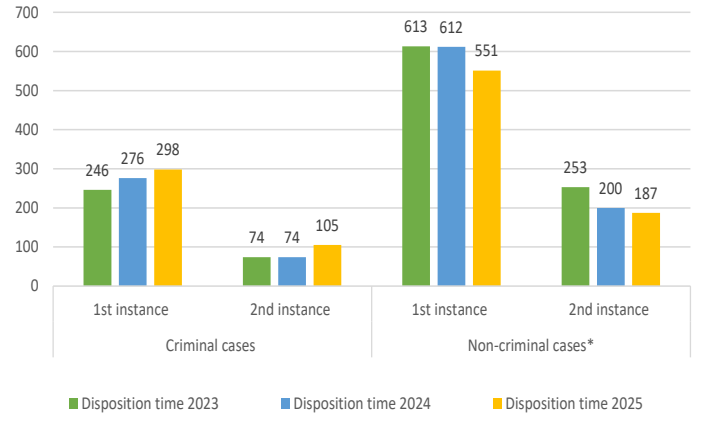
Graph 6.1 - Bosnia and Herzegovina - Efficiency of courts (%)



*Civil and commercial cases, administrative cases, non-litigous cases, other cases

Source: CEPEJ

Graph 6.2 - Bosnia and Herzegovina - Efficiency of courts (days)



*Civil and commercial cases, administrative cases, non-litigous cases, other cases

Source: CEPEJ

The backlog of pending court cases at first instance decreased by 5%, which still amounted to over 1.6 million cases at the end of 2025. No steps were taken to urgently amend entity-level legislation to transfer the enforcement of small and uncontested claims from courts to professional bailiffs.

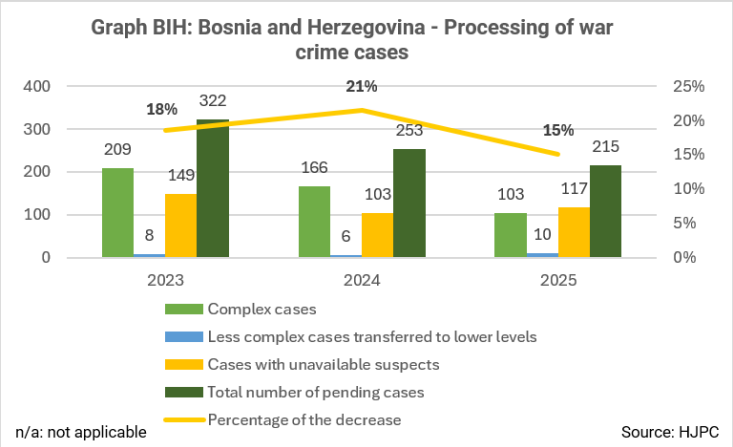
In 2025, prosecutorial institutions experienced an overall increase in workload, with a 9% rise in caseload compared with the

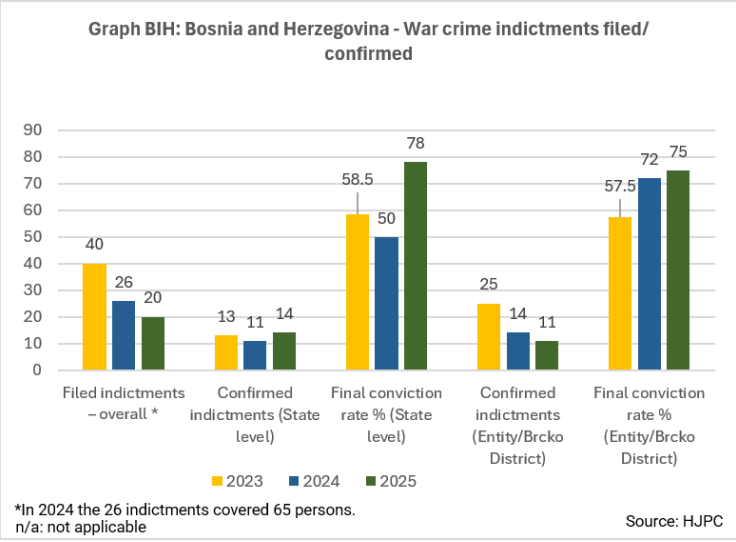
previous year, primarily driven by a backlog of unresolved cases from previous years. Continued focus on staffing capacity, early case management and targeted supervision will be essential to stabilise and gradually reduce backlog levels.

The case management system produces reliable, detailed statistics and reports on case flow, human resources and length of judicial proceedings, contributing to timely delivery of judicial data to the CEPEJ (Council of Europe Commission for the Evaluation of the Efficiency of Justice). Pilot courts have begun implementing the electronic submission of requests and the issuance of electronic certificates of non-conviction, marking an important step towards broader digitalisation of judicial services. The HJPC needs to step up its oversight and management of the performance of the judicial system.

Domestic handling of war crime cases

In 2025, the International Residual Mechanism for Criminal Tribunals (IRMCT) received 104 assistance requests from Bosnia and Herzegovina and facilitated the transfer to Serbia of case files involving Serbian nationals. Based on the memorandum of understanding with the IRMCT, 10 convictions from international tribunals were registered in the records kept at state level, compared with 16 in the Federation entity, while the registration of 18 judgments was pending. The *Republika Srpska* entity registered none of the 44 convictions that had been forwarded to them. While 82% of the war crimes cases identified in 2013 have been resolved, challenges persist, including unavailable suspects, limited regional cooperation, and legal inconsistencies. The deadline for implementing the revised national war crimes strategy has been extended for an additional three years until 31 December 2028. Efforts to fulfil its objectives need to be redoubled.





Between 1 January and 31 December 2025, prosecutor's offices resolved 73 war crimes cases involving 462 individuals, at the reporting and investigation stages. This represents a 31% decrease in the number of cases resolved compared with 2024, when 106 war crime cases involving 701 individuals were resolved.

As of 31 December 2025, 215 war crime cases remained pending before prosecutor's offices in Bosnia and Herzegovina. These included 117 cases involving 294 unavailable individuals. Compared with 2024, this represents a decrease of 6% in the number of cases involving unavailable individuals and 15% in the number of individuals concerned.

As of the same date, the courts recorded 106 cases involving 106 unavailable individuals, representing a 4% increase in the number of such cases compared with 2024.

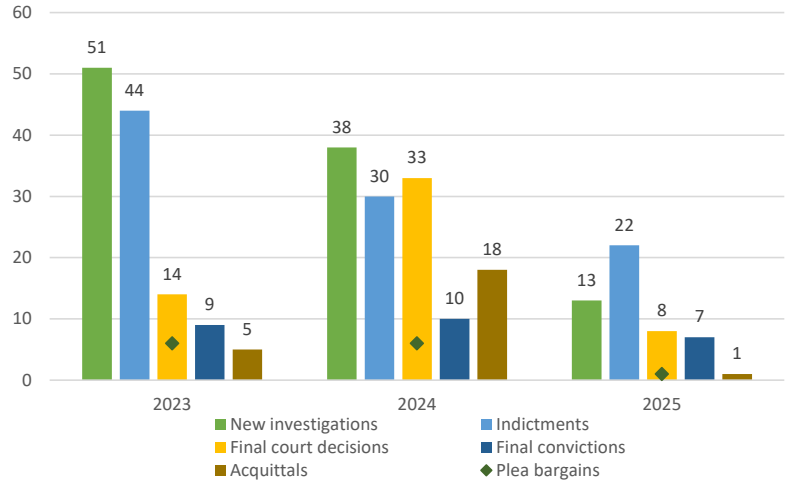
During 2025, prosecutor's offices transferred six war crimes cases to the competent authorities of other countries (4 to Serbia, 2 to Croatia) for further prosecution. During the same period, the courts transferred one case to Croatia.

Fight against corruption

Track record

The track record on the fight against high-level and non-high-level corruption cases needs to be seriously stepped up. The trial against the former director of the Intelligence and Security Agency (OSA) and the former President of the Court of Bosnia and Herzegovina started over a year after indictment. Investigations are still ongoing against the former Minister of Security, the former mayor of Sarajevo, and the former Director of the Border Police (who remains at large in Croatia), among others. Almost five years after a criminal report was filed against the former mayor of Sarajevo on corruption charges, and two years of investigation, the Federation entity Special Department for fighting corruption, organised crime and inter-cantonal crime suspended the investigation. This decision is subject to appeal. It remains essential that prosecution and judicial services ensure independent, effective and impartial judicial follow-up to these cases. Following the signature of a memorandum of cooperation between the Sarajevo Canton prosecution, police and anti-corruption office in 2025, the Court confirmed indictments against 14 persons, a majority of whom are public office holders.

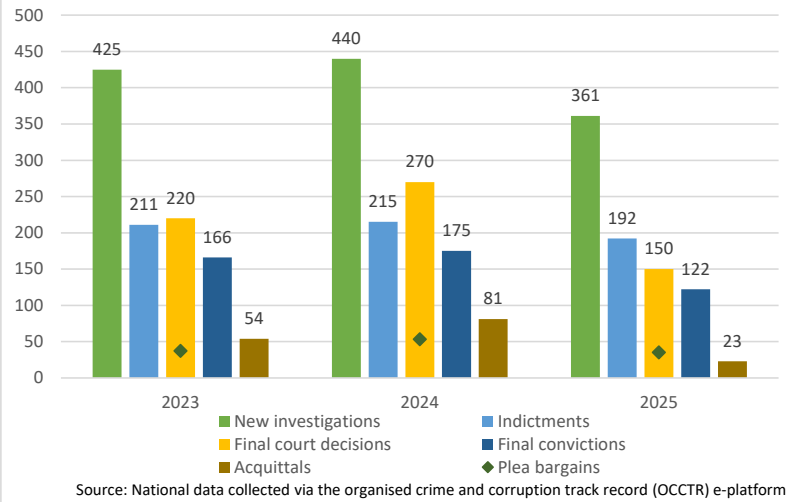
Graph 7.1: Bosnia and Herzegovina - High level corruption cases - Data on number of individuals/legal entities involved



Source: National data collected via the organised crime and corruption track record (OCCTR) e-platform

The substantive provisions of the Law on the prevention of conflict of interest are applied inconsistently. The commission in charge found 5 cases of conflicts of interest in 2025, but handed down just 1 sanction, since in the other cases the persons concerned were no longer in office at state level. The transparency of the commission's work was not ensured systematically, and decisions and other

Graph 7.2: Bosnia and Herzegovina - Non-high level corruption cases - Data on number of individuals/legal entities involved



Source: National data collected via the organised crime and corruption track record (OCCTR) e-platform

data were not made public in the reporting period. The number of state-level officials who complied with their obligation to submit financial reports for the verification of asset declarations continued to decrease (261 out of 600, or 24 fewer officials than in 2024). The lack of consequences for non-compliance hampers the effectiveness of this system.

No law enforcement agency has submitted any report on high-level corruption to the Prosecutor's Office of Bosnia and Herzegovina since 2022. During 2025, law enforcement agencies submitted only five reports on ordinary corruption to the Prosecutor's Office of Bosnia and Herzegovina. This poor track record needs to be addressed by executive authorities to guarantee accountability. The State Investigation and Protection Agency (SIPA) maintains a highly formalistic approach to the collection of evidence, and the lack of cooperation between law enforcement bodies, with limited exchange of intelligence, remains problematic. The instruction for prosecutors and authorised officials on detecting crime, endorsed by the HJPC in 2023, should be put into practice.

A specialised team of 39 prosecutors from 13 prosecutors' offices continued to efficiently investigate cases based on evidence from the SKY ECC communications tool. Prosecutors should continue to show firm determination in prioritising and finalising investigations of mid- and high-level corruption cases arising out of the SKY ECC tool and ensure efficient judicial follow-up to those cases.

Legal framework

The legal framework on the fight against corruption is missing and not harmonised across the country. The 2024 state-level Law on the prevention of conflict of interest is not effectively implemented nor fully aligned with international standards, and no corresponding bylaws were adopted. In July 2026, the Council of Ministers failed to adopt the bylaws because the Chairperson of the Commission for deciding on conflicts of interest in the institutions of Bosnia and Herzegovina had not been appointed by Parliament, as legally required. Notwithstanding, the Commission has been functioning for the past two years without a Chairperson, and thus far no issues had been raised by the Council of Ministers. The legislative framework on the protection of whistle-blowers is still incomplete, not harmonised and not fully in line with the EU *acquis*. Where applicable, very few or no requests for protection were received, with the exception of Sarajevo Canton, where 8 requests out of 11 were granted. The Agency for the Prevention of Corruption and the Coordination of the Fight against Corruption (APIK) did not grant protection to any of the three requests received. In two of these cases, the decisions were not legally justified, as the stated grounds for refusal are not contemplated in the law.

There is no legislation to prevent and address corruption effectively in the private sector, nor is there any regulation of lobbying. Data protection laws continue to be implemented in a way that protects private over public interests. GRECO's Fourth Interim Compliance Report, finds that Bosnia and Herzegovina has improved its implementation of anti-corruption recommendations, with 6 out of 15 recommendations satisfactorily implemented. GRECO therefore notes that Bosnia and Herzegovina is no longer subject to the non-compliance procedure. Notwithstanding, recommendations related to harmonising conflict-of-interest legislation, parliamentary oversight, and judicial independence remain unimplemented for 11 years. Public procurement represents one of the most corruption-prone sectors in Bosnia and Herzegovina, where despite the numerous irregularities identified, only a small number of cases have resulted in criminal investigations. Analytical capacities to detect corruption patterns in public procurement at national level were limited, data access was fragmented and the interoperability of information systems was low. The Sarajevo Canton anti-corruption office developed proactive analytical approaches and tools for monitoring corruption and abuse of employment processes and for monitoring investors in the construction sector.

Strategic documents

The strategic documents in this area are partly in place. The 2024-2028 state-level strategy and action plan on anti-corruption continues to be implemented, according to APIK's first monitoring report presented in 2025. Further reports should also assess the effectiveness or impact of measures. The approach is fragmented throughout the country. Entities and cantons need to update and align their strategies to ensure a harmonised approach. They also need to ensure adequate funding and to monitor implementation in a coordinated manner. APIK should engage proactively with entities and cantons in adopting, updating and aligning such strategies.

The Sarajevo Canton's anti-corruption office has produced annual assessments of all corruption-prone processes in the canton's institutions, in addition to targeted risk assessments. Targeted risk assessments and dedicated measures are needed to address corruption in the most vulnerable sectors in other cantons.

Institutional framework

The institutional framework on the fight against corruption is still not fully in place and needs to be improved in the areas of both preventive measures and law enforcement. Corruption prevention bodies continued to be ineffective and uncoordinated. APIK needs to meaningfully and independently fulfil its function as main coordinator and central point for anti-corruption activities, promote the implementation of GRECO recommendations and alignment with corruption related legislation with international standards. The position of director of APIK has been vacant since October 2024.

The authorities need to significantly strengthen the independence of corruption prevention bodies at entity and cantonal level and improve their human and material resources. While the Sarajevo Canton anti-corruption office continued to retain an adequate framework, ensuring a sufficient level of independence and resources, progress across the country continues to be uneven. The special anti-corruption departments within prosecution offices at state level and in the *Republika Srpska* entity need to deal effectively with high-level corruption cases. Their independence and accountability need to be significantly strengthened. Specialised departments in the Federation entity's Prosecutor's Office and Supreme Court finally became operational in April 2025 but have yet to achieve operational efficiency and ensure effective application of the law.

The criminal justice policy and institutional and legislative frameworks across the country are largely ineffective and inadequate. Investigative capacities are insufficient and penalties do not ensure deterrence. Frequent conflicts of jurisdiction led to case transfers and slowed down proceedings. The police failed to launch investigations proactively, and investigations are still seriously hampered by both a lack of cooperation between law enforcement agencies and prosecutors' offices and a lack of effective monitoring of police work by prosecutors. The selective unwillingness of the police – including at state level – to cooperate with prosecutors, particularly in high-level corruption cases, remains concerning. Plea bargaining is frequent and often involves lenient penalties. It should be used strategically instead, to co-opt defendants in obtaining information and evidence.

High-level corruption cases continued to be plagued by selective judicial follow-up, legal mistakes, negligence, abuse of procedures and questionable court decisions. Pressure, interference and verbal attacks on judicial office-holders continued, including by politicians, without a systemic and efficient response by the HJPC. Law enforcement agencies and the judiciary should take a more proactive stance in combating organised crime and corruption, free from outside interference.

The risk of undue interference with prosecutorial independence was evident in the

operations of the Prosecutor's Office of Bosnia and Herzegovina, where a practice was introduced requiring panels of two or more prosecutors to reach decisions by consensus in 'sensitive' cases. This decision-making practice does not have legal basis, significantly undermines the independence of the lead prosecutor assigned to the case and risks undermining accountability. Internal dynamics in the Prosecutor's Office of Bosnia and Herzegovina have visibly deteriorated, following undue transfers of prosecutors working on politically sensitive cases. Investigations in prominent cases were suspended without legally justified reasoning.

Fundamental rights

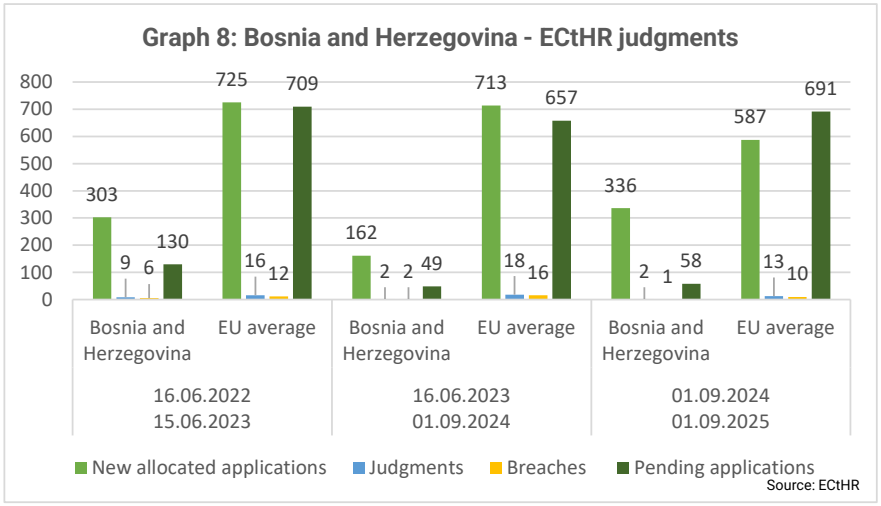
General framework

No action has been taken to address the gaps on fundamental rights. The legal framework needs to be improved. Its enforcement is insufficient.

International human rights instruments

Cooperation with international bodies that monitor human rights and the follow-up to their recommendations is insufficient. Bosnia and Herzegovina still needs to address the recommendations from the January 2025 Universal Periodic Review of the UN Human Rights Council. The country is encouraged to seek observer status in the EU Agency for Fundamental Rights and should replicate the Agency's data collection methodology.

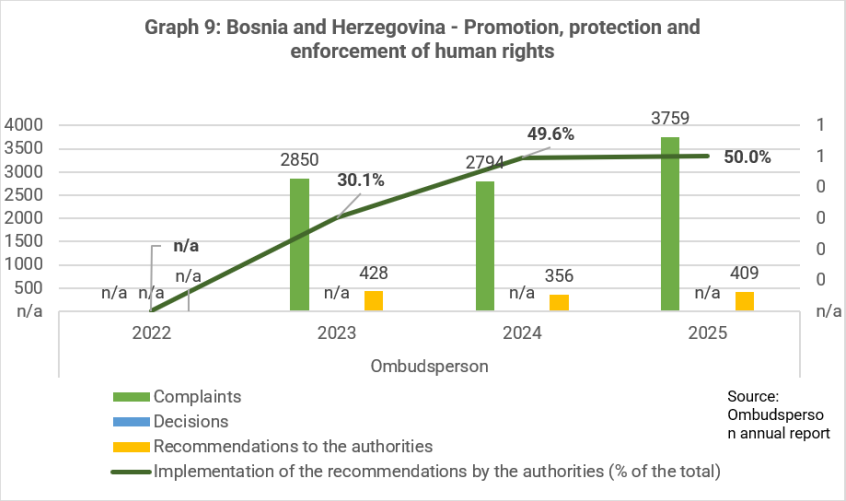
European Court of Human Rights



Cooperation with the ECtHR and the implementation of its judgments need to be improved. During the reporting period, the ECtHR found breaches of the European Convention on Human Rights with regard to property rights, right to fair trial and general prohibition of discrimination. There are 6 discrimination-related cases under enhanced supervision by the Committee of Ministers related to electoral rights. The *Sejdić and Finci, Zornić, Šlaku, Pilav* and *Begić* and *Begić* 2 rulings (i.e. *Sejdić-Finci* group of cases) require constitutional amendments to ensure political equality among all citizens.

Promotion, protection and enforcement of human rights

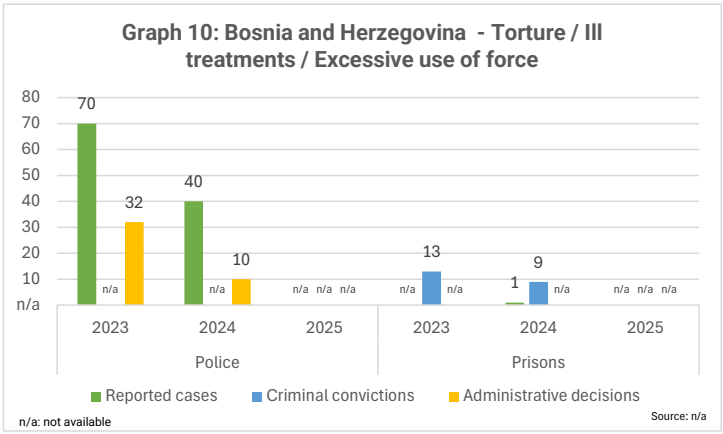
The legal and institutional framework for the promotion, protection and enforcement of human rights remains incomplete and needs to be improved. Bosnia and Herzegovina lacks a policy framework that includes countrywide strategies on human rights, non-discrimination and the protection of persons belonging to minorities. A revised Action Plan for Social Inclusion of Roma and the Action Plan on children are also not in place. The Law on protection of minorities and the Law on protection of human rights defenders were not adopted. Several strategic documents and laws have been drafted but their adoption remains blocked. Consequently, the protection of human rights remains uneven across the country.

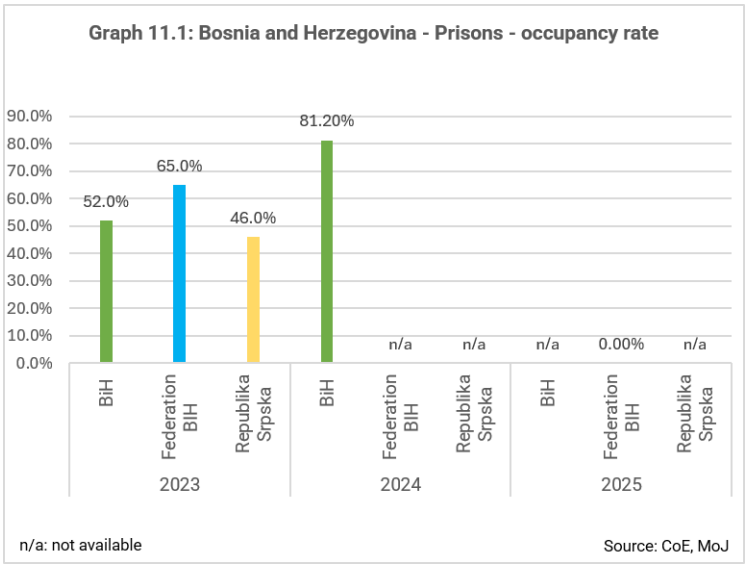


The Ombudsman institution should act more proactively and efficiently, and its independence needs to be strengthened. The Ombudsman has not opened any minor offence proceedings for non-compliance in the past 11 years, despite the lack of implementation of its recommendations, nor has it initiated or intervened in any administrative or judicial proceedings. The majority of unimplemented recommendations relate to access to information, management, ministerial and government appointments, discrimination and employment relations.

Prevention of torture and other forms of ill-treatment

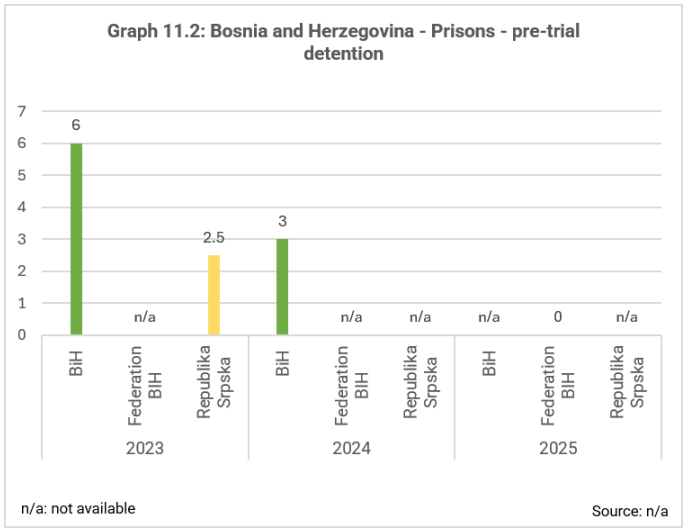
Bosnia and Herzegovina provides insufficient legal guarantees on the prevention of torture and ill-treatment. The follow-up to cases of alleged torture and ill-treatment needs to be improved. The Ombudsman institution is operating as a national preventive mechanism against torture and ill-treatment. In 2025, it issued guidelines for its work, selected a related list of external experts and established a centralised register of institutions subject to monitoring. Despite these developments, the national preventive mechanism remains at an early stage of implementation. Systemic problems remain in ensuring humane and dignified treatment of detainees and uniform standards across the country. In 2025, the Ombudsman's institution received 100 complaints (107 in 2024) related to the treatment of detainees, particularly with regard to healthcare, accommodation and hygiene conditions in detention units and the conduct of prison administrations and relevant ministries. The competencies of management and operational staff in prisons and the police should be improved through regular access to specialised trainings. An effective probation system should still be introduced and aspects of health care should be improved.





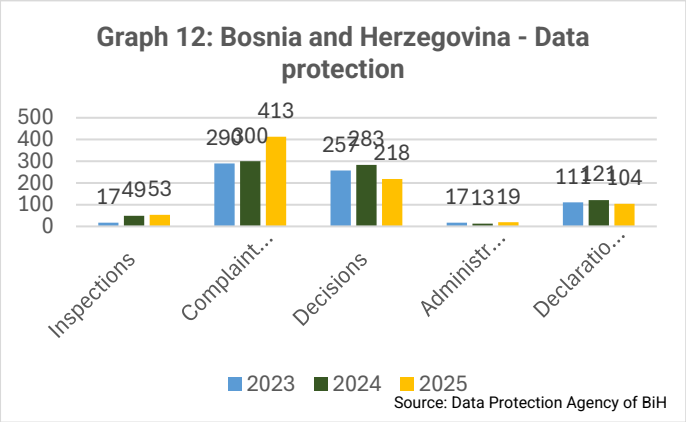
Execution of criminal sanctions

The system for the execution of criminal sanctions (including probation) needs to be improved. Minimal standards of prison/detention are to be developed in order to standardise and align all the facilities with the standards of the European Committee for the Prevention of Torture and Inhuman or Degrading Treatment or Punishment (CPT). The continued absence of both a countrywide strategy and reliable statistics in this area remains a concern. The relevant laws need to be harmonised across the country and brought into line with European and international standards. Prison directors need to be appointed based on merit. Detention and prison facilities, prison regimes and reintegration programmes, including for women, need to be improved. Overcrowding, poor material conditions, and inadequate healthcare services in places of detention continue to raise concerns.



Protection of personal data

The legal framework for the protection of personal data has been significantly strengthened and the 2025 Law on data protection is in line with the EU *acquis*. To implement the law, the PDPA prepared guidance material and public information for citizens as well as training sessions for public officials, private companies and banks. No breaches of the law were reported during the reporting period. Implementation and enforcement of the new law are at an early stage and should be closely monitored. The authorities should balance data protection rules with freedom of information and transparency obligations. The capacities of the PDPA were increased through the recruitment of four additional employees compared with 2024. The mandate of the Director of the PDPA expired in November 2025. Authorities should ensure the appointment of a politically independent director and guarantee the operational independence of the Agency without undue interference. The Agency should be provided with adequate human, technical and financial resources to exercise effectively the expanded supervisory powers conferred by the new Law. The state-level Parliament must consult the Agency on legislative proposals, but entities' and cantons' legislative assemblies are still not required to do so.



Freedom of thought, conscience and religion

Bosnia and Herzegovina provides adequate legal guarantees on freedom of religion and belief. The meetings of the Inter-Religious Council proceeded regularly in accordance with its annual schedule, alongside an increased public presence. Incidents of hate speech, vandalism, intimidation and attacks targeting religious sites and religious symbols continued

to be reported across the country and notably in some returnee community areas. Concerns remain regarding the inconsistent investigation and prosecution of hate-motivated incidents. There are very few indictments and convictions, in part due to the high burden of proof required to establish intent and inconsistent case law.

Transitional justice

There is no policy framework on transitional justice and dealing with the past. Bosnia and Herzegovina needs to promote an environment conducive to reconciliation in order to overcome the legacies of the war (Opinion key priority 5). Despite a few good examples at municipal level, no progress was made on reconciliation-related matters. Political leaders continued to engage in historical revisionism, including genocide denial and glorification of war criminals, which increased especially in the *Republika Srpska* entity following the death of Ratko Mladić. Narratives contesting established facts and the independence or impartiality of international and domestic tribunals were prominent. Criminal complaints concerning the glorification, denial and trivialization of war crimes have sharply increased. In October 2025, the Court of Bosnia and Herzegovina issued the first final conviction for genocide denial/glorification.

