

65th Report of the High Representative for Implementation of the Peace Agreement on Bosnia and Herzegovina to the Secretary-General of the UN

Executive Summary

1. This report covers the period from 16 October 2023 through 15 April 2024.

2. The reporting period was characterized by progress of Bosnia and Herzegovina towards integration into the European Union, but also by unprecedented attacks against the General Framework Agreement for Peace.

3. On 21-22 March 2024, the European Council decided to open accession negotiations with Bosnia and Herzegovina. The Council invited the European Commission to prepare the negotiating framework, which is to be adopted once all relevant steps from the Commission's recommendation of 12 October 2022 are completed. The Council's decision is a watershed moment in terms of the opportunities that are opening up for Bosnia and Herzegovina. The achievements in the implementation of the General Framework Agreement for Peace over the last three decades demonstrate that the implementation of the General Framework Agreement for Peace and European Union integration reinforce each other and underscores the need for continued coordination of the two processes. The General Framework Agreement for Peace is the guarantor of the sovereignty, territorial integrity, and internal administrative structure of Bosnia and Herzegovina.

It is the guardian of peace, stability, and progress in Bosnia and Herzegovina since late 1995, and is the foundation of, rather than a contradiction to, the integration of Bosnia and Herzegovina into the European Union. There has to be active cooperation between the structures in charge of the implementation of the General Framework Agreement and European Union institutions to effectively accompany Bosnia and Herzegovina on its path to institutional functionality, rule of law and citizens' rights in a democratic country.

4. The European Council's decision is a welcome contribution to efforts to safeguard the country's stability in the light of the geopolitical and internal challenges, and it provides an incentive for accelerated progress by Bosnia and Herzegovina. It should also be seen as a recognition of efforts – first and foremost by the Sarajevo-based political parties forming the so-called Troika coalition – to engage responsibly and constructively for a common interest, namely advancing the European Union aspirations of Bosnia and Herzegovina and thereby the well-being of all its citizens. The ability to transcend individual, party, ethnic or entity interests for the common good is not a weakness but a strength. It must be encouraged and not punished or exploited. It must be set as a standard for political leadership in Bosnia and Herzegovina.

5. The European Council decision is a game changer in terms of the opportunities that open up for Bosnia and Herzegovina. As High Representative, I have worked intensely to support that decision in terms of the conditions that needed to be fulfilled. However, it is insufficient to counter the threats to Bosnia and Herzegovina's stability. The authorities of Bosnia and Herzegovina's entity of Republika Srpska led by President of the Republika Srpska and leader of the Union of Independent Social Democrats (SNSD) Milorad Dodik, actively subvert the State of Bosnia and Herzegovina, its competences and institutions, and thus the General Framework Agreement for

Peace.

6. Their threat to paralyze State authorities by blocking their work and decision-making is a threat to the functionality of the State and its ability to carry out its responsibilities. Their threat to proceed with unilaterally withdrawing the Republika Srpska from the constitutional, legal, and institutional framework of the State – including from the Armed Forces of Bosnia and Herzegovina and the State tax, judicial, and electoral systems – is a threat of establishing a parallel Republika Srpska framework. All political stakeholders have to express their unconditional commitment to the General Framework Agreement for Peace, and to Bosnia and Herzegovina and its statehood and territorial integrity. This commitment is partially missing.

7. The parties of the ruling coalition in the Republika Srpska continued to organize protests on the Inter-Entity Boundary Line between the two entities, under the slogan “The Border Exists”. Besides promoting the idea of secessionism, these Inter-Entity Boundary Line rallies create a divisive environment prone to security incidents.

8. Unprecedented pressure on judicial institutions continued. Besides promoting the abolishment of the Court and the Prosecutor’s Office of Bosnia and Herzegovina, the Republika Srpska ruling coalition undermines the Constitutional Court of Bosnia and Herzegovina as the guardian of the constitutional and legal order of the country.

9. Challenges to the institution and mandate of the High Representative also continued unabated. These involve inflammatory rhetoric but also actions to undermine the respect to the international ad hoc institution of the High Representative and thereby its ability to implement the mandate of the General Framework Agreement for Peace. Representatives of the Republika Srpska ruling coalition blatantly abuse the institutions of Bosnia and Herzegovina to

further that goal. The final authority to interpret the General Framework Agreement for Peace is fully entrusted to the High Representative and not to an entity.

10. The actions of the ruling coalition in the Republika Srpska go hand in hand with their legislative initiatives in the Republika Srpska itself, which limit the civic space in order to silence, discourage, threaten, and punish dissenting political opinions. If pursued, such actions could lead to a *de facto, if not a de jure*, dissolution of the State of Bosnia and Herzegovina, which is what Mr. Dodik continuously advocates. This would be a scenario with grave consequences.

11. The overall political environment is fertile ground for threats to transitional justice. There is backsliding in public efforts to deal with the past and an alarming level of ethno-nationalistic historical revisionism, denial of genocide and other war crimes as well as glorification of war criminals. These trends were closely linked to the general backsliding of democracy, respect for human rights, and the rule of law, which increase mistrust and polarization within society. A harbinger of this is the steady decline in inter-community relations in Srebrenica over the past two years.

12. Incidents against returnees continued. There was a steady flow of reports of violence or provocations against the returnee population, further feeding into the sense of insecurity among this population.

