

Staged Accession Model – a Way to End the Stagnation?

Haris Cutahija, Researcher, Foreign Policy Initiative BH (FPI BH)

Introduction

The road of Bosnia and Herzegovina (BiH) to the EU has been long. Although the country gained the European perspective in 2003, the country managed to submit its application for EU membership only in 2016. The EU Council [accepted request](#) for membership and after the answers to the Questionnaire were delivered by BiH's authorities, the European Commission (EC) issued its [Opinion](#) on BiH's application for EU membership in May 2019, outlining 14 key priorities (Annex II) for the country to address before opening accession negotiations, as well as a comprehensive roadmap for incremental reforms. In the context of geopolitical shifts in Europe, in its Report in October 2022 the European Commission (EC) [recommended](#) that BiH be granted candidate status by the Council, on the understanding that a number of steps are taken to strengthen democracy, the functionality of state institutions, the rule of law, the fight against corruption and organized crime, media freedom, and migration management in the country. After intense diplomatic exchanges, the European Council has granted the [candidacy status](#) to BiH on 15th December 2022.

Even though the country made this important step and the population [supports](#) the European integration, as well as all political parties, at least declaratively, the process is at

a stalemate. The fact that there is opposition to further enlargement within the EU, as well as the fact that, according to the current methodology, concrete benefits that are appealing to both politicians and the public are virtually non-existent, causes support not to translate into a willingness to implement reforms. In order to avoid a scenario in which Bosnia will be forever trapped in being a candidate country that cannot start accession talks, the paper aims to uncover whether and how the [Staged accession model](#) can insert dynamism into the process and how it would be received in the country, outlining the stakeholders and their potential issues with the model. Following the implementation of the elections, using the Staged accession model, new dynamics and momentum for the process of European integration could be expected.

Drawbacks of EU's overall approach to enlargement

The EU's strong presence in BiH through various instruments at various stages is a distinguishing feature of the EU-BiH relationship. With the strong presence of other international organizations (UN, OSCE, CoE, as well as the High Representative in charge of monitoring the implementation of the Peace Agreement who has the authority to impose laws), the question of how BiH can progress in the process of European integration has been present from the start. The agreement with the European Commission was that all conditions must be met by domestic institutions in a regular procedure, without imposition by the High Representative, in order for progress to be made. Thus, the conditions for launching negotiations on the Stabilization and Association Agreement (adopting 46 laws and establishing or strengthening the status of 27 institutions) have been met, as have the requirements for obtaining a visa-free regime (174 tasks).

Given that BiH is a decentralized state, the question of competence arises when meeting the conditions, particularly when adopting the EU *acquis*. Despite the fact that the application for EU membership was submitted and the EC's opinion was obtained, there was an obvious halt in the process of European integration since the signing and entry into force of the SAA and obtaining the visa-free regime. The conditionality policy, which encouraged and enabled progress in previous stages in the past, has not been effective for years. Granting the candidate status, as the next step in formal relations with the EU according to current methodology was welcomed by all the political actors, they promised to undertake necessary reforms, but, so far, no concrete steps have been presented publicly. Activities to change the BiH Election Law and Constitution in order to implement the European Court of Human Rights Decision in the case of Sejdic-Finci and others are underway, with a request to resolve the so-called Croat issue through strong lobbying of the Republic of Croatia in EU institutions (EP, EC, Council).

So far, conditionality has been at the heart of the EU's approach to reforms, but it has clearly lost its ability to induce changes or penalize the lack of reforms today due to the lengthening of the entire process and the lack of measurable benefits. BiH has received the candidacy status in December 2022 and now has to work on implementing 14 key priorities in order to open the negotiations, as stated in the [2022 Enlargement Package](#). Despite the current shift in majorities at the state and entity levels, and the return of the integration process to the forefront, it is unrealistic to expect the negotiations to begin anytime soon because the key priorities contain many issues which the ruling parties are far from agreeing on. Given that the candidacy status does not include the opening of any new funds, and that the next stage is the opening of negotiations, which could take many years, there is a realistic chance that the integration process will be neglected and replaced by daily politics, simply due to lack of motivation for the political actors and the population itself. However, the Staged accession model is an appealing solution for revitalizing and sustaining the accession process because it would provide the country with closer and more concrete goals.

Enter: Staged accession model – addressing the risks and embracing the opportunities

Bosnia and Herzegovina, in particular, requires a new impetus and dynamics in the integration process. The Model of staged accession could be an option that could incentivise the required changes to take place. Yet, as Bosnia and Herzegovina is a country with a very complex political system and social environment, it is necessary to identify the key risks that could stand in the way of implementing the Model. By doing so, the idea is to provide a realistic assessment of whether and how the Model could be implemented in the case of Bosnia and Herzegovina, and thus explore the opportunities it can offer. The following, therefore, focuses on the issues such as lack of political will, and prolonged security and political crisis.