The authorities took no steps to adopt countrywide criteria on the rights of civilian victims of wartime torture or to address the August 2019 decision of the UN Committee against Torture on providing redress to victims of wartime torture through an effective reparation scheme, including compensation and a formal apology. Entity-level laws need to be improved. The *Republika Srpska* entity has not taken measures to waive court fees for victims of wartime torture. The Federation entity and the Brčko District continue the uneven implementation of legislation to grant the status of civilian victims of war to children born of wartime sexual violence. Positive initiatives continue at local level, often driven by civil society, including women's and veterans' groups working for peacebuilding, reconciliation and remembrance. *(For missing persons, see Section 3 – Good neighbourly relations and regional cooperation).*

Freedom of expression and media freedom

The legal guarantees on freedom of expression and the enabling environment for media freedom need to be improved.

Intimidation of journalists

Political pressure, verbal attacks, intimidation and threats against journalists – in particular women journalists – persisted, including by high-level politicians. These issues continued to be downplayed by authorities. There is no sustained track record in institutional follow-up on the countrywide network to monitor these cases. In 2025, the HJPC registered 25 cases of attacks against journalists (compared with 36 cases in 2024). The *BH Novinari* journalists' association received 50 complaints in 2025 (54 in 2024), of which 12 cases were resolved by the courts in favour of journalists, including 6 strategic lawsuits against public participation (SLAPP). Another 26 cases are ongoing, 1 of which is before the ECtHR. In 2025, the Ombudsman received 20 complaints related to media (9 in 2024). The use of SLAPPs continues to fuel self-censorship. This underlines the urgency to align with the EU Anti-SLAPP legal framework.

Legislative environment

Constitutional and legal guarantees remain unevenly implemented. Defamation is still not decriminalised across the country. Criminal penalties for defamation in the *Republika Srpska* entity continue to have a chilling effect. In 2025, according to HJPC data, 88 criminal

complaints for defamation were filed in the *Republika Srpska* entity, of which 2 indictments were confirmed, resulting in 1 conviction with a fine, while 1 criminal case remained pending before the courts as of 31 December 2025. Despite having been repealed, the *Republika Srpska* entity law targeting civil society groups continues to have adverse effects on freedom of association and expression, with self-censoring effects from certain activities in order to avoid potential retaliation.

Implementation of legislation/institutions

The Communications Regulatory Agency (CRA) still lacks political and financial independence. The procedure to appoint its management needs to be reformed so as to limit political influence. The legislative framework does not yet provide adequate safeguards to ensure the full financial and political independence of the CRA, including in relation to the selection procedures for the CRA Board and Director.

Public service broadcaster

Progress was not made in ensuring the financial sustainability of the public broadcasting system, including the state-level public broadcaster, BHRT. Deprived of stable funds, and in lengthy court litigation with entity-level broadcasters, BHRT remains in serious danger of shutting down. Legal disputes between the *Republika Srpska*, Federation and state-level public broadcasters continue.

No steps were taken to protect state and entity-level public broadcasters from political influence exerted through their politically controlled steering boards. *Radio Televizija Republike Srpske* (RTRS) continues to spread Russian disinformation, including both on Russia's war of aggression against Ukraine and on Bosnia and Herzegovina's EU path. Local broadcasters funded by cantonal and municipal authorities remain subject to political pressure and influence.

Economic factors

There is no legislation on transparency in media ownership, including on the prevention of hidden media concentration, transparency in public advertising, or the criteria for distributing media subsidies. Non-transparent and arbitrary media outlets financing from public budgets at different levels of government, alongside reductions in funding from foreign donors, remained a critical concern for media freedoms impacting also editorial independence. The advertising practices of public companies such as telecom and advertising agencies linked to political parties continue to harm media integrity.

Internet

Hate speech and disinformation continue to spread on online platforms, as self-regulation of online media remains largely ineffective. Criminal prosecution is still limited to cases of incitement of religious and ethnic hatred online. According to a 2025 mapping report conducted by the Press and Online Media Council in Bosnia and Herzegovina, 60% of informative web portals operate with a partial or missing legal notice (*impressum*), lacking essential transparency regarding ownership and editorial responsibility.

Freedom of artistic expression is guaranteed by law and generally respected. However, some themes, such as reconciliation, women's rights and LGBTIQ+ issues face opposition, particularly in the *Republika Srpska* entity.

Professional organisations and working conditions

Journalism remains a precarious profession, with low wages or job security. Labour rights are barely respected, unionisation remains low, and there are no branch collective agreements for media workers. The situation is even worse for women journalists. Compliance with the Press and Online Media Council's media code remains inconsistent.

Bosnia and Herzegovina's journalists association and the free media helpline recorded the highest number of dismissals of journalists due to donor withdrawals in 2025.

Freedom of assembly and association

The legal guarantees to freedom of assembly and association and the regulation of assemblies need to be improved.

These guarantees vary across the country, as four cantons (Sarajevo, Herzegovina-Neretva, Bosnian Podrinje and Tuzla) and *Republika Srpska* have yet to align the legal framework with European standards. No steps were taken in the reporting period to harmonise cantonal and entity laws with each other and with European standards, notably on grounds for restriction of freedom of assembly and the responsibility of organisers.

Freedom of association continues to face challenges. Although the law adopted in the *Republika Srpska* entity in February 2025 targeting civil society groups as 'foreign agents' was repealed in May 2025 by the Constitutional Court of Bosnia and Herzegovina, civil society organisations (CSOs) report self-censoring over fear of a backlash from authorities. Judicial proceedings for alleged offences, frequent inspections and other forms of administrative pressures persisted. In the West Herzegovina Canton, CSOs were required to complete re-registration within one year in line with the Law on associations adopted in February 2025, contributing to further fragmentation of the legal framework and placing an additional burden on CSO operations. This deadline was extended for a one-year period.

Labour and trade union rights *are covered in Chapter 19 – Social policy and employment.*

Property rights

The legal and institutional framework for enforcing property rights is incomplete. No steps were taken to update and interconnect the entity-level cadastral and land registry databases and no solution was found to pending repossession cases. The Commission for real property claims of displaced persons and refugees remains inoperative. There is no legislative framework on restitution claims, which are handled case by case. The Federation entity needs to amend its legislation in line with several ECtHR cases on occupancy rights (*Đokić, Mago, Alekšić* cases). In two additional cases (*Omeragić, Santrač)* the ECtHR established violations of property related rights, bringing the overall number of ECtHR cases to 152.

Non-discrimination

The legal and institutional framework on non-discrimination is not fully aligned with the EU *acquis,* including as regards the Racial Equality Directive and the Directives on Standards for Equality Bodies. There is still no countrywide non-discrimination strategy. The 2009 Law on the prohibition of discrimination is not applied effectively, which results in a fragmented level of protection throughout the country. In 2025, the courts received 1 111 discrimination cases (1 738 in 2024). Discrimination is still under-reported, particularly on the workplace, and judicial practice in addressing discrimination is inconsistent (in particular on burden of proof), lengthy and hardly enforced. The Ombudsman registered 309 cases of discrimination in 2025, which represents a significant increase on the 196 cases registered in 2024. The cases mostly relate to workplace harassment and ethnic discrimination. The Herzegovina-Neretva and Central Bosnia cantons continue to ignore the 2014 and 2021 rulings of the Federation entity Supreme Court, which require eliminating the practice of 'two schools under one roof' to ensure inclusive and non-discriminatory education for all students.

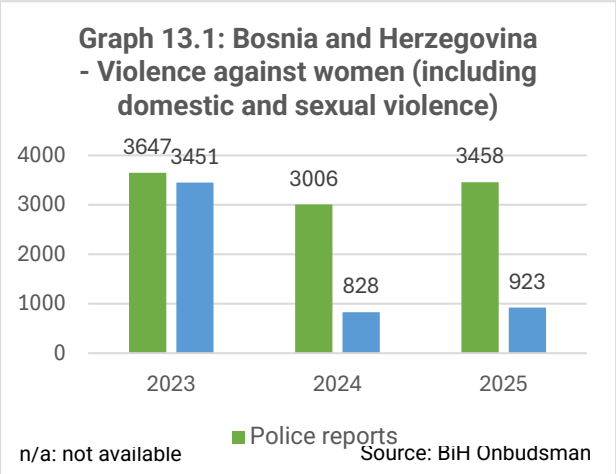
Anti-racism and hate offences

Legislation on hate crime and hate speech is harmonised across the country's four criminal

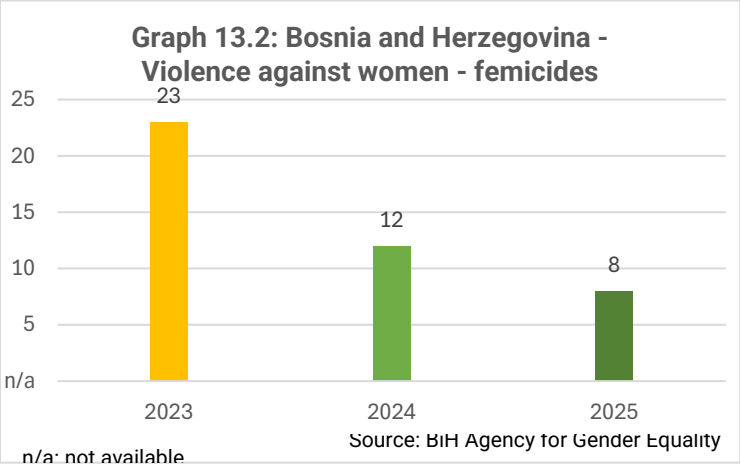
codes but still needs to be fully aligned with the EU *acquis* and European standards. Entity-level legislation criminalises hate speech only when causing national, racial and religious hatred and still needs to be aligned with the EU *acquis* and European standards. There are very few indictments and convictions, due to a failure to identify acts as hate crimes and the high burden of proof to establish intent. In addition, case law is inconsistent. Hate speech remains present in official discourse, and there is insufficient monitoring or enforcement of online offences.

Gender equality

The legal and institutional framework on gender equality and combating gender-based violence is incomplete, and implementation/enforcement needs to be improved. No steps were taken towards harmonising legislation on gender equality across the country nor is the legislation enforced effectively. The 2023-2027 gender action plan still lacks funds and monitoring. Despite being required by law, gender impact assessments are still not carried out. Although the country has developed a partial gender equality index, institutions need to improve data collection, including on gender-based violence.



The legal framework was strengthened in the Federation in the previous reporting period, but some bylaws are still lacking and data collection on implementation is insufficient. Due to the lack of a harmonised framework, reporting on femicides across the country is incomplete. While gender-based and domestic violence is one of the most-reported crimes across the country, evidence suggests that it is still under-reported. Prosecution and sentencing remain slow and inconsistent. Improvements are also needed on issuing and enforcing protective measures, ensuring the availability of specialised support services, legal aid and safe accommodation. The institutional response to femicide remains insufficient and exposes systemic institutional shortcomings. Prosecution and sentencing remain inconsistent. Women from ethnic minorities, particularly Roma[9] women and women in rural areas, face additional discrimination and obstacles in accessing services, evading violence and assuming visibility and leadership roles.



Women's rights organisations experience significant pushback to their advocacy, and their

[9] In line with the terminology of the European institutions, the umbrella term 'Roma' is used here to refer to a number of different groups, without denying the specificities of those groups.

members receive threats. Conservative groups systematically aim to roll back women's rights and gender equality under the guise of promoting traditional values, including through intimidation.

Rights of the child

The legal and institutional framework on rights of the child is not in line with the EU *acquis,* and implementation is not harmonised across the country. Bosnia and Herzegovina should draw guidance from key European Commission recommendations, in particular on integrated child protection systems. The draft action plan on protecting the rights of the child remains to be adopted. The authorities should step up the institutional response to guarantee the protection of all children. In 2025, the Ombudsman received 404 complaints on children's rights, a 35.12% increase on the 299 complaints received in 2024. The country needs to accelerate the deinstitutionalisation process and urgently develop action plans to implement the related roadmaps.

No action was taken to ensure child-friendly justice. Relevant entity-level laws are not harmonised or implemented. There are still no separate, specialised units for the accommodation of children during pre-trial detention and in police stations. Alternatives to the detention of children still need to be made available and applied wherever possible. Only limited reintegration measures are available to children upon their release from detention or state custody. In June 2026, there were 23 minors in prison (20 in FBiH and 3 in RS) out of which 7 minors have reached the age of majority.

Persons with disabilities

The legal and institutional framework on the rights of persons with disabilities continues to be incomplete, and implementation and enforcement need to be improved. No steps were taken to align legislation with the EU *acquis*, including in the area of accessibility, or to develop models for supported decision-making that promote the independence and autonomy of persons with disabilities. The Council for Persons with Disabilities needs to be further involved in all relevant legislative processes. The lack of dedicated funds hinders progress. Persons with disabilities, including children, continue to face hurdles, stigma and discrimination in accessing education, healthcare, employment and social assistance. The situation for persons with disabilities in detention also need to be improved, particularly for those accommodated in non-renovated facilities. The authorities also need to improve data collection, including sex-disaggregated data. Many children with disabilities continue to be placed in residential institutions. Bosnia and Herzegovina took no steps to develop, adopt and implement a deinstitutionalisation strategy to support the gradual transition towards independent living and the inclusion in the community, through the development of community, home and family-based services and support. In October 2025, the Federation of Bosnia and Herzegovina adopted the Strategy for the Improvement of the Rights and Position of Persons with Disabilities.

LGBTIQ+ persons

LGBTIQ+ persons face high levels of discrimination, and the legal protection of their rights is insufficient. Bosnia and Herzegovina needs to renew and fully implement the 2022-2026 action plan on the rights of LGBTIQ+ persons. The seventh Sarajevo Pride Parade took place peacefully in June 2026. Hate crimes and hate speech against LGBTIQ+ persons remain widespread, including harmful comments by public figures, and remain insufficiently prosecuted, despite existing legal provisions. In February 2026, the Cantonal Court in Sarajevo issued the first final judgment establishing discrimination against LGBTIQ+ persons on the grounds of sexual orientation, gender identity and sex characteristics. The Court also found that public calls for the isolation and exclusion of LGBTIQ+ persons constituted hate speech and encouraged discriminatory treatment. This case is significant

in demonstrating that hate speech can be penalised through civil anti-discrimination mechanisms, even where criminal prosecution is limited, and reflects a gradual expansion of judicial protection beyond ethnically motivated hate speech. There was still no institutional follow-up to the March 2023 physical attack on LGBTIQ+ activists in Banja Luka. No action was taken to provide for legal recognition and protection of same-sex couples, as required by ECtHR case-law. The lack of a framework for legal gender recognition also raises concerns as regards relevant ECtHR and CJEU case-law. Intersex and transgender persons continue to be particularly marginalised.

Procedural rights of suspects and accused persons and rights of victims of crime

The legal framework on procedural rights for suspects and accused persons and on the rights of victims of crime is insufficiently aligned with the EU *acquis*. Legislation is not aligned with the EU *acquis* on victims' rights, including on compensation to victims of crime, although related services are available. The extent to which in particular witnesses and victims can enjoy their rights remains uneven across the country. No action was taken to harmonise the four criminal procedure codes in force across the country and ensure their consistent enforcement. Bosnia and Herzegovina needs to ensure the effective enjoyment of procedural rights and safeguards under EU *acquis*, such as the right of access to a lawyer and to information, in particular during situations of deprivation of liberty. In October 2025, the Federation entity adopted a law to protect the right to trial within a reasonable time, the impact of which remains to be ascertained.

Protection of minorities

The legal and institutional framework for the protection of persons belonging to minorities is incomplete, and they continue to face discrimination. No progress was made towards adopting a countrywide strategy on persons belonging to minorities, and their participation in political and public life remains low. The Councils of National Minorities should proactively develop practical, political and legislative initiatives to promote this. Members of national minorities and non-affiliated citizens still cannot run for the Presidency and House of Peoples, in breach of the ECtHR *Sejdić-Finci* case law, pending the adoption of constitutional reforms to ensure the political equality and non-discrimination of all citizens.

Roma

The legal and institutional framework on Roma should be improved. Roma remain the most vulnerable and disadvantaged minority due to stereotypes, prejudices, discrimination and antigypsyism, leading to social exclusion. Funds are insufficient to implement the Action Plan for the Social Inclusion of Roma, which should be aligned with the EU Strategy for Roma Inclusion for 2020-2030 and a new action plan on social inclusion of Roma women and men for the 2026-2030 period is still pending adoption. The implementation of the Poznań Declaration commitments remains insufficient. Discrimination in employment remains rampant. Roma women face multiple forms of discrimination and are often victims of gender-based and domestic violence, trafficking in human beings, including labour exploitation of children, and forced early marriages. Too many Roma children still drop out of school, unemployment rates are very high (in particular for Roma women), and access to healthcare remains limited, in particular for children and elderly persons.

Refugees and internally displaced persons

Bosnia and Herzegovina continues to host around 90 000 wartime refugees and internally displaced persons, with over 1 000 families still living in 45 collective centres and in alternative accommodation. The authorities still need to provide them with sustainable housing solutions and access to services, in line with the objectives of Annex VII to the Dayton Peace Agreements.

Citizenship rights

Citizenship rights are still hindered by constitutional and legal structures that restrict political participation and equality, especially for minority groups. Challenges in accessing documentation persist, with some groups facing difficulties in obtaining or verifying citizenship, which limits their ability to exercise their rights.

2.2.2. Chapter 24: Justice, freedom and security

The EU has common rules for border and migration management, visa policy, and asylum. Schengen cooperation entails the lifting of border controls inside the EU. There is also cooperation in the fight against serious and organised crime and terrorism, and judicial, police and customs cooperation, all with the support of the EU Justice and Home Affairs agencies.

Fight against serious and organised crime

The legal framework on serious and organised crime is partially aligned with the EU *acquis*.

The capacity to fight against serious and organised crime needs to be improved.

General framework

Legal alignment, strategic and institutional frameworks

Police legislation needs to be further aligned with European standards and harmonised across the country. This legal gap hampers police operational capacities, accountability and integrity at all levels. Police oversight mechanisms through independent parliamentary boards need to be further strengthened. No new Minister of Security was appointed. The Director and Deputy Director of the Federation entity's police administration were appointed in March 2026, following seven years of acting tenures. SIPA continues to be led by a director whose mandate expired in 2024. A new Deputy Director was appointed in November 2025. Standardised selection criteria for police recruitment are needed to minimise political interference, particularly for senior managers. The professionalism, integrity and accountability of law enforcement agencies need to be significantly improved across the country.

The legal framework on the fight against organised crime is partially aligned with the EU *acquis*. A strategy to fight organised crime for 2023-2026 continues to be implemented through action plans. A new strategy and corresponding action plans for the fight against organised crime need to be adopted for the following period. In November 2025, Bosnia and Herzegovina adopted a new Serious and Organised Crime Threat Assessment (SOCTA), in line with Europol methodology.

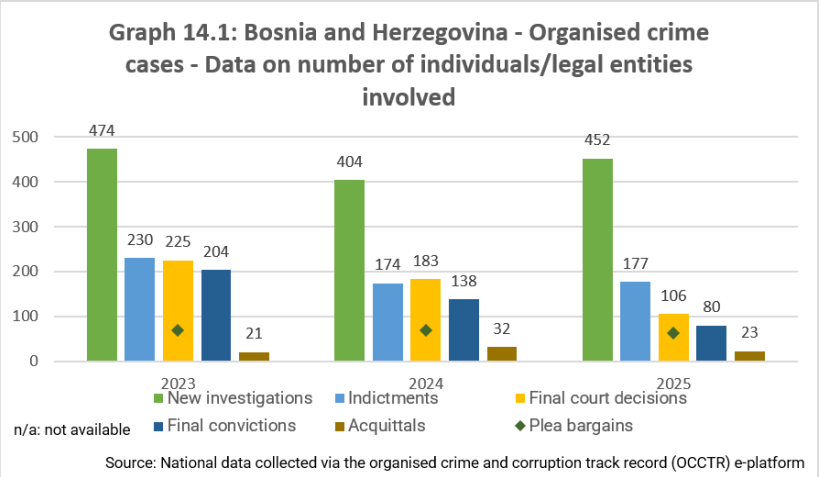
Legislation on witness protection is largely aligned with international and European standards. SIPA's witness protection unit further improved its operational response in the area of risk analysis and international relocation. The implementation of the framework for designating the status of witnesses requires additional improvements.

Implementation and enforcement capacity

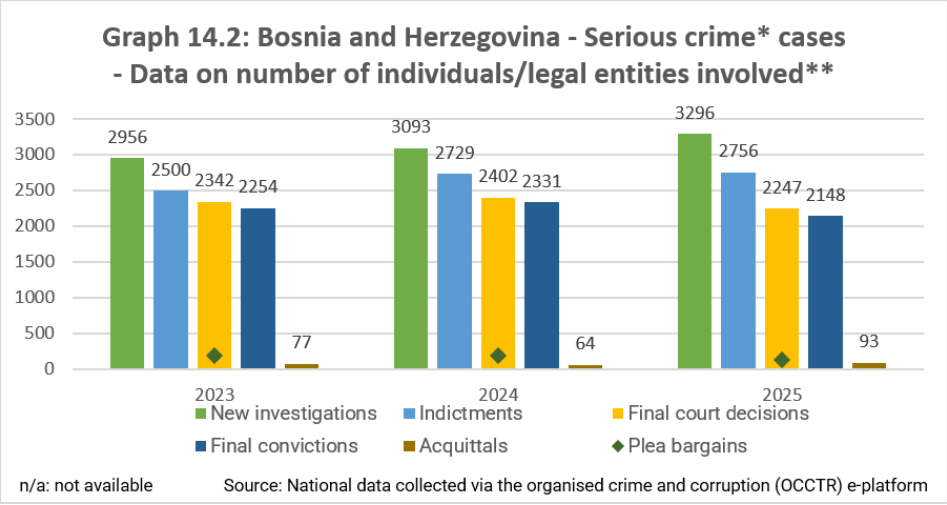
Systemic shortcomings remain in operational cooperation between state- and entity-level law enforcement agencies, at times due to political interference.

The country needs to step up the fight against cross-border organised crime. Law enforcement agencies need to proactively launch investigations and strengthen intelligence-led policing. Although the number of new investigations has remained rather stable with 54 cases (57 in 2024), the number of cases of new indictments, final court decisions and final convictions all decreased. The number of joint investigation teams (JITs) formed in 2025 fell sharply to 17 from 64 in 2024.

The cases concluded by plea bargaining decreased slightly to 16 (20 in 2024).



Bosnia and Herzegovina should put in place state-level capacities for asset confiscation and management by adopting the Law on asset confiscation and management in line with the EU *acquis* and establishing or designating an asset recovery office. Extended and third-party confiscations are rarely used. By law, the confiscation of assets requires a court conviction, which is not in line with the EU *acquis* and international standards. Bosnia and Herzegovina needs to align with the EU *acquis* on non-conviction based confiscation and confiscation of unexplained wealth linked to criminal conduct. In 2025, authorities initiated 40 financial investigations in parallel to serious and organised crime cases, including 25 in relation to organised crime cases (compared to 27 in 2024), and 15 in relation to other serious crime cases. Guidelines issued by the HJPC in 2019 need to be implemented effectively. In 2026, the Sarajevo Canton's Prosecutor's Office signed an agreement with the Tax Administration to enable more effective cooperation in financial investigations.



Overall, crucial efforts to trace and freeze illegal gains from criminal activities remain inadequate, even with some positive cases led by the state-level and Sarajevo Canton prosecutors' offices. The freezing, management and confiscation of criminal assets are not applied effectively. The value of assets confiscated in 2025 continued to decrease, to EUR 6 million in 163 cases (from EUR 7.6 million in 163 cases in 2024 and EUR 8.4 million in 128 cases in 2023). There are barely any extended confiscations, which prevents the disruption of criminal networks.

The electronic exchange of data among the records of police authorities and prosecutors' offices needs to be improved. Forensic capacity remains fragmented. Authorities should establish an operational countrywide DNA database, ensure sufficient capacity for DNA profiling and systematically exchange forensic data with other countries as needed. The creation of a new automated fingerprint information system (AFIS) is long overdue.

The capacity of law enforcement to handle gender-based violence cases has improved over the past decade, but gaps remain due to a lack of specialisation and high staff turnover.

Law enforcement cooperation

There were some actions as regards joint operations tackling serious and organised crime. However, both the exchange of intelligence and cooperation among law enforcement remain insufficient. Intelligence-led policing should be systematically used. Tools for practical cooperation between prosecutors' offices and the police still require structural improvements, and there have been no positive changes in the quality of the reports, the collection, analysis and sharing of data, or the capacity of specialised JITs. Bosnia and Herzegovina took part in international operations, and cooperation with Europol is good and stable, in particular on migrant smuggling, drug trafficking and organised property crime. Cooperation in the field of cybercrime, the fight against terrorism, and financial and economic crime has room for improvement.

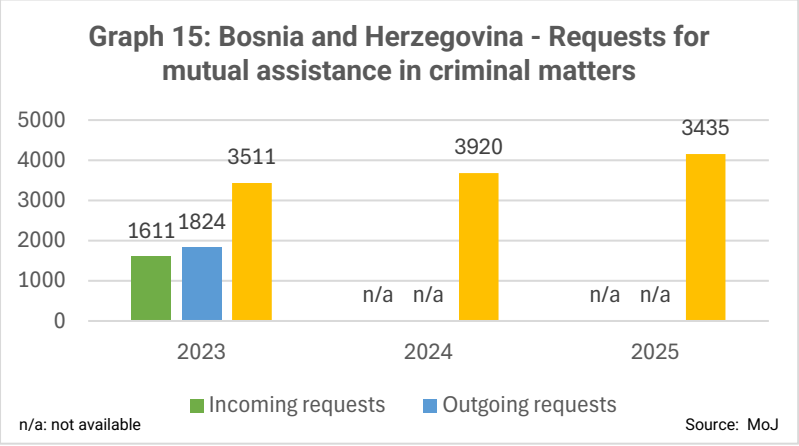
Bosnia and Herzegovina has significantly stepped up its engagement in the EU's European Multidisciplinary Platform Against Criminal Threats (EMPACT) cycle for 2026-2027. It registered for 140 operational actions, compared with just 25 in the previous cycle, and also holds five operational action co-leader positions, including on migrant smuggling. Bosnia and Herzegovina should ensure that its involvement is targeted and strategic across the actions, with clear priorities, focused contributions and effective operational input.

Bosnia and Herzegovina needs to revise the working arrangement for cooperation with the EU Agency for Law Enforcement Training (CEPOL). The authorities are invited to step up their participation in training activities offered by the agency. To establish a sustainable professional development, Bosnia and Herzegovina is encouraged to adopt the sectoral competencies and integrate knowledge acquired through CEPOL capacity-building actions to its law enforcement training system.

The advanced passenger information (API) system has not been established, nor have passenger information units (PIUs). The country needs to adopt legislation to introduce the passenger name record (PNR) system.

Judicial cooperation in criminal matters

The legal framework for judicial cooperation in criminal matters is partially aligned with the EU *acquis*. Judicial cooperation in criminal matters needs to be improved. Bosnia and Herzegovina has working arrangements in place with the European Public Prosecutor's Office (EPPO). In 2025, the EPPO sent two requests for mutual legal assistance to the authorities of Bosnia and Herzegovina. Moreover, the EPPO had six active cases with links to Bosnia and Herzegovina at the end of 2025. Between September 2025 and March 2026, Bosnia and Herzegovina was involved in 10 new cases at Eurojust, most related to illegal trading, corruption and money laundering. Bosnia and Herzegovina continued its participation in five ongoing JITs. In July 2026, the Council of Ministers adopted the working arrangement agreed between Eurojust and the Ministry of Justice of Bosnia and Herzegovina implementing the international agreement signed between the European Union and Bosnia and Herzegovina in 2025. The working arrangement was subsequently signed in



October 2026.

Crime areas

Investigation and criminalisation of money laundering

The rulebook on the implementation of the Law on AML/CFT was adopted in December 2025. Bosnia and Herzegovina needs to urgently address the remaining strategic deficiencies in AML/CFT following the 2024 Moneyval recommendations and the 2026 Action Plan developed by the Financial Action Task Force (FATF). In addition, the authorities should consider setting up an asset recovery office as a priority. A beneficial ownership register of legal persons that would ensure a central access point for competent authorities is still not established.

For money laundering as a stand-alone crime, there were 48 investigations against 68 individuals and 40 convictions against 44 individuals (compared with 39 investigations and 30 convictions against 36 individuals in 2024), resulting in only 5 prison sentences for 6 individuals. In 2025, the HJPC adopted two sets of obligatory guidelines for all courts and prosecutors' offices, comprehensively regulating data consolidation, internal institutional monitoring mechanisms and qualitative prosecution standards in dealing with money laundering cases.

Cybercrime

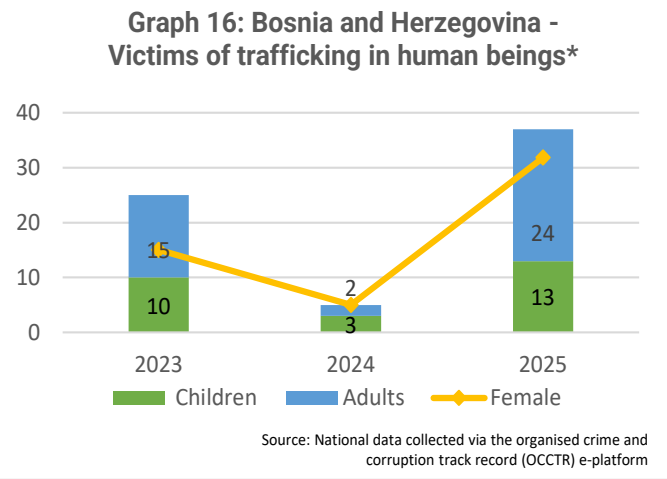
The authorities should strengthen their capacity to tackle cybercrime effectively and further align the legislation on cybercrime with the EU *acquis* and European standards. Bosnia and Herzegovina ratified the second additional protocol to the Budapest Convention on Cybercrime in September 2026. The country also needs to complete its strategic framework on fighting cybercrime. At present, a strategy is in place only in the *Republika Srpska* entity.