13. Such developments hinder meaningful progress towards the implementation of the General Framework Agreement for Peace and the 5+2 Agenda. The report by the Technical Experts' Group on State Property, which was formed by the Office of the High Representative in early 2023, is expected to set the stage for a political process that may lead to an agreement on legislation at the State level. In the Brčko District, the generally positive trend continued, albeit at a slower pace of progress. The Bosnia and Herzegovina Fiscal Council adopted

belatedly the Global Framework of Fiscal Balance and Policy in Bosnia and Herzegovina for the Period 2024-2026, hindering the budget process at the State level. Negotiations intensified on the new Law on High Judicial and Prosecutorial Council and the new Law on Courts of Bosnia and Herzegovina, which make up a substantial part of the rule of law cluster, which is one of the European Commission's 14 key priorities.

14. Institutional functionality was maintained despite the challenges, albeit with limited legislative output, including on the legislation required under the European Union accession process, such as amendments to the Election Law relating to election integrity.

15. Further delaying efforts to minimize electoral corruption, fraud, and irregularities would render the election integrity measures inapplicable to the local elections to be held in October 2024, with serious consequences for democracy, political stability, and the country's integration into the European Union. With that in mind, I enacted on 26 March 2024 the Decision Enacting the Law on Amendments to the Election Law of Bosnia and Herzegovina.

16. My Decision was taken in response to the persistent failure of the relevant authorities in Bosnia and Herzegovina to reach an agreement to amend the Election Law of Bosnia and Herzegovina in accordance with international norms and standards. I kept open the option for the Parliamentary Assembly of Bosnia and Herzegovina to take its own decision for as long as possible without hindering the conduct of the local elections in October 2024. In addition to strengthening the integrity of the electoral process, the Decision introduced the prohibition for people convicted by any international or domestic court of the crime of genocide, crimes against humanity, or war crimes to stand as candidate for elections or hold any elective or appointed office. This prohibition was acknowledged by victims' associations and by United Nations Special Adviser on the Prevention of Genocide

Alice Wairimu Nderitu, who recognized the importance of this step as contributing to trust building in the country both in institutions and among communities impacted by the denial of genocide and related crimes, and to advance inter-communal healing.

17. My Decision complements other available instruments of generating positive changes in Bosnia and Herzegovina. By helping restore the citizens' trust in the electoral system and strengthening their ability to influence developments in the country, it also restores their hope in a peaceful, stable, and prosperous Bosnia and Herzegovina. I hope that the local elections in October 2024 will not only be conducted in the conditions of enhanced transparency and integrity, but that they will also result in other improvements, such as an increase of women's participation in government. In the 2022 General Elections in Bosnia and Herzegovina, the percentage of female MPs was about 17 per cent in the Bosnia and Herzegovina House of Representatives, 28 per cent in the House of Representatives of the Federation of Bosnia and Herzegovina, 19 per cent in the Republika Srpska National Assembly and 31 per cent in Cantonal Assemblies. There was only one female minister along with the Chairwoman in the Council of Ministers, only 5 women out of 11 ministers in the Republika Srpska Government, only 4 women out of 12 ministers in the Government of the Federation of Bosnia and Herzegovina, and only 5 female mayors out of 144. Overall, the political representation of women in Bosnia and Herzegovina remains far below the legally required level of 40 per cent. I also discussed the issue in my sixty-third report (S/2023/318).

18. Without hope for a peaceful, stable and prosperous Bosnia and Herzegovina, the outflow of people, which has already reached alarming levels, will accelerate further. The number of those who have left Bosnia and Herzegovina in the period 2013-2023 is estimated at 600,000. The country's population is estimated to decrease by approximately 45,000 people every

year, of whom over 20,000 are young, skilled people who emigrate abroad on account of political instability, poor standards of living and corruption. In addition, the fertility rate is very low, at 1.35 births per woman, resulting in a national demographic decrease of up to 20,000 persons per year.

19. I take this opportunity to remind all political actors of their obligation to fully comply with the General Framework Agreement for Peace and all its Annexes and call on them to capitalize on this moment to further integrate Bosnia and Herzegovina into the European family and unlock the many benefits such integration entails.

I. Introduction

1. This is my sixth regular report submitted to the United Nations Security Council since I assumed the position of High Representative for Bosnia and Herzegovina in August 2021. My report is an impartial assessment of the implementation of the civilian aspects of the General Framework Agreement for Peace with information on developments and progress towards achieving previously established goals.

2. I am fulfilling my mandate pursuant to Annex 10 of the General Framework Agreement for Peace, in accordance with relevant decisions of the UN Security Council and with paragraph XI.2 of the Conclusions of the Peace Implementation Conference held in Bonn on 9 and 10 December 1997. Progress on the five objectives and two conditions, also known as the 5+2 Agenda, set in 2008 as the agenda for Bosnia and Herzegovina to transition from international oversight, remains the obligation of the authorities of Bosnia and Herzegovina to fulfill.

3. Throughout the reporting period, challenges to the State of Bosnia and Herzegovina, its constitutional and legal order, and the fundamentals of the General Framework Agreement for

Peace, including the Constitutional Court of Bosnia and Herzegovina and the mandate of the High Representative, continued, mainly from the President of Republika Srpska, Milorad Dodik. These attacks, lingering inter-ethnic tensions, chronic violence against returnees, and delay in legislative reforms, particularly in the field of rule of law, are all hindrances to progress towards the implementation of the General Framework Agreement for Peace and the 5+2 Agenda. Some cooperation in legislative work contributing to the partial fulfillment of the priorities and requirements for accession to the European Union and alignment with its standards does not lessen this severe problem.

