

Bosnia and Herzegovina

A future *with*
Europe



THE EUROPEAN UNION
IN BOSNIA AND HERZEGOVINA

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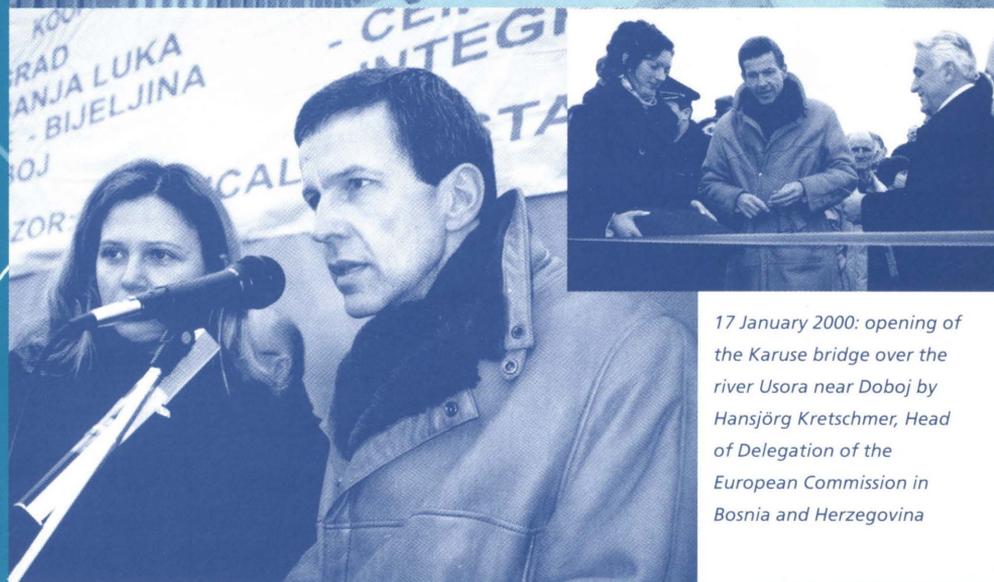
A.

The European Union's pledge

1. Consolidating peace

The war left Bosnia and Herzegovina totally ravaged. More than half its population was displaced and more than 1,2 million citizens had to flee abroad. The complete destruction of infrastructure, high unemployment, huge numbers of displaced people and worthless economy seriously threatened the region's stability. Since the signing of the Dayton/Paris Peace Agreement, the European Union (EU) has been in the forefront of helping Bosnia and Herzegovina along the road to consolidation of peace, democracy and a viable market economy. It has become today the country's principal partner, having pledged one billion EURO for the 1996-1999 reconstruction period and a further one billion EURO in humanitarian aid since the start of the conflict in 1992.

The European Commission (EC) is responsible for the implementation of the EU aid programmes in Bosnia and Herzegovina. It is permanently present in Bosnia and Herzegovina through the Delegation of the European Commission in Sarajevo and its two Representation offices in Mostar and Banja Luka.



17 January 2000: opening of the Karuse bridge over the river Usora near Dobož by Hansjörg Kretschmer, Head of Delegation of the European Commission in Bosnia and Herzegovina

EU reconstruction aid to Bosnia and Herzegovina is mainly given in the form of grants with no obligation other than the political commitment of the beneficiary to comply with the Peace Agreement.

By the scale of its interventions and the great diversity of its aid programmes, the European Union and the European Commission in particular have become indispensable partners of Bosnia and Herzegovina (BiH), despite the fact that the Dayton/Paris accords gave them no mandate. Nevertheless, the EC works very closely with the Office of the High Representative (OHR) in charge of supervising the implementation of the civil aspects of the accords, as well as with other organisations such as the United Nations Mission to Bosnia and Herzegovina (UNMIBH), the United Nations High Commissioner for Refugees (UNHCR), the NATO-led Stabilisation Force (SFOR) and the Organisation for Security and Co-operation in Europe (OSCE).

V

The European Union's involvement in all aspects of life in Bosnia and Herzegovina represents a unique challenge. The main objectives of EC assistance are :

- > to help consolidate the peace process and foster inter-Entity co-operation;
- > to help ethnic reconciliation and the return of refugees and displaced persons to their homes of origin;
- > to establish functioning institutions and a viable democracy;
- > to lay the foundations for sustainable economic recovery and growth;
- > to bring Bosnia and Herzegovina closer to EU standards and principles.

2. Preparing tomorrow's Europe

The EU's assistance to Bosnia and Herzegovina is designed for the long term. The aid is not intended solely to restore conditions to what they were before the war. Most of the projects are long term investments with the aim of providing this new state with solid democratic foundations and a viable market economy, and to develop Bosnia and Herzegovina's administrative and legislative institutions in order to bring them closer to European standards, so that the country can take its place in the construction of the future Europe. The launch of the Stabilisation and Association process represents a major step in this direction.

Key steps in the relations between the EU and BiH

1997 : Regional Approach

In April 1997, the EU Council of Ministers — in the framework of the EU's Regional Approach— established political and economic conditionality for the development of bilateral relations with Bosnia and Herzegovina in particular in the fields of trade, financial assistance and economic cooperation. Progressive implementation of these conditions based on the regional approach will lead to improvement of relations.

At present Bosnia and Herzegovina benefits from autonomous trade preferences by the European Community.

PEACE,
DEMOCRACY
AND PROSPERITY
OUR HOPE
AND OUR GOAL.



Welcome to Sarajevo.
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The Stability
Pact

PEACE,
DEMOCRACY
AND PROSPERITY
OUR HOPE
AND OUR GOAL.



Welcome to Sarajevo.

The Stability Pact for South-Eastern

Europe, adopted on 10 June 1999 in Cologne, is a European Union initiative. Its aim is to bring peace, stability and economic development to the region. Sarajevo successfully hosted the Stability Pact Summit on 29 and 30 July 1999. The EU's main contribution to the Stability Pact is the new Stabilisation and Association Process.

1998 : EU Declaration

The EU Declaration on Bosnia and Herzegovina of June 1998 represents an important step in the bilateral relations. It emphasises that the future of Bosnia and Herzegovina is in Europe and provides the framework for closer co-operation. The Council had at that occasion established an "EU/BiH Consultative Task Force" (C.T.F.). The C.T.F. provides a joint European – Bosnian vehicle for technical and expert advice in the fields of administration, regulatory framework and policies (see p.13).

1999: Stabilisation and Association process

In the context of the stabilisation of the countries of South-Eastern Europe, the European Commission proposed, on May 26, 1999, the creation of a Stabilisation and Association process for Bosnia and Herzegovina, Croatia, the Federal Republic of Yugoslavia (FRY), the Former Yugoslav Republic of Macedonia (FYROM) and Albania.

The Stabilisation and Association process at a glance

What is it?

- > The European Union's (EU's) main contribution to the Stability Pact for South-Eastern Europe.
- > Enhancement of the Regional Approach, which has until now provided the framework for the development of relations between the EU and Bosnia and Herzegovina, Croatia, the Federal Republic of Yugoslavia, the former Yugoslav Republic of Macedonia and Albania.
- > Stronger incentives for the region, but also more demanding conditions regarding political and economic development and regional co-operation.
- > A tailor-made, progressive approach that takes into account the individual situation of each country. Some countries can progress faster than others.

What is in it?

The Stabilisation and Association process will include, as appropriate:

- > Stabilisation and Association Agreements: a new kind of contractual relationship offered by the EU — in return for compliance with the relevant conditions — to Bosnia and Herzegovina, Croatia, the Federal Republic of Yugoslavia, the former Yugoslav Republic of Macedonia and Albania. This represents a new dimension in the relations with these five

countries, offering for the first time a clear prospect of integration into the EU's structures;

- > Autonomous Trade Measures and other economic and trade relations;
- > economic and financial assistance, inter alia PHARE assistance, OBNOVA assistance, budgetary assistance and balance of payment support;
- > assistance for democratisation and civil society;
- > humanitarian aid for refugees, returnees and other persons of concern;
- > co-operation in justice and home affairs; development of a political dialogue.

Aim ?

- > Bring peace, stability and economic development to the region and establish a close, long-term relationship with the EU.

By proposing a new Stabilisation and Association Process (SAP) for these five countries, the EU reaffirms its resolve to take up the challenge and responsibility to contribute to the stability of the region, this time by offering a perspective of integration, based on a progressive approach adapted to the situation of the specific countries.

The SAP offers stronger incentives to these five countries, but also places more demanding political and economic conditions on them. The need for regional co-operation is stressed particularly strongly. In return for compliance with the relevant conditions, the EU will offer a new kind of contractual relationship to the five countries, namely Stabilisation and Association Agreements (SAAs).