Also, citizens do not exert pressure on politicians because they do not see the direct link between fulfilling conditions and benefits in the sense of financial assistance once those conditions are met. This points to the need for the establishment and a clear presentation of the link between these two. After that, more effective pressure by the citizens could be expected, as well as motivation of the political representatives to fulfil conditions.

Ethnically based political agendas serve as a constant platform for disputes and manipulations, preventing any success in achieving reform progress. Politicians are in a position to shift the focus from reforms and progress to ethno-nationalism by maintaining the status quo and creating a constant deadlock. There are a number of unresolved political issues (election law, state property, constitutional reforms) that are frequently used to prolong the endless disputes. Even the [2022 Report](#) described the country as being in “political turmoil” and “legislative standstill”. There were also human rights concerns about electoral rights discrimination.

Despite the fact that most political parties state in their programs that EU membership is the most important goal, the European integration process appears to be absent from their agendas and from public discourse. Moreover, politicians and the broader population are both generally unfamiliar with the EU integration process, so a lot of misinformation about the conditions and expectations circulates in public. The general disinterest of politicians, who only try to give the impression that the country is progressing while maintaining the status quo, is a result of not seeing the benefits for themselves as in the other countries in the region.

Returning the country to the EU path with visible changes in citizens' daily lives and strengthening the EU presence in BiH would end the crisis and usher in a new era. These changes would be brought about by a more rapid integration process, as a result of implementing the Staged accession model, as majority of the issues listed are included in the conditions for EU membership. The motivation for the implementation of the reforms could be achieved with the perspective of the benefits which are a part of the model.

Mapping

Due to its complicated constitutional structure, there are two to four levels of government depending on the entity or district - municipal, cantonal, entity, and state. Because certain competencies are defined by the constitution as belonging to a certain level of government, the country has 13 constitutions, 13 governments, and 13 legislative bodies that largely act independently without following clearly defined goals at a higher level of government.

Decision has been adopted on the system of coordination of the process of European integration in BiH, the so-called [European integration coordination mechanism](#). Through this mechanism, all the actors from all four levels of the government are involved in decision making and reforms implementation which strengthens their understanding and ownership of the European integration process in the country and every single reform requires the agreement of all involved actors. Basically, the coordination is done on two levels. On the first level, senior civil servants from cantonal, entities' and state institutions discuss and prepare proposals which are submitted for adoption by the second, political level which consists of governments and the parliament, according to their constitutional authority. This structure points to the individual actors which need to be approached regarding the Model implementation.

The ruling political parties at the state and entity levels are the most powerful stakeholders because all agreements are made with and between them. Even the EU recognizes this, so whenever they want to apply pressure for reform, they meet with representatives of the parties rather than the institutions. Because they are the primary source of the lack of political will, they should be actively approached with the Model. It is impossible to say whether they would support the Staged accession model unless they can clearly see the advantages. The main issue is a lack of a unified vision, as well as different goals and expectations from the process, so each of the three groups of the political parties that form the coalition should be approached separately, with the benefits that are particularly important to them.

The Presidency and the Council of Ministers (Chairman of the Council of Ministers is, according to the Law on Council of Ministers, responsible for the EU integration process) are formally in charge of the processes, but neither side was particularly interested in the European integration process in the past. Members of both bodies generally carry out policies set forth by their political parties. However, in December, the ruling political parties signed a document titled [Guidelines, Principles, and Objectives of Action in the Executive and Legislative Authorities for the Period 2022-2026](#), which emphasizes the importance of the integration process and obligates party representatives to accelerate the process towards full membership, implying that both the Presidency and the Council of Ministers should be more open to being approached with the model and its benefits.