4. Despite the very difficult political environment, the Council of Ministers of Bosnia and Herzegovina and the Parliamentary Assembly of Bosnia and Herzegovina adopted several pieces of legislation relevant to European Union integration. In March 2024, the European Commission noted that the general commitment to the European Union path on the part of Bosnia and Herzegovina had translated into tangible results. Based on the Commission's recommendations, on 21-22 March 2024, the European Council decided to open accession negotiations with Bosnia and Herzegovina, inviting the European Commission to prepare the negotiating framework with a view to its adoption by the Council the moment all relevant steps set out in the Commission's recommendation of 12 October 2022 are taken.

5. As a result, Bosnia and Herzegovina has arrived at a very crucial point, where time is not a luxury. I remind all political actors of their obligation to comply fully with the General Framework Agreement for Peace, which leaves no doubt about the sovereignty, territorial integrity and political independence of Bosnia and Herzegovina, and urge them to seize the opportunity for a prosperous future in the European Union by broadening and accelerating the reform agenda.

Political Update

A. General Political Environment

Reform efforts in the context of European Union integration

6. The reporting period was characterized by rhetorical optimism vis-à-vis European Union integration and hence intensified diplomatic activity in and outside of Bosnia and Herzegovina after the European Commission's "2023 Communication on European Union Enlargement Policy" promulgated on 8 November 2023.

7. In its 2023 Communication, the Commission commended the reform efforts undertaken by the authorities of Bosnia and Herzegovina since the granting of candidate status to the country by the European Council, and it noted several positive developments on the European Union path despite the secessionist activities on the part of the Republika Srpska, which aimed at undermining the unity, sovereignty, territorial integrity, constitutional and legal order, and international personality of Bosnia and Herzegovina. Based on the Commission's recommendation, the European Council concluded in December 2023 that it would open accession negotiations with Bosnia and Herzegovina once the necessary degree of compliance with the membership criteria is achieved.

8. The Commission reported on 12 March 2024 that the general commitment to the European Union path on the part of Bosnia and Herzegovina had translated into tangible results. The Commission noted the progress achieved in preparing a program for European Union integration prior to developing and adopting the national program for the adoption of European Union acquis. The Commission also noted the achievements, to varying degrees, in the legislative work relating to the Law on Prevention of Conflict of Interest, the Law on the Prevention of Money Laundering and Financing of Terrorism, the Law on the High Judicial and Prosecutorial Council, and the Law on Courts of Bosnia and Herzegovina. The Commission took stock of the steps taken towards building an effective border

and migration management system, establishing a national preventive mechanism against torture and ill-treatment, and guaranteeing freedom of expression and of the media and the protection of journalists. Furthermore, the Commission reported that Bosnia and Herzegovina had reached and maintained full alignment with the European Union Common Foreign and Security Policy, which was a more significant signal than ever of shared values and strategic orientation in the new geopolitical context. That does not hinder representatives of the Republika Srpska from maintaining close relations with the President of the Russian Federation, Vladimir Putin, and the Minister of Foreign Affairs, Sergey Lavrov, who meet with Mr. Dodik. In his provocative statements, Mr. Dodik did not show full commitment to the Common Foreign and Security Policy.

9. Based on the Commission's recommendations, the European Council decided on 22 March 2024 to open accession negotiations with Bosnia and Herzegovina. Despite the progress mentioned in the Commission's recommendations, institutional output did not meet the optimism arising from Bosnia and Herzegovina's candidate status. Of all European Union-related legislative requirements, Bosnia and Herzegovina succeeded only in adopting two laws – the Law on Prevention of Conflict of Interest and the Law on Prevention of Money Laundering and Financing of Terrorism – while no agreement was reached on the Law on Courts of Bosnia and Herzegovina and amendments to the Election Law of Bosnia and Herzegovina relating to election integrity, nor on other European Union priorities that are also relevant to the General Framework Agreement for Peace. Too often, tactical partisan political maneuvers seem to dominate the decision-making process without efficiently addressing the need to contribute to the country and its citizens as a whole. Unfortunately, the 14 priorities set out in the 2019 European Commission opinion on the application of Bosnia and Herzegovina for membership of the European Union were not entirely complied with, especially in the rule of law

sector and for promoting non-discrimination.

Election integrity

10. Since 2010, the OSCE Office for Democratic Institutions and Human Rights and other international election observation missions have been reiterating the need to amend the Election Law of Bosnia and Herzegovina in order to strengthen the integrity of the electoral process. These recommendations have been largely ignored despite repeated calls for action, including by the Peace Implementation Council Steering Board and myself as High Representative.

11. My call to political parties in December 2023 to reach an agreement and adopt the election integrity package of amendments to the Election Law of Bosnia and Herzegovina somewhat invigorated the process, albeit without concrete results. The Party of Democratic Action (SDA) Club in the House of Representatives of Bosnia and Herzegovina proposed Amendments to the Election Law of Bosnia and Herzegovina, which the House of Representatives adopted on 29 December 2023 in urgent procedure. Regrettably, on 31 January 2024, the House of Peoples of Bosnia and Herzegovina rejected calls for urgent and semi-urgent procedures, leaving the amendment proposal to linger in regular procedure, so it has yet to be deliberated. Discussions within the State coalition proved discouraging and did not result in an agreement. Moreover, strengthening the integrity of the electoral process became controversial, subject to different interpretations, and held hostage to unrelated political party goals.

12. In order to ensure that the 2024 local elections take place in a framework of enhanced election transparency and integrity, that the citizens of Bosnia and Herzegovina are able to trust the reliability of the election system and they are sure that their vote will be counted and their choice will be respected, I enacted on 26 March 2024 – after the European Council meeting – the Decision Enacting the Law on Amendments

to the Election Law of Bosnia and Herzegovina.