These SAAs will draw the region closer to the perspective of full integration into EU structures. They would be tailor-made, i.e. taking into account the individual situation of each country, while the timing for the start of negotiation for such agreements will be differentiated according to the countries' compliance with the relevant conditions (established by the EU under the Regional Approach which remains valid).

3. Co-ordinating the donor community

Hardly a week after the signature of the peace accords on December 21st and 22nd 1995, The European Commission, together with the World Bank, organised the first donors conference. Under the Chairmanship of the World Bank and the European Commission, regular donors conferences have been organised since then, and a joint World Bank / European Commission Office for South-East Europe has been set up in Brussels.

Effective co-ordination is best organised at local level in BiH through the Economic Task Force, the Return and Reconstruction Task Force (RRTF) and other more sector specific Task Forces run by the Office of the High Representative. More than half of the OHR's running costs are funded by the European Commission.



B. Main areas of support



Kilometers of roads have been repaired

1. Reconstruction of infrastructures

In its reconstruction policy, the EU is not simply carrying out emergency repairs to restore conditions to what they were before the war. Most of the projects are long term investments. In addition to reconstruction work, the projects include training in management in order to make the different sectors economically viable and compatible with current practice in the EU.

Transport

Mostar and Banja Luka airports are open again. Rail links have been re-established. Kilometre after kilometre of roads have been repaired. And major bridge-rebuilding projects have been launched. All in all the EC has dedicated over 80 million EURO to these major infrastructure works, which aim to reconnect Bosnia's populations with each other and with their neighbouring countries, and to ensure a better circulation and freedom of movement in the country. Reconstruction works also have a knock-on effect of stimulating economic recovery as the work is increasingly being put in the hands of local enterprises.



Significant transport projects funded by the EU :

- > the reconstruction and rehabilitation of the Sarajevo, Mostar and Banja Luka airports
- > The rebuilding of seven major bridges (among them the Samac, Karuse, Raca, Gradiska and Brcko bridges)
- > The rehabilitation of the Sarajevo-Mostar-Capljina railway line and the Sarajevo - Zenica - Novi Grad railway line
- > The repair of the Kljuc-Bihac and Prijedor-Banja Luka-Derventa roads

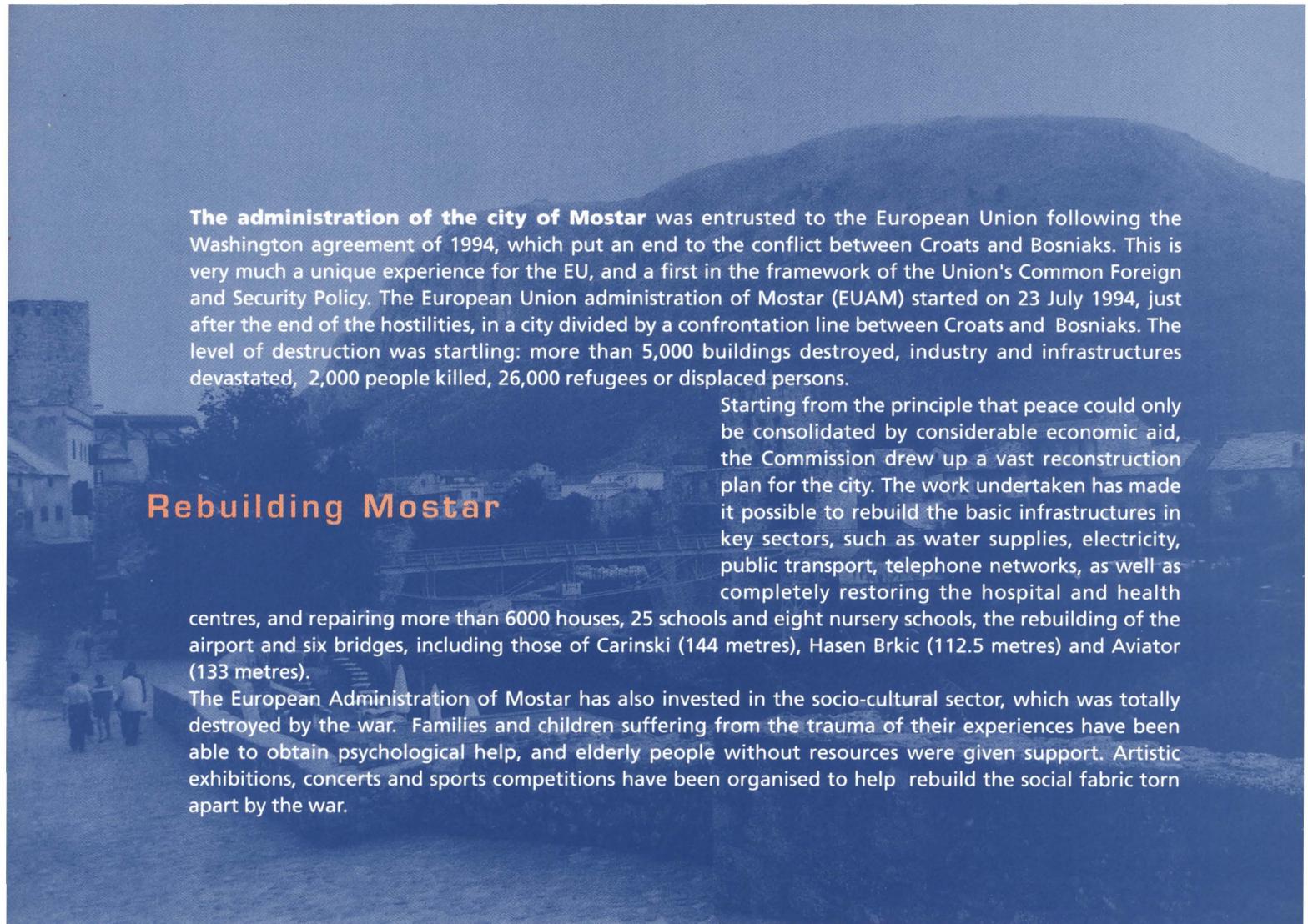
Telecommunication

Thanks to work financed by the European Commission, direct telephone links between Bosnia's two Entities became operative again at the end of 1997 for the first time in five years. Since 1996 the EC has committed over 16 million EURO to the reconstruction process of the telecommunications network in the country. The European Bank for Reconstruction and Development (EBRD), which leads the Telecommunications Task Force in Bosnia and Herzegovina, has developed a master plan for this sector. The basic aim of the rehabilitation programme is to unify the country, provide the people from different regions with the possibility of communication, and provide an incentive for the return of refugees. In addition to the repair and the reinforcement of the network, the EC assistance also allows operators to be trained in the commercial management of this public service.

Water and waste

Much of the country's water and waste facilities suffered damage during the war. The loss of financial support during that period and the lack of maintenance led to a general deterioration of the water supply networks leading to increased water losses through leakage, and a reduction in storage capacity and distribution. It is estimated that up to 50% of the fresh water in storage in Bosnia and Herzegovina is lost through leakage.

The repair, upgrading, and efficient management of the current water and waste systems in Bosnia and Herzegovina is a priority in order to improve basic living conditions, facilitate the return process, and assist in the renewed activity of local industries. Over 48 million EURO has been committed to the rehabilitation of this sector from 1996 to 1999.



The administration of the city of Mostar was entrusted to the European Union following the Washington agreement of 1994, which put an end to the conflict between Croats and Bosniaks. This is very much a unique experience for the EU, and a first in the framework of the Union's Common Foreign and Security Policy. The European Union administration of Mostar (EUAM) started on 23 July 1994, just after the end of the hostilities, in a city divided by a confrontation line between Croats and Bosniaks. The level of destruction was startling: more than 5,000 buildings destroyed, industry and infrastructures devastated, 2,000 people killed, 26,000 refugees or displaced persons.