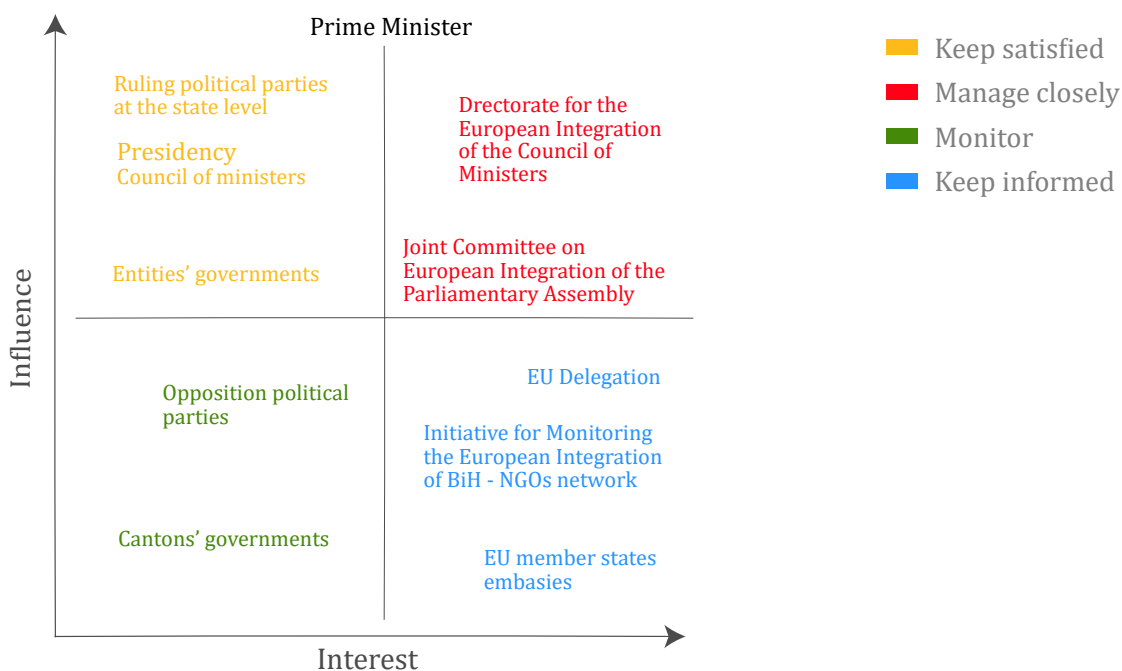
Governments of entities are also important because they are a part of the coordination mechanism. Opposition parties do not have real power, but they should be kept informed because they have a voice in legislatures and the media so they would be useful for the pressure and the promotion of the model. Apart from that, they may be part of majorities at lower levels, including cantons in FBiH.

[The Directorate for European Integration](#) is a body of BiH's Council of Ministers that coordinates the processes and activities of the institutions involved in BiH's integration into the European Union. The Directorate's competencies are related to the integration process's commitments, legislative alignment with the *acquis*, EU financial assistance for BiH, translation of legislation and other documents, and communication and training for various target groups to provide institutional, professional, and technical support to BiH's integration into the EU. It is the most important institution to engage and inform about implementing the Staged accession model because it is actively engaged in the European integration process and is regarded as the most competent authority.

Joint Committee on European Integration is a committee of the Parliamentary Assembly of BiH that includes representatives from both houses and discusses all issues related to European integration. It is the most important stakeholder when it comes to the EU integration topics in the legislative branch. Members of the Committee come from both the ruling and opposition parties, making them an effective channel of communication between the Parliamentary Assembly and their respective parties. They are generally interested in the integration process and are aware of the problems that are causing it to stall, and it would not be difficult to make them see the advantages of the Staged accession model.

The EU Delegation, like many of the EU member states' embassies, is always interested in developments in the integration process. However, they closely follow the directions of Brussels and are not very influential in decisions making, but they do have a significance because they are the most competent source of information from the country to the EU. Lastly, the **Initiative for Monitoring the European Integration of Bosnia and Herzegovina** is an informal coalition of civil society organizations that contributes to monitoring reforms and oversees the implementation of EU policies, laws, and standards, and because they are very visible in the public space and are likely to be open to the model, they would be very useful for applying pressure and promoting model implementation.

Figure 1:



As previously stated, Bosnia and Herzegovina is a decentralized state in which politics is ingrained in every decision, including the technical ones, because heads of institutions are appointed by political parties. The most of major decisions are the result of an agreement reached by the presidents of the ruling political parties, and institutions are merely implementers, and even the international community recognizes this. The heads of political parties are to be approached separately with the Model, with an emphasis on their expectations from the integration process, as those expectations differ for each of them.

Towards Practical Application

Bosnia and Herzegovina has a long way to go before entering Stage I of the Staged accession model, because all cluster ratings must meet minimum average moderate rating (3) and the Fundamentals cluster would require a rating of a minimum 3 for each chapter (and its sub-areas) and none of the current ratings exceed 2. Only external relations in BiH have some level of preparation, and all the other clusters are at the early stage of preparation.