13. Further delaying efforts to minimize electoral corruption, fraud and irregularities would render the election integrity measures inapplicable to the local elections in October 2024, with serious consequences for democracy, political stability and the European Union future of the country.

Republika Srpska secessionist rhetoric and actions

14. The Union of Independent Social Democrats (SNSD)-led ruling coalition in the Republika Srpska continued to pursue a secessionist agenda with persistent attacks on the General Framework Agreement for Peace and the Bosnia and Herzegovina Constitution. The trial of Republika Srpska President Milorad Dodik and Republika Srpska Official Gazette Acting Director Miloš Lukić for the criminal offense of failure to implement Decisions of the High Representative as prescribed by the Criminal Code of Bosnia and Herzegovina was also used for this purpose.

15. Undermining the State, its competences, and institutions remained an element of the secessionist agenda, and so did inflammatory and nationalistic rhetoric. The sessions of the Republika Srpska National Assembly of 28 and 29 March 2024 are illustrative of this.

16. On 28 March 2024, the Republika Srpska National Assembly adopted a set of conclusions demanding, among others, the annulment of all High Representative decisions, and the prohibition of their application and publishing in the Official Gazette. On 25 March 2024, the European Council extended the legal basis for the sanctions regime for two years.

17. Should those demands not be met, the National Assembly of the Republika Srpska requests the elected representatives from the Republika Srpska to stop taking part in decision-making at the level of Bosnia and Herzegovina and to no longer return to

that process. Furthermore, the Republika Srpska National Assembly announced that the Republika Srpska would withdraw from all previous agreements, including those establishing the High Judicial and Prosecutorial Council of Bosnia and Herzegovina, the indirect tax system of Bosnia and Herzegovina and the Armed Forces of Bosnia and Herzegovina.

18. On 29 March 2024, the Republika Srpska National Assembly adopted a Draft Election Law of Republika Srpska. The Republika Srpska opposition did not support this piece of legislation, underscoring that Republika Srpska President Dodik's moves are dangerous, and that the Republika Srpska opposition does not intend to follow his steps. The pressure generated by the High Representative's decision led to a review of local options by the ruling coalition in a last attempt to pass a State-level Election Law. The draft Election Law of the Republika Srpska, which is currently undergoing public debate before being put to a final vote, is intended to create a parallel election framework for the Republika Srpska, taking over responsibilities of the Central Election Commission of Bosnia and Herzegovina. As such, it is in clear violation of the Bosnia and Herzegovina Election Law and the Bosnia and Herzegovina Constitution.

19. This initiative should be seen in conjunction with the recently adopted Draft Law on Referendum and Citizens' Initiative, which jointly reveal the intention of the ruling coalition in the Republika Srpska to establish an independent, parallel legal and institutional framework for the conduct of elections and future referendums.

20. Even the outcome of the 28-29 March 2024 the Republika Srpska National Assembly sessions alone shows that the authorities in the Republika Srpska still actively move to subvert the State of Bosnia and Herzegovina, its competences and institutions, and thus the General Framework Agreement for Peace. In addition to the actions to that end, the rhetoric of the members of the ruling coalition in the Republika Srpska,

with Mr. Dodik at the forefront, represents a threat to the General Framework Agreement order. In his address to the Republika Srpska National Assembly, the Republika Srpska President openly suggested that the Bosniak population should live on only 25 percent of the country's territory, which raised tension and fear. The Islamic Community of Bosnia and Herzegovina perceived the statement as a "call for ethnic cleansing". It represents a severe violation of the letter and of the spirit of reconciliation and of the General Framework Agreement for Peace and its peacekeeping goals.

21. The threat to paralyze State authorities by blocking their work and decision-making is a threat to the functionality of the State and its ability to carry out its responsibilities. The threat to proceed with unilaterally withdrawing the Republika Srpska from the constitutional, legal, and institutional framework of the State is a destructive threat of establishing a parallel Republika Srpska framework. If there were a detailed proposal by the Republika Srpska or the Federation to improve the functionality or to redefine competences in certain areas, the way to address it would be through a transparent debate and finding a common position, and not through unilateral threats.

22. Members of the ruling coalition parties in the Republika Srpska continued to hold weekly protests on the Inter-Entity Boundary Line between two entities called "The Border Exists", thus promoting the idea of secessionism. This idea is also echoed in the main Republika Srpska media and social networks. These Inter-Entity Boundary Line rallies not only create a divisive environment and promote inter-ethnic tensions but represent a breeding ground for security incidents.

23. Unprecedented levels of pressure on judicial institutions continued. Particularly in the context of the trial against him, the Republika Srpska President accused the Court of Bosnia and Herzegovina and the Prosecutor's Office of Bosnia and Herzegovina of serving political interests as instigated

by foreigners and threatened with their non-recognition in the Republika Srpska in case he is convicted. He even labeled their staff as enemies of the Serb people. Most recently, the Union of Independent Social Democrats (SNSD) proposed laws to abolish the Court of Bosnia and Herzegovina and the Prosecutor's Office of Bosnia and Herzegovina. The House of Representatives of Bosnia and Herzegovina rejected both proposals on 20 November 2023. Offensive rhetoric is challenging the public debate about institutions. Putting pressure on the staff and hampering with their decision-making is anti-Dayton behaviour and it is also legally unacceptable.

24. The Constitutional Court of Bosnia and Herzegovina is a particular target of the ruling coalition in the Republika Srpska. Actions against the Court involve the denial of the legitimacy of the Court and the disregard of its final and binding decisions on the territory of the Republika Srpska, persistent calls for the removal of international judges from the Court, and the persistent failure to meet the constitutional obligation to appoint two judges from the Republika Srpska, thereby hindering the normal functioning of the Constitutional Court as the guardian of the constitutional and legal order of Bosnia and Herzegovina.