Rebuilding Mostar

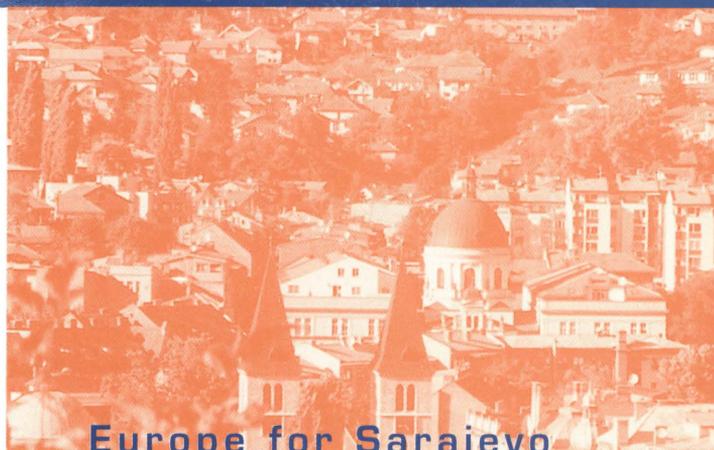
Starting from the principle that peace could only be consolidated by considerable economic aid, the Commission drew up a vast reconstruction plan for the city. The work undertaken has made it possible to rebuild the basic infrastructures in key sectors, such as water supplies, electricity, public transport, telephone networks, as well as completely restoring the hospital and health centres, and repairing more than 6000 houses, 25 schools and eight nursery schools, the rebuilding of the airport and six bridges, including those of Carinski (144 metres), Hasen Brkic (112.5 metres) and Aviator (133 metres).

The European Administration of Mostar has also invested in the socio-cultural sector, which was totally destroyed by the war. Families and children suffering from the trauma of their experiences have been able to obtain psychological help, and elderly people without resources were given support. Artistic exhibitions, concerts and sports competitions have been organised to help rebuild the social fabric torn apart by the war.

Energy

Energy is vital to re-establish normal living conditions and allow factories and businesses to resume operations. In Bosnia and Herzegovina the main sources of energy come from hydro-power, generated by various rivers in the country, and thermo-power, fuelled by the country's coal reserves.

Up to now the EC provided approximately 60.8 million EURO for energy rehabilitation. Power supplies are now more or less back to normal after having been severely disrupted during the war. The EC has renewed installations at the major power stations like the Tuzla Thermo power station, the Kakanj Thermo power station, Elektroprivreda, Sarajevogas, and several coal mines in the country. Electricity distribution networks throughout the country were repaired, mainly in priority areas for return of refugees and displaced persons.



Europe for Sarajevo

Due to the extensive damage inflicted to Sarajevo after four years of siege, the EC has set up a specific "Europe for Sarajevo" programme worth 35 million EURO. The programme consists of house, school and health centre rehabilitation, restoration of water supply, repairing of the airport infrastructure and the preservation of civil and cultural landmarks like the Vijećnica National Library, several buildings of the University of Sarajevo, the rehabilitation of Kosevo Olympic Stadium, and rehabilitation of the Lukavica Presidency Building.



Before reconstruction, houses must be cleared of mines

Mine clearance

The estimated presence of three million mines and unexploded ordnance, and the number of accidents reported (35 people killed or injured every month) are clear evidence of the constant threat that this hidden enemy represents for the population of Bosnia and

Herzegovina. Fields cannot be cultivated, many houses remain inaccessible, refugees are afraid to return home, reconstruction projects cannot start until sites have been cleared.

Given that Bosnia and Herzegovina will have to face up to this threat for decades to come, it is of utmost importance that local experts are trained in demining. The Commission has therefore trained teams of Bosnian deminers, and assists BiH in the creation of National and Entity Demining and Explosive Ordnance Disposal (EOD) teams and in creating the appropriate institutions to deal with sustainable mine clearance in the future. So far the EC has dedicated 13 million EURO to this sector, in addition to de-mining components of a large number of EC-funded reconstruction projects.

activities that it would not be sufficient to repair roofs and houses for the refugees to return. They would only come back if there were guarantees of safety, employment prospects, healthcare, schools for their children and quite simply the right to move about freely without hindrance from boundary lines or the risk of mine explosions.

The main instruments of the European Commission's action to encourage return are ECHO (The European Community Humanitarian Office) and the OBNOVA programme (see p. 20). Both have adopted a complementary approach: ECHO concentrates on displaced persons in rural areas, and follows-up on spontaneous return movements while OBNOVA finances larger scale return projects along the main return axes identified by the Reconstruction and Return Task Force (RRTF) chaired by the OHR.

2. Return of refugees and displaced persons

Helping Bosnia and Herzegovina's many refugees and displaced persons to return home is an absolute priority for the European Union. The war caused the displacement or exodus of half the population of Bosnia and Herzegovina, about two million people. At the height of the crisis, the European Union was sheltering more than 750,000 refugees from ex-Yugoslavia, the majority of whom were from Bosnia and Herzegovina. To date, for obvious political and security reasons, the refugees have returned to regions where people of their own ethnic origin are in the majority. The huge challenge remains of return to regions where they will be in the minority. It was clear from the start of the EC's

Working with Non Governmental Organisations

Although the improvement in infrastructures has contributed in a general way to encouraging the return of refugees, the rehabilitation and reconstruction of houses goes hand in hand with a whole series of measures to improve living conditions. The Commission has therefore financed numerous housing projects together with the rebuilding of health centres and schools and the revival of small businesses. The Commission's privileged partners in this type of project are Non Governmental Organisations (NGOs). Because of their good field knowledge and the direct contact they have with municipalities, they can identify the rightful owners of houses that are to be rebuilt. Through personal contacts with families, they prevent tensions by proposing solutions which benefit both returnees and host communities.



Minority return

"Easy returns" are over. Those who were able to return to unoccupied or slightly damaged houses have already done so. Most who have yet to return come from areas where they will be in the minority and/or where their homes are already occupied by other displaced families. Finding a solution is more and more complex. Displaced families have to be re-housed before refugees can be brought back. The owners of each house have to be properly identified. It has to be made clear whether families whose homes are to be rebuilt actually intend to live in them. Problems are solved almost on a case by case basis.

With **more than 270 million Euro** allocated to return projects over the 1996-1999 period (*) by the European Commission, about 30.000 housing units (**) will have been rebuilt for more than 100.000 beneficiaries. But the figure will probably be double that because every family that returns to a house rebuilt by the EC vacates another home, meaning that yet another family can return. But the domino effect does not end there.

Developments over the past year demonstrate that when a small group of people returns thanks to an assisted programme, other people follow. Thus European Commission-sponsored projects act as a catalyst, sparking off the process and encouraging people to go back to their places of origin. In addition, the integrated projects contribute to improve the technical and social infrastructure of the receiving communities and they initiate job creation activities.

Housing credits

Given the enormity of damage to housing during the 1992-1995 war in BiH, it is simply impossible to provide financial support in the form of housing grants to all the affected families. In the Federation of BiH alone half of the houses were damaged and six percent of those were destroyed completely (in the Republika Srpska, 24% and 5% respectively). Other sustainable solutions needed to be found. This is why the EU has set up a housing finance programme with the Kreditanstalt für Wiederaufbau (KfW). The housing loan programme has a double objective: to improve housing supply and at the same time to establish a sustainable financing system for housing construction in BiH. Given the limited experience of Bosnian banks in housing finance, and in order to limit the default risk, KfW consultants help the selected commercial banks establish loan departments and train loan officers.