Child sexual abuse

The legislation on child sexual abuse online and offline needs further alignment with the EU *acquis*. The authorities should strengthen their ability to tackle online child sexual abuse. Law enforcement authorities continue to cooperate with Europol in the fight against child sexual exploitation and the abuse of children online. Yet the rate of convictions remains very low.

Trafficking in human beings

The legal framework on trafficking in human beings still needs to be aligned with the EU *acquis*. Following the adoption of the state-level action plan to implement the 2024-2027 strategy in this area, Zenica-Doboj Canton action plan is still pending adoption. The task force for fighting trafficking in human beings and irregular migration remained the only coordination body in Bosnia and Herzegovina tackling both crimes, together with a state coordinator for fighting trafficking in human beings. The special department in the Prosecutor's Office of Bosnia and Herzegovina is now fully staffed. Evidentiary proceedings in this area still require additional standardisation. According to the fourth evaluation round of GRETA (Group of experts on action against trafficking in human beings), further efforts are needed to strengthen the criminal justice response to trafficking in human beings, including by providing sufficient human and financial resources to the police, making use of special investigation techniques to gather evidence, and ensuring that trafficking offences are prosecuted as such and lead to proportionate and dissuasive sanctions.



* Victims identified in the course of criminal proceedings by the Prosecutor's office.

The detection, identification and compensation of victims of trafficking in human beings need to improve. The Prosecutor's Office of Bosnia and Herzegovina continued its coordination efforts, and the number of new investigations increased slightly to 17 (compared to 14 in 2024). However, the number of final convictions decreased to 3 cases against 7 individuals (compared to 5 cases against 12 people in 2024. In 2025, the number of potential victims detected (65) increased compared with 2024 (37), with a growing share of female victims (68%) and a large majority of child victims (77%). The number of international potential victims detected more than doubled (to 28) compared with 2024 (13). Roma, particularly women and children, as well as migrants and applicants for international protection – especially unaccompanied minors – are especially vulnerable. Growing demand for foreign workers has increased vulnerabilities to labour exploitation. International cooperation has successfully continued through operational task forces and JITs.

Migrant smuggling

Joint preventive operations against trafficking in human beings and smuggling in temporary reception centres continue to yield results, but the central investigation office within the Border Police still lacks staff. Despite the increase in new investigations, the number of final convictions for migrant smuggling decreased significantly to 14 cases against 24 individuals (from 48 cases against 66 individuals in 2024). Joint operations in border areas led by the State Prosecution Office helped limit the violent and migrant smuggling activities of migrant organised crime groups.

There was a marked improvement in cooperation with Europol on migrant smuggling in 2025. Bosnia and Herzegovina was actively involved in two regional operational task forces targeting migrant smuggling networks operating across the Western Balkan migratory route. The country continued to participate in the Global Alliance to Counter Migrant Smuggling during 2025, endorsed the Global Alliance Joint Declaration and participated in the second Senior Officials' Meeting of the Global Alliance in July 2026. Bosnia and Herzegovina also registered for almost all operational actions under the migrant-smuggling Operational Action Plan (OAP) for the new EMPACT cycle. Beyond quantitative participation, it should now emphasise substantive contributions to this OAP.

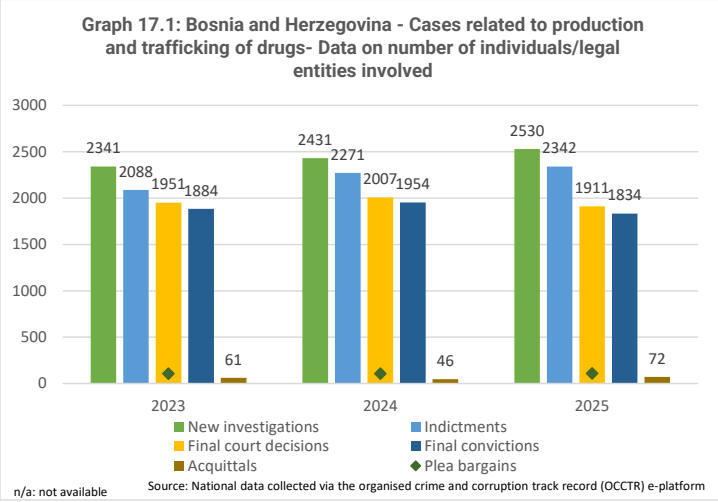
Trafficking in firearms

On firearms control, the country still needs to establish a firearms focal point and align the criminal codes with the UN Firearms Protocol. The legislation on the possession of weapons by civilians and on explosives needs to be harmonised across the country and further aligned with the EU *acquis*. The country needs to progress in implementing effectively the objectives of the second phase of the regional roadmap on small arms and light weapons (SALW) control and the Strategy for the control of SALW adopted in April 2025. The state-level criminal code on the illicit production and trade of weapons, military equipment and dual use goods needs to be amended.

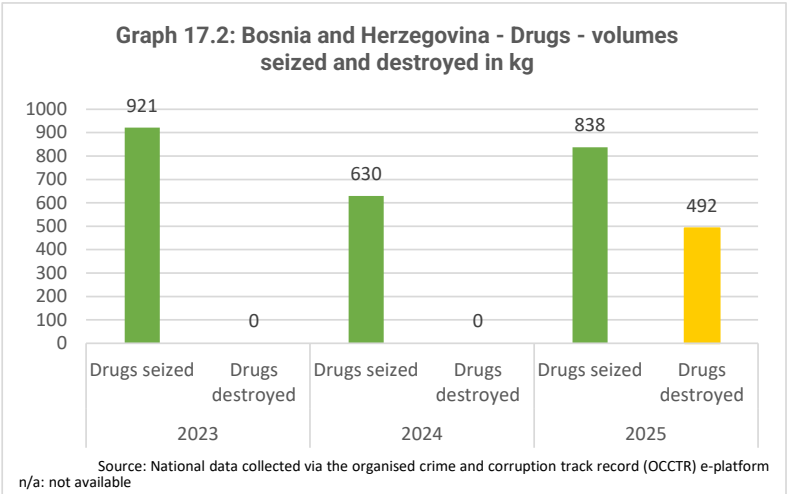
On trafficking in firearms, a total of 1 228 firearms, 27 581 pieces of ammunition, 153 pieces of mine explosives and 17.9 kg of explosives were seized in 2025, which represents an overall decrease compared with 2024. There were 174 investigations against 202 individuals for firearms-related crime, with 183 convictions against 195 individuals.

Cooperation in the field of drugs

The legal framework for cooperation in the field of drugs needs to be improved, as does the quality of this cooperation in practice.



The legal framework is only partly aligned with the EU *acquis*. The law still requires the entire quantity of drugs seized in a case to be presented as evidence in court proceedings. There is still no new strategy on drugs, nor action plan against drug trafficking. However, the Sarajevo Canton's 2024-2028 strategy and action plan on drugs are both being implemented efficiently, resulting in a tenfold increase in the amount of drugs seized by Sarajevo Canton police in 2025 compared with 2024, and the introduction of drug tests during traffic checks/operations and of drug counselling for minors. In May 2026, Bosnia and Herzegovina adopted amendments to the Law on Traffic Safety leading to significantly stricter penalties for driving under the influence of drugs.



In April 2026, the Council of Ministers of Bosnia and Herzegovina adopted amendments to the list of narcotic drugs, psychoactive substances, plants from which narcotic drugs can be obtained and precursors. This is a significant step forward, as the list of criminalised psychoactive substances had not been updated since 2011. Bosnia and Herzegovina should step up cooperation with the European Union Drugs Agency (EUDA), designate a correspondent agent for the EUDA, and put in place a working arrangement. Bosnia and Herzegovina should also: (i) set up a national drugs observatory; (ii) provide information in line with EUDA requirements; (iii) introduce an early warning system; and (iv) establish a focal point for drug issues for the entire country.

Bosnia and Herzegovina remains both a transit country and final destination for drugs. The commission responsible for drug destruction carried out three destructions in the reporting period.

Counterfeiting of the euro

Bosnia and Herzegovina's legislation on the elimination of counterfeit currency is not aligned with the EU *acquis.* The four criminal codes in force across the country are not in line with the EU *acquis* on protection against counterfeiting. Law enforcement and judicial authorities are in place to deal with counterfeit currency.

Counter-terrorism, prevention and resilience

Fight against terrorism and prevention of radicalisation

Legal alignment, strategic and institutional frameworks

The legal framework for the fight against terrorism is partially aligned with the EU *acquis*.

The legal framework for countering violent extremism is not aligned with the EU *acquis*.

Criminal legislation needs to be amended to align the list of criminal offences with the EU *acquis* and ensure stricter sanctions for terrorism. Legislation on explosives precursors and the rights of terrorism victims still needs to be aligned with the EU *acquis*. The country needs to urgently address the Moneyval-recommended actions on countering the financing of terrorism and the 2026 FATF Action Plan.

Implementation and enforcement capacity

The fight against terrorism needs to be improved.

The countering of violent extremism needs to be improved.

Cooperation among authorities responsible for countering terrorism – at both strategic and operational level – needs to become more structured and efficient. The meetings of the Counter-Terrorism (CT) Task Force resumed in December 2025 after a standstill due to the political situation. The response to terrorist attacks needs to be reviewed and better prepared by developing standard operating procedures. Bosnia and Herzegovina actively participates in the counter-terrorism support network (CTSN) established with CEPOL support, and is encouraged to apply the methodology developed with the support of the CTSN to prepare a domestic terrorism trend and situation report.

The 2021-2026 strategy and action plans against terrorism and violent extremism, as well as the bilateral arrangement with the EU under the previous Joint Action Plan on Counter terrorism for the Western Balkans, are insufficiently implemented. Bosnia and Herzegovina needs to adopt a new strategy for preventing and countering terrorism and violent extremism for the upcoming period and implement the national roadmap for implementation of the new Joint Action Plan on Preventing and Countering of terrorism and Violent Extremism for the 2026-2030 period. The criminal code still needs to be amended in line with the EU *acquis*.

There were no repatriations of foreign terrorist fighters during the reporting period, and around 160 citizens of Bosnia and Herzegovina (including 41 women and 77 children) remain in Syria and Iraq. Bosnia and Herzegovina needs to develop a comprehensive reintegration policy.

In 2025, 14 new investigations for terrorism were initiated against 14 individuals (the same number as in 2024), with 1 final conviction (compared with 3 in 2024). Security agencies and authorities need to develop a coordinated approach to prepare the release from prison of terrorism offenders who have served their sentences, and provide assistance to help them disengage from violent extremism.

Bosnia and Herzegovina needs to further develop its capacity to investigate and prosecute the financing of terrorism and address threats posed by new technologies. No steps were

taken to improve capacities to deal with cryptocurrencies and online content. Authorities should improve collaboration with the EU internet referral unit at Europol and proactively exchange information via the Europol contact point. Specific measures need to be put in place to counter terrorist content online and prevent online radicalisation, in particular of young people.

Civil society and the institutions responsible for labour, social welfare, education, young people and health at all levels of government need to be included more effectively in efforts to prevent terrorism and radicalisation and in implementing the counter-terrorism strategy.

Critical infrastructure protection

Legal alignment, strategic and institutional frameworks

Legislation on the protection of critical infrastructure and the resilience of critical entities still needs to be developed and adopted at all levels of government (such a law is in place only in the *Republika Srpska* entity and is not aligned with the EU *acquis*).

Migration and asylum

Legal and irregular migration and returns

The legal framework for managing legal and irregular migration is partially aligned with the EU *acquis*.

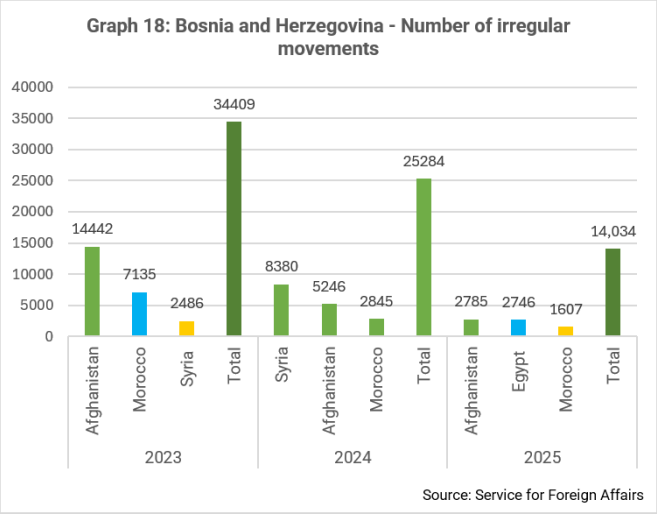
The management of legal and irregular migration needs to be further improved.

Legal alignment, strategic and institutional frameworks

The country should adopt a new strategy and action plan on migration and asylum supported by adequate budgetary allocations, drawing on the implementation results of the 2021-2025 strategy. In 2025, Bosnia and Herzegovina issued 6702 work permits for foreign employment which represents an increase of 15% compared with 2024, reflecting labour market demands. Authorities should develop a comprehensive approach to labour migration and ensure that a due diligence mechanism is in place to prevent labour exploitation and that legal pathways for third country nationals prevent irregular secondary movements to the EU.

Implementation and enforcement capacity

Bosnia and Herzegovina failed to make progress in taking over responsibility for managing temporary reception centres. Authorities did not adopt the transition plan on migration management nor the rulebook on the management of reception centres. Following the closure of Ušivak temporary reception centre in March 2026, the Ministry of Security and the Service for Foreigners' Affairs have not yet established the conditions necessary to host families and unaccompanied minors in the Blažuj temporary reception centre.



The competent agencies remain significantly understaffed, and only very limited funding is available to manage migration. Coordination and the sharing of responsibility among all levels of government remain insufficient. The contingency plan to

respond to heightened migratory flows was developed in 2015 and has not been updated since. The number of people who entered the country irregularly continued to decrease.

Bosnia and Herzegovina needs to improve the legal framework and implementation procedures for voluntary and forced return**,** which are still mostly based on donors' assistance. In 2025, Bosnia and Herzegovina carried out fewer voluntary returns to countries of origin than in 2024 (361 in 2025 against 446 in 2024) and 7 forced returns (compared with 14 in 2024).

Bosnia and Herzegovina has readmission agreements with the EU, which continued to be implemented, together with protocols – further facilitating their implementation – signed with 13 Member States. A total of 391 citizens were returned under these agreements. Accelerated readmission procedures with neighbouring countries remain suspended, except with Croatia. Discussions to conclude readmission agreements with third countries and further agreements or arrangements with countries of origin should continue. In 2025, Bosnia and Herzegovina accepted 2 588 migrants returned from Croatia under the bilateral readmission agreement (down from 3 255 in 2024). Violent collective expulsions of migrants and applicants for international protection back into Bosnia and Herzegovina ('pushbacks') continued to be reported.

Asylum

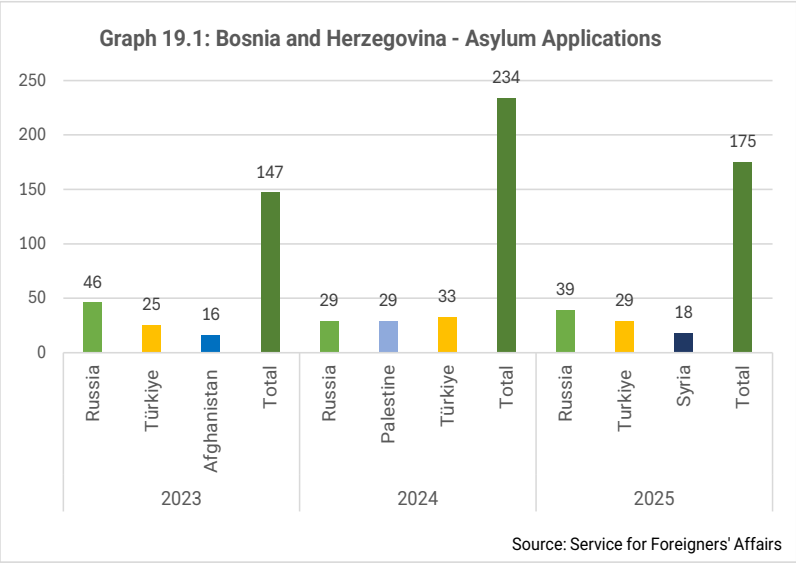
While the legal framework on asylum in Bosnia and Herzegovina is broadly aligned with the EU *acquis* as it was in force until 12 June 2026, authorities should focus on developing its national legal framework and operational capacities on migration and asylum to align with the Pact.

The management of asylum procedures needs to be improved.

Legal alignment, strategic and institutional framework

Bosnia and Herzegovina needs to guarantee access to quality and effective asylum procedures. Cooperation with the European Union Asylum Agency is constructive, and the implementation of the 2025-2027 roadmap is underway. The staffing of the Asylum Sector of the Ministry of Security was largely completed in 2026, with one position still vacant. The new premises for registration and refugee status determination interviews at the Ministry of Security were completed in September 2026.

Implementation and enforcement capacity



The average processing time for asylum requests continued to increase compared to 2024 with significant delays in refugee status determination (RSD) interviews, which creates a backlog and can delay access to rights for those in need of international protection. There continues to be an over-reliance on subsidiary protection. Of the 175 applications lodged in 2025, 6 people received refugee status and 55 received subsidiary

protection.

Practical obstacles to accessing the asylum procedure remain. One of these obstacles is that applicants for international protection cannot register their claims on their own initiative, despite this being provided for by law. Further alignment is needed on strengthening the asylum and reception systems, particularly to ensure the standardised examination of applications for international protection and systematic access to procedural guarantees. Unaccompanied migrant children face specific challenges, such as accessing safe accommodation and asylum procedures.

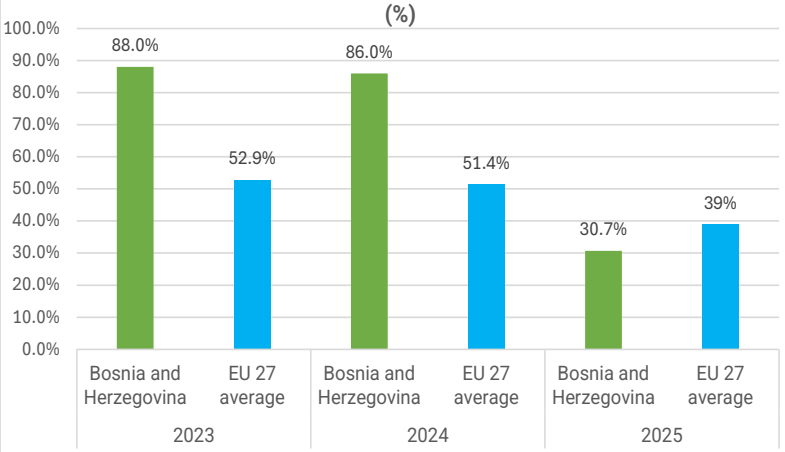
In 2025, a total of 300 Ukrainian refugees resided in Bosnia and Herzegovina (275 in 2024), benefiting from renewable temporary residence on humanitarian grounds for six months.

In preparation for future participation in the EU asylum and migration framework, the country should make its fingerprint systems compatible with Eurodac standards.

The budget for the integration of refugees is sufficient. The Delijaš asylum centre has good reception conditions and despite remaining underutilised the number of residents in 2025 more than doubled to 42 residents (only 20 residents on average in 2024).

In 2025, 870 asylum applicants from Bosnia and Herzegovina were registered in the EU-27 (down by 39% from 1 420 in 2024).

Graph 19.2: Bosnia and Herzegovina - Asylum recognition rate (%)



n/a: not available

Source: Ministry of Security Sector for Asylum

*EU averages reflect positive decisions at first instance for refugee status, humanitarian status and subsidiary protection status

Visa policy

Bosnia and Herzegovina's visa policy is not fully aligned with that of the EU, in particular in what concerns the list of countries whose nationals require a visa to enter the EU. Bosnia and Herzegovina must terminate visa-free regimes with 10 countries, including 7 with a permanent visa exemption: Azerbaijan, Qatar, Kuwait, Türkiye, Russia, China and Vanuatu, and also stop granting seasonal visa-waivers (incompatible with the EU *acquis*) to nationals of Bahrain, Oman and Saudi Arabia. In 2026 Bosnia and Herzegovina didn't make any progress on visa alignment, but to the contrary, further extended the duration of seasonal visa-waivers from 30 to 60 days. This runs counter to its commitment to terminate one visa-free agreement per year during the period of 2025-2027 and to the repeated recommendations of successive Visa Suspension Mechanism Reports. The increase in seasonal visa waivers in 2025, compounded by the increase in application of such measures in 2026 represents backsliding. These unfavourable developments may increase the risk of irregular migration to the EU via the Western Balkans route.

Pending full alignment with the EU visa policy, Bosnia and Herzegovina should apply additional security measures, such as increasing the capacity of border guards and engaging with non-EU countries and airlines. Procedures for applying for and issuing visas are harmonised with the EU *acquis*. Following the adoption of the rulebook on the

registration of biometric features of foreigners in 2025, authorities deployed the equipment in diplomatic and consular offices worldwide. There are significant delays in the process of starting to use external service providers and commercial intermediaries. Bosnia and Herzegovina still does not have a fully functional central visa information system.

The country still does not have full control over the procurement and manufacturing of biometric travel documents. Security features and procedures for applying for and issuing travel documents, notably biometric passports, are fully aligned with EU standards.

Schengen governance and external borders

The legislative and strategic framework for the management of external borders is partially aligned with the EU *acquis*.

The management of borders needs to be improved.

Legal alignment, strategic and institutional frameworks

Bosnia and Herzegovina failed to take tangible steps to establish a national Schengen governance framework, including by adopting a Schengen action plan or appointing a national Schengen coordinator. Following the adoption of the Law on border control in 2025, authorities adopted the corresponding bylaws. Implementation of the 2025-2029 strategy and action plan for integrated border management is satisfactory.

Following the signature of the Frontex status agreement in 2025, the operational plan was adopted and Frontex began deploying standing corps officers with executive powers in Bosnia and Herzegovina. As of September 2026, there were approximately 130 standing corps deployed. Cooperation between the Border Police and Frontex primarily covers border surveillance and border check. The joint risk analysis centre requires improvements with regard to personnel management, data access and data sharing. Establishment of the National (Operational) Coordination Centre is in early stages and requires additional improvements as per EU standards, notably in real-time data and information exchange.

Implementation and enforcement capacity

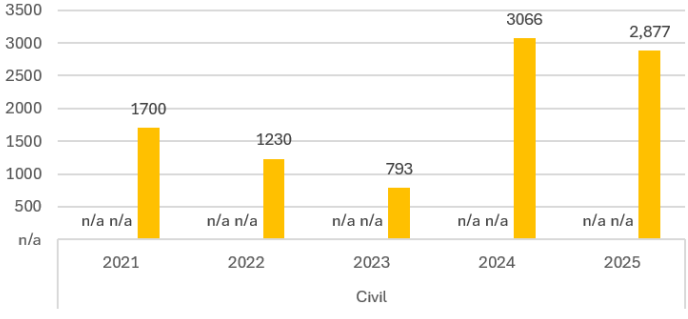
Despite the adoption of the new classification of positions in July 2025, the Border Police remains understaffed, with almost a quarter of vacancies still not filled.

Inter-agency border surveillance operations led by the Border Police provide limited results due to insufficient manpower in all law enforcement agencies. Border Police cooperation with neighbouring countries continued, with joint operations, patrols and meetings taking place. Border infrastructure and equipment still require further improvements and increased investments. Additional closures of illegal border crossings, notably with Montenegro, resulted in decreased drug- and cigarette-smuggling activities. The Border Police continued to attend anti-corruption training.

Judicial cooperation in civil and commercial matters

Judicial cooperation in civil and commercial matters needs to be improved. The country still needs to accede to core instruments under the Hague Conference on Private International Law.

Graph 20: Bosnia and Herzegovina - Requests for mutual assistance in civil matters



n/a: not available

Source: MoJ

2.3. ECONOMIC CRITERIA [10]

Bosnia and Herzegovina - Key economic figures	2017-22 average	2023	2024	2025
GDP per capita (% of EU-27 in PPS)[1)]	33	35	37	36
real GDP growth [2)]	3.3	3.8	2.6	2.1
Activity rate of the population aged 15-64 (%), total	56.8	59.8	61.8	62.8
female	*44.7*	*47.0*	*49.3*	*50.2*
male	*68.8*	*72.3*	*74.0*	*75.1*
Unemployment rate of the population aged 15-64 (%), total	17.6	13.3	12.8	12.3
female	*20.9*	16.9	16.7	16.6
male	*15.5*	11.0	10.2	9.5
Employment of the population aged 15-64 (annual growth %)[1)]	2.4	2.9	3.1	1.3
Nominal wages (annual growth %)	4.8	13.0	9.8	14.0
Consumer price index (annual growth %)	3.0	6.1	1.7	4.0
Exchange rate against EUR	1.96	1.96	1.96	1.96
Current account balance (% of GDP) [2)]	-3.2	-2.1	-3.5	-3.2
Net foreign direct investment, FDI (% of GDP) [2)]	2.6	3.3	3.4	1.6
General government balance (% of GDP)	0.1	-1.2	-1.8	
General government debt (% of GDP)	33.1	25.3	25.5	25.6

Notes:
1) Eurostat
2) Expenditure side GDP, Agency for statistics data revision 30 December 2025
Sources: BiH Agency for Statistics, Central Bank of Bosnia and Herzegovina and Eurostat

2.3.1. The existence of a functioning market economy

Economic governance

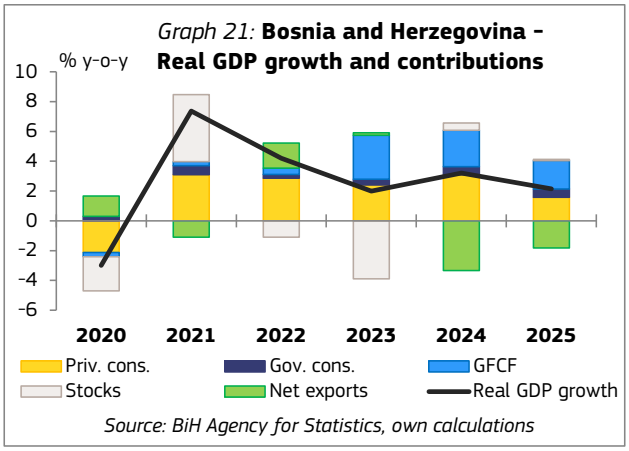
Repeated political stalemates and a short-term policy focus continue to negatively affect economic governance. Policy formulation and implementation have continued to be impeded by short-term-oriented and highly politicised decision-making processes, institutional fragmentation and insufficient cooperation among key stakeholders. Recurring delays in agreeing on the budget for country-level institutions continued to impede their functioning and erode their capacities. The quality and credibility of fiscal policy suffer from its focus on short-term objectives, such as raising public sector wages and non-targeted social transfers. Wage rises well beyond productivity increases have undermined competitiveness. Long-term challenges, such as tackling brain drain and the lack of qualified labour needed to increase the country's growth potential, have not been addressed. Limited action has been taken to address the upcoming application of the EU's CBAM. Progress in overdue structural reforms has remained very limited. The 2026 Economic Reform Programme (ERP) was submitted in time, which is an important improvement on previous years. However, the programme's quality continues to suffer from a lack of internal consistency and insufficient cooperation between the various stakeholders. The country has yet to sign and ratify the Facility and Loan Agreements under the Reform Agenda, which, if implemented, would unlock EU financing in exchange for reforms.

Implementation of the policy guidance jointly adopted at the May 2025 Economic and Financial Dialogue with the EU has remained limited. Limited progress has been made to

[10] Unless otherwise indicated, the data in this section are taken from the relevant national sources (the statistical office, Ministry of Finance and central bank).

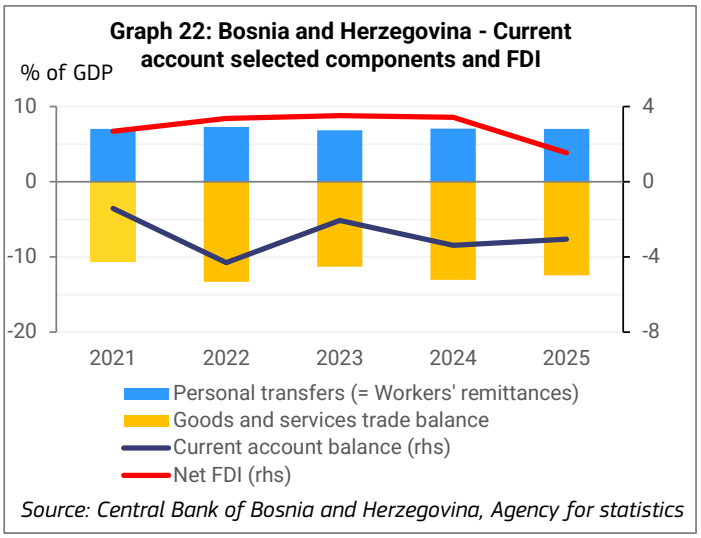
improve the country's statistics, especially in the area of public finance. The currency board arrangement continued to function well. Some steps were taken at entity level to improve public investment management. No steps were taken to clarify the constitutional competence for setting up a central (countrywide) register of bank accounts of private individuals in line with the EU *acquis*. The bank resolution framework is not fully operational.

Macroeconomic stability



Economic activity weakened in 2025 and the first quarter of 2026. Real GDP growth decelerated from 2.6%[11] in 2024 to 2.1% in 2025 and to 1.7% in the first quarter of 2026. The main sources of growth were private consumption and gross capital formation, although both components increased at a slower pace than one year earlier. The process of catching up with EU living standards has remained slow, with GDP per capita in purchasing power standards actually declining to 36% of the EU27 average in 2025, only five percentage points higher than 10 years ago.

