Bosnia and Herzegovina

Capital: Sarajevo
Population: 3.8 million
GNI/capita, PPP: US$10,550

Source: World Bank’s World Development Indicators.

Nations in Transit Ratings and Averaged Scores

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NOTE: The ratings reflect the consensus of Freedom House, its academic advisers, and the author(s) of this report. If consensus cannot be reached, Freedom House is responsible for the final ratings. The ratings are based on a scale of 1 to 7, with 1 representing the highest level of democratic progress and 7 the lowest. The Democracy Score is an average of ratings for the categories tracked in a given year. The opinions expressed in this report are those of the author(s).
EXECUTIVE SUMMARY

With progress practically nonexistent, the overall state of democracy in Bosnia and Herzegovina (BiH) is declining year after year. Politicians fail to respect the will of citizens, who are at the same time unable to hold leaders accountable for their actions. Despite agreeing on economic and social reforms and committing to European Union (EU) accession—and finally, after seven years, activating a Stabilization and Association Agreement (SAA) with the EU in June 2015—the authorities failed to take any concrete actions. Constant crises, produced by interparty, personal, and ethnic conflicts on all levels of governance, are paralyzing all institutions, including the judiciary. The current system exists as a purpose unto itself, feeding an enormous bureaucratic machine and awarding those loyal to it. This status quo, however, may become more difficult to sustain in the future as the standby arrangement with the International Monetary Fund (IMF) expired in July. Following the IMF’s decision not to disburse the remaining loan monies, both the Serb-dominated Republika Srpska (RS) and the Federation of BiH (FBiH) turned to commercial creditors to ensure their financial stability. The move raised criticism because not all terms of the loans were made public. In addition, the FBiH announced that it will decrease the amount of money distributed to cantons, which will heavily affect their functioning.

After years of constant quarreling and refusals to form a coalition, the Party of Democratic Action (SDA) leader, Bakir Izetbegović, and Alliance for a Better Future (SBB) leader, Fahrudin Radončić, reached a coalition agreement in October. This unlikely development suggested that they are interested in retaining power above all other objectives. The first coalition of FBiH parties, formed in March by the SDA, the Democratic Front (DF), and the Croat Democratic Union (HDZ), lasted less than 100 days; the DF left in June. Affairs were at a standoff for most of the year, with parties waiting to appoint their representatives into governing positions and to reach agreement on the distribution of privileges for their members.

While the RS government is relatively stable, the ruling Alliance of Independent Social Democrats (SNSD) and its leader Milorad Dodik called a referendum on the state-level judiciary, potentially threatening the country’s stability. The referendum was also a convenient excuse to remove economic problems, like the budget deficit, from the public discourse—a standard political practice in BiH. Dodik has been undermining state institutions for years, especially the judiciary, claiming that only Serbs get convicted for war crimes and that state judicial bodies are biased against the RS. Members of Parliament (MPs) from SNSD boycotted sessions and blocked decision-making in the BiH parliament for a significant part of the year, while in December RS police suspended cooperation with state institutions.

Due to overlapping jurisdictions, numerous institutions without real power, political pressures, and a lack of will, there was little progress achieved in fighting the country’s widespread corruption. The legal and institutional framework remains weak, enforcement is lacking, and in 2015 implementation of several anticorruption laws was postponed because institutions were not ready. In addition, whistleblowers usually encounter problems instead of support when reporting corruption.

Conflict of interest is not properly monitored and cases are rarely discovered. Despite many arrests and investigations, high-profile politicians rarely get convicted, which intensifies distrust toward the judiciary and police. The judicial system’s ineffectiveness is a serious problem, with entities failing to implement even verdicts of the state Constitutional Court. Key evidence is often lost, while trials last for years. According to reports from the security services, office holders and legislators collaborate with criminals. Several scandals have revealed that judges and investigators are not immune to wrongdoings themselves. For instance, Court of BiH judge Azra Miletić was arrested in February and accused of taking bribes from a former cantonal police commissioner and his accomplice, who were being tried for organized crime and abuse of office at the time.