Establishing property rights

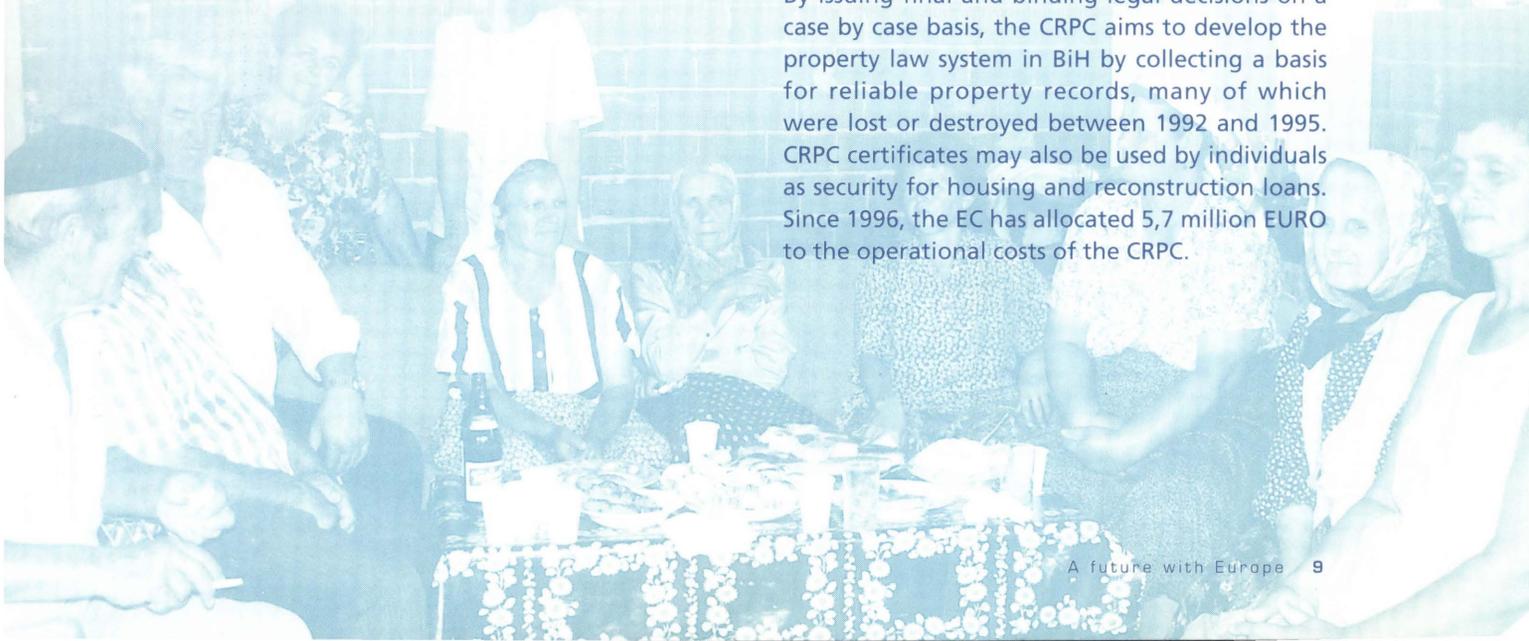
Property rights issues are one of the pivotal problems hanging over the refugee and displaced persons return process in Bosnia and Herzegovina. The Commission for Real Property Claims (CRPC), which is mainly funded by the European Commission, was set up under Annex 7 of the Dayton Peace Agreements to help people regain the property they lost during the war.

The CRPC has issued approximately 65,000 decisions on over 167,000 applications relating to over 185,000 properties.

By issuing final and binding legal decisions on a case by case basis, the CRPC aims to develop the property law system in BiH by collecting a basis for reliable property records, many of which were lost or destroyed between 1992 and 1995. CRPC certificates may also be used by individuals as security for housing and reconstruction loans. Since 1996, the EC has allocated 5,7 million EURO to the operational costs of the CRPC.

(*) ECHO return projects not included

(**) add to this 8339 housing units rebuilt by ECHO over the period 1996-1999, so the figure raises to almost 40.000.



3. Democratisation and Reform

Support for democracy and human rights in Bosnia and Herzegovina is essential for continued stability and the country's future integration into Europe. In addition to supporting the two bodies of the Commission on Human Rights — set up to pursue the fundamental rights and freedoms of the individual—, the EC also provides funding for projects that assist the strengthening of a democratic society. Funded projects include those that promote the rule of law, respect for human rights, protection of minorities, and political pluralism.

The EC allocated over eight million EURO to specific human rights projects such as support to torture victims, and support for the International Criminal Tribunal for the former Yugoslavia. A whole range of small scale human rights projects were also funded, which provided human rights protection groups with the financial support necessary to prevent violations by authorities, discrimination, threats to safety, and hindrance to independent civic life.

The Commission on Human Rights

Since 1996, the European Commission has given substantial financial support (nearly four million EURO) to the Office of the Ombudsperson and the Human Rights Chamber, which together form the Commission on Human Rights, the lead agency in the defence and promotion of human rights in BiH created under Annex 6 of the Dayton Peace Agreement.

By mid-October 1999, 2800 cases had been registered with the Human Rights Chamber, and 3454 cases with the Office of the Ombudsperson. In addition, roughly 55000 individuals sought either advice or intervention from the Ombudsperson during its three years of existence. Among the top five issues leading to a claim are : property issues, frozen bank accounts, abandoned property and employment.

Fighting discrimination

Among the cases handled by the Ombudsperson is Mirjana M., a Bosnian Serb university professor, who was employed at Sarajevo's College of Dental Medicine before the 1992-1995 war. On May 2, 1992, she had to stop working as Sarajevo was under constant shelling. Clearly the war prevented her from coming to work. Nevertheless the college terminated Mirjana's employment on the basis of absence without leave for more than 20 working days. Mirjana tried to appeal the decision in July 1992, but received no response from the Dean of the College. Finally, four years later, on February 23 1996, Mirjana lodged a claim with the Ombudsmen of the Federation of Bosnia and Herzegovina. After investigating her complaint, the Federation Ombudsmen concluded that Mirjana had been discriminated against the basis of her ethnic origin. Effectively, since the war ended, the College had re-employed four Bosniak professors, but did not re-employ Mirjana, a Bosnian Serb.

On January 15, 1997 Mirjana's case was referred to the Human Rights Chamber at the request of the Ombudsmen. In April 1998, the Human Rights Chamber decided that Mirjana Malic had been dismissed because of her ethnic origin. She was reinstated and since September has been teaching again at Sarajevo University.

Strengthening civil society

In order to help re-create a civil society in this ravaged country, the EC has supported a wide range of small projects aimed at breathing new life and energy into BiH's associative life, e.g. women's organisations, youth centres, children workshops, rehabilitation and counselling programmes, associations promoting inter-ethnic dialogue, cultural initiatives, and initiatives that help the development of a democratic and pluralist society. Since 1996, the EC has allocated over 12 million EURO to the funding of civil society initiatives in BiH.

The EC is also involved in the creation of a legal framework for Bosnian NGOs to develop their activities.

The Bosnian organization "Protector" believes in replacing ethnicity with humanity. The organisation has set itself the task of gathering accounts from people who helped, or were helped by members of another ethnic group during the war. This EC-sponsored search for individual stories led recently to the publication of a book called "Light in the tunnel", which is filled with accounts that are extraordinary and at the same time extremely simple: Catholic priests saved by Orthodox churches' bells, a Croat actor who saved Serbs in Sarajevo, a Moslem woman whose two nephews were killed by Croats but who was saved by other Croats herself.

Healing Bosnian society

"We believe that our work can help to heal scars that are still too obvious in Bosnian society," explains Protector's Jedzimir Milosevic, who put together the book. "We need to highlight people who have never viewed things in terms of ethnicity and who have often risked their lives because of a simple desire to remain human. They are the real war heroes. This work of gathering stories has proved that there are normal people here who have human reactions".

Jedzimir hopes his book will play a role in achieving the difficult goals of reconciling Bosnia's still divided communities and restoring a feeling of confidence within the country. All of the accounts gathered have been verified and every chapter dedicated to someone who was helped is coupled with a comment from the person who came to their aid. The accounts were recorded on audio tape and can be listened to at the Protector information centre, so that there can be no doubt about the authenticity of what appears in the book.

Supporting independent media

The media was a catalyst to the outbreak of hostilities in Bosnia and Herzegovina. Prior to and during the war, the media in former Yugoslavia were heavily manipulated for one-sided coverage in order to incite nationalistic hatred and public paranoia. The media in Bosnia and Herzegovina has since been working to become free and fair in order to bring about pluralism, mutual trust, and help the transition into a fully fledged democratic society. As media were used as a tool for political propaganda in the past there is a certain level of public distrust. Many media are confined to their ethnic region of origin and have subsequent limited circulation. Many regional television and radio networks remain under the control of ethnic nationalist groups.

Considering that freedom of the media plays a crucial role in the process of democratisation, the EC has developed a programme of assistance to independent media in the countries of the former Yugoslavia. Since 1996 the EC has allocated over 14 million EURO to this programme in BiH which focuses on media that seek to foster understanding, trust and co-operation between the different communities. The projects range

from a journalism school in Sarajevo, to the setting up of an independent print house in Banja Luka and the purchase of equipment for numerous newspapers and magazines.

In order to allow as many people as possible to have access to independent sources of information, the EC made a substantial financial contribution to the Open Broadcast Network (OBN), the cross-Entity independent television network. The EC also supports the restructuring of the former State television TVBIH into a modern public broadcaster.

Nationalist media that are politically selective with programming and distribution still exist in Bosnia and Herzegovina. Clearly defined media laws on radio and television frequencies, privatization, and freedom of information would prevent selective programming and illegally operating stations. Consequently, the EC committed 1.2 MEURO from its 1998 budget to the Independent Media Commission (IMC), which will later become the national licensing and standards institution.



Education

Prior to the war Bosnia and Herzegovina's education system was well developed, with most children attending primary school to the age of 14 and secondary school to the age of 18. In the 1980's secondary schools in former Yugoslavia began the directed education system which provided specialised vocational schools largely orientated to industry and economics. With the onset of the war many lecturers and teachers became soldiers or refugees, and the education infrastructure collapsed. Until now, the donor community (including the EC) has focused its attention on the material reconstruction of the education system, as many schools were damaged or destroyed. The necessary educational reforms, which have been ongoing for four to six years in other central and eastern European countries, have been postponed in BiH.