The current account balance benefited from weaker domestic demand, with the deficit dropping from 3.2% in 2025 of GDP to 2.8% in the four quarters to Q2 2026. Nominal exports increased by 5.6% in 2025 and the first seven months of 2026. The value of imports accelerated from 4.5% in 2025 to 6.8% year-on-year in the first seven months of 2026. The secondary income balance, which includes transfers from migrant workers, remained largely unchanged as a percentage of GDP. Net foreign direct investment (FDI) inflows declined from 3.4% of GDP in 2024 to 1.5% in 2025 but recovered slightly to 2.3% of GDP in the year to the first quarter of 2026. The main source of foreign capital inflows remained reinvested earnings. The foreign exchange reserve coverage remained at comfortable levels in Q1-2026, equivalent to 7.0 months of imports of goods and services.

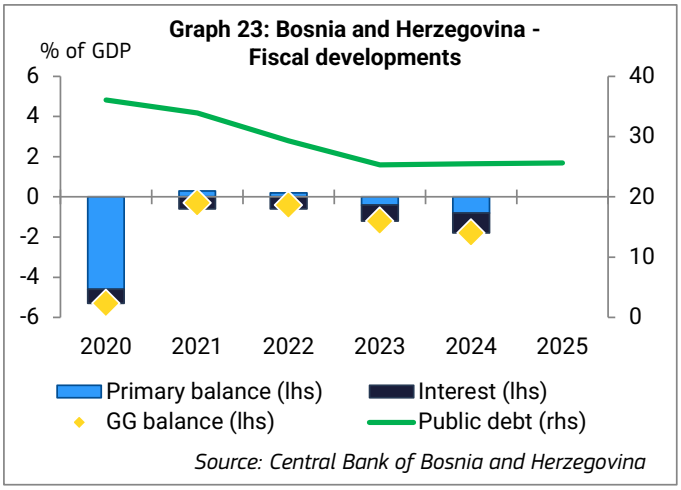


Price pressures have increased. Average annual inflation in 2025 was 4%, up from 1.7% in 2024. Headline inflation increased from 4.3% in the second half of 2025 to 4.6% in the first six months of 2026. The main drivers of inflation in early 2026 were sharp price increases for transport (+12.1%) and housing and electricity (9.8%), while food prices rose by 1.9%. The quality of inflation measurement suffers from a lack of disaggregated data, in particular from the *Republika Srpska* entity. The country's statistics office does not yet publish core inflation data, although the central bank has started publishing its own estimates. The

[11] Value calculated according to the expenditure approach.

publication of an EU-harmonised inflation indicator is impeded by insufficient resources and insufficient cooperation between the entities' statistical agencies. These shortcomings continue to hinder the analysis of inflationary dynamics.

While no official country-level fiscal data are yet available for 2025 and 2026, the country's fiscal position in 2025 appears to have benefited from stronger-than-expected revenue performance, while the budgetary plans for 2026 envisage a marked increase in both spending and the deficit. Preliminary estimates of the Ministry of Finance point to a country-level fiscal deficit of 0.3% of GDP in 2025, lower than the initial target of 0.7%. The main reason for the improvement in the estimated 2025 outcome was markedly stronger revenue growth (+11.3% year-on-year, compared with a projected +4.1%), benefiting from strong wage increases (+14% in 2025 after +9.8% in 2024), which boosted receipts of social security contributions and income taxes. One-off factors, such as the disbursement of accumulated budgetary reserves to cover liabilities related to the Viaduct case, also contributed to the strong revenue increase. However, this was partly offset by higher expenditure (+11% instead of the projected +2.6%), mainly driven by public consumption (rising by 10.4% instead of a planned 3.8%) and social transfers (+9.2% instead of +3.7%). Public investment is estimated to have increased by 15.8% in 2025, instead of an initially planned reduction of 0.4%. The public debt-to-GDP ratio rose from 25.0% at the end of the first quarter of 2025 to 25.8% in the first quarter of 2026, mainly driven by an increase in short-term debt denominated in domestic currency, but benefitting from an inflation driven relatively strong increase in nominal GDP. However, IMF estimates point to a significantly higher deficit of 1.8% of GDP in 2025 and project a continued increase in the country-level fiscal deficit to around 4% or more in 2026 and 2027. Should this deficit path materialise, the country could face medium-term sustainability risks, higher financing costs, and a significant increase in the debt ratio.



The quality and sustainability of public finances deteriorated further. Repeated permanent increases in current spending in response to temporary inflation-driven revenue gains, continue to structurally weaken the country's fiscal position. While the budgets initially adopted for 2026 suggested a 1.8 percentage point increase in the fiscal deficit, to 2.1% of GDP, the supplementary budget adopted by the *Republika Srpska* entity breached its existing budget rule and could, if fully implemented, increase the country-wide general government deficit to as much as 4% of GDP. To finance these spending increases, the authorities have increasingly relied on international capital markets. Coordination between the entities in accessing these markets is virtually non-existent, raising the risk of an uncontrolled build-up of external liabilities and a deterioration in the country's credit ranking. Overall, the assessment of the country's fiscal position remains severely constrained by: (i) a lack of timely country-level fiscal data; (ii) weak compliance with EU accounting standards; and (iii) the significant stock of payment arrears and contingent liabilities.

The macroeconomic policy mix has continued to fall short of adequately addressing the country's main challenges. Bosnia and Herzegovina's currency board arrangement, while serving as an anchor of stability, constrains the scope for monetary policy. As a result, fiscal policy is the key macroeconomic policy tool to manage aggregate demand. However, there

is no longer a countrywide *ex ante* fiscal coordination among the key stakeholders, although this is in conflict with existing legislation. This continues to weaken the country's capacity to pursue a coherent and coordinated fiscal policy at country level. Consequently, both the fiscal stance and the structural fiscal position have deteriorated further. At the same time, despite a planned marked increase in 2025, public investment remains low and continues to limit the country's growth potential. This short-term fiscal approach does not address the country's structural challenges and results in slow convergence with the EU.

Functioning of product markets

Business environment

The institutional and regulatory business environment has remained weak and fragmented. While property rights are generally well defined, their enforcement remains inefficient in certain sectors, particularly in property registration. Prolonged judicial proceedings hinder contract enforcement, especially in resolving commercial disputes. Bureaucratic and technical barriers continue to stifle business activity and impede the functioning of the country's internal market. Notable examples of those impediments are: (i) the requirement to obtain identical licences or permits in each administrative region or local jurisdiction; (ii) inconsistent local regulations and standards, such as those governing construction permits; and (iii) the obligation to pay a wide array of entity and/or canton specific local taxes and fees. These impediments stifle competition and discourage both domestic and foreign investment. The unresolved issue of state property has a negative impact on infrastructure investment. Consequently, the number of foreign greenfield investors and the expansion of mid-sized enterprises have remained exceptionally low. Furthermore, the social dialogue between government authorities and social partners remains inadequate, undermining the quality of reforms, notably socio-economic reforms.

The level of corruption and the size of the informal economy remain substantial. According to Transparency International's corruption perceptions index for 2025, Bosnia and Herzegovina remains the second-worst performer among the Western Balkan countries. The recently established state-level Commission for Deciding on Conflicts of Interest (CDCI) has yet to start operating effectively. The informal economy remains substantial, constituting up to one third of total economic activity. While undeclared work generates significant employment and income, it distorts competition and undermines tax revenues. Combined with under-reported wages, this reduces pension entitlements, heightens poverty risks for older people and exacerbates the fiscal strain on formally employed workers.

State influence on product markets

The state maintains a significant role in the economy. When looking at public administration, healthcare, education and publicly owned enterprises (POEs), roughly one third of the country's total employment is accounted for by the public sector. Many of these enterprises remain unreformed despite persistent underperformance. Public procurement processes remain overly complex, compounded by weak administrative capacity. This creates opportunities for corruption and fosters a bias towards domestic suppliers, conflicting with EU *acquis* requirements (see also Chapter 5 – Public Procurement). Price regulation remains widespread, with controls expanding further following the recent energy price increases. The most recent official State aid report (2024) indicates relatively low levels of direct support (1.2% of GDP). However, indirect subsidies, such as tolerating the accumulation of payment arrears, especially in the area of collecting taxes or social contributions, continue to distort fair competition. Oversight of State aid remains inadequate, hindered by partial alignment with EU legal standards and inconsistent enforcement across the country. The State Aid Council's authority and operational capacity remain limited, further weakening compliance.

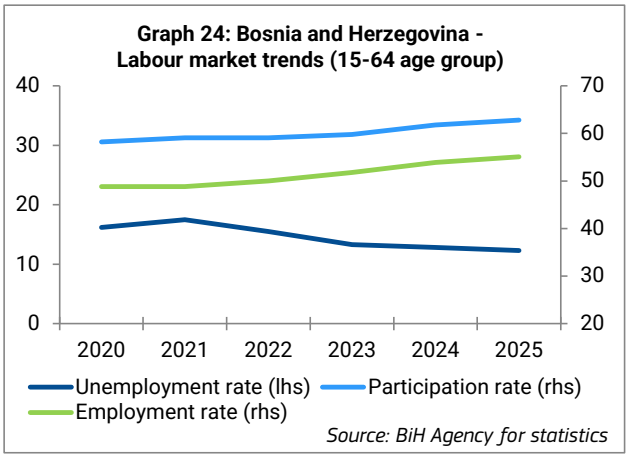
Privatisation and restructuring

No progress has been made in restructuring POEs, and critical issues, such as governance oversight and professional management, are not yet sufficiently addressed. Despite controlling strategic sectors (including energy and transport), many of these enterprises suffer from politicised decision-making, low productivity and chronic inefficiencies, placing a substantial financial burden on taxpayers. Currently, around 540 POEs operate under various levels of public ownership, employing roughly 10% of the total workforce and a quarter of all public-sector workers. Their collective debt stands at 28% of GDP, with a disproportionate share of short-term liabilities. Additionally, contingent liabilities with a high risk of materialisation amount to about 8% of GDP, yet debt monitoring and risk management remain inadequate. Nearly half of these enterprises rely on explicit or implicit budgetary support, further straining public finances. While legislation nominally requires transparent board appointments, in practice, political interference persists. Many POEs also benefit from lenient enforcement of tax and social contribution obligations, leading to accumulated payment arrears that account for two thirds of all fiscal arrears. This results in unfair wage premiums, giving them an unjust competitive advantage over private firms. Efforts to restructure, dissolve or privatise POEs have been minimal, in particular, a state ownership policy is missing. The *Republika Srpska* entity amended its Law on Public Enterprises, to improve transparency, efficiency, cost-effectiveness and supervision. However, implementation has not yet started. So far, no countrywide consolidated financial report on the POE sector has been produced and significant data gaps exist, in particular in the Federation entity. The *Republika Srpska* entity still has not published an updated central register of POEs, while the Federation entity has yet to establish operational units for POE supervision.

Functioning of the financial market

The financial sector remained stable. However, credit risks are on the rise and transparency remains insufficient in some areas. Banks maintained robust capital and liquidity buffers, while profitability remained solid. Bank deposits increased by 10.3% year-on-year in the second half of 2025 and maintained this growth in the first half of 2026, mainly driven by household deposits. Nominal credit also increased at a similar rate, keeping the loan-to-deposit ratio close to 77%. Bank lending as a share of GDP rose from 46.9% at the end of 2024 to 48.2% at the end of 2025 and to 48.4% at the end of June 2026. This rapid increase could raise credit risks and further accelerate growth in real estate and housing prices. Nevertheless, the non-performing-loan ratio continued to decline, from 3.2% at the end of 2024 to 2.4% at the end of 2025 and to 2.1% at the end of June 2026. However, credit risks appear markedly higher in some smaller, domestically owned banks. The banking system's overall capital-adequacy ratio remained high, at 19.9% at the end of June 2026. This is well above the regulatory minimum of 12%. The return-on-equity (ROE) ratio dropped from 16% at the end of 2024 to 14.7% at the end of 2025 but recovered to 15.5% by mid-2026. The return on assets (ROA) declined marginally, from 2.2% at the end of 2024 to 2.1% by mid-2026. However, delays in aligning with international standards for anti-money laundering and counter-terrorism financing resulted in the country being grey-listed by the Financial Action Task Force (FATF) (*see also Chapters 4 - Free movement of capital and 9 - Financial services*). In June, the Central Bank applied for accession to the Single Euro Payments Area (SEPA), which would integrate the country into the European payments area and facilitate payment transactions for citizens of Bosnia and Herzegovina. Furthermore, in July the central bank launched the TIPS instant payment system. The size of the non-bank financing sector and the capital markets remained small, fragmented and underdeveloped, with stock market capitalisation amounting to about 21.9% of GDP at the end of 2025. In addition, the active issuer base has been shrinking in recent years. Access to credit remained difficult for many micro and small companies.

Functioning of the labour market



The labour market situation shows signs of a weakening, as key structural challenges, such as high levels of youth and long-term unemployment, low labour participation, and labour shortages, have not been sufficiently addressed. Registered employment was 0.4% lower year-on-year in the second half of 2025 and remained 0.6% lower in the first half of 2026. Job losses occurred mainly in manufacturing, but also in trade and accommodation, while employment increased in public administration, construction and the health sector.

However, according to Labour Force Survey (LFS) data, the unemployment rate dropped to 12.2% in the second quarter of 2026, markedly lower than the 13.1% recorded a year before. Youth unemployment among those aged 15-24 stood at 32.9% in the second quarter, compared with 33.9% a year earlier. The implementation of the Youth Guarantee scheme, launched in 2023, has been further delayed.

A relatively high inactivity rate among women contributes to a low overall participation rate. Informal employment also remains high, accounting for around one third of the labour force. In addition, a significant number of workers continued to leave the country, contributing to labour shortages and undermining the country's medium-term growth potential. In response, the authorities have increased the quotas for foreign employment permits. However, these remain insufficient, particularly for qualified workers.

As a result of declining employment and unemployment, the labour force continued to shrink, falling by 0.9% year-on-year in the second quarter of 2026, while the working age population declined by 0.1% year-on-year. Long-term unemployment remains a significant issue, with 69% of unemployed people having looked for a job for more than one year. This nevertheless represents an improvement compared with 75% a year earlier. In particular, the share of people unemployed for more than 4 years fell markedly. The main causes for persistently high long-term unemployment are skills mismatches and insufficient job opportunities. Measures to address high youth and structural unemployment and skills mismatches have remained limited and fragmented across cantonal and entity levels. Recorded real wages grew by 14% in the second half of 2025 and by 8.8% in the first half of 2026, while labour productivity growth during this period was significantly lower, at around 2-2.5% annually. Wage increases exceeding productivity growth could also add to inflationary pressures.

2.3.2. The capacity to cope with competitive pressure and market forces within the EU

Education and innovation

Measures to develop the country's human capital have remained insufficient. The country's education system is fragmented across 14 stakeholders at country, entity and cantonal levels. Insufficient coordination and cooperation among these stakeholders have led to significant inefficiencies, as well as wide variations in curricula and standards. Public spending on education amounted to around 4% of GDP in 2022, below the EU average of 4.7% in 2023. As a result of these inefficiencies, the education system's use of financial

resources remains among the least efficient in the region[12]. Moreover, weak coordination has resulted in the absence of common education standards and in disparities in the quality of teacher training and performance evaluation. The country stopped participating in the PISA assessment in 2020, thereby abandoning an important source of evidence for education policy. Although the country joined the European Alliance for Apprenticeships (EAfA) in autumn 2024, it has so far failed to translate this commitment into tangible measures to improve its vocational education and training system or to boost youth employment. Investment in research and development has remained low, while the lack of coordination in this area has further reduced spending efficiency. No progress was made during the reporting period in improving the functioning of science and technology parks.

Physical capital and the quality of infrastructure

Bosnia and Herzegovina's fixed capital stock remains insufficient to support stronger growth. Persistent political deadlocks and uncertainty, along with limited progress in improving public investment management, have weighed on both private and public investment. As a result, Bosnia and Herzegovina has not been able to achieve a stronger growth trajectory. Net FDI inflows, at 1.5% of GDP in 2025, remain significantly lower than in other countries in the region. Some progress has been made in recent years, largely supported by foreign financing, in improving road infrastructure, and there have been local initiatives to attract investment. The energy sector continues to rely heavily on lignite coal and records high CO_2 emissions per unit of energy produced. Efforts to diversify the energy mix, including by enabling solar-generated electricity to access the national grid, remain insufficient. However, the sector still lacks a unified and internationally recognised regulatory framework, which continues to hamper international investment in renewable energy sources. Environmental standards remain low and are often not enforced. This has negative consequences for public health, and, consequently, for labour productivity. The authorities have taken steps to reduce the country's dependence on a single gas supplier by deciding to develop an alternative supply route. However, the currently planned approach is not aligned with the EU's decarbonisation goal for 2050.

The level of digitalisation of government services remains low. Insufficient coordination, cooperation and data exchange between different administrative authorities continue to slow urgently needed progress. A notable example is the failure to agree on countrywide harmonisation of e-signature systems. Furthermore, appropriate legislation and a countrywide regulatory agency aligned with European standards are still lacking.

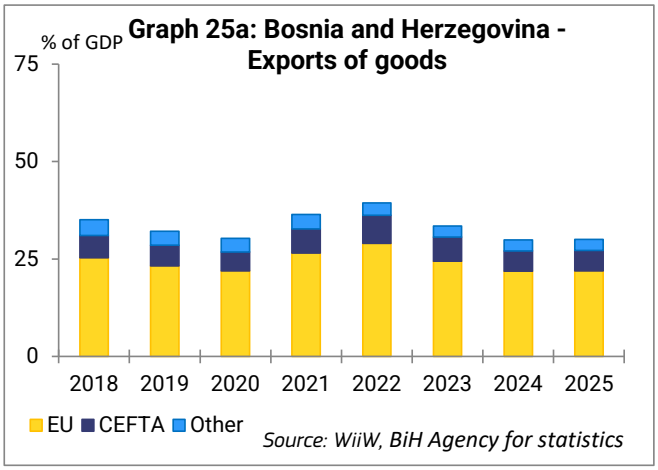
Sectoral and enterprise structure

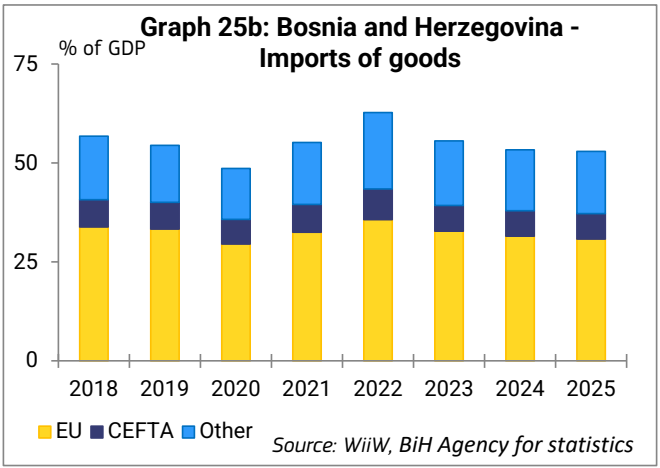
Bosnia and Herzegovina's production structure continued to shift gradually towards services, particularly wholesale and retail trade. The share of production-oriented sectors (manufacturing, electricity production and water management) in total value added declined between 2019 and 2025 (from 35.2% of gross value added to 30.5%), while the share of trade and tourism, IT, and administrative services increased (from 33.1% to 37.1% of gross value added). The number of registered active companies has increased in recent years. However, this growth has been driven mainly by micro companies (0-9 employees) in the trade sector. Some 90% of all companies are small and micro-enterprises with fewer than 50 employees.

Economic integration with the EU and price competitiveness

[12] European Training Foundation (2025): Key Policy Developments in Education, Training and Employment – Bosnia and Herzegovina, p. 30.

Trade and investment integration with the EU remained high. During the reporting period, Bosnia and Herzegovina's exports became even more oriented towards the EU, mainly due to stronger trade ties with the country's key partners, notably Croatia, Germany and Austria. As a result, the share of trade with the EU increased from 73.8% of total trade in the first seven months of 2025 to 76.7% in the first seven months of 2026, while trade with the CEFTA countries dropped from 17.0% to 15.5%. Bosnia and Herzegovina's trade openness (exports and imports as a percentage of GDP) increased slightly, from 95.5% of GDP in 2024





to 96.8% in 2025. This remains relatively low given the small size of the economy. The composition of the country's exports is not very diversified and still relies heavily on basic metals, machinery and chemical products. About two thirds of the FDI stock originates from EU countries. The country's share in EU-27 commodity imports has remained broadly unchanged during the last five years, at around 0.24%.

Domestic wage pressures affect the country's external competitiveness. Significant nominal wage increases in 2025 and 2026 could negatively affect the country's external price competitiveness. The nominal effective exchange rate of the domestic currency remained relatively stable between June 2025 and June 2026, largely due to its peg to the euro. Based on the consumer price index as a deflator, Bosnia and Herzegovina's real effective exchange rate showed a marked appreciation at the beginning of the assessment period, driven by inflation differentials with imports trading partners such as Italy, Slovenia and Germany. However, this was largely offset by a similar depreciation in May and June. As a result, compared with a year earlier, the real effective exchange rate was broadly unchanged in June (-0.1% year-on-year).

2.4. PUBLIC PROCUREMENT, STATISTICS AND FINANCIAL CONTROL

Chapter 5: Public procurement

EU rules ensure that public procurement of goods, services and works in any Member State is transparent and open to all EU companies on the basis of non-discrimination and equal treatment.

Institutional set-up and legal alignment

The **legal framework** is partially in line with the EU *acquis*. The public procurement strategy for 2024-2028 and its action plan are being implemented with delays.

There were no developments in reforming the legal framework for **concessions and public-private partnerships (PPPs),** which remains fragmented and not aligned with basic

EU principles, lacking strategic planning and efficient review mechanisms. The competent institutions at state and entity level still need to develop a roadmap to harmonise the legal framework with the EU *acquis* including measures for improved coordination and consistent application throughout Bosnia and Herzegovina.

Implementation of the 2014 Law on public procurement is still lagging behind. Further alignment is necessary with EU procurement principles, practices, procedures and concepts, including innovation partnership, dynamic purchasing system, electronic catalogues, best price-quality ratio and life-cycle costing. Tender procedures are still paper based with every bid requiring certified documentation towards economic operators. Further reforms are needed to fully integrate electronic communication and information exchange into the procurement process to enhance efficiency and reduce bureaucracy. Despite improvements, the system still lacks user-friendly features or communication functionalities to achieve its full impact.

Implementation and enforcement capacity

The share of the **public procurement market** in the total nominal GDP for 2025 is 11.5%, representing an increase from 9.8% in 2024. The average number of bids received per public procurement procedure remains low at 1.62 in 2025.

The administrative capacities of the Public Procurement Agency (PPA) continue to be insufficient to properly monitor the award and implementation of contracts and identify irregularities in procurement procedures. Better coordination is needed between the Competition Council and the audit and judiciary institutions. The overall percentage of contracts awarded in public procurement procedures in 2025 based on the lowest price criterion was 86.1%. The use of the negotiated procedure without prior publication of all awarded contracts in 2025 amounted to 3.8% and represents a decrease as compared with previous years (5.1% in 2024, 6.1% in 2023). The overall percentage of tenders that received only one compliant bid was 11.2%, which represents a sharp decrease from over a half in 2024. There is a continuous lack of mechanisms to coordinate the interpretation of public procurement legislation among key institutions.

The institutional capacity to manage public procurement processes is weak. Specialised procurement functions need to be established in each contracting authority. More efforts are needed to improve integrity and avoid conflicts of interest in public procurement, which remains prone to irregularities and vulnerable to **corruption**. The cooperation between the courts and civil society needs to be strengthened.

Efficient remedy system

The legislation on the **right to legal remedy** is partially in line with the EU *acquis*. The Procurement Review Body continues to face insufficient technical capacity and a high volume of appeals (1 684 in 2025), compounded by challenges with case law accessibility, prolonged appeals and legal loopholes disrupting procurement processes. Lower number of appeals and higher fees and stricter admission requirements lowered the number of repetitive and abusive complaints (which previously prolonged the procurement timelines).

Chapter 18: Statistics

European statistics are developed, produced and disseminated by EU Member States, guided by the principles and quality criteria laid down in the Regulation on European statistics, such as professional independence, impartiality, reliability, accessibility and statistical confidentiality. Common rules are provided for the methodology, production and dissemination of statistical information, which are further specified in sectoral legislation that constitute the EU acquis on statistics.

As regards **statistical infrastructure**, the Law on statistics still needs to be aligned with European standards and integrate the principles of the European statistics code of practice. The Agency for Statistics of Bosnia and Herzegovina (BHAS) needs to strengthen its coordination role towards other national authorities producing official statistics.

On **classifications and registers**, the statistical business register is in place, but further actions are necessary to improve its quality. MoUs and related technical protocols with the High Judicial and Prosecutorial Council (HJPC), the Indirect Taxation Authority (ITA), Service for Foreign' Affairs and the Finance Directorate of Brčko District were signed on 15 September 2026 allowing for data exchange between these institutions and statistical offices in Bosnia and Herzegovina. The main statistical classifications are in place but need updating. Regarding the NUTS classification, Bosnia and Herzegovina should define NUTS level 3 regions as soon as possible, and local administrative units (LAU) lists since 2019.

On **macroeconomic statistics**, further efforts on national accounts are needed to reach full compliance with the ESA 2010 Transmission Programme. The updated GNI inventory is expected in early 2027, and a master plan to align national accounts needs to be agreed among the three statistical institutes at state and entity level. Bosnia and Herzegovina should improve sector coverage, timeliness and coverage of transactions of government finance statistics (GFS) and excessive deficit procedure (EDP) tables, in line with ESA 2010, and resume their regular submission to Eurostat. In February 2026, the Central Bank of Bosnia and Herzegovina and the Agency for Statistics of Bosnia and Herzegovina signed a Memorandum of Understanding in the field of GFS to strengthen inter-institutional cooperation.

On **business and trade statistics**, structural business statistics and the business register are medium compliant while short-term business statistics is at low compliance. Regarding statistics on international trade in services, the completeness of datasets needs to be improved, but compliance is otherwise high, which is also the case for international trade in goods statistics. Bosnia and Herzegovina started transmitting inward FDI data to Eurostat and is advised to compile and transmit outward FDI data, as well as FDI statistics broken down by activity.

On **science, technology and innovation statistics**, the overall compliance level is low. However, Bosnia and Herzegovina conduct the biannual Community Innovation Survey (CIS). As no data needed to be transmitted to Eurostat in 2025, the compliance status is for the transmission in 2024 (CIS 2022). Bosnia and Herzegovina is encouraged to continue the ongoing efforts to produce high-quality data on business innovation for 2024.

On **social statistics**, statistics on Income and Living Conditions still require improvements to be validated and published. Bosnia and Herzegovina should finalise and adopt the Law on census of population, households and dwellings, adopt the roadmap for its implementation and carry out the census. The labour force survey is highly compliant, with a need to further improve timeliness. Healthcare expenditure data and metadata were transmitted to Eurostat while Bosnia and Herzegovina is encouraged to further develop public health statistics.

On **agricultural statistics,** preparations continued for the agricultural census, but the law on the agricultural census needs to be adopted to conduct it in 2027.

On **energy statistics**, further work is needed to improve timeliness and the transmission of missing datasets. Bosnia and Herzegovina has continued to improve **transport statistics** with quarterly rail data on freight and passenger transport regularly transmitted to Eurostat, and highly compliant air traffic statistics. Regarding **environmental statistics**, data are being transmitted to Eurostat for Environmental Taxes by Economic Activities (ETEA). Data on Economy-Wide Material Flow Accounts was transmitted to Eurostat for 2023.

For the first time, detailed energy consumption data in industry were provided to Eurostat for the 2022–2024 reference period. The 2025 ICT surveys in households and enterprises were conducted in full compliance with the EU *acquis*.

Chapter 32: Financial control

The EU promotes the reform of national governance systems to improve managerial accountability, sound financial management of income and expenditure, and external audit of public funds. The financial control rules protect the EU's financial interests against fraud in the management of EU funds and protect the euro against counterfeiting.

Public internal financial control (PIFC)

The implementation of the strategic and legislative **frameworks** across all levels of government remains inconsistent, PIFC strategies 2020-2025 have expired, and a countrywide approach on PIFC is planned to be integrated in the new 2027-2031 PFM strategic framework that still needs to be adopted. Such delays do not support a harmonised, countrywide approach to reform implementation by the PIFC coordination board. Annual PIFC reports for 2025 were adopted at state and entity level.

The legal framework for **internal control** is largely in place at all levels of government, but implementation lags behind. Lack of reporting on fiscal risks of public companies in the annual PIFC reports and ineffective fiscal oversight function undermine internal control. Management and control systems remain inadequate and inconsistent, posing significant challenges for risks, irregularities and fraud.

Managerial accountability guidelines are still to be developed in the *Republika Srpska* entity, while they are in place for state institutions and the Federation entity. Delegation of authority remains limited to the political level and not to senior civil servants. Fragmented, complex and unaccountable administrative structures and the lack of clear lines of accountability hinder the development of PIFC.

Internal audit practice is in line with international standards. Challenges persist in quality assurance, methodological consistency, staffing of internal audit functions, comprehensive planning, and implementing audit recommendations. Internal audit remains absent in the Brčko District. Additionally, the lack of quality assurance frameworks aligned with the international professional practices framework (IPPF) remains a significant weakness, undermining the credibility and effectiveness of internal audits. While some training was undertaken, the capacities of central harmonisation units at all levels need to be improved to support institutions in implementing recommendations on PIFC.

External audit

The functional, organisational and financial independence of State audit institutions (SAIs) is set out in the legal **framework** and is yet to be anchored in the Constitution.

The **administrative capacity** of SAIs needs to be strengthened at all levels of government, however SAIs have undertaken continuous efforts to improve external audit effectiveness. A new Strategic Development Plan 2026-2030 was adopted across all levels of authorities, focusing on digital transformation and modernisation of audit processes. The modular and customisable audit management system (AMS) for all four SAIs was made operational to streamline audit workflows, improve traceability, and enhance compliance with international standards, with the aim to improve the quality of audit work and further enabling activities were undertaken to prepare the rolling out of the system including preparation of a training program. Activities on building a quality management system in accordance with the revised international standards of state audit institutions 140 were carried out in the reporting period.