Chart 1. Applying the Model to Kosovo

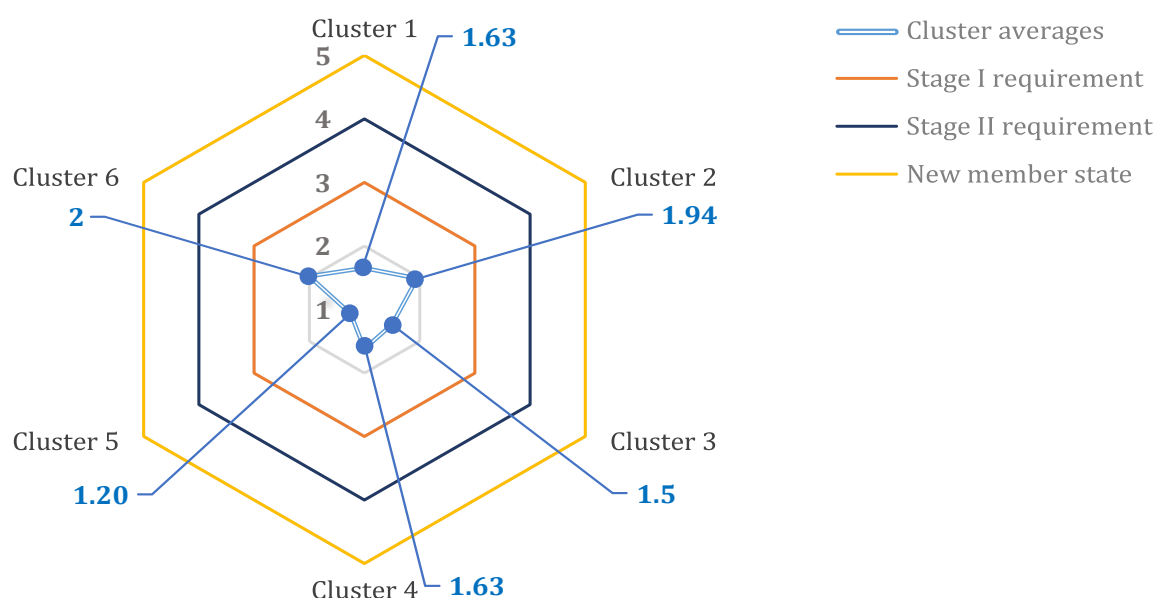


Table 1 Kosovo's assessment of preparedness for EU membership based on EC's 2022 country report

Cluster	Rating	
1. Fundamentals	1.63	Early stage of preparation
2. Internal Market	1.94	Early stage of preparation
3. Competitiveness and inclusive growth	1.5	Early stage of preparation
4. Green agenda and sustainable connectivity	1.63	Early stage of preparation
5. Resources, agriculture and cohesion	1.2	Early stage of preparation
6. External relations	2	Some level of preparation

Bosnia and Herzegovina is in the early stages of preparation for the **Cluster 1 Fundamentals** (1.63). When it comes to chapters in this cluster, it has *some level* of preparation in the area of public procurement, as per **Chapter 5**. During the reporting period, there was some progress. The country has amended its public procurement law in order to align its legislation with the EU ac-

quis and must continue the alignment process and build capacity. Regarding the **Chapter 18**, BiH is at an *early stage* of preparation in the statistics area. A survey on income and living standards was completed, which was a significant step forward. The classification of regions based on the NUTS classification is still in the works.

BiH has *some level of preparation* to implement the EU acquis and European standards in the area of **judiciary and fundamental rights (Chapter 23)** and no progress was made during the reporting period. The authorities and the judiciary have taken only limited steps to address the Expert Report's findings on Rule of Law issues. Corruption indicators have deteriorated further, and all levels of government are showing signs of political capture, which is affecting citizens' daily lives. The country is at an *early stage/has some level of preparation* in the area of the judiciary and no progress was made in addressing Opinion key priority 6 on the functioning of the judiciary. BiH is at an *early stage/has some level of preparation* in the fight against corruption and no progress has been made in addressing Opinion key priority 7, the 2021 recommendations, and the findings of the Expert Report on Rule of Law issues, which remain outstanding. The legislative and institutional framework on fundamental rights is largely in place. Limited efforts were made in the reporting period to address Opinion key priorities 5 and 9-13 on fundamental rights, notably by adopting action plans for the social inclusion of the Roma in April 2022 and on the rights of LGBTIQ persons in July 2022. Freedom of assembly remains restricted in the Republika Srpska entity. Significant reforms are needed to ensure that all citizens are able to effectively exercise their political rights.

As for **Chapter 24, Justice, freedom and security**, Bosnia and Herzegovina has achieved *some level of preparation* to implement the EU acquis in this area. There has been limited progress in this chapter, particularly on Opinion key priority 8 on managing migration and asylum. Significant steps have been taken toward the establishment of a long-term migration management system. BiH is at an *early stage/has some level of preparation* in the fight against organised crime and no progress was made in addressing Opinion key priority 7. And lastly, regarding **Chapter 32 - Financial control**, good progress was made in implementing last year's recommendations and Bosnia and Herzegovina has *some level of preparation* in this area.

Table 2: Ratings for chapters in Cluster 1 - Fundamentals

Chapter	Level of preparedness	Rating	Necessary for Stage I
5 - Public procurement	Some level of preparation	2	3
18 - Statistics	Early stage of preparation	1	3
23 - Judiciary and fundamental rights	Some level of preparation	2	3
24 - Justice, freedom and security	Some level of preparation	2	3
32 - Financial control	Some level of preparation	2	3
Functioning of democratic institutions	Some level of preparation	2	3
Economic criteria	Early stage of preparation	1	3
Public Administration Reform	Early stage of preparation	1	3

With respect to **functioning of democratic institutions**, in the EC's 2022 Bosnia and Herzegovina Report it is stated that no progress was made towards addressing Opinion key priority 1 on electoral standards and parliamentary oversight over the executive remains weak at all levels of government. No progress was made on the functioning of the coordination mechanism and on developing and adopting a national programme for the adoption of the EU acquis nor on the action plan on the 14 key priorities. Meaningful and systematic consultations with civil society remain to be ensured as part of an inclusive policy dialogue.