From the EC's point of view, the time has come now to shift from physical reconstruction to in-depth policy reforms in the Bosnian education system. This is extremely difficult due to the impossibility to establish a national strategy in education (there are separate education ministries at the level of the Entities, and within the Federation Entity there is a responsibility for education at the level of the 11 cantons). The attempt of the European Commission to this regard is to put as many key local and international partners as possible together and have them decide on essential and easily conceivable orientations. A tangible success with the same approach was reached with the EC-funded Vocational Educational Training (VET) project aimed at reforming technical schools in BiH. A real inter-Entity cooperation has been developed via a working group of 40 key actors and partnerships with EU schools. The European Commission would like to build on this experience to help setting up a

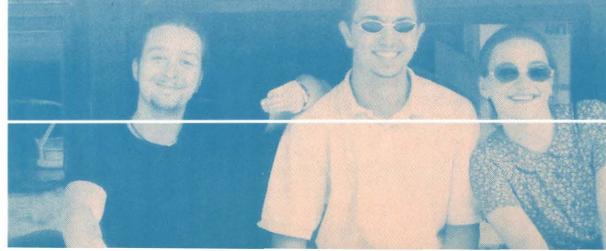
broader "Education Council" in BiH which would cover primary, secondary and technical schools and through which the Entities would elaborate a common approach towards reform of the school system.

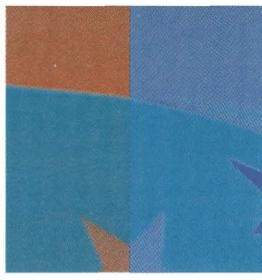
At university level, the European Commission runs the TEMPUS inter-university co-operation programme in BiH which focuses on collaboration among BiH universities and with EU universities, and which offers mobility grants for students and professors.

Since 1996, the EC has allocated nearly 15 million EURO to repair and reform the Bosnian education sector. In addition to this, hundreds of school buildings have been rehabilitated and refurbished in the framework of EC return programmes (ECHO alone has repaired 171 schools throughout BiH).

> Encouraging cooperation between universities

Fact: Universities in Bosnia-Herzegovina are working together. Since November 1998 they submitted almost 25 common projects to the Austrian arm of the World University Service (WUS), an organisation which is receiving financial support from the European Commission. WUS Austria is currently running a programme called Support to Inter-community Projects (SIP) in Bosnia. One of the conditions for taking part in the scheme is that proposals must come from teachers or students from at least two different universities in BiH. One example of a proposal that was accepted for SIP funding was a plan to compile a new manual on histology that was drawn up by four professors of medicine from the universities of Tuzla, Sarajevo, Mostar and Banja Luka. It is vitally important to encourage joint research within Bosnia's academic community, and this particular scheme is encouraging students and teachers to re-establish links severed by the war.





Health

The war had a tremendous impact on the health sector in Bosnia and Herzegovina. In addition to the terrible physical and mental injuries suffered, poor living conditions and malnutrition have led to an increase in outbreaks of diseases and infant mortality rates. The health infrastructure suffered greatly from war damage, lack of maintenance, and much equipment and medical supplies were lost or destroyed. There is a lack of trained staff as many professionals left the country or were killed, and professional training ceased during the war.

In 1996 the EC health programme focused—in close co-ordination with ECHO which provided emergency aid throughout the war—on emergency supplies and equipment. The 1997 health programme aimed to reduce the dependence on humanitarian assistance and to rebuild a sustainable health sector in Bosnia and Herzegovina with reform programme aiming to create self-sustainable management and financing systems. The health reform programme includes institutional support, health financing, assistance to the pharmaceutical sector, and primary health care development. The primary health care development project is being implemented in three pilot regions: Sanski Most (Bihac Canton), Vitez (Central Bosnia Canton), and Novi Grad (western Republika Srpska). The programme includes support to the development of local management capacities, training for doctors and medicines with a view to enable them to continue training at a local level, development of the General Practitioner curricula, development of a health database, the drafting of regulations for professional practice, and the establishment of a centre for continuing education.

Since 1996, nearly 20 million EURO have been allocated to the health sector in BiH, in addition to the emergency health programmes funded by ECHO since the war (see p.19).

4. Supporting the new State

Drafting laws

EU lawyers are collaborating with their Bosnian counterparts within the EU-BiH Consultative Task Force (CTF—see p. 4), with the aim of setting up a legal system which is largely compatible with that of the European Union. The EC has provided assistance for the first drafts of essential legislation for the Government. EC expert advice now focuses particularly on the drafting of foreign trade and investment laws and commercial legislation including accounting and auditing, essential for the country's economic revival and the setting up of a market economy. The C.T.F. provides a joint European – Bosnian vehicle for technical and expert advice in the fields of administration, regulatory framework and policies. This forum provides guidance for the economic legislation of the two Entities and therefore contributes to its harmonisation. The C.T.F. discusses primarily economic issues and helps in the formulation and implementation of a foreign trade and customs policy. The CTF releases joint recommendations which must be implemented by BiH authorities at State and Entity level. To ease implementation and follow-up, ad hoc working groups can be created.

Assisting the State's common institutions

The Bosnian State's common institutions are essential to the success of Bosnia and Herzegovina's existence as a single State. With the signing of the Dayton/Paris Peace Agreement the new State of Bosnia and Herzegovina was formed comprising two Entities, Republika Srpska and the Federation of Bosnia Herzegovina. So far, the common State institutions have worked very weakly compared to administrations in the two Bosnian Entities. The EC is trying to breathe life into these common institutions under its institu-

tion-building policy. Through its experts the EC helps laying the groundwork to set up a professional civil service in the new State institutions: the Parliamentary Assembly of Bosnia and Herzegovina; the collective Presidency; the Council of Ministers, the three line ministries, namely the Ministry of Foreign Affairs (MFA), the Ministry of Civil Affairs and Communications (MCAC), and the Ministry of Foreign Trade and Economic Relations (MFT). Two other technical assistance projects focus on the Constitutional Court (the only judiciary at Central State level) and the Central Bank (see p. 16).

Since 1996 the EC has allocated approximately 29 million EURO to support the functioning and consolidation of Bosnia and Herzegovina as a state. The institution strengthening programme also includes the creation of Police Academies in support of the IPTF (International Police Task Force) and assistance to judicial reform.

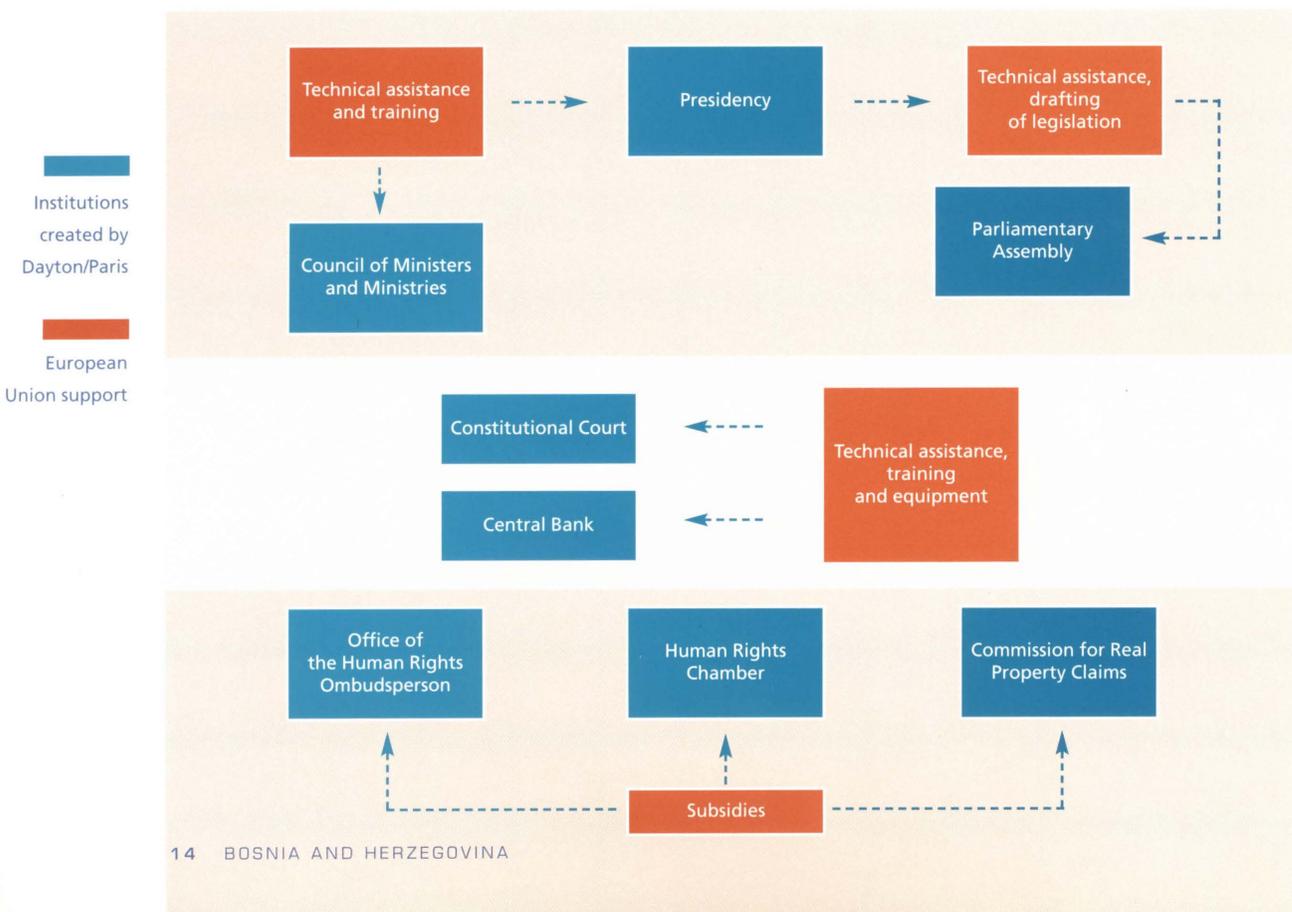
Establishing a uniform customs policy: CAFAO