Implementation of SAI's recommendation has improved moderately. However, a continuous rate of 28%-55% of SAI's recommendations remain unimplemented across the public sector. Some efforts were undertaken by SAIs to strengthen their impact by supervising the implementation of recommendations, conducting follow-up audits, and publishing databases of recommendations issued. **Parliamentary scrutiny** still needs to be improved and there has been no steps to ensure higher usage of audit reports by legislative assemblies. The *Republika Srpska* entity still needs to adopt a communication strategy on external audit.

Protection of the EU's financial interests

The legal framework is yet to be aligned with the EU *acquis*, notably the **PIF Directive**. There is no **anti-fraud strategy** in place. An **anti-fraud coordination service** (AFCOS) and a supporting **AFCOS network** should be set up to facilitate effective exchange of information and **cooperation with the European Anti-Fraud Office** (OLAF) and the European Commission, as envisaged in the anti-corruption strategy. National authorities have not yet set up yet their workflow related to the use of the IMS.

Protection of the euro against counterfeiting

Bosnia and Herzegovina has not ratified the 1929 Geneva Convention for the suppression of counterfeiting currency. The legal framework is yet to be assessed against the EU *acquis*.

3. GOOD NEIGHBOURLY RELATIONS AND REGIONAL COOPERATION

Good neighbourly relations and regional cooperation form an essential part of Bosnia and Herzegovina's European integration process. They contribute to stability, reconciliation and a climate conducive to addressing open bilateral issues and the legacies of the past.

Bosnia and Herzegovina maintained its involvement in a number of **regional cooperation initiatives** such as the CEFTA, the Energy Community, the Transport Community, the South-East European Cooperation Process (SEECP) and the Regional Cooperation Council, of which it hosts the seat[13]. Bosnia and Herzegovina chaired the Migration, Asylum, Refugees Regional Initiative (MARRI) from June 2025 to June 2026 and concluded its chairmanship of the EU Strategy for the Danube Region (EUSDR) in December 2025.

The **EU-Western Balkans Summits** took place in Brussels in December 2025 and in Tivat in June 2026, reaffirming the EU membership perspective of the Western Balkans and exploring measures to further advance gradual integration. Bosnia and Herzegovina has actively engaged in the regional dimension of the **Growth Plan for the Western Balkans,** participating in both ministerial and leaders' meetings.

On the **Common Regional Market (CRM)**, at the Berlin Process summit in London in October 2025 the leaders of the region endorsed a revised and streamlined action plan to implement the Green Agenda for the Western Balkans, adopted a Western Balkans Climate Adaptation Roadmap and committed to making progress in the promotion of regional mobility and implementation of relevant regional agreements and CEFTA decisions. At the Berlin Process

[13] Bosnia and Herzegovina also actively participates in initiatives such as the Brdo-Brijuni Process; the Central European Initiative; the Adriatic-Ionian Initiative; the EU Strategies for the Danube Region and for the Adriatic-Ionian Region; the Migration, Asylum, Refugees Regional Initiative (MARRI); the Regional School of Public Administration (ReSPA); the Regional Youth Cooperation Office in the Western Balkans (RYCO); the South-East European Cooperation Process; and the Western Balkans Fund.

ministerial meeting held in Belfast in October 2025, the Declaration on Women, Peace and Security in Defence and Security Institutions was adopted, as a result of the Gender Equality Forum held in Sarajevo in September 2025. Bosnia and Herzegovina has ratified four of the five **regional mobility agreements**. The country still needs to ratify the mobility agreement on freedom of movement with identity cards, signed in November 2022. In February 2026, Bosnia and Herzegovina adopted the first annual report of the Coordination Team for the establishment of the CRM on the implementation of the Action Plan for the period October 2024-October 2025.

The **roadmap for roaming** between the Western Balkans and the EU entered its first phase of implementation during the reporting period. In February 2026, the Commission proposed launching negotiations with Albania, Bosnia and Herzegovina, Kosovo[*], Montenegro, North Macedonia, and Serbia to integrate them into the EU's 'Roam Like at Home' regime.

Bosnia and Herzegovina continued to cooperate closely with Croatia, Montenegro and Serbia under the **Sarajevo Declaration Process** to find sustainable solutions for refugees and persons displaced by the conflicts in the 1990s. Following the closure of the Regional Housing Programme, Bosnia and Herzegovina made no progress towards completing the remaining housing units to ensure the sustainable return of up to 3 100 families, despite a commitment to do so.

Despite progress during the reporting period on the issue of **missing persons**, 7 572 people are still missing as a result of the conflict in the 1990s. Sixty-five missing persons were identified in 2025. Regional efforts are needed through the missing persons group established in 2018 under the Berlin Process.

Bosnia and Herzegovina generally maintains good **bilateral relations** with other enlargement countries and neighbouring EU Member States.

Relations with ***Albania*** are good, building on the reopening of the Albanian embassy in Sarajevo in 2025.

Representatives of the two countries continued to make high-level visits. There are no official relations with ***Kosovo***, as Bosnia and Herzegovina does not recognise its independence, but they interact in the framework of regional cooperation.

Relations with ***Montenegro*** are good, with occasional high-level bilateral visits. Discussions at presidential level were held on strengthening economic ties and regional cooperation. The joint border crossing Zupci-Sitnica on the Trebinje-Herceg Novi route was officially opened. The agreed border demarcation is yet to be physically marked and illegal border crossings eliminated. Occasional developments in the *Republika Srpska* entity have sparked strong reactions from high-level Montenegrin officials.

Relations with ***North Macedonia*** are good, with occasional high-level bilateral visits. Bilateral agreements in place focus on cooperation on EU integration and on economic cooperation.

Developments around the death of Ratko Mladić put the overall good bilateral relations with ***Serbia*** under strain. In February 2026, bilateral political consultations between the two Ministries of Foreign Affairs took place in Sarajevo. In August 2026, the Serbian President visited the *Republika Srpska* entity and communities with a majority Serb population in the Federation entity. Milorad Dodik continued to be received frequently and at a high level in Serbia. Every year, senior political leaders from Serbia also attend the unconstitutional *Republika Srpska* entity celebrations on 9 January and other entity-level events. The two

[*] This designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence.

countries need to reach an agreement on state borders, including on two dams on the Drina River and a part of the Belgrade-Bar railway. As a signatory to the Dayton / Paris Peace Agreement, Serbia is obliged to respect Bosnia and Herzegovina's sovereignty and territorial integrity.

Türkiye is a strong international supporter of the country, and exchanges at high level are frequent.

Relations with ***Georgia*** are good. A visa-free regime is in force.

Relations with the ***Republic of Moldova*** are good, with sporadic bilateral contacts. A visa-free regime is in force. Although both countries are part of CEFTA, trade flows remain low.

Bosnia and Herzegovina supports the territorial integrity and sovereignty of ***Ukraine***, condemning Russia's war of aggression. Bilateral relations are generally good but have been affected by the support for Russia's war of aggression expressed by the political leadership of the *Republika Srpska* entity and by the continued failure to implement restrictive measures against Russia and Belarus by ministries controlled by the SNSD party. In June 2026, Bosnia and Herzegovina became the 50th member of the International Coalition for the Return of Ukrainian Children.

Relations with ***Croatia*** are overall good, although they are affected by outstanding bilateral issues. High-level bilateral visits took place during the reporting period. The 1999 border agreement has not been ratified by either side. Implementation of the 2001 succession agreement has been affected by issues of private property and acquired rights. Bosnia and Herzegovina continued to object to Croatia's plan to build a facility for radioactive waste at Trgovska Gora near the border. In April 2026, Bosnia and Herzegovina and Croatia signed an agreement to construct the Southern Gas Interconnection pipeline, linking the two countries' gas systems. Following the launch of the EU Entry Exit System, in May 2026, Croatia amended its Law on Foreigners and announced the issuing of a national visa in order to facilitate cross-border mobility for professional drivers from third countries, including from Bosnia and Herzegovina.

4. RESILIENCE, SECURITY, DEFENCE

As an EU candidate country, Bosnia and Herzegovina continued to align with the EU's common foreign and security policy during the reporting period and contributes to EU crisis management operations and missions. It is an overall security beneficiary, with continued military and civilian international supervision present in the country. As the country progresses on the EU path, it should also increase capacities in the areas of sanctions implementation, defence industry, economic security and democratic resilience. The EUFOR Althea military operation remains present in the country, supporting local authorities in maintaining a safe and secure environment.

Democratic resilience

Bosnia and Herzegovina would benefit from establishing a policy framework for addressing **hybrid threats,** including **foreign information manipulation and interference (FIMI) and** disinformation. Bosnia and Herzegovina should step up actions towards building societal resilience against FIMI and all other forms of hybrid threats.

Economic security and resilience

In terms of economic security and resilience, although only 3% of the energy supply comes from natural gas, the country remains fully dependant on one single source from Russia. Bosnia and Herzegovina is pursuing plans for gas infrastructure projects, including the

Southern Interconnection. Strengthening energy security must not undermine climate objectives. On **cybersecurity,** the country's capacity to contribute to artificial intelligence and emergent technologies would be improved by alignment with the EU AI Act, the Digital Services Act and the Digital Markets Act. Bosnia and Herzegovina holds significant **critical raw material resources** and exports both raw and processed metals. To realise this potential, the related regulatory framework together with the environment and health protection framework, would need to be substantially strengthened.

Defence capacity building and defence industrial dimension

In terms of defence capacity building, the Armed Forces of Bosnia and Herzegovina benefit from assistance from the European Peace Facility, an off-budget instrument, in demining, as well as chemical, biological, radiological and nuclear protection, with a total of EUR 35 million through bilateral measures to date. In December 2025, the country approved the modernisation package for its Armed Forces. It also benefits from EPF support at regional level, as a non-EU participating nation in the Balkan Medical Task Force.

Bosnia and Herzegovina's **defence industry** is modest in size with an export-oriented and regionally significant ammunitions production. The country's defence industrial cooperation is shaped by its close cooperation with NATO through the Partnership for Peace programme and the country's first Individually Tailored Partnership Programme. Regarding the EU defence industrial programmes, in the framework of the **European Defence Programme (EDF)** and the **European Defence Industry Programme (EDIP)**, entities established in the EU or in an associated country and subject to control by Bosnia and Herzegovina, or by a body established in Bosnia and Herzegovina, could be eligible for funding, provided that guarantees provided by the EU Member State or associated country of establishment are made available to the Commission. So far this has not materialised.

Civil protection and disaster resilience

On **civil protection**, Bosnia and Herzegovina cooperates with the EU on disaster risk reduction, prevention, preparedness and response. The country actively participates in the Union Civil Protection Mechanism (UCPM), strengthening its capacity to deal with major emergencies. The country's resilience would benefit from developing a civil protection and disaster preparedness system capable of withstanding major shocks.

5. ABILITY TO ASSUME THE OBLIGATIONS OF MEMBERSHIP

CLUSTER 2: INTERNAL MARKET

This cluster covers: the free movement of goods (Chapter 1); freedom of movement for workers (Chapter 2); right of establishment and freedom to provide services (Chapter 3); free movement of capital (Chapter 4); company law (Chapter 6); intellectual property law (Chapter 7); competition policy (Chapter 8); financial services (Chapter 9), and consumer and health protection (Chapter 28).

Chapter 1: Free movement of goods

The free movement of goods ensures that many products can be traded freely across the EU based on common rules and procedures. Where products are governed by national rules, the principle of the free movement of goods prevents these rules from creating unjustified barriers to trade.

General principles

Bosnia and Herzegovina does not have a coherent legislative and institutional framework for the **production, distribution and marketing of industrial products**. No countrywide approach or strategy exists for alignment with the EU *acquis* and conflicting regulations have not been repealed.

Non-harmonised area

No steps were taken to align with the obligations of **Articles 34-36** of the Treaty on the Functioning of the European Union. No specific body is empowered to provide notifications of technical regulations.

Harmonised area: quality infrastructure

The legal bases and administrative structures to ensure technical regulations, standards, conformity assessment, accreditation, metrology and market surveillance are not aligned with the EU *acquis* and remain fragmented. A countrywide strategy for the quality infrastructure is still not in place and coordination among competent institutions remains weak. The standardisation, accreditation, and market surveillance bodies remain understaffed.

In 2025, the Institute for **Standardisation** adopted 1 324 European standards. However, conflicting mandatory ex-Yugoslav standards have still not been systematically withdrawn.

On **accreditation,** the designation of conformity assessment bodies and conformity assessment procedures are not applied consistently throughout the country. There are 186 conformity assessment bodies in Bosnia and Herzegovina, one more than last year, comprising 97 testing laboratories, four medical and 11 calibration laboratories, six product certification bodies and 68 inspection bodies.

Rules on **metrology** are not applied evenly across the country, undermining legal certainty and the single economic space. The Institute of Metrology needs to cooperate and coordinate its activities with the entities' metrology bodies. The Law on units of measurement was adopted in June.

Market surveillance is still largely based on mandatory standards and pre-market inspections. In 2025, 177 market surveillance inspections were carried out on 146 products (less than in 2024), leading to 9 526 products being withdrawn from the market, of which 6 358 were destroyed.

Harmonised area: sectoral legislation

On the EU '**new and global approach' product *acquis***, no alignment with the EU *acquis* has taken place over the past 14 years. Legislation aimed to align with the EU *acquis* is not applied across the country as its legislative framework is fragmented. The *Republika Srpska* entity implements its legislation separately, contrary to a ruling of the Constitutional Court.

There was no progress on alignment with the EU '**old approach' product *acquis,*** including on registration, evaluation, authorisation and restriction of chemicals (REACH) and on strengthening administrative capacity in this area, or on classification, labelling and packaging (CLP), or with **procedural measures**.

There are no anti-corruption measures in place to monitor risks in product safety and no measures to ensure the transparency of public bodies when inspecting products for market surveillance and conformity assessment.

Chapter 2: Freedom of movements for workers

Nationals of one Member State have the right to work in another Member State and must be given the same working and social conditions as other worker nationals of that Member State.

Conditions for EU citizens to **access to the labour market** in Bosnia and Herzegovina are set in the Law on foreigners. The laws on the employment of foreigners in the entities and the Brčko District are not yet fully harmonised with the state-level law. In 2025, a total of 4 584 new work permits were issued, 2 118 were extended, and 800 were revoked. For 2026, the quota was set at 7 427 permits, including 5 077 new permits and 2 350 renewals. Employment in the public administration is reserved for citizens of Bosnia and Herzegovina.

Bosnia and Herzegovina still lacks the countrywide database of vacancies required to join the **European Employment Services (EURES)** network upon accession.

The **coordination of social security schemes** remains fragmented, with limited administrative capacity and cooperation among authorities. Bosnia and Herzegovina has agreements on social security in place with 18 EU Member States; no new agreements were finalised. Social insurance agreements are in place with Slovenia, Serbia, Montenegro, North Macedonia, Austria, Germany and Hungary.

There was no progress on the **European Health Insurance Card (EHIC)** over the reporting period.

Chapter 3: Right of establishment and freedom to provide services

EU natural and legal persons have the right to establish themselves in any Member State and to provide cross-border services. For certain regulated professions, there are rules on mutual recognition of qualifications. EU rules on postal services focus on improving the quality of universal service, gradual market opening to competition, and the establishment of an independent regulator.

The legislation on the **right of establishment** and on the **freedom to provide cross-border services** is not aligned with the EU *acquis.* No significant steps were taken toward adopting a countrywide Law on services, nor was any sectoral legislation reviewed to prepare for alignment with the EU Services Directive. The point of single contact is yet to be established. A countrywide audit of administrative and technical barriers is essential to foster a single economic space and enable cross-country business operations. Strong coordination among all levels of government is a prerequisite to ensure legislative alignment in this area.

The legal framework for **postal services** is partially aligned with the EU postal *acquis*. A state-level strategy should be adopted to facilitate the gradual postal market opening to competition. The country-wide postal legislation needs to be further aligned with the Postal Services Directive and the Regulation on cross-border parcel delivery services. Work is underway to engage relevant stakeholders in consultations. The institutional capacity of the Agency for Postal Traffic needs strengthening to be able to monitor postal market developments and ensure compliance with the new postal market rules.

On **mutual recognition of professional qualifications**, Bosnia and Herzegovina is not yet aligned with the EU *acquis*. The legislation does not provide for the mutual recognition of qualifications for regulated professions and minimum training requirements for access to certain professions. The national qualifications framework is not yet referenced to the European qualifications framework. The contact point on regulated professions is not fully functional as the legislation remains fragmented across the country. A detailed list of regulated professions is also still lacking.

Chapter 4: Free movement of capital

In the EU, capital and investments must be able to move without restrictions, with common rules for cross-border payments. Banks and other economic operators apply certain rules to support the fight against money laundering and terrorist financing.

As regards **capital movements**, there was limited progress on the liberalisation of short-term capital restrictions. Both entities adopted legislation on physical cross-border transfer of cash aiming to align with the 2024 Law on prevention of money laundering and terrorism financing. The *Republika Srpska* entity simplified the reporting of foreign credit transactions by allowing for the electronic submission of respective reports, reducing administrative requirements. Nevertheless, restrictions remain on certain short-term capital transactions, including conditions attached to the granting of loans.

Bosnia and Herzegovina does not provide for equal treatment of foreign and domestic natural persons for the acquisition of real estate, as access depends on reciprocity. This should have been remedied by 2021, in line with SAA commitments. Foreigners also cannot own agricultural land.

Regarding **payments**, Bosnia and Herzegovina made progress towards alignment with the EU *acquis* on payments. Both entity parliaments adopted Laws on Payment Services aiming to align with significant parts of the Payment Services Directive 2. In the Federation entity, legislation on electronic money and payment accounts was adopted in July 2026. Beyond legislative alignment, work continued to modernise the domestic payment infrastructure under the TIPS Clone project and cooperation with international partners to improve payment interoperability.

On the **fight against money laundering and terrorism financing** (AML/CFT), Bosnia and Herzegovina was placed on the list of jurisdictions under increased monitoring by the Financial Action Task Force (FATF) on 19 June 2026 due to persistent strategic deficiencies in its AML/CFT framework. Bosnia and Herzegovina needs to urgently implement the FATF Action Plan and address the outstanding recommendations of MONEYVAL's fifth-round mutual evaluation report. The AML/CFT framework requires further alignment with the EU *acquis,* including by ensuring effective nationwide access by competent authorities to beneficial ownership information, for instance through the interconnection of existing registers. Sustained implementation of the FATF Action Plan and strengthened institutional coordination will be essential to address remaining deficiencies and support further alignment with the EU *acquis.*

Chapter 6: Company law

The EU has common rules on the formation, registration and disclosure requirements of a company, with complementary rules for accounting and financial reporting and statutory audit.

On **company law and corporate governance**, Bosnia and Herzegovina's legislation is aligned to a limited extent with the EU *acquis* and needs to be reviewed and harmonised across the country. Bosnia and Herzegovina needs to simplify and harmonise the requirements for businesses and companies to register and operate across the country in a single economic space, notably by interconnecting and coordinating the business registers in the entities and the Brčko District. Further alignment with the EU *acquis* is needed, notably on digital tools and processes in company law, cross-border operations (mergers, divisions, conversions) and shareholder rights, including long-term shareholder engagement. Bosnia and Herzegovina should also complete alignment with the Directive 2024/1760 on corporate sustainability due diligence (CSDDD), as amended by the Directive (EU) 2026/470 (Omnibus I).

On **company reporting and statutory audit,** the legislation is aligned to a limited extent with the EU *acquis*. Further efforts are needed, particularly on company reporting and transparency requirements for listed companies. As regards financial reporting, the legislation in both entities and the Brčko District prescribes the use of international financial reporting standards (IFRS) for annual and consolidated accounts of all legal persons. In the *Republika Srpska* entity, a new Law on Accounting and Auditing was adopted, introducing updated requirements on financial reporting, sustainability reporting, and statutory audit. Nevertheless, Bosnia and Herzegovina still needs to designate a single competent authority with ultimate responsibility for the oversight of statutory auditors across the country, in line with the EU *acquis*, and strengthen coordination among existing audit oversight authorities.

Chapter 7: Intellectual property law

The EU has to a large extent harmonised rules for the legal protection and enforcement of copyright and related rights, as well as of industrial property rights, including trade marks, designs, patents and related supplementary protection certificates (SPCs), geographical indications (GIs), including craft and industrial GIs.

The intellectual property strategy has expired and has still not been replaced. The strategy requires an update in light of developments to the EU *acquis* including on the aspects of artificial intelligence and related advancements. Preparations to further align with the *acquis* on **copyright and related rights** remain in the initial stages.

On **industrial property rights**, Bosnia and Herzegovina adopted the Law on patents, trademarks and trade secrets and the Law on topographies of semiconductor products. Bosnia and Herzegovina still has not acceded to the European Patent Convention as required by the SAA.

Regarding **enforcement**, the Indirect Taxation Authority (ITA) received 78 requests for customs measures based on protected trademarks, two on design, two on patent, two on copyright or related rights. It issued three decisions on the temporary detention and seizure of goods. The State Investigation and Protection Agency (SIPA) investigated 12 cases. The administrative and judicial capacity of enforcement institutions on intellectual property rights is insufficient, and their coordination needs to improve. Training and awareness-raising should continue, in particular for court officers. Bosnia and Herzegovina continued collaboration with the European Union Intellectual Property Office (EUIPO), notably as regards integration into EUIPO databases and networks.

Chapter 8: Competition policy

EU rules protect free competition. They include antitrust rules against restrictive agreements between companies and abuse of dominant position and also include rules on concentrations between companies which would significantly impede effective competition. EU rules also set out a system of State aid control. Governments are only allowed to grant State aid if restrictive conditions are met, with a view to preventing distortion of competition.

Antitrust and mergers

The **legislative framework** on antitrust and mergers is partially aligned with the EU *acquis*. The Law on competition of Bosnia and Herzegovina largely mirrors the rules in the EU treaties on restrictive agreements and abuse of dominant position but needs to be aligned with the most recent EU *acquis,* including implementing legislation.

As for the **institutional framework**, the functioning of the Competition Council is significantly impeded by ethnic-based decision-making, as decisions require support by at least one representative from each constituent people to be adopted. The Law on competition needs amendments to revise voting procedures in line with the EU *acquis*. Regarding **enforcement**

capacity, the staff of the Competition Council needs to increase its expertise.

On **implementation,** in 2025 the Competition Council took 33 decisions and imposed fines in four proceedings. It also issued 20 expert opinions. The Competition Council should improve its enforcement record, in particular (i) on cartels, by conducting more on-site inspections and by raising awareness on its leniency programme, and (ii) on mergers, by imposing remedies where necessary. The judiciary's capacity to handle complex competition cases is improving but needs further strengthening. To tackle distortions of unfair competition in the market, the cooperation with other regulatory bodies needs to increase.

State aid

The **legislative framework**, including the Law on the State aid system, is partially aligned with the latest EU *acquis* and SAA provisions. The implementing legislation is uneven across the country. Bylaws on *de minimis* aid were adopted in the Federation entity in March 2025, in the *Republika Srpska* entity in February 2026, and at state level in July 2026. The legislation on *de minimis* aid, on services of general economic interest and on the purpose and conditions for granting State aid needs to be aligned with the EU *acquis* in the Brčko District. A regional aid map has not yet been drawn up, and the existing aid schemes have not been aligned with the EU *acquis* and the SAA provisions.

As for the **institutional framework**, the functioning of the State Aid Council is significantly impeded by ethnic-based decision-making, as decisions require support by at least one representative from each constituent people to be adopted. The Law on State aid needs amendments to revise voting procedures in line with the EU *acquis*.

The State Aid Council has insufficient **enforcement capacity** and is unable to fulfil its mandate. All its eight members have been appointed and carry out their duties alongside their primary jobs by meeting once a month. With only seven staff members, its secretariat also needs reinforcement.

On **implementation**, the State Aid Council issued four decisions in 2025 and two decisions in 2026. Most State aid measures are put in place by granting authorities without notification or prior approval. Transparency of State aid measures is not ensured in Bosnia and Herzegovina.

Liberalisation

On **liberalisation**, the Law on competition and the Law on State aid apply to public undertakings and undertakings with special or exclusive rights. These rules need to be enforced. The rules on financing services of general economic interest are not fully aligned with the EU *acquis.*

Chapter 9: Financial services

EU rules aim at ensuring fair competition among financial institutions, and the stability and integrity of financial markets, namely in the field of banking, insurance, supplementary pensions, investment services and securities. They include rules on authorisation, operation and supervision of these institutions.

On **banking and financial conglomerates**, legislation requires further alignment with the latest EU *acquis* on capital requirements (Regulation and Directive). Both entity-level banking agencies identified and published lists of systemically important banks.

The country continued implementing the methodology for the supervisory review and evaluation process (SREP). New legislation should introduce stronger corrective and enforcement powers of supervisors and a consolidated supervision of banking groups and financial holding companies across the country.

Regarding bank resolution, no concrete steps have been taken to further align with the EU *acquis*. The institutional and legal framework, including the absence of a countrywide resolution fund, in line with the Bank Recovery and Resolution Directive and other key elements of the EU resolution framework are missing.

Regarding **insurance and occupational pensions,** limited progress was made. The Board of the Insurance Agency of Bosnia and Herzegovina became operational. Although steps were taken towards further harmonisation of compulsory motor third-party liability insurance between the entities, full market liberalisation of the insurance market remains outstanding. The *Republika Srpska* entity amended its legislation on voluntary pension funds and pension schemes. Overall, entity-level legislation remains fragmented and alignment with the EU framewrok on insurance and occupational pensions is still at an early stage.

In terms of **financial market infrastructure,** no measures were taken to further align with the EU *acquis* on securities clearing, settlement and post-trade services.

On **securities markets and investment services,** the entity-level legislation and regulatory bodies remain neither harmonised across the country nor aligned with the EU *acquis*. Coordination between the entities still needs to improve. Brčko District adopted relevant legislation and is preparing to operationalise the third stock exchange in the country. The authorities should ensure its regulatory and market infrastructure is aligned with EU *acquis* and contributes to the integration of Bosnia and Herzegovina's fragmented capital markets. The legal framework for investment funds in the *Republika Srpska* entity continued to be implemented. However, legislation remains fragmented across the entities and is not aligned with the EU *acquis*. The Federation entity has yet to amend the Law on securities markets, aiming to align it with EU *acquis*.

On **sustainable and digital finance**, there were no developments in the reporting period. There is no legal and regulatory framework for digital identity, and banks can only offer hybrid solutions.

On **anti-corruption**, the AML/CFT framework was strengthened through the adoption of the Law and the establishment and the establishment of a permanent coordination body. A beneficial ownership register of legal persons that would ensure a central access point for competent authorities is still not established.

Chapter 28: Consumer and health protection

EU rules protect consumers' economic interests and also ensure product safety, prevent dangerous imitations and establish liability for defective products. The EU also guarantees a high level of protection of public health and in particular also ensures high common standards for tobacco control, blood, tissues, cells and organs, and human and veterinary medicinal products. The EU also has rules for upholding patients' rights in cross-border healthcare and in preparing for and responding to serious cross-border health threats, including communicable diseases.

Consumer protection

On **horizontal aspects**, the 2006 state-level Law on **consumer protection** remains not aligned with the latest EU *acquis*. Countrywide alignment with the latest EU *acquis* is needed, including on digital markets, on addressing the risk of unequal protection of consumers across the country, and on consumer credit and distance marketing of financial services. Administrative capacities, notably of the Ombudsman institution, need to be further improved. The Ombudsman's office for consumer protection issued decisions and provided legal advice in 1 100 consumer complaints in 2025.

An annual state consumer protection programme has still not been prepared by the Consumer Protection Council, and the legal framework for **product safety** is still not aligned with the EU *acquis*. The state-level Market Surveillance Agency continues to implement a reactive market surveillance mechanism based on the information on unsafe products and is publishing notifications on unsafe products on its website, as well as the weekly reports of the EU safety gate rapid alert system.

Public health

While there was no progress in the adoption of a **public health** strategy at state level or in the Brčko District, strengthening of primary health care (PHC) systems has continued, including efforts to shift towards multi-disciplinary, integrated and patient-centred service delivery. Early childhood health, malnutrition and nutrition outcomes remain a concern. Nutrition and early childhood development services remain uneven and insufficiently institutionalised across the country. Conditions in hospitals and maternity hospitals need to be improved and obstetric violence eliminated. Nutrition is not sufficiently integrated into PHC and early childhood healthcare, and access to counselling and caregiver support remains limited. Early childhood health, malnutrition and nutrition outcomes remain a concern. There is no state-level health information strategy and there were no developments on **e-Health** in the reporting period.

On **tobacco control**, legislation in the entities and the Brčko District is still not aligned with the relevant EU *acquis*. The Federation entity Law on tobacco control is not fully enforced due to lack of controls. There is no systematic monitoring of the implementation World Health Organization (WHO) Framework Convention on Tobacco Control. In September 2026, the country ratified the Protocol to Eliminate Illicit Trade in Tobacco Products and should, as a matter of priority, fully align its legislation and practices with obligations arising from it.

There was no progress on alignment with the EU *acquis* on **medicines for human use** or on **veterinary medicinal products** or on **medical devices** or on **health technology assessment**. Patients have only limited access to certain medicines, due to long registration and control procedures. The legal framework on **blood, tissues, cells and organs** is not aligned with the EU *acquis*, and there is no administrative capacity to apply it. The cooperation between the entities' transfusion institutes remains very limited, with no countrywide oversight system to ensure efficient coordination.

Legislation on **serious cross-border health threats**, including **communicable diseases,** is not aligned with the EU *acquis*. Coordination among the entities and state institutions on communicable disease surveillance and response needs to be strengthened. While Bosnia and Herzegovina's participation in the technical activities of the European Centre for Disease Prevention and Control (ECDC) remains limited, it has initiated the development of 'centres for disease prevention and health promotion' linked to PHC facilities, including pilot-testing. Immunisation coverage has not yet fully recovered to pre-pandemic levels, and gaps persist in reaching vulnerable populations, including children in rural areas and marginalised communities. National legislation is not aligned with the EU *acquis* on **patient's rights in cross-border healthcare**. There were no developments on **anti-microbial resistance** in the reporting period.