25. The celebration of the unconstitutional Republika Srpska Day on 9 January 2024 exemplifies an act of disrespect for the decisions of the Constitutional Court of Bosnia and Herzegovina on the Republika Srpska territory. This repeatedly observed defiance triggered reactions from both the European Union and the United States. Whilst the European Parliament passed a resolution condemning the Republika Srpska Day celebration and secessionist language, the United States Treasury Department's Office of Foreign Assets Control imposed sanctions against persons involved in the organization of the Republika Srpska Day celebration. As High Representative, I also warned against the commemoration of the Republika Srpska Day on 9 January in a statement. As a result, the Republika

Srpska Day neither had a high public profile nor international recognition, except by Serbia and Russia.

26. On 18 March 2024, a majority of delegates in the House of Peoples of Bosnia and Herzegovina voted in favour of putting on the agenda the proposed Law on the Constitutional Court tabled by an Serb Democratic Party (SDS) delegate, after which the majority of Bosniak delegates left the session. The session was adjourned due to the lack of quorum. The Proposal aims, among others, to remove the international judges from the Court and to introduce ethnic and entity vote in its decision-making. As such, it is incompatible with the Constitution of Bosnia and Herzegovina, European standards, and principles of independence, impartiality and integrity of the judiciary. The same applies to the Draft Law on Cessation of Mandates of Foreign Judges and the Election of Local Judges in the Constitutional Court of Bosnia and Herzegovina, which Union of Independent Social Democrats (SNSD) submitted to the House of Representatives of Bosnia and Herzegovina at the end of March 2024. As High Representative, I made it very clear publicly that, as part of my competence, I see pressure on international judges to leave, or any legislation to limit their mandate, as unacceptable.

27. The Republika Srpska party representatives in the State-level authorities supported laws that are needed to open European Union accession talks, and Republika Srpska President Milorad Dodik even called the European Union accession a "Serbian national interest". However, his support for European Union accession talks, secessionist rhetoric, and political actions were all used as part and parcel of the ongoing campaign against the Office of the High Representative and international judges at the Constitutional Court of Bosnia and Herzegovina.

28. The authorities in the Republika Srpska underlined multiple times their readiness to declare independence if I, as High Representative, impose any piece of legislation,

including the amendments to the Election Law of Bosnia and Herzegovina or a Law on State Property. Dodik also threatened to block Bosnia and Herzegovina's European Union path in case of any imposition, which might trigger unforeseeable political consequences.

Republika Srpska authoritarian measures

29. In July 2023, the Republika Srpska National Assembly adopted the Law Amending the Republika Srpska Criminal Code, which introduces new criminal offenses in the category of crimes against freedom and rights of citizens, which are "unauthorized publication and display of other people's files, portraits and recordings," as well as a criminal offense against honor and reputation, namely "defamation and disclosure of personal and family circumstances." In an environment that does not guarantee an independent judiciary, the implementation of this law may have far-reaching and serious consequences, further limiting the civic space and silencing, discouraging, threatening, and punishing political dissent, independent journalists and media. It may also be used against all citizens in the Republika Srpska. This is a set-back since defamation was decriminalized nationwide in 2002. Moreover, there is concern that authorities in the Republika Srpska will fail to implement the decision of the Constitutional Court of Bosnia and Herzegovina on 18 January 2024 that annulled the provision of the Republika Srpska Criminal Code foreseeing a prison sentence for "Damage to the reputation of Republika Srpska and its people".

30. The Proposal Law on the Special Registry and Publicity of the Work of Non-Profit Organizations, also known as the Foreign Agents Law, was adopted by the Government of the Republika Srpska in a telephone session in March 2024 and submitted to the Republika Srpska National Assembly for adoption in second reading. The Proposal seeks to restrict engagement of many civil society organizations and has already contributed to creating a climate of intimidation, thereby

affecting the operations of civil society.

31. The ruling coalition in the Republika Srpska also resorts to hate speech and threats to silence critical voices, with Republika Srpska President Milorad Dodik being most vocal in this regard. As an illustration, during his address to the Republika Srpska National Assembly in late March, he threatened an opposition MP with physical violence. A day later, a smear campaign against the very same MP continued in his native town. The Republika Srpska President also disparaged all opposition party leaders who refused to support his agenda in the Republika Srpska National Assembly, calling their very existence a disgrace.

B. Decisions of the High Representative During the Reporting Period

Decision Enacting the Law on Amendments to the Election Law of Bosnia and Herzegovina

32. On 26 March 2024, in the exercise of the powers vested in the High Representative by Article V of Annex 10 (Agreement on Civilian Implementation of the Peace Settlement) to the General Framework Agreement for Peace, *I issued the Decision Enacting the Law on Amendments to the Election Law of Bosnia and Herzegovina.*

33. The ability of the country to conduct free and fair elections and form authorities reflecting the will of citizens represents one of the core elements of the implementation of the civilian aspects of the General Framework Agreement for Peace. Considering the numerous allegations of serious fraud that plagued the previous elections, the integrity of the electoral process had to be strengthened by revising the legal framework to implement the recommendations of the OSCE Office for Democratic Institutions and Human Rights, the Group of States Against Corruption and the Venice Commission as soon as possible to ensure that the 2024 local elections could take

place in a setting of enhanced election transparency and integrity. My Decision is a response to the persistent failure of the responsible authorities in Bosnia and Herzegovina to do this themselves despite repeated calls for actions, including by the Peace Implementation Council Steering Board and myself as High Representative.