Since 1996, the Customs and Fiscal Assistance Office (CAFAO) a programme funded by the EC has been assisting the State and Entity authorities of Bosnia and Herzegovina (BiH) to implement the customs and tax related provisions of the Dayton Peace Agreement. Since late 1997 the CAFAO programme expanded to include taxation.

The CAFAO programme, which includes assistance from approximately 30 European customs and tax experts, is contributing to the development of customs and tax systems in BiH based on modern European standards. It includes management, legal structural, procedural, computer, training and investigation support components.

Key items of customs policy and tariff laws are now all in place, and BiH has a single and uniform customs territory for the first time. The administration of customs and customs procedures is an Entity level responsibility and the CAFAO programme is therefore working with the Federation and Republika Srpska to draft

> EU support to the BiH State Institutions





Advertising the new customs hotline

identical Entity-level implementing legislation and regulations to reflect the State Customs Law. This is being simultaneously supported by the delivery of specialist training on each customs regulation to local customs officers. Such training follows general training delivered to all customs officers by the CAFAO programme.

The CAFAO programme is also focusing on assisting the Customs Services to enforce the law. A significant step forward in fighting customs crime was the creation during 1999 of Customs Enforcement sections within each Entity Customs Service. The CAFAO programme has provided the Sections with both classroom and on-the-job training, as well as all equipment necessary to enforce the Customs Law. The Sections will be further consolidated with the future introduction of Customs Enforcement legislation, including penalties, powers and offences for customs officers. The Customs Enforcement Sections' activities are also supported through the recently introduced and CAFAO-initiated "Customs Hotline" in each Entity. This advertising campaign encouraged the people of BiH to assist in the fight against customs crime by reporting via a dedicated telephone line any information they believe could assist the Customs Services.

Action is also being taken to ensure that customs staff themselves uphold and enforce the law and prevent possible internal corruption, with the CAFAO programme assisting the authorities to introduce internal audit and management assurance functions.

The introduction of a countrywide customs computer system (ASYCUDA++) is the final and essential element in the modernisation and development of customs in BiH. Joint Entity project groups, supported by CAFAO, are currently developing a prototype of this computer system for future pilot testing and then full implementation in BiH. The system will handle all data associated with the clearance and movement of customs goods within BiH, while also assisting the authorities to selectively investigate suspected cases of customs crime.

Taxation

The CAFAO programme is also providing assistance in the taxation field, although this is essentially confined to the establishment of effective control and enforcement structures in each Entity Tax authority. This includes the possible establishment of centralised headquarters-level specialist units to control larger traders throughout each Entity, and centralised headquarters-level tax investigation units to investigate cross-Cantonal, cross-Entity or internationally linked tax fraud. The CAFAO programme is also encouraging the introduction of more structured collection of identified tax liabilities, which to date has not been properly addressed by local authorities. These initiatives are intended to support the introduction of modern and efficient tax authorities aimed at maximising revenue collection and the generation of public revenue for BiH.

So far the EC has allocated 41 Million EURO to CAFAO activities.

5. Economic regeneration

Four years on since the war, Bosnia and Herzegovina continues to face formidable challenges to secure sustainable economic growth. Continued mass population displacement, either internally or abroad mean that there is a fragile and dislocated social situation. The collapse of traditional markets in former Yugoslavia, the demise of old state owned companies combined with the war damage to companies and infrastructure led to a dramatic fall in industrial output (90% of original levels). Standards of living have declined to an average of 1000 DM/year, and unemployment persists at 30%.

Although the BiH economy has staged a come back with a growth rate of 18% last year this growth has started from a very low economic base and has been primarily fueled by the large injection of donor aid to BiH (5.1 billion \$ over the last four years). Moreover, much of this aid

*The Central Bank
of BiH has successfully
introduced
the new currency*

has been focused on post war reconstruction. The challenge facing Bosnia today is therefore to move from reconstruction to sustainable economic development.

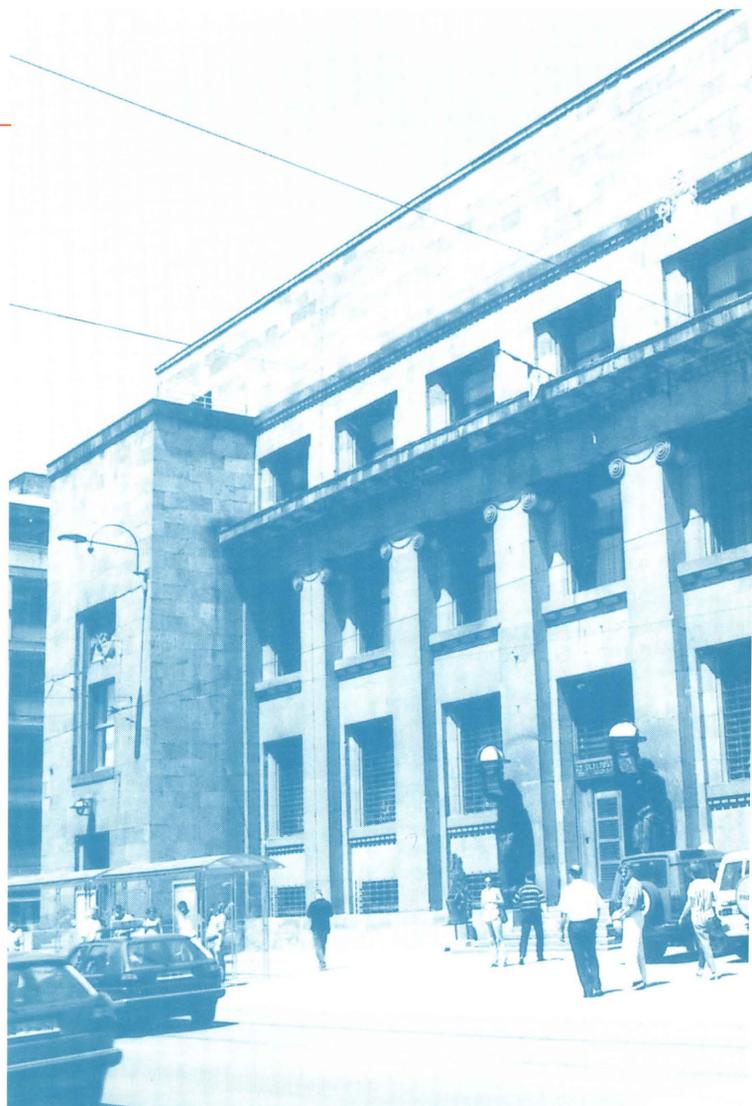
Economic policies need not only to create a stable currency and low inflation but also need to actually modernise and reform the fundamental structures of the economy. The priority structural policies that have been identified include:

- > privatisation of state owned industries and development of the private sector;
- > introduction of a modern banking and payments system;
- > improving the business environment to attract foreign investment and stimulate growth of the private sector and small businesses;
- > improving tax policy and tax collection.