Measures to promote healthy lifestyles and prevent **non-communicable diseases** have been partially implemented by the competent institutions of the entities and the Brčko District, especially through establishment of centres for prevention of diseases and promotion of health as pilots in a few medical centres in both entities in Bosnia and Herzegovina. On **cancer**, both entities have cancer registers, however there is no countrywide cancer control plan or early detection programme, while the *Republika Srpska* entity has an early detection programme. Recently, the alignment of screening programmes and the establishment of

identical/mutually compatible databases in both entities of Bosnia and Herzegovina have been initiated that are also harmonised with best EU practices. There was no progress on **mental health**, on **drug abuse prevention and harm reduction**, or on nutrition and physical activity. Civil society groups work to reduce harmful use of alcohol and prevent related disorders.

On **health inequalities**, access to healthcare remains a key challenge, especially for marginalised groups including Roma, women from rural areas and women with disabilities. Women and girls often lack health insurance and face poorly organised sexual and reproductive healthcare. Migrants, asylum-seekers, and refugees have access to healthcare services. Public health institutions are responsible for medical screenings as part of the registration process in reception centres and family medicine, paediatrics, mental health services, dental care, and laboratory services, as well as gynaecology, physical rehabilitation, and radiology are also provided in temporary reception centres.

On access to healthcare for people with disabilities, despite a comprehensive legal framework, generally aligned with international standards, including the United Nations Convention on the Rights of Persons with Disabilities, access to healthcare for persons with disabilities in Bosnia and Herzegovina remains uneven in practice. Structural fragmentation of the health system, combined with disparities in insurance coverage across entities and cantons, results in unequal access to services. Physical inaccessibility of some healthcare facilities, limited availability of specialised, disability-specific, and community-based services, especially in rural and remote areas, further restrict effective and inclusive healthcare for persons with disabilities.

Persistent **corruption** at all levels continues to significantly affect healthcare policy and delivery of healthcare services throughout the country, especially high-level corruption and when procuring essential medical equipment and medications for most severe diseases. Addressing corruption in this sector requires comprehensive reforms, strengthening the legal framework, boosting transparency and accountability, and encouraging a professional culture of integrity.

CLUSTER 3: COMPETITIVENESS AND INCLUSIVE GROWTH

This cluster covers: Digital transformation and media (Chapter 10); Taxation (Chapter 16); Economic and monetary policy (Chapter 17); Social policy and employment (Chapter 19); Industrial policy (Chapter 20), Science and research (Chapter 25); Education and culture (Chapter 26); and Customs union (Chapter 29).

Chapter 10: Digital transformation and media

The EU supports the smooth functioning of the internal market for electronic communications, electronic commerce and audiovisual services. The rules protect consumers and support the universal availability of modern services.

On **electronic communications**, Bosnia and Herzegovina did not progress in aligning the legislation with the EU *acquis*, including the Broadband Cost Reduction Directive and Gigabit Infrastructure Act. Bosnia and Herzegovina still needs to adopt a telecommunications sector policy and to develop a broadband strategy. The granting of radio spectrum licences for 5G mobile communications remains delayed. The Communications Regulatory Agency (CRA) continues to lack financial and political independence.

On **digital services**, Bosnia and Herzegovina made no progress in adopting a countrywide strategy and action plan for the development of an information society. No action was taken to develop an open data policy. Bosnia and Herzegovina needs to take steps to build the

societal and institutional capacity and to establish the legal basis to effectively support the enforcement of the Digital Services Act (DSA) and the Digital Markets Act (DMA) as of EU accession. Bosnia and Herzegovina needs to align with the DSA, the DMA and the Interoperable Europe Act. This includes ensuring compliance with accessibility standards and cross-border access to digital public services. There is still no coordinated and jointly planned approach for the digital transformation of public services across the country, and data exchange between public services remains very limited.

On **digital trust and cybersecurity**, Bosnia and Herzegovina still lacks a comprehensive legislative framework for the security of networks and information systems. No countrywide single point of contact has been designated, and one or more computer security incident response teams need to be established to facilitate strategic cooperation and information exchange. The continued absence of a comprehensive cybersecurity framework increases exposure to cyber threats. Bosnia and Herzegovina needs to continue implementing the EU 5G Cybersecurity Toolbox, including by assessing the risk profile of suppliers and putting in place appropriate restrictions and exclusions for high-risk suppliers. Progress was not made in adopting legislation on electronic identification and trust services for electronic transactions in line with the EU *acquis*. The EU recommendation to establish a single supervisory body for the whole country remains valid. There were also no significant steps toward ensuring the interoperability of electronic signature throughout the country. In June 2026, the Personal Data Protection Agency prohibited the Agency for Identification Documents, Registers and Data Exchange (IDDEEA) and the Indirect Taxation Authority from processing personal data for qualified electronic signatures, but the Court of Bosnia and Herzegovina suspended that decision in July 2026 pending its final ruling, so IDDEEA continues issuing them. The *Republika Srpska* entity Law on electronic identification, trust services in electronic business and electronic documents in force since June 2026 creates a separate entity-level supervisory structure for trust services and digital identity, contradicting the EU's recommendation to establish a single supervisory body for the whole country.

As regards **media**, Bosnia and Herzegovina's legislative framework remains insufficient. Bosnia and Herzegovina needs to align with the Audiovisual Media Services Directive and the European Media Freedom Act. Analogue terrestrial broadcasting by TV stations was suspended, completing the switch to digital terrestrial broadcasting for public broadcasting services. A public services broadcasting corporation should be established as a separate legal entity as provided for by the Law on the public broadcasting system. Bosnia and Herzegovina should also revise the financing model for local public broadcasters to ensure their financial sustainability and political independence and strengthen the protection of journalists and media workers. Without stable, independent and adequately funded public service media, the country cannot fulfil core obligations related to media pluralism, digital transformation and democratic accountability.

On artificial intelligence (AI), Bosnia and Herzegovina should start developing the necessary governance and enforcement structures in line with the EU AI Act.

The whistle-blower protection system in Bosnia and Herzegovina remains fragmented and uneven. There is no whistle-blower protection law at the Federation entity level, while Brčko District, Sarajevo Canton, the *Republika Srpska* entity, and the state level have applicable legislation that is not fully aligned with the EU *acquis* and requires improvement. Provisions guaranteeing anonymity and confidentiality of disclosures are in place at state level. All mentioned laws contain provisions defining that confidentiality and anonymity must be ensured. In order to report misconduct, Bosnia and Herzegovina and Sarajevo Canton opened a toll-free phone line for whistle-blowers. Reports can be submitted in person, in writing, or electronically, in all areas where legislation is in force.

Chapter 16: Taxation

EU rules on taxation cover VAT, excise duties and aspects of corporate taxation. They also cover cooperation between tax administrations, including the exchange of information to prevent tax evasion.

The legislative framework for **indirect taxation** is partially aligned with the EU *acquis.* In June 2026, Bosnia and Herzegovina adopted the necessary bylaws for the amendments to the Law on value added tax (VAT) to allow VAT refunds on the purchase of a first real-estate property. The exemption for capital duty taxation has been removed.

As regards **excise duties** on tobacco, alcohol and energy, and general rules for the production, keeping, storage, movement and controls on products that are subject to excise duties, alignment of the legislation with the EU *acquis* is needed.

On **direct taxation**, the tax and social contribution regimes in the two entities still differ, hindering progress towards a single economic space. Amendments have been adopted to the law on income tax.

On **administrative cooperation and mutual assistance**, Bosnia and Herzegovina has not yet committed to automatically exchanging financial account information based on the OECD single global standard.

Concerning **operational capacity** and **digitalisation**, the various tax administrations should further improve coordination, cooperation and data exchange. The administrative capacity and staffing levels of the ITA remain insufficient. Bosnia and Herzegovina needs to improve cooperation between the Indirect Taxation Authority and the tax administrations, including through joint audits. The Federation entity adopted a new Law on the Fiscalisation of Transactions, introducing a comprehensive reform of the fiscalisation system and to a digital, software-based model. The new system is based on the Electronic System for Recording Transactions (ESET), which enables the electronic recording and fiscalisation of transactions and the transmission of data to the Tax Administration through a central fiscalisation platform.

Chapter 17: Economic and monetary policy

EU rules require the independence of central banks and prohibit them from directly financing the public sector. Member States coordinate their economic policies and are subject to fiscal, economic and financial surveillance.

As regards **monetary policy**, the currency board anchors the convertible mark (BAM) to the euro. The Central Bank's objective of currency stability is not fully in line with the primary objective of monetary policy in the EU, which is price stability. The Law on the Central Bank does not ensure the bank's unconditional personal and financial independence. Furthermore, the Law is not fully aligned with the EU *acquis* as regards the prohibition of monetary financing.

Regarding **economic policy**, fiscal rules remain at entity level and there is no independent fiscal institution to monitor and enforce compliance countrywide. The country did not adopt in time the global fiscal framework, as set by law, to provide a countrywide medium-term budgetary framework as guidance for the coordinated and timely adoption of the annual budgets by all levels of government.

The **Economic Reform Programme** (ERP) was submitted on time but there were no significant improvements in the quality of the reporting, as the provided historic macroeconomic data was largely outdated, and inconsistencies between the various parts remained. The policy guidance, jointly agreed in May 2025, was implemented only to a limited degree, as in the preceding year. The Directorate for Economic Planning of the

Council of Ministers still lacks sufficient resources, competences and political support to efficiently coordinate the process.

Chapter 19: Social policy and employment

EU rules in the social field include minimum requirements for labour law, equality and non-discrimination health and safety at work. They also promote social inclusion and social protection, and social dialogue at EU level.

To fully align with EU *acquis* regarding **labour law**, the legal framework requires further improvement in several areas, notably as regards the protection of workers from discrimination. Implementation remains inadequate, especially on social dialogue, protection of workers and the enforcement of labour inspections.

The bylaws on **health and safety at work** regulating specific aspects of occupational safety and health need to be adopted and harmonised with the EU *acquis* throughout the country. Enforcement and implementation of legislation remain partial, especially when it comes to inspection capacity, prevention of injuries, investment in safety and training, and risk assessment. Data collection and dissemination on work-related injuries and diseases needs to be improved. No countrywide data are collected on accidents and fatalities.

Social dialogue is weak at all levels, with no significant improvements. Social partners are not sufficiently involved in the design and implementation of policies. Their capacities are low and need to be strengthened, particularly in the private sector. There are no general collective agreements, and only few concluded sectoral collective agreements, mainly in the public sector. Entity-level Economic and Social Councils operate unevenly, and there is no such body at state level. Significant gaps remain in ensuring freedom of association for trade unions and the right to collective bargaining. There is a persistent lack of bipartite and tripartite social dialogue and the effective consultation and participation of social partners in policy-making processes.

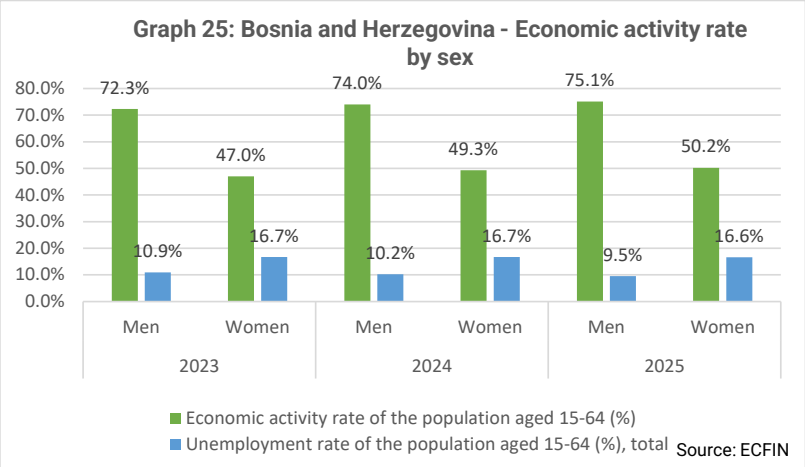
A countrywide **employment policy** strategy remains pending adoption by the Council of Ministers, 12 years after the previous one expired in 2014. Informal employment remains high. Bosnia and Herzegovina should intensify active labour market policy measures to reduce long-term unemployment. Public employment services are burdened by administering social benefits rather than assisting active jobseekers. Registration with public employment services gives access to social benefits including basic health insurance, encouraging even informal workers and inactive persons to register as unemployed. While both entities now have strategies that embed the Youth Guarantee, Bosnia and Herzegovina needs to swiftly complete and adopt the Youth Guarantee implementation plan.

Regarding **labour force participation** and **unemployment rate** *see the statistical annex and the section on the functioning of the labour market under 2.3 Economic criteria.*

There are no countrywide strategies on poverty reduction, **social protection and inclusion**, nor is there a state-level monitoring system. The social protection system in Bosnia and Herzegovina remains underdeveloped, ineffective and highly fragmented across administrative levels, resulting in significant disparities in eligibility criteria, benefit levels, and access to services. The country needs to both ensure a uniform definition of disability in line with international conventions and harmonise eligibility criteria for, rights to, and standards of social protection. For persons with disabilities, institutional care is still prevalent, accessibility remains a challenge, and there are only few community services to support independent living. The process of de-institutionalisation of children and adults with disabilities should be accelerated taking into account the Commission Notice – Guidance on independent living for persons with disabilities aiming at facilitating de-institutionalisation and independent living. The Federation entity adopted a law aiming to enhance the legal

position of one group of children with disabilities (15 – 18 years of age) and to align with the principles of the United Nations Convention on the Rights of the Child. Implementation of the European Child Guarantee did not progress. A large number of people is not covered by public health insurance while eligibility conditions and coverage differ among entities and cantons. Cooperation between social service centres and employment services is not well established. No measures were taken to address child exploitation, child begging and child poverty. Roma children are particularly vulnerable to the worst forms of child labour. Therefore, Bosnia and Herzegovina needs to align with the Directive on the protection of young people at work. The country needs to ensure health insurance for all children. Bosnia and Herzegovina should adopt countrywide measures to improve the living conditions of older people.

In the field of **non-discrimination in employment and social policy**, alignment with the EU *acquis* remains incomplete, including the Employment Equality Directive and the Racial Equality Directive. Furthermore, on the policy side, there are still no comprehensive strategies or action plans in this field. Most public bodies do not have mechanisms for dealing with complaints of mobbing and discrimination in line with the country's Law on non-discrimination.



The principle of equal opportunities **gender equality and equal treatment of women and men in matters of employment and social policy** is regulated by the laws on gender equality and anti-discrimination, and by the entity-level labour laws, but enforcement remains low. Due to poor efficiency of courts, non-discrimination proceedings may last for years. Rights prescribed by the EU Directive on work-life balance for parents and carers are only partially recognised by law. The country needs to establish uniform minimum maternity leave benefits across the country and harmonise the definition of maternity, paternity and parental leave to eliminate discrimination. Despite existing legislation on workplace sexual harassment, enforcement remains weak. Bosnia and Herzegovina is stagnating or declining across most areas of the Gender Equality Index 2024, and the gap to the EU average continues to grow. Particular attention should be paid to people experiencing multiple and intersecting forms of discrimination and socio-economic disadvantage, including where gender intersects with disability, ethnic origin, age or poverty. Access to affordable childcare and early childhood education facilities remain limited. The tax-benefit system is predominantly reflecting traditional gender roles.

The Gender Equality Law of Bosnia and Herzegovina has only general provisions on equal rights to access economic activities. In 2022 (last data available), the management structure of the selected companies consisted of 15% women and 85% men. The implementation of the gender action plan (2023-2027) demonstrated a commitment to gender equality, with some efforts made to address violence against women by strengthening the capacity of state institutions, promoting social inclusion of marginalised groups and catalysing women economic empowerment. Activities in ensuring data collection have been initiated in order to ensure calculation of the full Gender Equality Index calculation, but challenges remain. Efforts to improve data collection should also ensure, where possible, the availability of sex-

disaggregated and intersectional data to identify inequalities affecting different groups of women and men and to inform evidence-based policy-making. The country has embedded gender responsive budgeting (GRB) in its legislation since 2009, with gender indicators required in budget planning with entity-level implementation. Family benefits and caregiving income recognition exist, but they are modest and inconsistent. Active harmonisation with EU systems has not been achieved. The alignment with the Pay Transparency Directive has not started.

Since 2025, Bosnia and Herzegovina participated in the 'Employment and Social Innovation' (EaSi) strand of the **European Social Fund** Plus (ESF+), allowing CSOs and public administrations to develop social innovation practices, capacity building actions, and social and employment policies.

Chapter 20: Enterprise and industrial policy

EU industrial policy strengthens competitiveness, facilitates structural change and encourages a business-friendly environment that stimulates small and medium-sized enterprises (SMEs).

On **enterprise and industrial policy principles**, there is still no countrywide industrial strategy and no state-level body promoting policy consistency between industrial strategies. Industrial policy is incoherent between entities, which constrains the effectiveness and overall impact of policy measures. The degree of correspondance of the country's industrial policy to the EU priorities remains therefore very low. In February 2026, the *Republika Srpska* entity adopted an action plan for the implementation of its industrial strategy until 2028.

Limited steps were taken to improve the **business environment**, which remains fragmented and administratively burdensome. To accelerate access to data, the *Republika Srpska* entity amended its Law on registration of business entities in January. However, high barriers to starting a business, rules on taxes and para-fiscal (non-tax) charges and regulatory differences across various levels of government still need to be addressed. Separate business registers make it harder for companies to operate throughout the country. (*See Chapter 6 – Company law*). As for **investment environment**, the council of foreign investors in the *Republika Srpska* entity held two sessions since establishment in 2025. However, the resolution rate of commercial disputes remains low, and arbitration weakly developed.

Functional mechanisms and capacities for effective oversight and governance of POEs are still not fully implemented. The *Republika Srpska* entity has established functional oversight units, but it still lacks a fuctional register of POEs. The *Republika Srpska* entity established a legal framework for the POEs register in December 2025 and recently completed the software, through which POEs shall upload the data in the upcoming period. The Federation entity has functional register of POEs and has formally established oversight and management units, but these units are still not functional. (*See Section 2.3 Economic criteria – privatisation and restructuring*)

A broad campaign on CBAM was implemented throughout the country. However, the preparations for the **green and digital transitions, resilience, and global competitiveness of industry remain** at a very early stage. A greater focus on green investments in manufacturing is needed, notably for a more diversified sourcing of energy. The financial support for introducing innovations in green and digital transformation needs to be improved, in particular for SMEs, including start-ups.

Both entities continued to provide **incentives for SMEs**, to raise competitiveness through technological modernisation and energy efficiency. The *Republika Srpska* entity adopted a new Law on incentives in April 2026 with the aim to maintain current levels of competitiveness and employment among business operators. In December 2025, it

adopted its social entrepreneurship development strategy 2026-2032 and amendments to the laws on SME development, as well as three decisions aimed at providing incentives for SMEs and strengthening entrepreneurial infrastructure. The Federation entity has continuously implemented support measures to help businesses maintain employment, including through the adoption in February 2026 of three decisions for the allocation of incentives for SME investments. There are still no countrywide guidelines for harmonisation of SME support in line with the EU Small Business Act. The alignment of the legislation with the EU *acquis* still needs to be assessed.

There is no improvement of transparency and accountability in the use of public funds. The capacity and funding to perform **monitoring and evaluations** of enterprise and industrial policy measures are still overly limited, and the statistical data remain insufficient.

As for **enterprise and industrial policy instruments**, no progress was made in aligning the legislation on late payments in commercial transactions with the EU *acquis*.

Bosnia and Herzegovina continues to participate in the EU Single Market programme through two entity-based consortia selected under the Enterprise Europe Network.

As regards **sectoral policies**, the *Republika Srpska* entity adopted in June 2026 a new tourism law, which establishes the framework for tourism planning, governance and development. The Federation entity continued the development of sectoral development strategies for key industries, including wood-processing, metal and electrical, and construction materials sectors, to strengthen the industrial policy framework and enhance sectoral competitiveness. The Federation entity started the preparation of two key legislative acts in the tourism sector: a Law on tourism, which establishes the framework for tourism planning, governance and development, and a Law on residence tax *(See chapter 16 Taxation)*. These initiatives aim to establish a more coherent regulatory and financial framework for the development of the tourism sector.

Chapter 25: Science and research

The EU provides significant support for research and innovation. All Member States can participate in the EU's research and innovation programmes and benefit from them, especially where there is scientific excellence and a solid investment in research and innovation.

The legislative framework on **research and innovation policy** remains fragmented and needs to be improved. Bosnia and Herzegovina needs to develop and adopt a new strategy and action plan for scientific development, as well as a Smart Specialisation Strategy.

The estimated total allocations for research and innovation remain below 0.3% of GDP, which is far below the European Research Area objective. There is no countrywide policy on topics related to the European Research Area, as decisions are made by each university.

Bosnia and Herzegovina has not yet joined the GÉANT association. To join the GÉANT Association and benefit from the wider European Research and Education Community, the establishment of a National Research Education Network Organisation (NREN) is needed.

A positive development is the opening of the EIT Community Hub in Sarajevo which will serve as the national gateway to the EIT Community, connecting innovators, researchers, universities, startups, companies and public institutions in Bosnia and Herzegovina with Europe's largest innovation ecosystem.

Bosnia and Herzegovina is included in the European Innovation Scoreboard with performance at 28% of the EU average in 2026. The country's performance is below the average of 'emerging innovators' (46%) and the performance gap with the EU is increasing. Relative weaknesses are R&D expenditure in the public sector, venture capital expenditures

and direct and indirect government support of business R&D. In addition, further progress should be made to ensure reliable and comprehensive statistics on research and innovation, useful for instance for the European Innovation Scoreboard and the European Research Area.

Researchers from Bosnia and Herzegovina participated in 89.3% of actions of the European Cooperation in Science and Technology (COST).

Bosnia and Herzegovina is associated to the Research and Innovation Framework Programme Horizon Europe. In the reporting period, 26 grants with participation from Bosnia and Herzegovina were signed with a total EU net contribution for Bosnia and Herzegovina of EUR 3,37 million.

The City of Sarajevo participates in the EU Mission "100 Climate-Neutral and Smart Cities by 2030". In this context, it recevied the EU Mission Label for Climate-Neutral and Smart Cities in April 2026 which marks an important milestone in achieving Sarajevo's long-term sustainability and climate goals.

Chapter 26: Education and culture

The EU supports cooperation in education and culture through funding programmes and the coordination of Member State policies through the 'open method of coordination'. The EU and the Member States must also prevent discrimination and ensure quality education for children of migrant workers, including those from disadvantaged backgrounds.

On **education and training**, Bosnia and Herzegovina needs to move from a content-oriented towards a competency-based approach to education. Transformation and harmonisation of curricula is needed to ensure systemic regulation of learning and teaching process.

Public spending on education amounted to around 4% of GDP in 2022, below the EU average of 4.7% in 2023.

Concerning international assessments of school education, Bosnia and Herzegovina did not take part in the 2024 TALIS assessment After failing to participate in two PISA rounds (2022 and 2025), preparations to join the 2029 PISA need to intensify. No systemic measures have been taken to address the findings of earlier tests.

Although the legal framework is in place, there is still no mechanism to systematically measure or monitor the quality of education inputs, outputs or outcomes, and data does not feed into the policymaking process. Due to demographic changes, the number of students is in decline**.**

Disputes over education continue, while systemic solutions are not in place to ensure inclusive and non-discriminatory education, eliminating the practice of 'two schools under one roof'. The common core curriculum remains incomplete and is not applied throughout the country, and the availability of teaching of the national group of subjects remains limited. Despite Constitutional Court decisions, the name of the Bosnian language is still not recognised in schools in the *Republika Srpska* entity, leading to recurrent friction. Biased narratives on wartime heroes and victims are present in all curricula, contributing to a politicised education.

With regard to inclusiveness, several positive measures were implemented under the Roadmap for Improving Inclusive Education. In particular, the Council of Ministers adopted a decision in September 2025 to strengthen efforts to promote quality education for all citizens. All education authorities should step up work to implement the 2020 roadmap, meeting all recommendations and reporting on it. Infrastructure and fundings are needed for the education of children with special needs.

There is no countrywide coordinated approach and only limited effort in supporting the

digital transformation of education and training, including on digital skills, also ensuring that core teacher competencies are properly developed. The authorities need to strengthen their efforts, in line with the EU digital education action plan 2021-2027. Further efforts are needed following the prior establishment of an advisory board for digital education.

A countrywide policy document on **vocational education and training** (VET) has been in place since 2021, based on the Riga conclusions. However, no noticeable progress on implementation followed. Positively, Bosnia and Herzegovina has been a member of the European Alliance for Apprenticeships (EAfA) since 2024, demonstrating its commitment to improving youth and adult employment. The country should encourage more local stakeholders to join the Alliance through pledges, enabling them to exchange good practices and strengthen quality apprenticeships. Nevertheless, adults learning participation remains low, with only 1.8% of adults aged 25-64 training in 2025, against an EU target of 60% for 2030. In this context, measures to promote life-long learning of adults (including women), such as the introduction of individual learning accounts, need to be stepped up.

Bosnia and Herzegovina is a member of the European Higher Education Area (EHEA). On higher education, according to the 2024 Bologna Process implementation report, the country needs to ensure full implementation of the key commitments, especially with regards to national qualifications frameworks, automatic recognition and quality assurance.

Bosnia and Herzegovina's national qualifications framework (NQF) is not yet referenced to the European qualifications framework (EQF), nor is there a mechanism for the validation of prior learning. Cooperation continued between the two accreditation agencies, one at state level and one in the *Republika Srpska* entity. The Agency for Development of Higher Education and Quality Assurance of Bosnia and Herzegovina (HEA) is undergoing an external review coordinated by the European Association for Quality Assurance in Higher Education (ENQA) on whether and how the agency meets the expectations of the European Standards and Guidelines for Quality Assurance in the EHEA.

Bosnia and Herzegovina benefits from the international dimension of the 2021-2027 Erasmus+ programme. Under the guidance of the European Commission, as of 2025 Bosnia and Herzegovina started the preparations of national structures for the association to the Erasmus+ programme, which includes the setting up of a dedicated national agency. Relevant progress is expected to allow full participation during the next programme period. Four universities from Bosnia and Herzegovina have been selected as partners in alliances funded by the European Universities Initiative.

Regarding **youth**, young people in the country face several challenges, while having very little if any access to decision-making. In December 2025, the Youth Council of the Federation of Bosnia and Herzegovina was formally established. The formation of the Youth Council is a long awaited milestone in the implementation of the Federation entity's youth policy. Since then, the Youth Council has met twice. In March, the Youth Council adopted its work programme for 2026. Among other objectives, the Youth Council intends to report each year on the situation of young people in the Federation.

Bosnia and Herzegovina continued to participate in the European Week of **Sport**.

In the area of **culture**, Bosnia and Herzegovina continues to implement measures under the UNESCO Convention on the protection and promotion of the diversity of cultural expression. The country still has to ensure a permanent solution to the legal status and financing for the seven 'cultural institutions of national significance for Bosnia and Herzegovina'. Bosnia and Herzegovina continues to participate fully in the Creative Europe 2021-2027 programme.

The budget allocation for culture at all levels of government would improve with longer-term, multiannual funding decisions to provide financial stability for cultural creation and

operation. Bosnia and Herzegovina would benefit from establishing formal partnership structures enabling transparent and organised participation in cultural policymaking.

Bosnia and Herzegovina embedded 'anti-corruption education' as a general prevention pillar in its national 2024–2028 strategy but during the reporting period it has not adopted a dedicated sectoral anti-corruption strategy for education, and structural integrity gaps.

Chapter 29: Customs union

All Member States are part of the EU customs union and follow the same customs rules and procedures. This requires legislative alignment as well as adequate implementing and enforcement capacity and access to and interoperability with the EU electronic customs environment.

The ITA is in charge of implementing the **customs legislation** and policies, which should be further aligned with the EU *acquis* including the Union customs code. The new customs policy law has been drafted but has not yet been adopted. Four companies have been recognised as authorised economic operators (AEOs). The customs tariff and classification of goods are aligned with the EU's combined nomenclature. The country continues to apply the Pan-Euro Mediterranean Convention and has begun adopting the transitional rules of origin in trade with the EU.

Bosnia and Herzegovina is an observer in the Common Transit Convention and intends to join it once it has met all legal and technical requirements, including upgrading its new computerised transit system, which has been operational since August 2022. An implementing Decision to the Law on customs policy law was adopted by the Council of Ministers in the reporting period. Bosnia and Herzegovina should continue aligning with the EU *acquis* its provisions on the customs enforcement of intellectual property rights. The country should implement the CEFTA additional protocol 5 on the mutual recognition of AEO programmes. Bosnia and Herzegovina should improve cooperation, including with the European Anti-Fraud Office (OLAF), and step up the use of anti-fraud tools to combat cross-border smuggling of tobacco products and other illicit activities. Bosnia and Herzegovina has yet to accede to the Protocol to Eliminate Illicit Trade in Tobacco Products. In October 2025 the Council of Ministers approved joining the latter Protocol. The exchange of customs information within the framework of mutual administrative assistance to detect, prevent and combat customs fraud needs to be made effective and fully operational.

The **administrative and operational capacity** of the Indirect Taxation Authority should be substantially strengthened, especially in operational posts. The risk management system needs further improvement, and customs authorities still perform 30% of checks physically (decrease from 40% in 2025). Bosnia and Herzegovina needs to align its customs IT systems with EU requirements to achieve interoperability with the common customs IT systems.