34. The integrity package included in the Decision is a response to the persistent failure of efforts, including several facilitated by the international community, to fulfill the long-standing obligation the authorities in Bosnia and Herzegovina have in improving the electoral process for the benefit of all its citizens. Improving the electoral process can be achieved by staying as close as possible to the standards advocated by the OSCE Office for Democratic Institutions and Human Rights, the Group of States Against Corruption and the Venice Commission, with special emphasis on the transparency of the process during voting and counting through the introduction of election technologies and the appointment and depoliticization of election administration, as well as other aspects of the electoral process previously susceptible to fraudulent activities.

35. The package makes the introduction of election technologies possible, aiming at improving the overall integrity of the conduct of elections, from the moment the election material is distributed to lower levels of election administration until the verification of the election results. This is done primarily by addressing fraud observed in the identification of voters and in the counting process.

36. The amendments enable the introduction of election technologies providing for the use of biometric voter identification and automatic electronic counting equipment, alongside the existing mechanism of voter identification through a valid identity document and manual counting. In addition to these two categories of election technologies, the amendments also provide for the possibility of electronic

transmission of data from the polling stations, also subject to pilot project testing to prevent alteration of the results often observed in the past.

37. The introduction of those technologies to improve the identification of voters, the accuracy of counting and the transmission of results will be made possible upon the completion of pilot projects and feasibility studies, while keeping the current system in place as an additional mechanism. To do so, transitional provisions provide for the necessary legal basis for the Central Election Commission to regulate and implement the entire process of the conduct of pilot projects with obligation to report to the Parliamentary Assembly of Bosnia and Herzegovina. Specific election technologies are to be finally introduced upon the completion of all technical requirements for their use.

38. The introduction of election technologies is not sufficient for the purpose of strengthening election integrity. The existing mechanisms for the appointment and dismissal of the election administration also need revising. The amendments related to election administration target several aspects. Firstly, all levels of election administration have their competences expanded to accommodate their new responsibilities in regulating and handling the election technologies. Secondly, in line with the recommendations of the OSCE Office for Democratic Institutions and Human Rights on ensuring that members of the election administration are not recalled for arbitrary reasons and are able to conduct their duties without fear of retribution or intimidation, the integrity package introduces clear provisions on appointment and dismissal criteria of the Central Election Commission members. Thirdly, the crucial issue of the role the Polling Station Committees have in upholding the integrity of the voting and counting of votes on the Election Day is targeted through a revision of their appointment mechanism, to ensure their impartiality and

professionalism, and increase voters trust in the system. To that extent, the presidents and deputy presidents shall be professionalized, non-partisan, and selected by the Central Election Commission through an open call, while the other members of the Polling Station Committees are to be selected through a lottery procedure from nominations made by political parties. The amount of eligible political parties for nominations has been limited, again in line with the recommendations of OSCE Office for Democratic Institutions and Human Rights, to eliminate fictitious party representation in Polling Station Committees that enabled political control over the committees.

39. Another set of amendments addresses the accuracy of the central voter register, including active registration of out-of-country voters, refugees, and displaced persons. It provides for a procedure for increased transparency and publicity of the central voter register and enables auditing of the central voter register.

40. Alongside these two outstanding issues, the integrity package tightens regulations on several crucial technical aspects of the election process, which have been identified as shortcomings by relevant organizations (OSCE Office for Democratic Institutions and Human Rights, The Group of States against Corruption and the Venice Commission). They include the protection of electoral rights through the extension of deadlines for filing complaints, the expansion of the grounds for actions to be considered as abuse of public resources and exerting pressure on voters, the improvement of the rules concerning campaign financing by regulating reporting obligations and requiring political subjects to open a designated bank account, increased transparency of media ownership and regulation of the conduct of the media with respect to political advertising, and the expanding the rights and obligations of election observers in the event of an irregularity during the election process.

41. Finally, the amendments introduce the prohibition for people convicted by any international or domestic court of the crime of genocide, crimes against humanity, or war crimes to stand as candidate for elections or hold any elective or appointive office. This issue needs to be regulated in a way that unequivocally indicates that society is on the path of accepting the truth and, thus, is on the path of reconciliation. Public trust in institutions is fragile and electing and appointing persons convicted of crimes of genocide, crimes against humanity, and war crimes to them runs the risk of further eroding the perception of and confidence in the institutions.

42. The Decision did not integrate any changes pertaining to election rules that some requested, referring to them as a way of safeguarding the election of members of the Presidency of Bosnia and Herzegovina on a strictly ethnically based system. In my view as High Representative, such questions have to be addressed in the context of amendments to the Constitution, which are necessary to end discrimination in eligibility, as established in the judgments of the European Court of Human Rights in the Sejdić-Finci group of cases and similar pending questions.

C. Five Objectives and Two Conditions

Progress of the Objectives

43. There was no major breakthrough in the implementation of the 5+2 Agenda in the reporting period. The report by the Technical Experts' Group on State Property, which was formed by the Office of the High Representative in early 2023, is expected to set the stage for a political process that may form an agreement for legislation at the State level. In the Brčko District, the generally positive trend continued, albeit at a slower pace of progress. The Bosnia and Herzegovina Fiscal Council adopted belatedly the Global Framework of Fiscal Balance and Policy in Bosnia and Herzegovina for the

Period 2024-2026, hindering the budget process at the State level. Negotiations regarding the new Law on the High Judicial and Prosecutorial Council and the new Law on Courts of Bosnia and Herzegovina, which make up a substantial part of the rule of law cluster among the European Union Commission's 14 key priorities, have intensified in the reporting period.