The country’s mood is bleak, and people have little faith that positive change is possible. The momentum of the 2014 protests has ebbed, and no significant protests sprung up in 2015. In both entities, politicians are quick to adopt important legislation, such as labor laws, in urgent procedures, making constructive criticism impossible. In February, RS authorities expanded the definition of “public spaces”
to include the internet, which now allows them to legally restrict the space for civil society activity and journalism. This move was widely considered a blow to democracy. To prevent protests, police throughout the country are provided with new equipment, and authorities in some parts of FBiH, like Tuzla Canton, have limited the legal ways for people to publicly express dissatisfaction. In two separate bills, RS authorities also attempted to take control of NGOs that are financed by international donors and limit public gatherings. These legislative drafts were eventually withdrawn from the parliament.

During 2015, ethnic relations were much more tense than in recent years, with incidents on all sides. In the RS, Bosniak returnees were beaten up on numerous occasions. In April, an alleged radical Islamist attacked a police station in the Serb-dominated city of Zvornik, killing one officer and injuring two others. In November, a gunman killed two Bosnian soldiers in Sarajevo before blowing himself up. Authorities dealing with radical Islamism have neglected the problem for years and politicized the issue for the purpose of everyday political fights instead of addressing root causes.

Tensions between BiH and Serbia reached a peak when police arrested former Srebrenica war commander Naser Orić in June, based on the request of Serbian authorities. Following the arrest, SDA president and member of BiH Presidency Bakir Izetbegović canceled the visit of Serbian President Tomislav Nikolić, while Aleksandar Vučić, Serbia’s prime minister, was attacked with stones and water bottles in July during a commemoration for the victims of the Srebrenica massacre. Relations between the two countries had improved somewhat by year’s end.

Publication of the 2013 census results was further postponed during the year; this time, authorities could not agree on how to process the data. The 2013 census was the first since 1991, and its results will likely affect future governing structures, which are still based on 1991 ethnicity data.

Changes:

- **Corruption rating declined from 4.75 to 5.00** because corruption permeates all aspects of political and social life in BiH, and anticorruption efforts are undermined by the institutions themselves.

Outlook for 2016

Despite general commitment to EU integration and reforms, it is difficult to envisage a major improvement in the near future in any of these areas. Should BiH authorities submit the application for EU accession, it would be meaningless because the required conditions remain unfulfilled. The local election campaign is expected to take up most of the year, diverting attention from dealing with the country’s problems. It is hard to imagine a serious determination to fight corruption in the near future, but more politicization of the judiciary, including political arrests, is quite likely.

The expiration of the IMF loan left a huge gap in the entities’ budgets, which will only increase with the announcement of the 2016 FBiH budget that aims to send less money to cantons. For a short time, entity governments are capable of maintaining a fragile fiscal stability while buying social peace, but serious cuts or new arrangements with monetary institutions are necessary to keep the system working. Otherwise, social unrest is to be expected, especially if the governing structures fail to pay civil servants’ salaries on time.
**MAIN REPORT**

**National Democratic Governance**

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- Bosnia and Herzegovina (BiH) is divided into two autonomous administrative units: the Serb-dominated Republika Srpska (RS) and the Federation of BiH (FBiH), composed of 10 cantons; and the Brčko District, a separate unit with its own governing institutions. In the RS, the Alliance of Independent Social Democrats (SNSD) holds a relatively stable majority and dominates the RS government. On the state level, however, their opposition, a group led by the Serb Democratic Party (SDS), participates in the ruling coalition, a fact that led to endless disputes throughout the year.

- Unlike in the RS, where parties formed a government soon after the elections, in the other entity, the Federation of Bosnia and Herzegovina (FBiH), the parties’ inability and unwillingness to agree postponed government formation both on the entity and state level until late March 2015. The initial coalition consisted of the Party of Democratic Action (SDA), Croat Democratic Union (HDZ), and Democratic Front (DF),¹ but the last party left in June. In October, the SDA formed a new coalition with their strongest opponent up to then, the Alliance for a Better Future (SBB).² At the entity level, the replacement of DF ministers who had left earlier caused additional delays, while at the state level, two ministers were yet to be appointed by year’s end.