CLUSTER 4: THE GREEN AGENDA AND SUSTAINABLE CONNECTIVITY

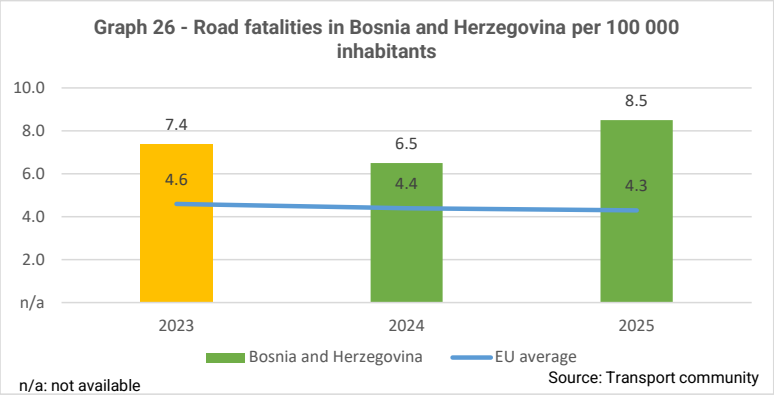
This cluster covers transport (Chapter 14); energy (Chapter 15); trans-European networks (Chapter 21); and environment and climate change (Chapter 27).

Chapter 14: Transport policy

The EU has common rules on technical and safety standards, security, social standards, State aid and market liberalisation in road transport, railways, inland waterways, multimodal transport, aviation and maritime transport.

Regarding the **general transport *acquis***, Bosnia and Herzegovina continues to implement its transport strategy valid until 2030, while an updated strategy with more realistic actions and

deadlines is still pending adoption. Reforms in the transport sector have been insufficient for several years. The country should speed up proper implementation in all modes of transport. Activities mostly relate to infrastructure projects while little or no attention is given to delivering on the commitments contained in the Transport Community Treaty (TCT), its action plans and elements arising from the smart and sustainable mobility strategy for the Western Balkans. Sustainable urban mobility plans should be developed following EU practice, respecting environmental and social standards. An overall strategy for an intelligent transport system covering all modes of transport is yet to be adopted and appropriate resources should be allocated for its implementation.



On **road transport,** the implementation of road safety legislation remains a concern, as the number of crashes and fatalities is still very high. Discrepancies persist between domestic and WHO data. There is still no lead agency for road safety or countrywide system to collect data on road crashes. No developments to report in the area of transport of dangerous goods. The legislation on road infrastructure safety management is yet to be aligned with the EU *acquis*, including on inspections and audits. Alignment on social and market rules in road transport is also needed. In January 2026, the Presidency of Bosnia and Herzegovina approved the additional protocol to the Convention on the Contract for the International Carriage of Goods by Road (CMR) on electronic consignment note.

On **rail transport**, half of the railway infrastructure remains unsafe, outdated and unreliable, and cannot enable suitable international transit. Bosnia and Herzegovina should align the Law on railways with the fourth EU railway package, notably to open the railway market, separate infrastructure management and transport operations, and strengthen the independence and administrative capacity of the regulatory body, the safety authority and the investigation body. The country still should adopt a multiannual maintenance plan for the entire network. Bosnia and Herzegovina should use modern systems in line with EU rail interoperability and safety standards to build or rebuild railway sections. At entity level, railway legislation aiming to provide non-discriminatory access to the network should be brought in line with the EU *acquis*.

Bosnia and Herzegovina needs to prepare and adopt legislation on **maritime transport** in line with the EU *acquis*, enabling the country to become a maritime shipping flag holder. On **inland waterway transport**, Bosnia and Herzegovina should adopt state-level legislation in line with the EU *acquis* to ensure the safety of navigation and maintenance of inland waterways.

The 2009 Law on **civil aviation** needs to be aligned with the requirements of the European Common Aviation Area Agreement (ECAA). The authorities should continue efforts to address the chronic lack of adequately trained and qualified staff within the Bosnia and Herzegovina Directorate of Civil Aviation (BHDCA), which increases the risks of safety oversight. Bosnia and Herzegovina adopted implementing legislation on air traffic flow management, aimed at further alignment with the EU *acquis*.

Bosnia and Herzegovina has not started to develop its policy, institutions, legal and regulatory framework on **multimodal transport**. Bosnia and Herzegovina has not yet aligned

with the EU *acquis* on combined transport.

No developments to report regarding EU **passenger rights** as regards rail, bus and coach and waterborn transport, although the legislation on air passenger rights as well as regarding persons with disabilities and persons with reduced mobility is aligned with the EU *acquis*.

There were no developments on anti-corruption measures.

Chapter 15: Energy

EU energy policy covers energy supply, infrastructure, the internal energy market, consumers, renewable energy, energy efficiency, nuclear energy and nuclear safety, radiation protection, and nuclear safeguards.

No significant steps were taken to establish a compliant legal framework governing the **security of supply** in electricity, which needs to be redirected from coal to renewables, nor of supply in gas. No developments to report in the gas and oil sectors to align the legislative framework with the EU *acquis*.

Although only 3% of the energy supply comes from natural gas, the country remains fully dependent on one single source from Russia. Full implementation of the Regulation on the security of gas supply is pending, including development of risk assessment, preventive action plan and emergency plan. The country needs to adopt and enforce new legislation for the unbundling, certification, and operation of the gas transmission system operator in line with the third energy package.

In April 2026, the Federation entity adopted a Law on the Southern Interconnection gas pipeline project without consulting the EU on the alignment with the gas *acquis*, despite the need to prioritise renewable options and to reduce supply risks.

On emergency oil stocks, no substantial progress was made at state level towards establishing the legal and institutional framework required by the EU *acquis*. The allocation of responsibilities between state-level and entity-level institutions remains unresolved.

At entity level, developments continued to diverge. The Federation entity took some steps towards establishing compulsory stocks of petroleum products, including build-up of strategic reserves and efforts to expand storage capacity. However, the stockholding system remains at an early stage of development, and further substantial efforts are needed to meet the 90-day requirement. In the *Republika Srpska* entity, no substantial steps were taken on establishing compulsory stocks of petroleum products.

In response to the current oil market disruption, both entities introduced price intervention measures. The *Republika Srpska* entity implemented partial fuel price refunds, while the Federation entity regulated retail margins on petroleum products. These developments highlighted the need for stronger contingency planning and improved coordination among the competent institutions to mitigate economic and financial risks impact of global oil supply disruptions.

To ensure the opening of the **internal energy market**, Bosnia and Herzegovina needs to adopt outstanding electricity and gas legislation. Bosnia and Herzegovina is late in aligning with the Electricity Integration Package, which is a precondition for market integration. This, among others, includes unbundling and certification of the transmission system operator, appointing the nominated electricity market operator (NEMO) and establishing the power exchange and day-ahead and intra-day markets. A new law on the regulator, electricity transmission and the electricity market, aimed at aligning with the Electricity Integration Package, is yet to be adopted. The entity-level laws need to be fully harmonised with this legal framework and be implemented. The unbundling of the distribution system operator

within the three incumbent utilities remains incomplete, with progress stalled in the Federation entity pending additional legal amendments, while in the *Republika Srpska* entity legal and accounting unbundling of distribution companies is completed but their functional unbundling remains outstanding. For electricity, the independence of regulatory authorities at all levels is still hampered by political interference. The regulatory authority is not equipped with legal powers to regulate the gas sector.

For gas, the wholesale and retail market remains closed without adequate regulatory oversight and lacks transparency, particularly on setting prices for end consumers.

A state-level legal framework is still lacking on **renewable energy**, although both entities and the Brčko District continued to prepare implementing legislation. Both entities and the Brčko District need to launch renewable energy support scheme auctions. An electronic register on issuance, cancellation and trade of guarantees of origin (GOs) is in place in the *Republika Srpska* entity, while the Federation entity signed an agreement with a service provider in August 2026 to introduce it.

Amid large potential, there were positive developments on renewable electricity capacity, with five wind parks in place and an increasing number of solar plants (including ten solar parks). Current plans for new renewable energy sources capacity should be swiftly implemented. Hydropower planning is still being carried out without complying with the Espoo Convention. Despite existing legal obligations, environmental impact assessments are not consistently prepared, which lead to protests and court challenges. *(See Chapter 27 – Environment and climate change)*

No progress was made in aligning legislation on **energy efficiency** with EU *acquis*, including the energy performance of buildings. Incentive measures must be gender- and class-balanced.

In the area of **governance**, Bosnia and Herzegovina needs to finalise and adopt the 2021-2030 National Energy and Climate Plan (NECP) in line with the 2030 Energy Community targets.

As regards **nuclear energy, nuclear safety, radioactive waste management and radiation protection**, the country finalised the outstanding actions required to join the European Community Urgent Radiological Information Exchange (ECURIE). Bosnia and Herzegovina has also established the necessary technical arrangements to use the required communication tools for notifying radiological emergencies. On **nuclear safeguards**, upon EU accession the existing systems of accountancy and control of nuclear materials in Bosnia and Herzegovina would need to be adapted to accommodate for the safeguard provisions of the Euratom Treaty.

There were no developments on anti-corruption measures.

Chapter 21: Trans-European Networks

The EU promotes trans-European networks (TENs) in the areas of transport, telecommunications and energy to strengthen the internal market and contribute to growth and employment.

On **transport networks**, Bosnia and Herzegovina should accelerate the implementation of connectivity reform measures and continue adopting multiannual maintenance plans for the entire road and rail core networks. More efforts are required to strengthen mutual relations and cross-border cooperation with neighbouring countries on border crossing agreements.

Bosnia and Herzegovina should continue with the development of the planned extension of the core trans-European transport networks (TEN-T) and trans-European networks for energy (TEN-E) in line with the priorities identified in the Economic and Investment Plan for the

Western Balkans, the Green Agenda and the Transport Community's five-year rolling work plan.

The updated single project pipeline for priority TEN-T connectivity projects was adopted in September 2025, and the implementation of some projects has started. In relation to the Corridor Vc motorway, works have continued across five sections, and started on an additional one, while two sub-sections were successfully opened (Poprikuše – Nemila and Putnikovo Brdo - Medakovo). The Federation entity needs to close the financing gap to complete the construction of the motorway. As regards the infrastructural investments located in the *Republika Srpska* entity, specifically those related to Corridor Vc, given the continuing stalemate at the state level over several important decisions, including those related to the Reform Agenda under the Growth Plan, the Commission has decided to end the earmarking of EU grants for one of the two suspended projects (railway project). An agreement with Croatia on the category of border crossings was reached in June 2026, including the Svilaj and Gradiška border crossings. The Gradiška border crossing with Croatia was opened on a temporary basis, following structural damage to the bridge in May.

On rail infrastructure, after previous finalisation of the design studies for the Doboj – Rasputnica – Miljacka railway section, there were no further developments. Effort is needed to accelerate progress on the rail core network where investments continue to be limited. Rehabilitation activities are ongoing for the navigability of the Sava river, and completed in the Brčko Port, while tendering for the demining activities is in its final stage, and the start of works is expected within this year.

On energy networks, Bosnia and Herzegovina still needs to align with the revised TEN-E Regulation. Following adoption of the single project pipeline in September 2025 in the energy sector, the implementation of priority projects is yet to start. Bosnia and Herzegovina still needs to develop its regional electricity connections in line with the Green Agenda for the Western Balkans, the Central and South-Eastern Europe Energy Connectivity (CESEC) action plan on electricity and renewable energy and the Projects of Energy Community Interest involving Bosnia and Herzegovina, in particular increasing the capacity of the existing 220 kV interconnection with Montenegro (220 kV overhead line Trebinje – Perućica), and the Trans-Balkan Corridor: double overhead line 400 kV Bajina Bašta (Serbia) – Višegrad (Bosnia and Herzegovina) / Pljevlja (Montenegro).

Chapter 27: Environment and climate change

The EU promotes strong climate action, sustainable development and protection of the environment. EU rules contain provisions addressing horizontal environmental issues, climate change, water and air quality, waste management, nature protection, industrial pollution, chemicals, noise and civil protection.

Environment

Horizontal legislation is aligned with the EU *acquis* to a limited extent. No significant steps were taken in implementing countrywide environmental approximation and environmental protection strategies, in aligning with horizontal directives on environmental impact assessment (EIA) and strategic environmental assessment (SEA), environmental liability, infrastructure for spatial information (INSPIRE), and environmental crime, or in strengthening access to information and public participation in decision-making in line with obligations under the Espoo Convention on EIA in a transboundary context. Bosnia and Herzegovina should ensure the quality of the preparation and implementation of environmental investments – including the transparency of procedures, compliance with EIA and SEA and other elements of the horizontal *acquis* – to set up an institutional structure to deliver coordinated, strategic planning for environmental investments. The country still needs to formalise a procedure for merit-based, transparent appointment of a focal point for Bosnia

and Herzegovina to ensure its undisputed representation in environmental conventions to which the country is a signatory.

On **air quality**, Bosnia and Herzegovina needs to develop a countrywide strategy to systematically and efficiently combat air pollution. Bosnia and Herzegovina should accelerate the establishment of a coordinated and well-functioning countrywide air monitoring network to provide reliable data for the government and citizens.

In the area of **waste management**, Bosnia and Herzegovina needs to adopt a countrywide strategy focusing on the requirements of the waste framework strategy, circular economy, the EU plastic strategy and the Directive on single-use plastics. Bosnia and Herzegovina needs to align with the Landfill Directive as well as with the EU *acquis* on sewage sludge, batteries, packaging, polychlorinated biphenyls / polychlorinated terphenyls and end-of-life vehicles.

On **water quality**, a consistent and harmonised countrywide strategy and a sustainable investment plan on water management and urban wastewater management are lacking. There is no state-level legislation that regulates water management, and alignment with the EU *acquis* is very fragmented. Specific plans for implementing EU legislation on drinking water, urban wastewater and flood risk management need to be adopted. Bosnia and Herzegovina needs to adopt a roof report on river basin management plans, on flood hazards and risks plans, as well as a revised action plan for flood protection and river management.

On **nature protection,** further alignment with the EU *acquis* should take place in a coordinated manner across the country. Bosnia and Herzegovina needs to adopt the list of potential Natura 2000 sites and implementing legislation and set up a biodiversity monitoring system. The Convention on international trade in endangered species of wild fauna and flora (CITES) needs to be fully implemented. Bosnia and Herzegovina should prepare legislation to ratify and become a party to the Nagoya Protocol to the 1992 Convention on biological diversity.

Regarding **industrial pollution control and risk management**, the pollutants release and transfer register (PRTR) protocol to the Aarhus Convention still needs to be ratified. Bosnia and Herzegovina needs to ensure the implementation of its national emissions reduction plan (NERP). The country needs to align with the EU directives on industrial emissions, eco-labelling and eco-management and audit schemes, as well as with the Seveso III Directive on the control of major-accident hazards involving dangerous substances.

On **chemicals,** the country needs to ensure alignment with EU regulations on registration, evaluation, authorisation and restriction of chemicals (REACH), on classification, labelling and packaging of substances and mixtures (CLP), and on biocidal products (BPR), as well as appoint the responsible bodies. Bosnia and Herzegovina still needs to implement the Rotterdam Convention on trade of hazardous chemicals, to which it is a party. There has been no progress in acceding to the Minamata Convention on Mercury.

Significant further efforts are needed to align with the EU *acquis* on environmental **noise**.

On **civil protection**, Bosnia and Herzegovina is a Participating State of the Union Civil Protection Mechanism (UCPM) and actively participates in the activities including in disaster risk management reporting to the Commission. Bosnia and Herzegovina has benefitted from the UCPM capacity building for disaster prevention and preparedness. However, further efforts are needed to integrate its systems to the UCPM. The country should establish trans-European services for telematics between administrations (TESTA) as a precondition for connecting to the common emergency communication and information system (CECIS). In the meantime, Bosnia and Herzegovina should establish CECIS LITE allowing better

exchange of information during emergencies. Adequate early warning systems and risk-based planning are needed for a more proactive approach to disaster risk reduction across the country. Bosnia and Herzegovina still has to adopt legislation to introduce the single European emergency number (112) across the whole country. Both entities and the Brčko District should afterwards implement such a law. The country should continue forming emergency response unit at the national level in line with requirements for the civil protection modules of the UCPM.

Climate change

No significant steps were taken in the area of climate change during the reporting period. Bosnia and Herzegovina should urgently step up its efforts to align with the EU climate *acquis*.

Bosnia and Herzegovina needs to adopt a state-level climate law and a countrywide long-term climate strategy consistent with the EU's 2050 climate neutrality objective. The country should urgently align with and implement the EU *acquis* on monitoring, reporting, verification and accreditation (MRVA) for the purpose of introducing carbon pricing and aligning with the EU emission trading system (ETS) in its full scope.

Bosnia and Herzegovina needs to finalise and adopt its National Energy and Climate Plan (NECP). The country still needs to align with EU *acquis* on fluorinated greenhouse gases, ozone-depleting substances, on emissions from the land and use, land use change and forestry (LULUCF) sector and climate legislation concerning road transport (CO2 performance standards, car labelling and fuel quality).

The country needs to step up the implementation of its revised nationally determined contribution (NDC) and submit without delay a new and ambitious NDC to the United Nations Framework Convention on Climate Change (UNFCCC) in line with the efforts to limit global warming to 1.5°C. Furthermore, the country should submit their first biennial transparency report without delay.

Bosnia and Herzegovina urgently needs to significantly strengthen its administrative capacity in the sector in order to make progress in aligning with the EU climate *acquis*. Awareness-raising activities should be strengthened.

CLUSTER 5: RESOURCES, AGRICULTURE AND COHESION

This cluster covers: agriculture and rural development (Chapter 11); food safety, veterinary and phytosanitary policy (Chapter 12); fisheries and aquaculture (Chapter 13); regional policy & coordination of structural instruments (Chapter 22); and financial & budgetary provisions (Chapter 33).

Chapter 11: Agriculture and rural development

The EU's common agricultural policy supports farmers and contributes to ensuring Europe's food security. It helps tackle climate change and the sustainable management of national resources; maintains rural areas and landscapes across the EU; and keeps the rural economy alive by promoting jobs in farming, agri-food industries and associated sectors. This requires strong management and control systems. There are also common EU rules for marketing standards, quality policy and organic farming.

On **horizontal issues**, Bosnia and Herzegovina did not progress in setting up the administrative structures required for the common agricultural policy (CAP), including a paying agency, nor in developing elements of an integrated administration and control system (IACS) or a farm sustainability data network (FSDN). The country needs to

substantially improve the data collection and processing system for planning agricultural and rural development policies, and ensure its implementation, monitoring and reporting. The implementation of the Strategic plan for rural development 2023-2027 – framework document, endorsed in October 2024, has not advanced. The country needs to develop a multiannual countrywide strategy on agriculture and rural development beyond the scope of the existing framework document for rural development, improve sector coordination and strengthen administrative capacity at all levels of government. It should also harmonise farm advisory services across the country.

As regards **agricultural markets - common market organisation** (CMO), Bosnia and Herzegovina did not progress in setting up its regulatory framework in line with the EU *acquis*. Bosnia and Herzegovina still needs to adopt implementing legislation to the state-level Law on the organisation of the market of wine and set up a register of grapes and wine producers and a vineyard register.

Bosnia and Herzegovina made no advances in harmonising **rural development** programmes and support measures across the country. No progress was made to improve and align the state level legal framework **on quality policy** with the EU *acquis* and ensure clarity in the distribution of competences. There was also no progress in adopting a state-level Law on **organic farming** and production, in line with the EU *acquis,* and in the harmonisation of the related regulatory framework across all levels of government.

On the **fight against corruption**, Bosnia and Herzegovina authorities are obliged to prevent, detect and report irregularities.

Chapter 12: Food safety, veterinary and phytosanitary policy

The EU food acquis including hygiene rules for foodstuff production ensure a high level of food and feed safety, and a high level of protection of consumers' interests. Animal health and welfare, and the safety of food of animal origin, are safeguarded together with plant health, the quality of seeds, plant reproductive material, animal nutrition and the use of plant protection products.

On **general food safety**, Bosnia and Herzegovina has to put in place a network of national reference laboratories and to increase the capacity of existing laboratories, including on accreditation, sampling and testing of notifiable diseases.

Improving the official controls system remains crucial, particularly for animal identification and the registration of holdings to ensure data reliability. Alignment has yet to be ensured for the surveillance of notifiable diseases, particularly for early detection system and raising awareness among farmers.

Further work remains necessary to prepare and adopt the state law on official controls, and to update the national Law on general food safety.

On **veterinary policy**, the country needs to substantially strengthen the control, prevention and eradication of transmissible animal diseases, Further work remains necessary to adopt national laws on animal health and animal welfare. Further efforts are needed to improve coordination for the management of animal disease outbreaks. The central system for management of animal disease notification and outbreak information, as well as the central animal identification and registration systems for sheep, goats, pigs and horses, are yet to be aligned with the EU *acquis*.

On the **placing on the market of food, feed and animal by-products**, Bosnia and Herzegovina has yet to align its food and feed control system with the EU *acquis.* Further reforms are still necessary at all levels of government, particularly for official control authorities and laboratories. There is yet no countrywide strategy nor effective system for managing animal

by-products. On food safety rules and its specific rules for feed, Bosnia and Herzegovina has yet to improve the implementation of a harmonised food and feed hygiene policy package that applies to all establishments.

On **phytosanitary policy**, the country has yet to adopt key national laws, notably on plant health and on plant protection products. The country has yet to align its national legislation with the EU *acquis* on the rules for the authorisation of plant protection products in commercial form and for their placing on the market, use and control. Reforms are still needed for Bosnia and Herzegovina to align its legislation to the plant health law and be able to implement the most important aspects of it such the issuance of plant passports and to set up national reference laboratories providing phytosanitary checks. Surveys, early detection and eradication of pests must be strengthened. The adoption of countrywide programmes for surveillance of quarantine pests for all agriculture crops and forests remains important, not only for potatoes which are exported to the EU.

On the marketing of seed and other plant reproductive material, the country should focus on aligning its national legislation with the EU *acquis* on the rules plant (PRM) and forest reproductive material (FRM). Membership in the OECD schemes is a first step in that direction. Bosnia and Herzegovina should then focus on establishing the necessary structures and capacities to implement and enforce a functioning system for the certification of seed and FRM, including regarding the registration and evaluation of varieties (PRM) and basic material (FRM), inspections and controls, and supervision of operators.

On **genetically modified organisms (GMOs)** there was no advancement reported and further work remains necessary. Competent authorities at all levels of government need to be strengthened and a national reference laboratory is yet to be set up to test, control and monitor the presence of GMOs in food and feed.

On the fight against corruption measures, the general anti-corruption legal framework equally applies to food safety, veterinary and phytosanitary, with no specific provisions in place for the sectors yet.

Chapter 13: Fisheries and aquaculture

The common fisheries policy lays down rules on fisheries management, protects living resources of the sea and limits the environmental impact of fisheries. This includes setting catch quotas, managing fleet capacity, rules on control and inspection, rules on markets and aquaculture and support for fisheries and coastal communities. Further, it promotes a sustainable aquaculture.

Bosnia and Herzegovina needs to develop a countrywide policy and legislative framework for fisheries and a strategy for aquaculture to prepare for the EU's common fisheries policy (CFP). The country needs to substantially strengthen its institutional capacity and administrative structures to support small-scale and/or inland fisheries and aquaculture.

There were no steps forward on **resource and fleet management**. Bosnia and Herzegovina needs to set up a fleet register and a system for management and control of fishing activities in line with the CFP. On **inspection and control**, the country needs to improve and harmonise the data on catches and landings per type of fishery and improve methodologies and planning for data collection. Bosnia and Herzegovina has yet to set up **structural actions** and **State aid** measures with the EU *acquis*.

On **market policy**, Bosnia and Herzegovina needs to establish most of the provisions of the EU *acquis* on the CMO in fishery and aquaculture products, among others setting up a framework to recognise producers' organisations.

Regarding **international agreements**, Bosnia and Herzegovina continues to cooperate with the General Fisheries Commission for the Mediterranean (GFCM) as part of the Food and Agriculture Organization (FAO), to which it is a cooperating non-contracting party.

There were no developments to report on **aquaculture** or on **maritime spatial planning** during the reporting period.

On the fight against corruption measures, the general anti-corruption legal framework equally applies to fisheries and aquaculture, with no specific provisions in place for the sector yet

Chapter 22: Regional policy and coordination of structural instruments

Regional policy is the EU's main tool for reducing regional disparities and investing in sustainable and inclusive socio-economic growth. It operates through 'shared management' between the Commission and EU Member States. The implementation of cohesion policy programmes requires appropriate administrative capacity on programme and project level, the establishment of systems of sound financial management and controls and also the fulfilment of other EU acquis elements such as environmental or public procurement legislation.

On the **legislative framework**, in the areas underpinning regional development (*see Chapters 5, 8, 15, 19, 27, 32*), Bosnia and Herzegovina needs to increase alignment with the EU *acquis* and standards, and to commit to regional development reforms, including definition of the planning regions (e.g. NUTS) and their powers, statistical profile and financing. The country needs to adopt a countrywide strategy to guide the process.

The **institutional framework** for the management of EU funds is not yet in place. The country has not yet appointed a national IPA coordinator (NIPAC) for IPA III to steer the programming and the use of the EU funds, and to drive reforms under this chapter. The absence of a NIPAC may be considered as a fundamental weakness in the management and control system, especially under shared management. There is no countrywide strategic framework guiding the preparations for the structural and cohesion funds and regional development. The coordination is challenging due to institutional and administrative fragmentation and lack of quality statistical and administrative data to support a common strategic vision.

The **administrative capacity** for programming and managing EU pre-accession funds remains weak due to delays in public administration reform and the absence of efficient IPA structures including a NIPAC and a Reform and Growth Facility coordinator. The administration has a limited understanding of the EU regional and cohesion policy.

On **programming**, following the programming of the remaining IPA III programmes 2025-2027, the related Financing Agreement was ratified in August 2026. Although the Reform Agenda was adopted in September 2025, Bosnia and Herzegovina still needs to sign and ratify the Facility and Loan Agreements, appoint a Reform and Growth Facility Coordinator, establish monitoring and reporting structures, and urgently proceed with implementing the committed reforms. The delayed submission of the Reform Agenda has already shortened the implementation period and reduced the indicative allocation.

Bosnia and Herzegovina needs to improve capital investment planning and maintain an up-to-date single project pipeline to guide EU and domestic investments across priority sectors through a transparent and inclusive methodology. The country continues to build experience in regional policy through participation in Interreg programmes (three cross-border programmes and three transnational programmes, as well as three inter-regional programmes).

Regarding **monitoring and evaluation**, Bosnia and Herzegovina needs to significantly improve the quality of monitoring and reporting on the use of the EU funds, and to ensure a higher rate of implementation of recommendations from the SAA process and the IPA monitoring committee. In absence of a NIPAC, the IPA monitoring committee has not taken place since May 2022.

On the **financial management, control and audit system**, Bosnia and Herzegovina needs to put in place a roadmap for establishing the management and control systems for the structural and cohesion instruments and ensure their implementation.

On **fight against corruption**, anti-corruption and anti-fraud measures need to be put in place and enforced in close coordination among anti-corruption bodies at all levels of government.

Chapter 33: Financial and budgetary provisions

This chapter covers the rules governing the funding of the EU budget ('own resources'). These resources mainly consist of: (i) contributions based on the gross national income of each Member State; (ii) customs duties; (iii) the non-recycled plastic resource and (iv) a resource based on value added tax. Member States must have the appropriate administrative capacity to adequately coordinate and ensure the correct calculation, collection, payment and control of own resources.

There was no progress in the underlying policy areas that indirectly affect the own-resources system. (*For progress in these areas, see Chapters 16 – Taxation, 17 – Economic and monetary policy, 18 – Statistics, 29 – Customs union, and 32 – Financial control*)

There were few actions taken towards improving the capacity of the ITA and in implementing an accounting system for customs duties to distinguish between recovered and outstanding debts, in line with the EU's **traditional own resources** accounting. ITA allows uploading files from the customs and other subsystems into the single account ledger. The VAT law is still to be aligned with the EU *acquis*, notably on special schemes and exceptions.

On the **gross national income (GNI) resource**, Bosnia and Herzegovina makes use of the definitions and accounting rules of ESA 2010 to compile its GNI. Setting up a countrywide accounts system is a long-standing priority that should be tackled with urgency, notably by adopting a master plan to that aim, in line with ESA 2010.

In terms of **administrative infrastructure**, Bosnia and Herzegovina still has to ensure the provision of sufficient human and administrative resources to ensure the full and correct application of relevant rules in line with EU *acquis* on payments into the EU budget. Administrative structures and implementing rules need to be better coordinated to ensure correct forecasting, calculation, accounting, collection, payment and monitoring of own resources.

CLUSTER 6: EXTERNAL RELATIONS

This cluster covers: external relations (Chapter 30); foreign, security and defence policy (Chapter 31).

Chapter 30: External relations

The EU has a common commercial policy towards third countries, based on multilateral and bilateral agreements and autonomous measures. There are also EU rules on humanitarian aid and development policy.

On the **common commercial policy**, Bosnia and Herzegovina needs to conclude negotiations for its accession to the WTO. Bosnia and Herzegovina needs to fully implement the

2021-2024 Common Regional Market action plan, including the CEFTA additional protocol 5 on trade facilitation and CEFTA additional protocol 6 on trade in services. Bosnia and Herzegovina ratified the additional protocol 7 on dispute settlement, thus contributing to implementing the 2025-2028 Common Regional Market action plan.

Bosnia and Herzegovina applies export controls on **dual-use goods** under its 2003 legislation, which needs to be aligned with the EU dual-use export control *acquis*, including the annual updates to the list of dual-use items. Bosnia and Herzegovina has yet to align with the EU *acquis* on the screening of FDI.

As regards **bilateral agreements with third countries**, Bosnia and Herzegovina needs to further strengthen its administrative capacity and improve cooperation and coordination among all levels of government to ensure consistency of implementation and enforcement. The country has 37 bilateral investment treaties in force, including 18 treaties with 19 EU Member States.

The regulatory framework for international cooperation in **development policy and humanitarian aid** still needs to be developed. The country is a recipient of aid programmes and has so far provided humanitarian aid only *ad hoc*. Bosnia and Herzegovina is encouraged to establish a legal framework, according to EU policies and principles, and to build dedicated administrative structures.