As for the **public administration reform**, Bosnia and Herzegovina is at an *early stage* and made limited progress in public administration reform. Notably, positive steps were taken in the area of public finance management.

Finally, on **economic criteria**, Bosnia and Herzegovina is at an *early stage* of establishing a functioning market economy and there was backsliding in some areas and remains at an *early stage* in terms of capacity to cope with competitive pressure and market forces in the EU.

As for **Cluster 2, Internal market**, BiH has *some level of preparation* in the areas of free movement of workers, company law, competition and financial services, whereas it is moderately prepared in free movement of capital and intellectual property. It is at an early stage of preparation on free movement of goods, services and right of establishment as well as on consumer and health protection. has made little or no progress in any aspect of the internal market. Unfortunately, BiH has made little or no progress in any aspect of the internal market. Significant steps must be taken to align the legislative framework with the EU acquis on free movement of goods and to implement a countrywide strategy for quality infrastructure.

Regarding **Cluster 3, Competitiveness and inclusive growth**, BiH is at an *early stage of preparations* in the area of digital transformation and media. No progress was achieved in implementing last year's recommendations, which remain valid. The legislation and strategic framework are not in place and not aligned with the EU acquis. BiH has some level of preparation in the area of taxation, as well as on economic and monetary policy. Monetary policy underpins economic stability, but full independence of the central bank remains to be ensured. BiH has some level of preparation in the field of social policy and employment. BiH remains at an *early stage of preparation* in the area of enterprise and industrial policy. As well as in the area of education and culture.

Bosnia and Herzegovina is at *early stage of preparation* in most areas related to the **Green Agenda and sustainable connectivity (Cluster 4)**, namely on energy, environment and climate change. BiH has reached some level of preparation Transport policy, with limited progress achieved in the past year, including on implementation of the framework transport strategy and action plans, namely, in maintaining, developing and improving infrastructure. The country remains at an *early stage of preparations* in the energy area. Only limited progress was made, notably on renewable energy and electricity. BiH has achieved *some level of preparation* in the area of transEuropean networks and there was limited progress in the area. BiH is at an early stage of preparation / has achieved some level of preparation in the area of environment and climate change.

As for **Cluster 5 (Resources, agriculture and cohesion)**, BiH is at an *early stage of preparation* in the area of agriculture and rural development. There was no progress in implementing last year's recommendations. The country has *some level of preparation* in Food safety, veterinary and phytosanitary policy and no progress was noted. BiH is at an *early stage of preparation* in Fishery and there was no progress. BiH also remains at an *early stage of preparation* in the area of regional policy and coordination of structural instruments and limited progress was achieved. The country is at an *early stage of preparation* in the area of financial and budgetary provisions.

Lastly, regarding **Cluster 6, External relations**, which has the highest average ranking (2), BiH has reached *some level of preparation*. The country also has some preparation for a common foreign, security, and defence policy. On the initiative of the Ministry of Foreign Affairs, the country significantly improved its alignment with EU foreign policy, particularly on statements and restrictive measures following Russia's war of aggression against Ukraine. BiH was 81% aligned with relevant High Representative statements on behalf of the EU and Council decisions on restrictive measures (sanctions) as of August 2022. Alignment with EU sanctions remains a political point of contention, and certain ministries have stymied the implementation of restrictive measures.

BiH has a lot to do before making a progress that would bring the country to Stage I and the recommendations that were a part of the [Bosnia and Herzegovina Report 2022](#) for all the clusters are extensive and demanding (included in the Annex I). The country would need to work on all clusters, especially Fundamentals, as it would require a rating of a minimum 3 for each chapter and its sub-areas. The situation is no better in other clusters, but making progress is not a mission impossible.

Conclusion

The country is at a standstill in its European integration process, and there are several reasons for this. Lack of political will and an ongoing political crisis with no end in sight are the worst in the region, keeping the country in a constant state of spasm. Even technical changes are difficult to implement. Political representatives and the general public are both dissatisfied, and the European perspective has never seemed so distant. They understand that the candidacy status that BiH received in December 2022 means little and will have no impact on daily life in the country. It is no secret that the current accession methodology has not been operationalised.

This needs to change, as it is difficult to persuade candidate countries to change based on the prospect of membership in the distant future, especially when it is known that there is an active dialogue in the EU about the enlargement process and not all member states support it. Nevertheless, there is a window of opportunity, as the process of forming the government following the October general elections is moving faster than ever before, and the process of European integration is included in the coalition agreements and has the support of all the parties that will participate in the government, creating a favourable environment for the presentation and possible acceptance of the Staged accession model. Its operationalisation could change the overall perceptions in the country and start the new dynamics. Although BiH still has a long way to go before reaching Stage I, it would be a more tangible and less distant goal than full membership which could take decades. Because the next milestone is so far away, there is a real risk that BiH will sink into stagnation after the initial euphoria of candidate status, and the country will see no benefits in the meantime.