- In January, the Presidency of BiH, a tripartite rotating institution, signed a Statement of Commitment toward the European Union (EU),³ which was later confirmed by the parliament of BiH and most party leaders. The Stabilization and Association Agreement (SAA), a key step toward EU membership, was activated by the EU Council in April and became effective on June 1.⁴ Only ten days after its coming into force, EU Commissioner for Enlargement Johannes Hahn canceled his visit because of the authorities’ failure to take any concrete steps as a follow-up to the January statement.⁵ No progress was made, for example, on outlining a coordination mechanism between all levels of government on EU matters.⁶

- In July, the Council of Ministers and both entity governments adopted a so-called reform agenda, which is supposed to start a broad set of reforms in the public sector.⁷ As part of the process, both entities adopted new labor laws. Unions and nongovernmental organizations (NGOs) protested,⁸ arguing that the laws go against workers’ interests.⁹ In FBiH, the Law on Public Servants was amended despite warnings from NGOs and the international community that it allows for more political appointments in managerial positions.¹⁰

- Milorad Dodik, RS and SNSD president, as part of a longtime wider campaign against state-level institutions, constantly accused others of undermining RS institutions.¹¹ In an apparent effort to clear his name, Dodik filed a criminal charge against himself in November and provided his opponents’ accusations as evidence.¹² From the beginning of the year, SNSD withdrew its deputies from the state parliament and blocked decision-making.¹³ The deputies argued they would not attend sessions while Šefik Džaferović, an SDA member who had allegedly failed to report war crimes again parliamentary and blocked decision making.³ The deputies argued they would not attend sessions while Šefik Džaferović’s mandate ended.

- On July 1, the standby arrangement with the International Monetary Fund (IMF) expired, and the IMF decided not to pay the rest of the loan based on the authorities’ failure to implement fiscal and social reforms. This left huge gaps in the entity budgets, forcing them to turn to commercial creditors. To prevent social unrest and continue payments to the public sector, the FBiH planned to borrow 100 million euros¹⁶ and the RS 265 million euros. The RS loan triggered criticism because it originated from a little-known Florida-based fund, apparently managed by a Russian citizen.¹⁷
In June, after former Srebrenica war commander Naser Orić was arrested in Switzerland, Bakir Izetbegović, SDA president and member of the BiH Presidency, canceled the visit of Serbian president Tomislav Nikolić. During the commemoration for the victims of the Srebrenica massacre on July 11, protesters threw stones and water bottles at Serbian prime minister Aleksandar Vučić, contributing to instability in the region. Tensions subsided in November when Izetbegović called Nikolić to visit the Bosnian capital, and the Serbian and Bosnian governments held their first joint session in Sarajevo, signing several agreements. In the same month, Vučić went to Srebrenica again to pay respects to the victims of the massacre and promised donations in an investment summit.

Despite plans to do so, the authorities failed to publish the results of the 2013 census as they could not agree on data processing methods, particularly on determining residency status. The 2013 census is the first since the war, and its results are expected to have an impact on ethnic representation in future governing structures.

Electoral Process

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Since parliamentary elections took place in 2014 and local elections are scheduled for 2016, the year 2015 saw no major changes. Still, because elections in BiH are conducted every two years, politicians and political parties are constantly campaigning, which exacerbates government inefficiency on all levels.

In May, a Central Election Commission (CIK) report revealed that during the 2014 elections, electoral committees made mistakes in 88 out of the more than 5,000 voting posts. Earlier in the year, Stjepan Mikić, the president of CIK, said that the functioning of the electoral committees constitutes the biggest problem in the electoral process and added that the Electoral Law needs to be amended. Since its adoption, the law has been changed 19 times, but several deficiencies remain. Members of electoral committees are elected from party membership (which affects their independence), ethnicity can easily be misused to access high salaries in elected positions, and the law still discriminates against some minorities.

The BiH constitution allows that only the country’s three main ethnic groups—Croats, Serbs, and Bosniaks—be elected to the state Presidency and House of Peoples. In the 2009 Sejdić-Finci case brought by Romany and Jewish defendants, the European Court of Human Rights (ECtHR) ruled that this practice violates human rights norms. In 2014, the court made a similar ruling in the case of Azra Zornić, who complained that she could not run for office because she declared herself a citizen of BiH, with no ethnic affiliation. No concrete steps were taken in 2015 to resolve these issues.

During 2015, early elections were held in six municipalities. In four cases, the mayors had taken on higher-level positions after the 2014 elections, while in two municipalities, mayors were removed by no-confidence votes.

The newly founded RS municipality Stanari, near Doboj, held its first election in February. The SNSD candidates won in a close race against SDS and other opposition parties, both in the municipal council and for the mayoral position.