Chapter 31: Foreign, security and defence policy

Member States must be able to conduct political dialogue under the EU foreign, security and defence policy, align with EU statements, take part in EU actions, and apply agreed restrictive measures.

Bosnia and Herzegovina actively engaged in **political dialogue** with the EU on foreign and security policy issues. Bosnia and Herzegovina hosted the 12th EU Western Balkans meeting of Political Directors in Sarajevo in October 2025. It participated in the Political Directors meeting in Brussels in April 2026 and in Kruje in October 2026, the informal meetings of the Foreign Ministers in November 2025 and in May 2026, as well as in the EU-Western Balkans Summit in Brussels in December 2025 and in Tivat in June 2026.

The country's foreign policy strategy expired in 2023 and has not been renewed; therefore, Bosnia and Herzegovina is encouraged to adopt a new foreign policy strategy. Its implementation was affected by frequent divergent positions within the Presidency, also in relation to domestic developments, Russia's war of aggression against Ukraine, the Middle East and the UN General Assembly resolutions. Rules and practices based on ethnic quotas in appointing the diplomatic and consular staff have a negative impact on the capacity of the Ministry of Foreign Affairs, adversely affecting the country's foreign policy objectives.

Bosnia and Herzegovina maintained full alignment with the EU **common foreign and security policy (CFSP)** during the reporting period, including statements by the High Representative on behalf of the EU and Council Decisions on restrictive measures, thereby signalling its clear commitment to the EU path. However, implementation of CFSP across the country remains uneven, mainly because of the *Republika Srpska* entity's authorities' unwillingness to fully implement the statements and measures against Russia, as well as the entity authorities' frequent contacts with Russia at the highest level. Bosnia and Herzegovina needs to fully align with EU *acquis* on targeted financial sanctions for terrorism, financing of terrorism and financing of proliferation of weapons of mass destruction.

Alignment with EU **restrictive measures** remains politically contested as the member of the Presidency elected from the *Republika Srpska* entity advocated for a neutral stance and the former *Republika Srpska* entity President openly supported Russia's war of aggression

against Ukraine. Despite the country's formal alignment with EU restrictive measures, their implementation remains uneven, notably in areas under the responsibility of ministries controlled by the SNSD party, including continued operation of flights from Russia and the broadcasting Russian state-sponsored media. Bosnia and Herzegovina should continue to strengthen its capacity to implement and enforce international sanctions, including EU restrictive measures with which it has aligned and further adopt legislation aligned with the relevant EU *acquis*.

Regarding **cooperation with international organisations**, Bosnia and Herzegovina is an active member of major international organisations, including the United Nations, the Council of Europe and the OSCE. Bosnia and Herzegovina aligned with nearly all EU positions at the United Nations, the Organisation for Security and Cooperation in Europe and the Council of Europe, including on Russia's war of aggression against Ukraine, including co-sponsoring the United Nations General Assembly (UNGA) resolution on "Support for lasting peace in Ukraine" in February 2026 and voting in favour of UNGA resolution on "Return of Ukrainian Children" in December 2025. In June 2026, Bosnia and Herzegovina became the 50th member of the International Coalition for the Return of Ukrainian Children. The country has been participating in NATO's Membership Action Plan (MAP) since 2019. In 2025, NATO and Bosnia and Herzegovina agreed on a new Individually Tailored Partnership Programme (ITPP, 2025–2028) and in 2026, the Council of Ministers unanimously adopted the related Reform Programme for 2025, outlining specific goals in line with the requirements for the MAP. An action plan on Women, Peace and Security (WPS) with specific funding pending adoption since 2023, although some parts of the WPS Agenda are now integrated directly into Bosnia and Herzegovina's Gender Action Plan.

A bilateral immunity agreement between Bosnia and Herzegovina and the United States is still in place, granting US nationals exemption from surrender to the **International Criminal Court**. This is not in line with the Council Decision 2011/168/CFSP of 21 March 2011 nor with the related EU guiding principles on bilateral immunity agreements. Alignment with the EU position is needed.

Bosnia and Herzegovina supports all EU measures and instruments for **conflict prevention.**

On **non-proliferation and disarmament**, Bosnia and Herzegovina is a party to most international treaties and conventions, but it does not yet participate in multilateral export control regimes. Alignment with the EU Common Position 2008/944 on arms export control is complete. Bosnia and Herzegovina is a party to the Arms Trade Treaty but still needs to establish effective measures to prevent diversion of arms and ammunition. It also submitted an application to become a Participating State of the Wassenaar Arrangement. Its non-proliferation strategy has expired.

As regards the control of **small arms and light weapons**, Bosnia and Herzegovina is implementing the regional roadmap 2025-2030. In 2025, progress was achieved as the marking and registration of firearms was successfully concluded in the Brčko District, Posavina Canton, and Canton 10. While the Sarajevo Canton achieved measurable progress in marking firearms in early 2026, the continued implementation of these efforts remains contingent upon the securing of further international donations and technical support. The country still needs to mark and register all weapons of security forces into a single register to ensure adequate traceability.

In terms of **security measures**, the country continued to implement the agreement with the EU on security procedures for exchanging and protecting classified information. The national security authority (NSA) under the Ministry of Security is understaffed. The Law on the protection of classified information needs to be further aligned with EU standards, entrusting supervision to the NSA.

On the **common security and defence policy** (CSDP), the Armed Forces of Bosnia and Herzegovina (AFBiH) continued to contribute to the EU Training Mission (EUTM) in the Central African Republic. Bosnia and Herzegovina is invited to further step up participation in CSDP military missions and operations. Bosnia and Herzegovina contributes to regional cooperation in military medicine through the Balkan Medical Task Force (BMTF). It participates in training activities of the European Security and Defence College (ESDC).

Bosnia and Herzegovina does not have an overall assessment or a policy framework for addressing **hybrid threats** and its public institutions remain vulnerable to serious cyberattacks. Banja Luka-based provider M-tel continued to carry the signal of the RT channel, despite Bosnia and Herzegovina's alignment with relevant EU sanctions against Russia. The country also aligned with EU statements on hybrid and cyber. Additionally, Bosnia and Herzegovina has actively engaged in the first negotiations of the new UN Global Mechanism on Information and Communications Technologies in the Context of International Security. Bosnia and Herzegovina needs to make clear efforts building resilience against FIMI, including disinformation and all other forms of hybrid threats.

ANNEX I – RELATIONS BETWEEN THE EU AND BOSNIA AND HERZEGOVINA

The **Stabilisation and Association Agreement** (SAA) entered into force in June 2015. Policy dialogue in the joint bodies under the agreement continued. The SA Committee was held in September 2025. The country also participates in the economic and financial dialogue between the EU and the Western Balkans and Türkiye.

Under the SAA and its interim agreement (which commenced application in 2008) there has been progressive **trade** liberalisation and mutual duty-free access for most goods. Since 2000, Bosnia and Herzegovina has also been benefiting from the EU's autonomous trade measures (ATMs) in favour of the Western Balkans. The country joined the Central European Free Trade Agreement (CEFTA) in 2007. The EU is Bosnia and Herzegovina's main trading partner, accounting for 63.5% of its trade in goods (73.1% of exports and 58.1% of imports), for a total trade volume of EUR 15.2 billion in 2025.

Bosnia and Herzegovina applied for EU membership in February 2016, and in May 2019 the Commission adopted its **Opinion** setting out 14 key priorities in the areas of democracy and functionality, rule of law, fundamental rights, and public administration reform. In December 2022, the European Council granted Bosnia and Herzegovina **candidate country** status on the understanding that a number of steps are taken, as outlined in the October 2022 Commission recommendation. The European Council decided on 21 March 2024 to **open accession negotiations** with Bosnia and Herzegovina. The European Council invited the Commission to prepare the negotiating framework with a view to its adoption by the Council the moment all relevant steps set out in the Commission's recommendation of October 2022 are taken.

Visa liberalisation for citizens of Bosnia and Herzegovina travelling to the Schengen area has been in force since December 2010, and a readmission agreement has been in force since 2008. The Commission's seventh report under the visa suspension mechanism in December 2024 concluded that the country continues to meet the visa liberalisation benchmarks. In accordance with Regulation (EU)2026/464[14], candidate countries and potential candidates are, in principle, designated since 2026 as safe countries of origin at Union level.

In the reporting period, Bosnia and Herzegovina fully aligned with the EU **CFSP** and continued to participate in EU crisis management missions and operations under the CSDP. The **EUFOR Althea** military operation remained deployed in the country, retaining deterrence capacity to support a safe and secure environment. The UN Security Council has extended EUFOR Althea's executive mandate until November 2026.

The AFBiH benefit from EUR 35 million in assistance from the **European Peace Facility** (EPF), which increases their capacity to participate in CSDP military missions and operations. Their demining battalion, which is essential for achieving a mine-free Bosnia and Herzegovina, received EPF support to purchase vehicles and metal detectors. The AFBiH also received EPF support in chemical, biological, radiological and nuclear protection, and mobility assets and take part in the EUR 6 million EPF Balkan Medical Task Force assistance measure.

The EU is the main donor of **financial assistance** to Bosnia and Herzegovina, with EUR 539.6 million under the Instrument for Pre-accession (IPA) II 2014-2020 and EUR 379.7 million under IPA III 2021-2027. The fundamentals of EU accession – good

[14] REGULATION (EU) 2026/464 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 24 February 2026 amending Regulation (EU) 2024/1348 as regards the establishment of a list of safe countries of origin at Union level

governance, rule of law and human rights – receive 43.97% of the IPA III assistance, while 56.03% target sustainable and inclusive growth. EU assistance also includes funding for civil society and co-financing for participation in EU programmes.

Since 2009, Bosnia and Herzegovina also received EU assistance of EUR 1.1 billion through the Western Balkans Investment Framework (WBIF), leveraging total investments of EUR 6.7 billion. Overall, under the Economic and Investment Plan (EIP), Bosnia and Herzegovina benefits from EUR 1 billion of IPA funds, mobilising additional funding of EUR 2.9 billion for priority high-impact projects.

Under the Reform and Growth Facility, Bosnia and Herzegovina may benefit from up to EUR 976.6 million in loans and grants, following the 10% cuts enacted in July 2025 due to the late submission of their Reform Agenda. Disbursements will follow delivery on reforms as set out in the Reform Agenda that Bosnia and Herzegovina adopted in September 2025 and subject to the ratification of the Facility and Loan Agreements.

The EU provides support to strengthen Bosnia and Herzegovina's resilience to hybrid threats, including cyber threats and FIMI.

Bosnia and Herzegovina participates in three cross-border cooperation programmes (Interreg / Croatia – Bosnia and Herzegovina – Montenegro; IPA – Bosnia and Herzegovina – Montenegro; IPA – Serbia – Bosnia and Herzegovina), as well as in transnational cooperation for the Adriatic-Ionian region, the Danube region and the Euro Mediterranean region. Additionally, Bosnia and Herzegovina participates in interregional cooperation programmes, such as Interreg Europe or Urbact IV.

Bosnia and Herzegovina participates in eleven EU programmes: Fiscalis, Customs, Single Market Programme (Improving the competitiveness of enterprises, particularly SMEs, and supporting their access to markets strand), Creative Europe, CERV (Citizens, Equality, Rights and Values), Horizon Europe, EU4Health, Digital Europe, Union Civil Protection Mechanism, ESF+ (EaSI strand – Employment and Social Innovation), Justice. In addition, Bosnia and Herzegovina can take part in certain Actions of the Erasmus+ Programme.

ANNEX II – STATISTICAL ANNEX

STATISTICAL DATA (as of 14/09/2026)

Bosnia and Herzegovina

Basic data	Note	2013	2021	2022	2023	2024	2025
Population (thousand)		3 836 i	:	3 464 pi	3 441 pi	3 417 pi	3 407 pi
Total area of the country (km²)		51 209 w	51 209 w	51 209 w	51 209 w	51 209 w	51 209 w

National accounts	Note	2013	2021	2022	2023	2024	2025
Gross domestic product (GDP) (million national currency)		26 779	39 145	45 618	49 920	53 752	56 551
Gross domestic product (GDP) (million euro)		13 692	20 015	23 324	25 524	27 483	28 914
GDP per capita (euro)		3 570 i	:	6 733 pi	7 417 pi	8 043 pi	8 486 pi
GDP per capita (in purchasing power standards (PPS)		8 000	11 000	12 400	13 600	13 800	:
GDP per capita (in PPS), relative to the EU average (EU-27 = 100)		30.1 i	:	:	:	:	:
Real GDP growth rate: change on previous year of GDP volume (%)		2.3	7.4	4.2	2.0	3.2	2.1
Employment growth (national accounts data), relative to the previous year (%)		0	1	2	1	2	:
Labour productivity growth: growth in GDP (in volume) per person employed, relative to the previous year (%)		2	6	2	1	2	:
Unit labour cost growth, relative to the previous year (%)		- 2	- 1	12	11	8	:
Nominal unit labour cost index based on persons (3 year % change)		3.1	6.3	15.6	23.2	34.6	:
Labour productivity per person employed: GDP (in PPS) per person employed relative to EU average (EU-27 = 100)		55	55	57	58	59	:
Gross value added by main sectors							
Agriculture, forestry and fisheries (%)		8.0	6.0	5.7	5.5	5.4	5.2
Industry (%)		21.6	24.6	24.2	22.7	21.2	20.0
Construction (%)		4.6	5.1	5.2	5.4	5.6	5.7
Services (%)		66.0 i	64.3 i	64.9 i	66.3 i	67.8 i	69.0 i
Final consumption expenditure, as a share of GDP (%)		109.4	89.2	87.7	88.8	88.5	89.7
Gross fixed capital formation, as a share of GDP (%)		21.5	21.6	22.6	23.8	24.4	25.8
Exports of goods and services, relative to GDP (%)		33.7	42.8	48.3	43.9	40.7	41.0
Imports of goods and services, relative to GDP (%)		54.2	53.9	61.9	55.7	54.1	54.1
Gross fixed capital formation by the general government sector, as a percentage of GDP (%)		:	:	:	:	:	:

Business	Note	2013	2021	2022	2023	2024	2025
Industrial production volume index (2015 = 100)		91.5	99.9	100.9	97.0	93.1	91.5
Number of active enterprises (number)		:	78 877	81 436	84 211	86 920	:

Birth rate: number of enterprise births in the reference period (t) divided by the number of enterprises active in t (%)		:	:	:	:	:	:
Death rate: number of enterprise deaths in the reference period (t) divided by the number of enterprises active in t (%)		:	:	:	:	:	:
People employed in SMEs as a share of all persons employed (within the non-financial business economy) (%)		:	91.7	91.8	91.7	91.5	:
Value added by SMEs (in the non-financial business economy) (EUR million)		:	7 175 i	8 709 i	9 723 i	10 829 i	:
Total value added (in the non-financial business economy) (EUR million)		:	11 228	13 419	14 484	15 718	:

Inflation rate and house prices	Note	2013	2021	2022	2023	2024	2025
Consumer price index (CPI), change relative to the previous year (%)	1)	- 0.1 w	2.0 w	14.0 w	6.1 w	1.7 w	4.0 w

Balance of payments	Note	2013	2021	2022	2023	2024	2025
Balance of payments: current account total (million euro)		- 728.4	- 295.3	- 1 022.5	- 545.5	- 951.2	- 929.6
Balance of payments current account: trade balance (million euro)		- 3 629.5	- 3 666.0	- 5 206.6	- 5 245.2	- 5 957.3	- 5 988.9
Balance of payments current account: net services (million euro)		830.2	1 445.6	2 036.7	2 241.2	2 287.0	2 195.8
Balance of payments current account: net balance for primary income (million euro)		182.3	- 255.2	- 306.1	- 123.7	- 54.6	0.2
Balance of payments current account: net balance for secondary income (million euro)		1 888.6	2 180.4	2 453.6	2 582.2	2 773.8	2 863.3
Net balance for primary and secondary income: of which government transfers (million euro)		61.4	47.7	20.9	17.7	23.0	- 2.2
*3 year backward moving average of the current account balance relative to GDP (%)		- 7.8	- 2.3	- 2.9	- 2.7	- 3.3	- 2.9
*Five year change in share of world exports of goods and services (%)		:	22.6	16.2	14.1	13.0	23.2
Net balance (inward - outward) of foreign direct investment (FDI) (million euro)		:	561.3 i	802.6 i	949.8 i	816.1 i	:
Foreign direct investment (FDI) abroad (million euro)		:	43.7	45.4	105.5	85.2	:
of which FDI of the reporting economy in the EU-27 countries (million euro)		:	33.5	20.6	74.0	14.0	:
Foreign direct investment (FDI) in the reporting economy (million euro)		:	605.0	848.0	1 055.3	901.3	:
of which FDI of the EU-27 countries in the reporting economy (million euro)		:	256.9	433.6	525.5	690.5	:
*Net international investment position, relative to GDP (%)		- 56.4	- 28.9	- 25.4	- 20.6	- 20.1	- 20.1
Year on year rate of change in gross inflow of remittances (in national currency) from migrant workers (%)		:	7.8 i	7.9 i	7.6 i	7.8 i	:

Public finance	Note	2013	2021	2022	2023	2024	2025
General government deficit / surplus, relative to GDP (%)		:	:	:	:	:	:
General government gross debt relative to GDP (%)		:	:	:	:	:	:
Total government revenues, as a percentage of GDP (%)		:	:	:	:	:	:
Total government expenditure, as a percentage of GDP (%)		:	:	:	:	:	:

Financial indicators	Note	2013	2021	2022	2023	2024	2025
Gross external debt of the whole economy, relative to GDP (%)	2)	72.9 iw	57.5 iw	51.6 iw	47.1 iw	47.3 iw	:

Gross external debt of the whole economy, relative to total exports (%)	2)	216.1 w	134.3 w	106.8 w	107.1 w	116.3 w	113.8 w
Money supply: M1 (banknotes, coins, overnight deposits, million euro)	3)	3 423.4 w	9 166.2 w	10 163.8 w	11 051.4 w	12 327.4 w	13 717.5 w
Total credit by monetary financial institutions to residents (consolidated) (million euro)		:	:	:	:	:	:
*Annual change in financial sector liabilities (%)		:	:	:	:	:	:
*Private debt, consolidated, relative to GDP (%)		:	:	:	:	:	:
Interest rates: day-to-day money rate, per annum (%)		:	:	:	:	:	:
Euro exchange rates: average of period (1 euro = … national currency)		1.956	1.956	1.956	1.956	1.956	1.956
Trade-weighted effective exchange rate index, 42 countries (2015 = 100)		100.2 w	107.4 w	109.1 w	111.6 w	113.4 w	115.0 w
*3 year change (T/T-3) in the trade-weighted effective exchange rate index, 42 countries (2015 = 100)		0.0 iw	0.0 iw	0.0 iw	0.1 iw	0.1 iw	0.1 iw
Value of reserve assets (including gold) (million euro)		362.5	1 377.8	72.8	26.5	555.4	131.0

External trade in goods	Note	2013	2021	2022	2023	2024	2025
Value of imports: all goods, all partners (million euro)		7 756	11 042	14 641	14 197	14 651	15 315
Value of exports: all goods, all partners (million euro)		4 285	7 298	9 190	8 538	8 219	8 679
Trade balance: all goods, all partners (million euro)		- 3 472	- 3 744	- 5 451	- 5 659	- 6 432	- 6 637
Terms of trade (export price index / import price index * 100) (number)		90.4 iw	100.0 iw	96.7 iw	101.0 iw	102.5 iw	105.7 iw
Share of exports to EU-27 countries in value of total exports (%)		73.0 iw	72.8 iw	73.6 iw	73.0 iw	73.1 iw	73.1 iw
Share of imports from EU-27 countries in value of total imports (%)		59.2 iw	58.9 iw	56.9 iw	59.0 iw	59.2 iw	58.1 iw

Demography	Note	2013	2021	2022	2023	2024	2025
Crude rate of natural change of population (natural growth rate): number of births minus deaths (per thousand inhabitants)		- 1.3	:	- 4.2 p	- 2.8 p	- 3.2 p	- 3.2 p
Infant mortality rate deaths of children under one year of age (per thousand live births)		:	:	:	:	:	:
Life expectancy at birth: male (years)		:	:	:	:	:	:
Life expectancy at birth: female (years)		:	:	:	:	:	:

Labour market	Note	2013	2021	2022	2023	2024	2025
Economic activity rate for persons aged 20–64: proportion of the population aged 20–64 that is economically active (%)		:	63.4 b	63.6	64.3	66.6	67.7
Employment rate for persons aged 20–64: proportion of the population aged 20–64 that are in employment (%)		:	52.6 b	53.9	55.9	58.2	59.5
Male employment rate for persons aged 20–64 (%)		:	66.0 b	67.7	69.5	71.9	73.5
Female employment rate for persons aged 20–64 (%)		:	39.1 b	40.0	42.1	44.3	45.2
Employment rate for persons aged 55–64: proportion of the population aged 55–64 that are in employment (%)		:	35.6 b	36.3	38.6	40.9	41.9
Employment by main sectors							
Agriculture, forestry and fisheries (%)		:	9.4 bi	7.3 i	7.6 i	7.7 i	7.1 i
Industry (%)		:	24.4 bi	25.4 i	25.1 i	24.2 i	23.9 i

Construction (%)		:	9.1 bi	9.2 i	9.2 i	9.5 i	9.5 i
Services (%)		:	57.0 bi	58.2 i	58.0 i	58.6 i	59.5 i
People employed in the public sector as a share of total employment, persons aged 20–64 (%)	4) 5)	20.4 w	19.8 bw	19.0 w	19.0 w	19.0 w	19.5 w
People employed in the private sector as a share of total employment, persons aged 20–64 (%)	4) 5)	79.6 w	80.2 bw	81.0 w	81.0 w	81.0 w	80.5 w
Unemployment rate: proportion of the labour force that is unemployed (%)		:	17.4 b	15.4	13.2	12.6	12.2
Male unemployment rate (%)		:	14.4 b	12.6	10.9	10.1	9.4
Female unemployment rate (%)		:	22.0 b	19.8	16.7	16.6	16.5
Youth unemployment rate: proportion of the labour force aged 15–24 that is unemployed (%)		:	38.3 b	35.1	30.1	30.2	32.5
Long-term unemployment rate: proportion of the labour force that has been unemployed for 12 months or more (%)		:	13.4	11.4	9.6	9.0	9.1
Unemployment rate for persons (aged 25–64) having completed at most lower secondary education (ISCED levels 0-2) (%)		:	24.7 b	25.1	22.9	24.0	21.4
Unemployment rate for persons (aged 25–64) having completed tertiary education (ISCED levels 5-8) (%)		:	11.3 b	10.7	9.0	7.5	7.1

Social cohesion	Note	2013	2021	2022	2023	2024	2025
Average nominal monthly wages and salaries (national currency)		827 w	998 w	1 122 w	1 263 w	1 381 w	1 570 w
Index of real wages and salaries (index of nominal wages and salaries divided by the inflation index) (2016 = 100)		:	:	:	:	:	:
Gini coefficient		:	:	:	:	:	:
Poverty gap		:	:	:	:	:	:

Standard of living	Note	2013	2021	2022	2023	2024	2025
Number of passenger cars relative to population size (number per thousand population)		202.0	284.0 p	292.0 p	306.0 p	321.0 p	336.0 p

Infrastructure	Note	2013	2021	2022	2023	2024	2025
Density of railway network (lines in operation per thousand km²)		20.1 iw	19.9 iw	19.9 iw	19.9 iw	19.9 iw	19.9 iw
Length of motorways (kilometres)		50	218	231	231	242	:

Education, Innovation and Research	Note	2013	2021	2022	2023	2024	2025
Percentage of persons aged 30-34 with a tertiary education level (ISCED 2011 levels 5 to 8)		:	28.8 b	28.6	28.2	26.7	28.0
Percentage of persons aged 30-34 with a tertiary education level (ISCED 2011 levels 5 to 8), males		:	23.9 b	23.4	23.5	21.3	22.5
Percentage of persons aged 30-34 with a tertiary education level (ISCED 2011 levels 5 to 8), females		:	34.0 b	34.1	33.1	32.6	33.8
Participation in early childhood education (children aged 3 and over)	6)	:	25.0 w	29.6 w	43.6 w	45.0 w	49.2 w
Participation in early childhood education (children aged 3 and over), males	6)	:	25.2 w	29.6 w	44.1 w	45.3 w	49.3 w

Participation in early childhood education (children aged 3 and over), females	6)	:	24.7 w	29.6 w	43.2 w	44.7 w	49.2 w
Low achieving 15-year-olds in reading (%)		:	:	:	:	:	:
Low achieving 15-year-olds in mathematics (%)		:	:	:	:	:	:
Low achieving 15-year-olds in science (%)		:	:	:	:	:	:
Early leavers from education and training: proportion of persons aged 18-24 with at most lower secondary education (at most ISCED 2011 level 2) who are not in further education or training		:	4.7 b	3.6	4.2	3.8	3.0
Early leavers from education and training: proportion of men aged 18-24 with at most lower secondary education (at most ISCED 2011 level 2) who are not in further education or training		:	4.9 b	3.9	5.2	5.0	2.9
Early leavers from education and training: proportion of women aged 18-24 with at most lower secondary education (at most ISCED 2011 level 2) who are not in further education or training		:	4.4 b	3.3	3.1	2.5	3.0
Proportion of persons aged 25-64 having participated in education and training (last 4 weeks)		:	2.1 b	1.8	1.8	1.6	1.8
Proportion of persons aged 25-64 having participated in education and training (last 4 weeks), men		:	2.0 b	1.6	1.5	1.2	1.5
Proportion of persons aged 25-64 having participated in education and training (last 4 weeks), women		:	2.1 b	2.0	2.0	2.0	2.2
Exposure of vocational education and training (VET) graduates to work-based learning (% of population aged 20-34)		:	:	:	:	:	15.5
Share of individuals having at least basic digital skills (% of population aged 16-74)		:	34.7	:	30.1	:	36.3
Share of individuals having at least basic digital skills (% of population aged 16-74), males		:	36.3	:	30.8	:	37.4
Share of individuals having at least basic digital skills (% of population aged 16-74), females		:	33.2	:	29.3	:	34.9
Public expenditure on education relative to GDP (%)		:	4.2 iw	4.1 iw	:	:	:
Gross domestic expenditure on R&D relative to GDP (%)		0.32	0.19	:	:	:	:
Government budget appropriations or outlays on R&D (GBAORD), as a percentage of GDP (%)		:	0.18 p	:	:	:	:
Percentage of households who have internet access at home (%)		:	75.5	:	81.6	84.2	88.2

Environment	Note	2013	2021	2022	2023	2024	2025
Index of greenhouse gas emissions, CO_2 equivalent (1990 = 100)		70.6 w	76.3 w	76.3 ew	76.3 ew	:	:
Energy intensity of the economy (kg of oil equivalent per 1 000 euro GDP at 2015 constant prices)		:	420.4	399.8	372.7	359.4	:
Electricity generated from renewable sources relative to gross electricity consumption (%)		:	46.4	48.5	51.7	52.7	:
Road share of inland freight transport (based on tonne-km) (%)	7)	68.7 w	78.8 w	78.4 w	77.4 w	80.9 w	84.3 w

Energy	Note	2013	2021	2022	2023	2024	2025
Primary production of all energy products (thousand TOE)		:	5 223	5 313	5 278	4 854	:
Primary production of crude oil (thousand TOE)		:	0	0	0	0	:

Primary production of solid fuels (thousand TOE)		:	3 121	3 348	3 192	2 926	:
Primary production of gas (thousand TOE)		:	0	0	0	0	:
Net imports of all energy products (thousand TOE)		:	2 002 i	1 921 i	1 726 i	1 923 i	:
Gross inland energy consumption (thousand TOE)		:	7 374	7 310	6 951	6 919	:
Gross electricity generation (GWh)		:	18 536	16 381	17 185	15 932	:

Agriculture	Note	2013	2021	2022	2023	2024	2025
Agricultural output volume index (at producer prices) (2015 = 100)		:	:	:	:	:	:
Utilised agricultural area (thousand hectares)		1 726.5 e	1 865.8 e	1 110.4 e	1 113.7 e	1 148.5 e	:
Livestock numbers: live bovine animals (thousand heads, end of period)		447.0 e	339.5	339.2	330.1	:	:
Livestock numbers: live swine (thousand heads, end of period)		530.0 e	569.6	471.6	400.7	447.5	:
Livestock numbers: live sheep and live goats (thousand heads, end of period)		1 089.0 i	1 083.2 i	1 041.6 i	:	1 161.1 i	:
Raw milk available on farms (thousand tonnes)		:	:	:	:	:	:
Harvested crop production: cereals (including rice) (thousand tonnes)		1 236.7 e	1 425.1 e	1 173.7 b	1 110.0 e	1 219.3 e	:
Harvested crop production: sugar beet (thousand tonnes)		0.0	0.0	0.0	0.0	0.0	:
Harvested crop production: vegetables (thousand tonnes)		304.2 e	292.7 e	238.2 b	238.0 e	319.9 e	:

Source: Eurostat and/or the statistical authorities in Bosnia and Herzegovina

: = not available
b = break in time series
e = estimated
p = provisional
i = Eurostat estimate
w= data supplied by and under the responsibility of the national statistical authority and published on an "as is" basis and without any assurance as regards their quality and adherence to EU statistical methodology
* = Macroeconomic Imbalance Procedure (MIP) indicator

Footnotes:

1) Consumer price inflation.
2) Based on IMF balance of payments manual, sixth edition.
3) M1 money supply comprises cash outside banks and transferable deposit in domestic currency of all domestic sectors (except central government deposits).
4) The public sector includes NACE Rev. 2 Sections O, P and Q while the private sector includes other NACE Sections.
5) From January 2021, the Agency for Statistics of Bosnia and Herzegovina began to apply the new, redesigned methodology of the Labour Force Survey.
6) Since 2023, children who attended a preschool programme prior to enrolling in school and who did not regularly attend preschool are also included.
7) Data not collected on inland waterways. Road share of inland freight transport based on road and rail transport.