Annex I: Ratings by clusters and chapters

Chapter	Chapter Title	Cluster	Rating	Description
1	Free movement of goods	II	1.0	Early stage of preparation, last year's recommendations remain valid. Major steps still need to be taken.
2	Freedom of movement for workers	II	2.0	Some level of preparation, but only limited progress was made in the reporting period and last year's recommendations remain valid.
3	Right of establishment and freedom to provide services	II	1.0	Early stage of preparation and no progress was made. Last year's recommendations remain valid.
4	Free movement of capital	II	3.0	Moderately prepared and there was no progress in the alignment with the EU acquis. Last year's recommendations were not addressed and remain valid.
5	Public procurement	I	2.0	Some level of preparation and there was some progress in the reporting period. The country has adopted amendments to the public procurement law aiming at aligning its legislation with the EU acquis. Recommendations from last year remain valid.
6	Company Law	II	2.0	Some level of preparation and no progress can be reported in this area. Recommendations from last year were not addressed and remain valid.
7	Intellectual property law	II	3.0	Moderately prepared and no progress was made in this area during the reporting period. Significant efforts are required on legislative alignment and the recommendations from last year were not addressed and remain valid.
8	Competition policy	II	2.0	Some level of preparation and no progress was made. Recommendations from last year were not addressed and remain valid.
9	Financial services	II	2.5	Some level of preparation / is moderately prepared in the area of financial services. There was no progress in implementing last year's recommendations. Last year's recommendations remain largely valid.
10	Information society and media	III	1.0	Early stage of preparations and no progress was achieved in implementing last year's recommendations, which remain valid.
11	Agriculture and rural development	V	1.0	Early stage of preparation and there was no progress in implementing last year's recommendations which remain valid.

Chapter	Chapter Title	Cluster	Rating	Description
12	Food safety, veterinary and phytosanitary policy	V	2.0	Some level of preparation in this area. No progress was noted. As the 2021 recommendations have not been implemented, they remain valid.
13	Fisheries	V	1.0	Early stage and there was no progress. As the recommendations of 2021 were not implemented, they remain valid.
14	Transport policy	IV	2.0	Some level of preparation in this area, with limited progress achieved in the past year, including on implementation of the framework transport strategy and action plans. Last year's recommendations have not been addressed and remain valid.
15	Energy	IV	1.0	Early stage of preparations in this area. Only limited progress was made, notably on renewable energy and electricity. Last year's recommendations have not been implemented and remain valid.
16	Taxation	III	2.0	Some level of preparation in the area of taxation. No progress was made in implementing the recommendations from last year which therefore remain valid.
17	Economic and monetary policy	III	1.0	Early stage of preparation and there was backsliding in this area due to the failure to appoint a new governing board of the central bank and regarding cooperation and coordination of macroeconomic and fiscal policies. The 2021 recommendations were implemented only to a limited extent and remain valid.
18	Statistics	I	1.0	Early stage of preparation and limited progress was made, notably by completing a survey on income and living standards. Last year's recommendations remain mostly valid.
19	Social policy and employment	III	2.0	Some level of preparation and there was limited progress in the area. Last year recommendations remain valid.
20	Enterprise and industrial policy	III	1.0	Early stage of preparation and limited progress was made, notably in updating entity-level industrial policy strategies and in harmonising the insolvency framework across the country. The recommendations of the previous report remain in large part valid.
21	Trans-European networks	IV	2.0	Some level of preparation and there was limited progress in the area. The recommendations from previous reports remain valid.

Chapter	Chapter Title	Cluster	Rating	Description
22	Regional policy and coordination of structural instruments	V	1.0	Early stage of preparation and limited progress was achieved, with the adoption of the country-wide public financial management strategy and the ratification of the IPA III Framework Partnership Agreement in August. Last year's recommendations remain valid.
23	Judiciary and fundamental rights	I	2.0	Some level of preparation and no progress was made in the reporting period.
24	Justice, freedom and security	I	2.0	Some level of preparation and limited progress was made, in particular on Opinion key priority 8 on managing migration and asylum. Further significant steps have been taken towards establishing a sustainable migration management system. The Ministry of Security has continued efforts to improve coordination and take over responsibility for managing migration. Last year's recommendations remain pending. The country has several strategies in place, and legislation in some areas is broadly aligned with the EU acquis.
25	Science and research	III	2.0	Some level of preparation in the area of science and research and limited progress was made, notably by finalising the country's association to Horizon Europe. Last year's recommendations remain valid.
26	Education and culture	III	1.0	Early stage of preparation and there was no progress in the area. Having only been partly addressed, the recommendations of the 2021 report remain relevant.
27	Environment	IV	1.5	Early stage of preparation / some level of preparation and limited progress was made, mainly at entity level and without countrywide harmonisation. BiH significantly improved the capacity of its civil protection system and became a participating state of the Union Civil Protection Mechanism in September 2022. The recommendations from last year were not fully addressed and remain valid.
28	Consumer and health protection	II	1.0	Early stage of preparation and no progress was made in the area during the reporting period. Last year's recommendations were not implemented and remain valid.
29	Customs union	III	2.0	Some level of preparation and some progress was made during the reporting period by adopting the customs offenses law and starting to implement the customs policy law from August 2022. The Commission's recommendations from 2021 were partially implemented.