Civil Society

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In February, only a few hundred people showed up to mark the anniversary of the 2014 antigovernment protests, which resulted in major civil unrest stemming from public resentment and disappointment over the country’s failure to achieve lasting change. The joint July protest of trade unions in Sarajevo against the adoption of a new FBiH Labor Law also failed to make any impact. Union leaders were divided on the issue, and the new law was adopted on the day of the protest without resistance. In the RS, a union leader was expelled from the National Assembly session during the adoption of the same law. Smaller protests took place sporadically across the country, usually led by workers of ruined companies, but did not lead to any change. In Tuzla, workers clashed with police in August and blocked streets in several instances.

Organizing protests will become more difficult overall in the future. After the 2014 demonstrations, police departments across the country invested more than 11.5 euros million in new antiprotest equipment, such as shields, nightsticks, tear gas, and even rubber bullets. In October, police removed tents that workers set up near the Tuzla cantonal government building after the cantonal assembly amended the Law on Public Gathering in a shortened procedure and without public debate. According to the amendment, individuals may now legally protest only when they notify the authorities in advance; protests may take place only between 8:00 am and 10:00 pm; and protests cannot be held in proximity of public institutions.

In February, the Law on Public Peace and Order was amended in the RS to expand the definition of “public space” to include the internet. This change could potentially have negative effects on freedom of assembly and allow police to put pressure on journalists as well as activists organizing protests. It could also result in the criminalization of social media use. In an explanation of the amendments, the RS government noted that “social media is being used to organize violations of the public peace and order.” Incidentally, all major protests and gatherings have been organized and coordinated via social media, including those in 2014.

In May, a draft law was proposed in RS that aimed to limit the time protesters may spend near government institutions. After the parliamentary Committee for European Integration and Regional Cooperation argued that it is too restrictive and would violate EU legislation, the draft was withdrawn. A separate draft law—similar to a recent law in Russia—would have allowed for government control of foreign-funded NGOs but was withdrawn after an unfavorable opinion in the same committee. Human rights advocates strongly criticized the law, with Transparency International arguing that its adoption would have allowed authorities to ban organizations they do not like.

BiH still lacks a common registry of civil society organizations. Financed overall by local governments or international donors, NGOs have little influence on policymakers and governments. Those financed by local governments are highly dependent on politics and usually need not report on their activities and spending. Some NGOs funded by international donors play an important watchdog role in monitoring corruption, human rights, and governmental spending but have failed to make a strong impact on government structures.

During the year, ethnic tensions were high in BiH. Bosniaks were attacked several times; for example, three young men were beaten up in Prijedor in August. In the Croat-dominated town of Tomislavgrad, a mosque was damaged, also in August, while five teenage soccer players from a mainly Croat town were attacked in March in the predominantly Bosniak capital Sarajevo. The attacks led to an increase in hate speech and calls for violence online. According to the Union for Sustainable Return and Integration in BiH, the safety of returnees was worse in 2015 than in the years following the war.

In April, an alleged radical Islamist attacked a police station in Zvornik, in the RS, killing one officer and injuring two others before being shot dead. In November, five days after the Paris terrorist attacks, a gunman, also allegedly connected with radical Islamism, shot dead two Bosnian soldiers and fired shots at a city bus in Sarajevo before blowing himself up in his house when police surrounded him. In late December, 11 men were arrested in Sarajevo, allegedly connected with ISIS and preparing a terrorist attack.
• Political, religious, and ethnic divisions are reflected in every segment of life, including in the educational system. In FBiH, the segregated “two schools under one roof” system still persists. In parts of the RS, some Bosniak parents prevented their kids from attending classes for the second year in a row, protesting the lack of “national subjects” like history and language. In June, the RS Education Ministry changed the name of the Bosnian language to “Bosniak” in official documents, after which some parents refused to sign their children’s end-of-year reports. While the Office of the High Representative (OHR) noted that the three languages in BiH are Serbian, Croatian, and Bosnian (not Bosniak), for years it was impossible to register a newborn as Bosnian. Infants could only be registered as Bosniak, Serb, Croat, or “Other.” In January, this form of ethnic discrimination was successfully challenged for the first time.

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• The Bosnian media market is oversaturated, which results in less advertising money for individual outlets and makes media more susceptible to financial and political pressures. In 2015, 10 daily newspapers, 8 news agencies, more than 100 print periodicals, 46 television stations, and 151 radio stations operated in the country. In order to survive, many private and public outlets depend on public financing, including advertising by public companies. This makes them easy targets for the political centers of power and threatens their professional integrity.