State and Defense Property

44. There was a lot of preparatory work based on the results of the initiative the Office of the High Representative had taken in the form of a working group, but no major breakthrough on the resolution of the State Property objective during the reporting period. The Republika Srpska is reluctant, arguing that implementation would be done through the Office of the High Representative. As High Representative, I underlined several times that I offer to facilitate a local solution in accordance with the decisions of the Constitutional Court of Bosnia and Herzegovina.

45. Through the adoption and implementation of a series of contested and unconstitutional laws, the Republika Srpska consistently and openly disregarded the final and binding decisions of the Constitutional Court of Bosnia and Herzegovina and denied the State as titleholder of state property as well as its legal capacity to be the subject of relevant ownership rights. The Republika Srpska Government regularly adopted decisions allocating, i.e., transferring the right of ownership of agricultural land and other categories of state property. At the same time, a review of relevant cadastral records in numerous individual cases shows that a systematic re-registration of state property, particularly of forests and agricultural land, in the name of the Republika Srpska has already occurred. I expect the Bosnia and Herzegovina Prosecutor's Office to investigate the criminal liability of the responsible Republika Srpska authorities.

46. On 28 December 2023, the Republika Srpska Government

adopted a Decision on the Sale of Immovable Property located within the Special Area Jahorina. Pursuant to that Decision, immovable property subject to public competition is owned by the Republika Srpska; however, according to available information, the list of land plots for sale also includes agricultural and forest land, in violation of the State property disposal ban and contrary to the relevant decisions of the Constitutional Court of Bosnia and Herzegovina. Following media reports, the Public Attorney filed a lawsuit against the Republika Srpska in February, requesting the Court of Bosnia and Herzegovina to declare the sale of the land in Jahorina null and void. That includes the relevant decision of the Republika Srpska Government, the public announcement of sale, and the relevant sale contract.

47. In addition, laws regulating public assets at all levels of authority, including in the Federation of Bosnia and Herzegovina, cantons and the Republika Srpska, contain problematic provisions whose implementation may lead to disposal of State property assets, thus raising the issue of conformity with the State property disposal ban and the decisions of the Constitutional Court of Bosnia and Herzegovina. In my letter of 5 May 2022 to the Federation and cantonal authorities, I requested them to review and appropriately harmonize these laws with the Constitutional Court decisions. However, only a few have complied with this request, including the Government of the Federation of Bosnia and Herzegovina and the Governments of the Sarajevo Canton and of the Una-Sana Canton.

48. Pending resolution of the issue of state property and final apportionment and regulation by a state level law, transfers and disposals of state property assets are taking place not only in the Republika Srpska, but also throughout the rest of the country in violation of the State Property Disposal Ban and contrary to the relevant decisions of the Constitutional Court of Bosnia and Herzegovina. The risks

posed by illegal disposal and transfers of state property are enormous. Firstly, these create legal chaos and prevent investments, as many projects ceased or were suspended because of legal uncertainty. Secondly, illegal transfers of property are an opportunity for corruption. Thirdly, while the issue of apportionment is not resolved, state property is being disposed of across the country, and time is fundamentally running against the interests of the State and all Bosnia and Herzegovina citizens.

49. On 15 November 2023, the Government of the Federation of Bosnia and Herzegovina adopted a Decision on Change of Purpose of Forestland and Temporary Use of Forestland for Other Purposes ("Decision on Forestland"). Pursuant to this Decision, forest land may be temporarily used for planned purposes other than forest stewardship, such as for the purpose of extracting minerals and other natural resources, during the concession contract. The intention of the Government of the Federation of Bosnia and Herzegovina was to fill the existing legal void caused by the long-lasting absence of a Federation-level Law on Forests, and at the same time to attempt to abide by the State Property Disposal Ban and enable implementation of important investment projects. Speaker of the Bosnia and Herzegovina House of Peoples Kemal Ademović recently submitted to the Constitutional Court of Bosnia and Herzegovina a request for a review of the constitutionality of the decision of the Government of the Federation of Bosnia and Herzegovina (Case No. U-3/24).

50. The Technical Experts' Group on State Property formed by my Office held its final consultations in September 2023, after which a second round of consultations with international legal experts followed with the aim of conducting a comparative study of existing models of state property in certain federal states. All analyses, results, and conclusions of the said consultation processes will be summarized in a technical report, which should constitute an important

resource and a starting point for a subsequent political process aimed at achieving a State-level agreement on future state property legislation in the Bosnia and Herzegovina Parliamentary Assembly. The Office of the High Representative will continue to invest in local efforts towards resolving this issue, relying on essential support of the international community.

Completion of the Brčko Final Award

51. Although the focus of reforms in the Brčko District remained on promoting fiscal discipline and transparency in public resource spending, infrastructure development and economic growth, as well as strengthening accountability and anti-corruption measures, the pace of progress slowed during the reporting period.

52. The change of mayor in mid-March 2023, as described in the previous reports, led to further changes in the Brčko District parliamentary majority. These political developments caused the number of delegates in the parliamentary majority to drop. Consequently, Brčko District decision-makers have prioritized political negotiations and efforts to enlarge their parliamentary majority, shifting their focus from the reform agenda. Consequently, the authorities postponed most of the legislation adoption deadlines and reform agenda implementation deadlines mentioned in the last report by several months.