Chapter	Chapter Title	Cluster	Rating	Description
30	External relations	VI	2.0	Some level of preparation and there was no progress. The Commission's recommendations of 2021 were not implemented and remain valid.
31	Foreign, security and defence policy	VI	2.0	Some level of preparation and there was some progress, as the country significantly improved its alignment with the EU foreign policy, notably on statements and restrictive measures following Russia's war of aggression against Ukraine. As of August 2022, BiH's alignment rate with relevant High Representative statements on behalf of the EU and Council decisions on restrictive measures (sanctions) was 81%.
32	Financial control	I	2.0	Some level of preparation and good progress was made in fulfilling last year recommendations, notably in implementing at a good rate the PIFC strategies in both entities. The secondary legislation and methodology were updated at all levels and incorporated in the IT application on PIFC, generating consolidated annual PIFC reports at all levels. A communication strategy 2021-2025 has been adopted at the state level; other levels of government need to develop one.
33	Financial and budgetary provisions	V	1.0	Early stage of preparation and no progress was made as regards strengthening administrative capacities for coordination and management of own resources. The recommendations from last year remain valid.
	Functioning of democratic institutions	I		No progress was made towards addressing Opinion key priority 1 on electoral standards. Despite intense facilitation, political parties were unable to agree on reforms to bring the Constitution and electoral framework in line with the European Convention on Human Rights. While the Central Electoral Commission introduced some improvements via by-laws, the Parliament did not adopt amendments to the election law to address outstanding recommendations by OSCE/ODIHR and GRECO, including as regards transparency of political party financing.

Annex II: 14 Key Priorities

As stated in the [Opinion](#), Bosnia and Herzegovina will need to fundamentally improve its legislative and institutional framework to ensure it meets the following key priorities:

Democracy / Functionality

1. Ensure that elections are conducted in line with European standards by implementing OSCE/ODIHR and relevant Venice Commission recommendations, ensuring transparency of political party financing, and holding municipal elections in Mostar.
2. 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.
3. Ensure the proper functioning of the Stabilisation and Association Parliamentary Committee.
4. Fundamentally improve the institutional framework, including at constitutional level, in order to:
 - a) Ensure legal certainty on the distribution of competences across levels of government;
 - b) Introduce a substitution clause to allow the State upon accession to temporarily exercise competences of other levels of government to prevent and remedy breaches of EU law;
 - c) Guarantee the independence of the judiciary, including its self-governance institution (HJPC);
 - d) Reform the Constitutional Court, including addressing the issue of international judges, and ensure enforcement of its decisions;
 - e) Guarantee legal certainty, including by establishing a judicial body entrusted with ensuring the consistent interpretation of the law throughout Bosnia and Herzegovina;
 - f) Ensure equality and non-discrimination of citizens, notably by addressing the Sejdić-Finci ECtHR case law;
 - g) Ensure that all administrative bodies entrusted with implementing the acquis are based only upon professionalism and eliminate veto rights in their decision making, in compliance with the acquis.
5. Take concrete steps to promote an environment conducive to reconciliation in order to overcome the legacies of the war.