• Low salaries and high unemployment have been a problem in the media sector for years. Journalism graduates, with an average monthly salary of 340 euros, are among the lowest paid degreeed professionals in the country. BiH trains around 400 new journalists or communications majors every year, while the actual need is not even half that number. Two independently conducted research papers, published in March and April, showed that political and economic pressures are the main factors affecting the work of reporters and the main barriers to a free press. According to a survey, more than two-thirds of respondents think media are not free or are only partly free in both entities.

• In July, state radio and television BHRT announced it was having liquidity problems. Two months later, the institution laid off 80 people and announced it would lower salaries. BHRT cited the debts of two other members of the Public Broadcasting System, entity radio and television RTRS and RTV FBiH, and a 10-percent decrease in TV subscription tax collection as the main reasons behind the layoffs. The problem had yet to be solved by year’s end.

• Media reporting remained “deeply divided ethnically and politically,” especially in the public service and print media, which resulted in a lack of solidarity among journalists, even when they are threatened, and diminished their power in collective organizing. In 2014, 44 cases of endangering the freedom of the press were reported, and the trend continued throughout 2015. In March, RS president Dodik insulted an Oslobodjenje reporter and said that he personally canceled subscriptions to that newspaper for all RS institutions. In the same month, another SNSD representative called a reporter of the Srebnica TV station and said that they “can expect all the worst now.” In October, the car of a correspondent for the public broadcaster BHRT was set on fire, following several threats. Since 2006, 67 criminal offenses have been committed against journalists, but only 15 percent of the cases have been solved in their favor, and many are still pending.

• The full transition from analog to digital broadcasting was planned to be completed by June 17, 2015, but a bureaucratic deadlock stalled the process—the RS did not want to be jointly managed by the three public broadcasters. As stakeholders finally agreed on equipment allocation in mid-2015, test runs were scheduled to start, but nothing happened by the end of the year. The procurement procedure for the second phase of equipment has yet to start. First, BiH authorities refused to shut down analog transmitters because it was estimated that half of the population would be left without
television. However, since analog broadcasting is disrupting digital broadcasting in neighboring countries, Bosnia had to shut down a transmitter that supplied the east of the country with programs when Serbia complained in June. As a result, thousands remained without access to state television.

- In its annual report, the BiH Communications Regulatory Agency (CRA) noted there were 2.78 million internet users at the end of 2015, which is 72 percent of BiH’s population. Thanks to the widespread use of smartphones, there is a rise in consumption of media over the internet. The number of websites is constantly increasing, but ownership of online media is unregulated and there is no effective oversight. In many cases, owners are unknown and often even basic contact information is lacking, which allows for political control and copyright violations.

- The director-general of the CRA has been serving in an acting capacity since 2007. In 2014, the CRA Council selected a new director, but the Council of Ministers never confirmed the appointment. Instead, in December 2015, they appointed a new interim director—a prominent SDS party figure—which is worrying in terms of the regulator’s political independence.

### Local Democratic Governance

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- The rights of cities and municipalities are protected by entity constitutions and the laws on local self-governance. Ten cantons—the levels of power between municipalities and FBiH—were supposed to harmonize their legislation with the entity law, but progress has been slow. By 2015, only two had done so. This led to unclear distribution of power and overlapping jurisdictions in certain areas, like the judiciary and management of natural resources, but no implementable solution seems to be in sight.

- Local self-governments are financed from several sources, including local revenues and taxes, as well as grants, transfers, and donations from higher up. The last makes them highly dependent and subject to political pressure. Tax incomes, grants, and transfers declined in both entities between 2011 and 2013, but especially in the municipalities and cities of the RS. At the same time, the cost of salaries has been rising in most local governments, which threatens financial sustainability.

- In terms of financing, the BiH capital Sarajevo has had a special position. Until 2014, it had been financed by Sarajevo Canton, but this practice discontinued with the adoption of the new FBiH Law on Public Revenues in 2014. In September, the Sarajevo mayor said the capital would sue the canton for endangering its functioning and asked to be included in the FBiH budget. In November, the FBiH government agreed to include Sarajevo but announced a decrease in financial transfers to smaller and financially less sustainable cantons, which can potentially lead to their collapse.