In line with the efforts of the government of BiH and the donor community to support BiH's economic reform the European Commission (EC) is funding ambitious projects aimed at transforming BiH to a modern market economy.

The Central Bank and the new currency

Since June 22 1998 Bosnia and Herzegovina has its own single currency : the Convertible Mark (KM), which is pegged one to one to the German Mark. The new currency has successfully been introduced by the Central Bank of BiH : an independent, common State institution with sole responsibility for monetary policy. During the first six years of its existence, the Central Bank will be operating under the rules of a currency board, in order to create macroeconomic stability and promote trade and investment. The EC has helped put this new institution on track by providing technical support and training for the Central Bank's personnel, but also for the banking community in general in BiH. After the launch of the new currency, which was a challenge in itself, the new Central Bank has a difficult task ahead: re-inspire confidence in the banking system. The Bosnian economy is completely cash-based and the plastic money which is proliferating everywhere is virtually non-existent. This creates a vicious circle where the lack of confidence leads to a lack of liquidity which leads to paralysis in the industrial sector. By guaranteeing price stability, the Central Bank will



contribute to restoring the confidence necessary to encourage domestic savings and thus to finance much-needed investment.

Modernisation of the payments system

The restructuring and modernisation of the Payments system is considered to be a critical area for the reform of BiH's financial sector. Under the present system payment operations, tax and statistics collection, treasury & cash management and accounting services are all carried out by a single central body - the Payment Bureaus. In effect the Payment Bureaus carry out all the functions that Banks, Clearing House, Ministry of Finance and Statistics would separately carry out in a modern economy. This system lacks transparency and accountability and undermines the banking system.

Modernisation of the Payments System will therefore involve transferring these functions to the relevant public and private agencies. Tax Collection and Treasury functions will be transferred to the Ministry of Finance, statistics to the Ministry of Statistics while payment operations will be undertaken by Banks and Clearing Houses.



The European Commission together with other Donors (World Bank, IMF, USAID) have formed an International Advisory Group to co-ordinate efforts to support the complex task of modernising the payments system. A strategic study was done outlining the different steps necessary for dismantling the payments system and also provides the basis for donor co-ordination. With a contribution of 700,000 Euros the European Commission is involved in two important aspects of this joint effort: transferring the statistical function to the Ministry of Statistics and providing a training programme to reintegrate the 2500 staff from the Payment Bureaus into both public and private organisations.

Promoting business

A critical pre-condition to promote sustainable economic growth is to put in place a conducive regulatory framework which encourages a businessman to actually do business. However, the business climate today in BiH is far from encouraging. The entrepreneur is confronted by a whole range of obstacles from high taxes, cumbersome and often contradictory business regulations, to time consuming and bureaucratic registration procedures.

The European Commission therefore aims to help improve the business environment in BiH by helping create a uniform Commercial Code between the two entities, thereby encouraging free movement of goods between the two entities, streamlining legislation to make it more user friendly to businessmen and helping set up the necessary institutions to enforce legislation.

Attracting foreign investment

No doubt political uncertainty and security risks have been major disincentives for foreign investment in BiH. But a number of other factors have been identified, which range from the high tax system, bureaucratic and cumbersome business regulations and an ineffective banking system.

As part of an effort to attract foreign investment to BiH, the government, with the help of an EU expert, passed legislation to set up a Foreign Investment Promotion Agency called FIPA. This agency will be responsible for promoting BiH as a location for investment and helping potential investors once they are in the country. The European Commission supports the set up of this

agency with a budget of one million Euros which will be used to prepare strategies and business plans, fund marketing and promotional activities abroad, train the personnel of the agency and help provide a service to potential investors.

Industrial co-operation

The European Commission believes that the private sector will be the real driving force in stimulating economic recovery in this new country. As such, European businessmen as opposed to public donors are best placed to help the development of Bosnia's embryonic private sector. The EC-funded Industrial Development Programme was set up along these lines.

Example: the wood sector. Wood and Furniture is one of the most promising sectors in BiH which fell apart during the war and now has to face up to the challenges posed by the transition to a market economy. So ten high ranking European experts in the wood sector, from five different European States are now involved in restructuring and developing this sector. Following an identification of most viable companies, a range of assistance was provided in finding potential joint ventures, training in product management, quality control and marketing and development of an Industrial Association. This project has had tangible results in attracting EU partners and so far five commercial arrangements have been made with EU companies. Because of the success of this project the EC will carry out similar projects in 2 other sectors: the agribusiness sector and the textile and leather sector.

Providing credits to SMEs

One of the major constraints facing the development of the Small and Medium Enterprises (SME) sector is the general shortage of capital in the banking system and lack of credit finance to SMEs. In response to this need, the Micro-Enterprise Bank (MEB) was established to on-lend to the SME and Micro-Enterprise Sector and has the European Bank for Reconstruction and Development (EBRD) as its largest shareholder and sponsor. Through an Investment Co-operation Fund set up between the EC and the EBRD, the EC has provided 6 million EURO for loan finance and 1.2 million EURO to finance a management team. MEB bank has been effective in mobilising credits to this sector and so far has disbursed 1,300 loans to SMEs for a total volume of 9.6 million DMs.

MEB is now in the process of expanding its activities to reach more SMEs in new regions. Its goal is to develop its loan portfolio to DM 18.5 million by the end of the year 2000 and to grow by 15% from the year 2001.

Reviving the rural economy

The war took a heavy toll on the Bosnian agricultural sector with an estimated 70% of farm equipment destroyed and more than 40% of livestock and crops lost. In addition to direct war damage and mined farmland, the displacement of the rural population has greatly affected the rural economy. Rehabilitation of the agricultural sector and its economy is essential to encourage refugees and displaced persons to return to rural areas, and for the process of economic regeneration in the country.

Since 1996, the EC has allocated approximately 57 million EURO to revive rural economy. The main objectives were: improve availability and quality of locally produced food, create a sustainable level of income for farmers, generate employment in rural areas, and assist in the transformation of the natural resources industry into a viable market economy.

Bosnian farmers were assisted with very visible results. The EC has provided supplies, livestock (pregnant heifers, ewes and rams, pig breeding units, etc.), seed capital (a rural credit scheme

for small private farming enterprises) equipment (tractors and access to machinery) and planning strategies to support a modern agricultural policy for the Ministry of Agriculture, Water Resources and Forestry in BiH. The EC has also provided technical assistance in forestry management, protection and rehabilitation.

Support to the balance of payments

Over 1999 and 2000, the EC will provide macro financial assistance through grants and loans in the amount of up to 60 million EURO in support of the balance of payments. This should help provide a stable macro-economic environment necessary to implement economic and institutional reforms.

European Investment Bank

In december 1998, the European Council decided to extend the Community budget guarantee covering the loans of the European Investment Bank (EIB) outside the EU to loans to be made by the bank in support of projects in Bosnia and Herzegovina. This extension covers loans of up to 100 million EURO to be granted over a 2 year period (1999-2000). The loans qualify for a 2% interest subsidy financed from the Community budget. Beyond the year 2000, BiH will be covered by the overall guarantee for Bank loans extended to Central and East European countries, allowing for a very broad scope of operations. The EIB will support projects of mutual interest for the Community and the country in the areas of transport, energy and the environment. A first transport project has been identified by the Bank in the roads sector.

European Bank for Reconstruction and Development

Bosnia and Herzegovina became a shareholder and a country of operations of the European Bank for Reconstruction and Development (EBRD) in april 1996. The initial focus of the Bank's operations was on emergency infrastructure reconstruction. The Bank was the first financial institution to lend on commercial terms and conditions in the public sector. During 1997, the Bank began to shift its focus from emergency rehabilitation towards its core mandate: the promotion and development of the private sector.

The Bank pioneered equity investments in BiH directly through equity participation in private banks, such as Hrvatska Banka and Market Banka or indirectly through the establishment of the Horizonte Enterprise Fund. These projects, together with the introduction of micro-lending on commercial terms (MEB Banka) have enabled the Bank to establish itself as a major actor in the strengthening of the country's financial sector.