Rule of Law

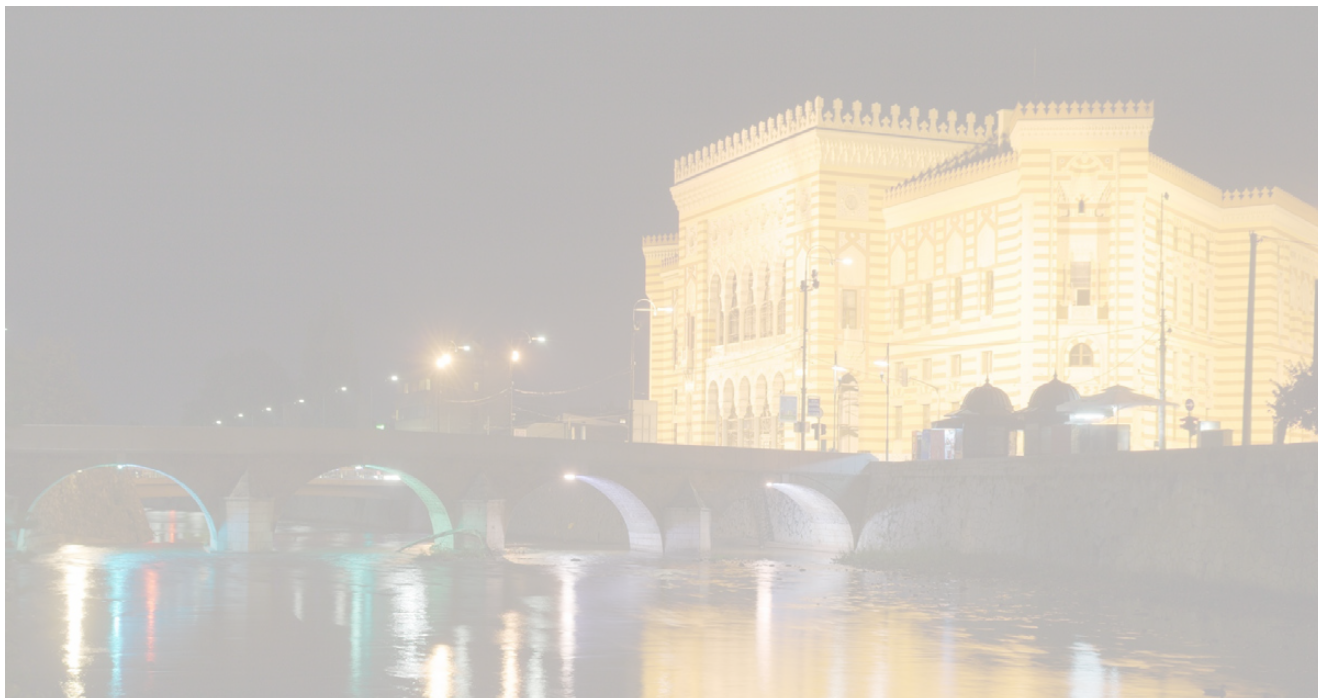
6. Improve the functioning of the judiciary by adopting new legislation on the High Judicial and Prosecutorial Council and of the Courts of Bosnia and Herzegovina in line with European standards.
7. Strengthen the prevention and fight against corruption and organised crime, including money laundering and terrorism, notably by:
 - a) adopting and implementing legislation on conflict of interest and whistle-blowers' protection;
 - b) ensuring the effective functioning and coordination of anti-corruption bodies;
 - c) align the legislation and strengthen capacities on public procurement;
 - d) ensuring effective cooperation among law enforcement bodies and with prosecutors' offices;
 - e) demonstrating progress towards establishing a track record of proactive investigations, confirmed indictments, prosecutions and final convictions against organised crime and corruption, including at high-level;
 - f) de-politicising and restructuring public enterprises and ensuring transparency of privatisation processes.
8. Ensuring effective coordination, at all levels, of border management and migration management capacity, as well as ensuring the functioning of the asylum system.

Fundamental Rights

9. Strengthen the protection of the rights of all citizens, notably by ensuring the implementation of the legislation on non-discrimination and on gender equality.
10. Ensure the right to life and prohibition of torture, notably by (a) abolishing the reference to death penalty in the Constitution of the Republika Srpska entity and (b) designate a national preventive mechanism against torture and ill-treatment.
11. Ensure an enabling environment for civil society, notably by upholding European standards on freedom of association and freedom of assembly.
12. Guarantee freedom of expression and of the media and the protection of journalists, notably by (a) ensuring the appropriate judicial follow-up to cases of threats and violence against journalists and media workers, and (b) ensuring the financial sustainability of the public broadcasting system.
13. Improve the protection and inclusion of vulnerable groups, in particular persons with disabilities, children, LGBTI persons, members of the Roma community, detainees, migrants and asylum seekers, as well as displaced persons and refugees in line with the objective of closure of Annex VII of the Dayton Peace Agreement.

Public Administration Reform

14. Complete essential steps in public administration reform towards improving the overall functioning of the public administration by ensuring a professional and depoliticised civil service and a coordinated countrywide approach to policy making.



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The **National Issue Paper Series** was developed within the project “**Support for further development of the model of the Western Balkans staged accession to the European Union**” implemented by the **European Policy Centre (CEP – Belgrade)** and the **Centre for European Policy Studies (CEPS – Brussels)**. The essence of the Project has been to focus on operationalising the **Staged accession model**, co-designed by CEP Belgrade and CEPS Brussels. In order to achieve the set goal, the Project has been supporting the research and analysis needed to develop a series of 14 issue papers. **Six national issue papers** have been created on potential application of the Staged accession model in each of the Western Balkan countries, with a focus on the political and economic specificities of each WB country, the potential implementation dynamics at national level, the stakeholder analysis, as well as the analysis of opportunities and risks that should be considered in the context of the potential model application.

The national issue paper series will directly contribute to the full elaboration of **the Staged Accession Model 2.0** and showcase its application in practice in all the countries in the region.

The core project team has also counted on the valuable expertise of **prominent regional researchers**, as well as individual members of the **Think for Europe Network (TEN)**, such as the **European Policy Institute (EPI – Skopje)**, **Institute Alternative (IA – Podgorica)**, and **Foreign Policy Initiative Bosnia and Herzegovina (FPI BH – Sarajevo)**.

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