- In a separate unresolved issue, the city of Mostar lacked legally elected representatives as of year’s end. Due to a 2010 Constitutional Court ruling that noted the Mostar Statute is discriminatory, the city has failed to hold elections since 2008. In addition to the statute, the Electoral Law should also be amended, but Bosniak and Croat politicians, especially the members of ruling SDA and HDZ parties, have been unable to reach an agreement.

- In June, a paper by the Centers for Civic Initiatives showed that only one-fifth of BiH cities and municipalities provide transparent and up-to-date information. Most of their websites are outdated, have little content, and are often used to promote their leaders and local politicians instead of publishing relevant information on local services. About ten local governments do not have websites.

- In July, TI published preliminary results of research noting that local self-governments lack the instruments and capacity, as well as support from higher levels, to fight corruption.
Judicial Framework and Independence

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- With four separate administrative levels (BiH, RS, FBiH, and the Brčko District), conflicts of jurisdiction are frequent, and the court system is plagued by backlogs, lack of staff, and political pressures. Trials are stalled for years while courts and prosecutors’ offices send important cases back and forth, not wanting to take responsibility for them. An investigation of alleged fraud at Bobar bank, for example, had been passed around by several prosecutors—the Bijeljina District, RS Republic, and RS Special prosecutors’ offices—before ending up at the BiH Prosecutor’s Office in June.79

- Throughout the year, RS authorities continued to oppose state judicial institutions. In July, the RS National Assembly voted to stage a referendum on “anti-constitutional and unauthorized laws imposed by the high representatives of the international community in BiH, especially the imposed laws on the Court and the Prosecutor’s office of BiH, and application of their decisions on the RS territory.”80 The reason behind the call was allegedly the Swiss authorities’ extradition of former Srebrenica commander Naser Orić, who is suspected of war crimes, to BiH instead of Serbia.81 RS president Dodik argued that the judiciary is biased against the RS, as shown by the fact that the majority of those charged with war crimes are Serbs.82 The plan to hold a referendum met with extensive criticism. In September, High Representative for BiH Valentin Inzko sent a report to the UN accusing the RS of violating the Dayton Peace Agreement; the U.S. Embassy in Sarajevo said that “nothing good” can come out of it; while the EU Delegation noted that the referendum is shifting attention from more important social and economic issues. Bosniak representatives added that it might be a first step towards the secession of the RS.83 Despite plans for the referendum to take place in November, its date had not been set by year’s end.

- Dodik already launched a similar initiative in 2011 but eventually stepped back thanks to EU engagement and the so-called Structured Dialogue on Justice. The dialogue was supposed to make the judicial system more independent, effective, and accountable, but little has been achieved in practice. A 2012 draft Law on the Courts of BiH included the establishment of a state-level Appeals Court, which never came to fruition because RS authorities did not want the state to have such extensive jurisdiction. This postponed the adoption of the “Strategy for Justice Sector Reform 2014–2018” and led the EU to stop payments of a grant assisting war crimes prosecutions in early 2015.84 The strategy was finally adopted in September,85 and the representatives of BiH agreed on continuing with the Structured Dialogue. RS authorities drafted their own Law on Courts of BiH in August, and now the key discussion in the Dialogue is about the jurisdiction and role of the state court.86

- A November verdict of the BiH Constitutional Court that banned Republika Srpska Day (held on January 9) exemplified the judiciary’s politicization. The initiative came from Bosniak politicians who said the date has a positive meaning only for Serbs. RS politicians decided to ignore the court’s decision. In December, after the State Investigation and Protection Agency (SIPA) conducted an action at the police and municipality buildings of the RS town Novi Grad, the RS government decided to stop all cooperation with state police and judicial bodies.87 RS Police Minister Dragan Lukač even said they would use weapons if weapons were pointed at them.88 Tensions subsided by year’s end, and police structures resumed cooperation.

- Prosecutions, especially high-profile cases, are often unsuccessful because of procedural mistakes, such as the disappearance of original documents. Key documents went missing in a 2005 case against Milorad Dodik and a 2010 case against member of BiH Presidency Dragan Čović.89 In November, one state prosecutor received a 20-percent salary cut for three months because she had failed to take a single action for almost eight years in the two war crimes cases she had been adjudicating.90
• The judicial system is overwhelmed with old cases. Besides war crimes cases—with more than 1,200 investigations ongoing as of 2015—and additional cases launched against unknown assailants—the highest number of pending cases are connected to 1.8 million unpaid utility bills, 49 percent in Sarajevo Canton. In addition, authorities in both entities have failed to implement 91 verdicts of the Constitutional Court since 2004. The court transferred these cases to the Prosecutor’s Office of BiH, but no indictments had been raised by year’s end.