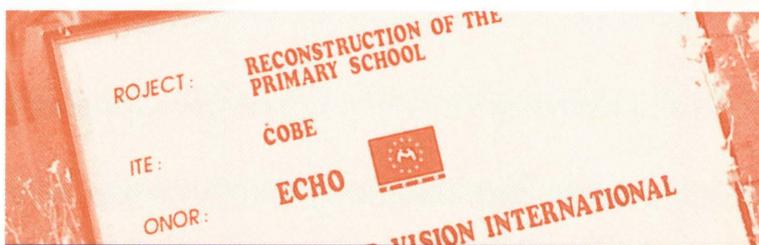
6. Humanitarian Aid

Since the outbreak of the hostilities, the EU was present in Bosnia and Herzegovina through its humanitarian arm ECHO (The European Community Humanitarian Office). ECHO has financed a considerable number of humanitarian organisations to come to the aid of people who were displaced, besieged and cut off from basic resources. ECHO was the mainstay of the largest humanitarian operation ever mounted on the European continent. Since 1991, ECHO has allocated more than one billion EURO in humanitarian aid to BiH.

From 1995 to 1999, ECHO continued to fund projects in BiH in the absence of social security systems to support the most vulnerable in the aftermath of the war. The humanitarian situation in BiH has improved substantially over the last four years, allowing ECHO to scale down its activities.

ECHO has played a major role in improving access to health care and social assistance for the vulnerable categories of people in BiH (elderly people, handicapped persons, orphans, etc.). Particular emphasis was placed on ensuring that returning minorities are given the same treatment as the majority population. Health structures have been repaired and equipped throughout the country (111 hospitals, ambulances and institutions), and assistance has been given to strengthening the BiH health system. Strategies have been prepared to hand over the responsibility for social assistance from humanitarian organisations to the local social system.

ECHO has also actively participated in facilitating the return process. Its more flexible procedures allowed it to intervene quickly in support of spontaneous minority return movements to unexpected regions (example: Stolac and Capljina), and to start pilot return projects in politically difficult regions (example: Eastern Republika Srpska). ECHO worked in close coordination and in total complementarity with other EC instruments implementing larger return projects along the major return axes defined by the Reconstruction and Return Task Force.



ECHO at a glance

From 1995 to 1999, ECHO rehabilitated :

- > 171 schools
- > 111 health structures
- > 8339 houses
- > 196 electrical projects
- > 165 water and sanitation projects

C.

Legal framework

1. Until now: ECHO, Phare and OBNOVA

Until now, the three main EC instruments for assistance to Bosnia and Herzegovina were ECHO (The European Community Humanitarian Office) and the Phare and OBNOVA programmes. ECHO has been present in Bosnia and Herzegovina since 1992 to provide emergency humanitarian aid to the victims of the war, and is now gradually withdrawing from the country. The Phare and OBNOVA programmes are complementary: *"Phare assistance is limited to projects in direct support to the peace agreement, in particular the building of cross-Entity links and refugee return"*, while OBNOVA funding is used to further *"underpin the reconstruction process, to encourage return of refugees, reconciliation and regional economic co-operation, and to create the economic and social conditions that will lay the foundations for the development"* of Bosnia and Herzegovina by supporting CAFAO, economic development activities, integrated assistance activities, social development and media projects.

The Phare and Obnova programmes for BiH will be replaced in the course of the year 2000 by a new single programme specifically designed for the reconstruction and stabilisation of South Eastern Europe.

2. A new regulation for the countries of South-Eastern Europe

The European Commission adopted on 8 December 1999 a communication setting out guidelines and detailed arrangements for the implementation of the Community's future assistance to the five countries of South Eastern Europe for 2000-2006, including Bosnia and Herzegovina. This communication aims to tailor the delivery of assistance to the region more closely to the objectives of the EU's strategy and needs on the ground. On the basis of these guidelines, the Commission will present a draft regulation on implementing assistance in the first quarter of 2000. This regulation will provide a single legal basis and single set of procedures for assistance in the region. The Commission estimates that a sum of approximately 5.5 billion EURO in the form of grants is conceivable for the period 2000-2006.

In the past, two regulations, Phare and OBNOVA, have provided the legal bases for Community assistance. It is now proposed to rationalise existing instruments and to streamline the Community effort. By adapting to the needs on the ground and emphasising a regional strategy, the improved Community assistance will contribute to the existing Stabilisation and Association Process which includes closer association with the European Union structures and, for the first time, the prospect of gradual integration into them. This prospect is a historic turning-point in the relations of the countries of South East Europe with the EU.



Other EC initiatives in Bosnia and Herzegovina:

The Customs and Fiscal Assistance Office (**CAFAO**) programme funded under **B7-544**

Specific aid to the **reception and voluntary repatriation of refugees in the European Union** has been available since 1997 under the budget line **B7-6008** ("voluntary repatriation of refugees, displaced persons and asylum seekers to their country of origin).

Additional assistance is also provided under the **Democracy, LIEN or TEMPUS programmes**.

Bosnia and Herzegovina is eligible to the **LIFE environment programme**

3. Deconcentration of EC reconstruction programmes

In 1998, significant steps have been taken to improve the level of implementation of the EC-funded projects:

- amendments brought to the OBNOVA Regulation have simplified the decision-making process for project approval and implementation;
- the management of the programmes has been deconcentrated from the EC headquarters in Brussels to the Commission Representation in Sarajevo supported in its tasks by a Technical Assistance Unit and monitoring teams.

Accelerating project implementation

The management of the EC reconstruction programmes in BiH has been successfully deconcentrated from the EC headquarters in Brussels to the Delegation of the European Commission in Bosnia and Herzegovina.

A Technical Assistance Unit with currently a staff of more than 50 long and short term experts -of which more than three quarters are Bosnian nationals- is supporting the Delegation of the European Commission in BiH in the implementation of a wide range of projects in various sectors: transport, energy, water, public buildings, agriculture, bridge reconstruction, economic regeneration, privatisation, health, telecommunications, etc. The Technical Assistance Unit (TAU) is now operating through its four offices in Bosnia and Herzegovina: three in Sarajevo and one in Banja Luka. It assists the Delegation of the European Commission notably with:

- administrative aspects of the tendering and contracting procedures in order to accelerate the commitment of EC funds;
- project identification, preparation and appraisal;
- project supervision and monitoring.

The activities performed by the TAU may gradually be integrated in Bosnia and Herzegovina's administrative structures, in order to strengthen the capacity of the local authorities in project identification and development as well as the introduction of public procurement procedures in the tendering and implementation process.



D. Facts and figures

1991-1999 EU assistance to South-Eastern Europe

Allocations in millions of euro

Beneficiary country	Community	Member States [1]	EIB	EU TOTAL	EBRD
ALBANIA	816,73	712,80	46,00	1 575,53	68,00
BOSNIA AND HERZEGOVINA	2 061,87	507,90	0,00	2 569,77	70,00
CROATIA	353,76 1	1165,90	0,00	1 519,66	511,00
FEDERAL REPUBLIC OF YUGOSLAVIA	471,80	712,40	0,00	1 184,20	0,00
FYR MACEDONIA	403,89	178,20	60,00	642,09	143,00
Regional cooperation	462,15	0,00	0,00	462,15	0,00
TOTAL A [2] =	4 570,21	3 277,20	106,00	7 953,41	792,00
ROMANIA	1 813,20	3 069,40	1 134,50	6 017,10	1 283,00
BULGARIA	1 480,50	754,80	751,00	2 986,30	296,00
TOTAL B =	3 293,70	3 824,20	1 885,50	9 003,40	1 579,00
TOTAL A + B =	7 863,91	7 101,40	1 991,50	16 956,81	2 371,00

Financial perspectives 2000-2006 (indicative allocations):
Albania, Bosnia and Herzegovina, Croatia, Federal Republic of Yugoslavia, FYROM: 5.500 millions of euro
Romania and Bulgaria: 6.215,3 millions of euro

[1] Provisional figures - [2] These figures include Phare, Obnova, Media, Democracy & Human rights, Demining, Humanitarian aid, Food security and Macro-financial assistance.

1991-1999 EC assistance to Bosnia and Herzegovina

Allocations in millions of euro

	1991	1992	1993	1994	1995	1996	1997	1998	1999	Total
BOSNIA AND HERZEGOVINA										
Phare + Obnova						228,12	207,07	188,26	138,20	761,65
ECHO		495,26			145,03	142,45	105,00	87,95	56,40	1 032,09
Mostar, customs, voluntary return of refugees and demining					70,00	65,40	39,90	15,00	9,50	199,80
Media				0,21	0,65	1,65	4,09	2,24	2,40	11,23
Democracy & Human Rights					0,70	4,80	4,80	1,80	p.m.	12,10
Balance of payments support									45,00	45,00
Total =		495,47			216,38	442,42	360,86	295,25	251,50	2 061,87

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