• In 2015, several judicial employees ran afoul of the law, including three judges. An investigator of the state Prosecutor’s Office, Mujo Smajlović, was accused in October of taking a bribe and offering special treatment to suspects and defendants. Earlier, in February, Court of BiH judge Azra Miletić was arrested on allegations of taking bribes from former Una-Sana Canton police commissioner Ramo Brkić, who had been on trial for organized crime, the production and sale of narcotics, and abuse of office. Her colleague, Dragica Miletić, was indicted and suspended in the same month for abuse of office while working for the BiH Attorney General. She was acquitted later in the year.

### Corruption

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• The Agency for the Prevention of Corruption and Coordination of the Fight against Corruption (APIK) was founded in 2009, but its functioning has been undermined from the start. The agency is in charge of implementing the Strategy for the Fight Against Corruption 2015–2019 and its Action Plan, which were adopted in May after five months of delay. Still, since the previous strategy is far from being fully implemented, no major progress can be expected. In June, APIK director Sead Lisak said that based on the reports they receive, corruption is mostly widespread in the public administration, healthcare, education, judiciary, and police. Later in the year, Lisak added that he is unsatisfied with the work of the police and prosecutors.

• Conflict of interest at the state level has not been monitored since 2013, when the government transferred this jurisdiction from the Central Election Commission (CIK) to a commission dominated by members of the state parliament. The change was widely criticized as an impediment to effective control. In October, the FBiH parliament amended the FBiH Conflict of Interest Law and made the state commission responsible for its implementation. Since its formation, however, the commission has yet to take any formal steps. Another hindrance is that conflict of interest laws among different levels of governance are not harmonized, and while information on politicians’ assets is collected by the CIK, it is not published or checked by any institution. Despite recommendations from the Ombudsman’s Office, the High Judicial and Prosecutorial Council has declined to disclose prosecutors’ and judges’ asset declarations, which damages public trust in the transparency of the judiciary.

• Whistleblower protection is insufficient; the law on whistleblower protection has been adopted only at the state level, and individuals are afraid to report corruption because of threats. APIK received seven requests for whistleblower status in 2015, but following additional checks, approved only two as valid. As a positive development, an individual who was fired after reporting corruption in the BiH Office for Indirect Taxation regained his employment thanks to his whistleblower status.

• FBiH lawmakers approved a set of laws on corruption in 2014, including laws on the prevention of corruption and organized crime, on confiscation of illegally acquired property, and amendments to the laws on criminal proceedings and courts. Their implementation was scheduled to start in January 2015 but was postponed due to lack of “material, technical and infrastructural capacities,” which shows that the institutions were unprepared.

• In the RS, the National Assembly concluded that the 2014 recordings of RS prime minister Željka Cvijanović—allegedly discussing the bribing of MPs to secure a majority for her SNSD party—were
Published with the aim of “destabilizing” the RS and the constitutional order. The SNSD-dominated assembly claimed there was no political corruption but declined to discuss the content of the recordings. TI noted that while in 2014 RS police said the tapes were fake, the Special Prosecutor’s Office notified TI in April 2015 that no forensic investigation took place.

- Former FBiH president Živko Budimir and his associates were arrested in 2013 for allegedly illegally pardoning criminals, but their trial did not begin until two years later. They are charged with corruption, abuse of office, and illegal mediation. In July, the FBiH Law on Pardons was amended to allow the FBiH president to issue pardons without prior consultation with vice presidents and to issue duplicate pardons to the same people—exactly what Budimir did while in office and the offense for which he now stands trial.

- According to the Report on the State Security in BiH, civil servants, office holders, and legislators collaborate with criminals in exchange for cash or other services. Several high-level cases were under investigation in 2015, but similar cases in the past demonstrated a will to investigate more than a real effort to prosecute corrupt officials. In July, the Prosecutor’s Office of BiH indicted state Minister of Defense Marina Pendeš for paying a salary to her HDZ party colleague and former member of the BiH Presidency Ivo Miro Jović despite never showing up to work. In September, People’s Party Work for Betterment leader Jerko Ivanovic Lijanovc was arrested on suspicion of abuse of office during his time as FBiH minister of agriculture.

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