53. Despite these political developments, the focus remained on strengthening financial stability in the District and promoting fiscal discipline and transparency in spending public resources demonstrated through, inter alia, the timely preparation and adoption of the 2024 budget, implementation of the Law on Sports, Law on Associations and Foundations, and the Law on Budget, adopted in the previous period. The laws serve as a solid legal basis for transparent, equitable and merit-based public financial support of sports and culture

associations in the District and the NGO sector, respectively. Equally important is the enactment of the latest amendments to the Law on Budget aimed at improving the planning of capital projects through the allocation of an assigned percentage of the annual budget for infrastructure development and improvement of public services. The amended Law applied to the 2024 budget.

54. As noted in the previous report, a draft law strengthening the Anti-Corruption Office was prepared by the Anti-Corruption Office in coordination with legal experts from the Office of the High Representative, the European Union Delegation and Organization for Security and Cooperation in Europe. It has been ready for adoption by the Brčko District Assembly for several months. However, due to the opposition of one political party that insisted on a fixed term of office for managerial staff rather than an indefinite civil service appointment, the Assembly failed to adopt the law. It is expected that the series of meetings that the Brčko District Supervisor holds with local interlocutors will result in its adoption no later than the end of May 2024.

55. The Brčko District Assembly amended its Code of Conduct to align it with relevant international standards and best practices, strengthening accountability, efficiency, and public trust.

56. To address problems of law enforcement personnel, such as the hiring, promotion and retirement of police officers, additional amendments to the Law on Police and the Law on Police Officers were initiated.

57. The Brčko District continued to invest in retrofitting public buildings for better energy efficiency, in line with its Sustainable Energy and Climate Action Plan.

58. Even though the drafting of legislation pursuing civil service reform and public administration reform reached its

final phase in the previous reporting period, there was only minimal further progress.

59. The year-long Brčko Port-initiated project to strengthen its corporate governance, in cooperation with the European Bank for Reconstruction and Development, is in progress.

60. Given the importance of infrastructure development for increased investment, the District authorities proceeded with further preparations of five infrastructure projects in cooperation with the World Bank as part of the Sava and Drina Rivers Corridors Integrated Development Program.

61. The second phase of the implementation of the Brčko Port modernization project – delivery of a new crane – was completed successfully. Implementation of the third phase – new rail and road access to the port – is in progress.

62. In November 2023, the Presidency of Bosnia and Herzegovina approved a loan from the European Bank for Reconstruction and Development to finance a water infrastructure project aimed at ensuring uninterrupted water supply to the center of Brčko and suburban areas. The completion deadline is 360 days from the day the contractor receives access to and gains possession of the site.

63. In the previous reporting period, the Republic of Croatia and Bosnia and Herzegovina agreed to share the costs of reconstructing the Brčko – Gunja Bridge connecting Brčko to the commercially crucial Zagreb-Belgrade highway in Croatia. Following ratification of the agreement by an Inter-State Committee in September 2023, preparation of technical documentation and design work is in progress.

64. As previously reported, based on an agreement signed with an Austria-based consortium, construction works started on the District's first business zone. However, due to political turbulence during the reporting period and the slowdown in the work of the government, minimum progress was made on providing

necessary infrastructure to the zone, which the Brčko District is obligated to provide by the agreement. The consortium is working on meeting technical requirements for three more investment projects in the District. The Brčko District Assembly approved the regulatory plans for the locations of two projects, as the key prerequisite to initiating the preparation of corresponding technical documentation. The third project – construction of an ethno village – is in progress.

65. Efforts to clear mines in the entire Brčko District territory by the end of 2024 continue to make remarkable progress.

66. Because of the overall political situation in Bosnia and Herzegovina and the local elections scheduled for October 2024, State and entity representatives visited Brčko more often.

67. Both entity governments have offices in Brčko to connect the Brčko District citizens who maintain residency in one of the two entities with the entity ministries. The Prime Minister of the Federation of Bosnia and Herzegovina appointed a new Coordinator of the Office and the Government of the Federation of Bosnia and Herzegovina to reflect changes in the District Government.

Fiscal Sustainability

68. Certainty and adequacy of financing are key elements affecting the ability of the institutions of Bosnia and Herzegovina to carry out their constitutional and legal obligations. Yet, no steps have been taken to provide assurances to that end regarding the 2024 budget.

69. The Fiscal Council of Bosnia and Herzegovina held only one session in the reporting period, on 23 January 2024, adopting the Global Framework of Fiscal Balance and Policy in Bosnia and Herzegovina for the Period 2024-2026. The document sets

the financing of the Bosnia and Herzegovina institutions at BAM 1.355 billion, an increase of BAM 40 million over 2023. The increase is thanks to the legally mandated transfer of the profits of the Central Bank of Bosnia and Herzegovina to the State budget. The budget revenue share that comes from indirect taxes and is crucial for financing the State remains locked at last year's level of BAM 1.020 billion.

70. The Fiscal Council of Bosnia and Herzegovina should have adopted the Global Framework of Fiscal Balance and Policy in Bosnia and Herzegovina for the Period 2024-2026 by the end of May 2023. The eight-month delay disrupted the preparation and adoption of a 2024 State budget. At the time of writing of this report, the budget was still outstanding, and institutions were still on temporary financing.

71. Certainty and adequacy of financing of the State and all other levels of government in Bosnia and Herzegovina are also directly dependent on the stability and functionality of the single indirect tax system and its institutional structure: the Indirect Taxation Authority of Bosnia and Herzegovina and the Governing Board. The Board met only two times in the reporting period, on 21 December 2023 and 9 February 2024. On 21 December 2023, the Governing Board failed to adopt the indirect tax revenue allocation coefficients for the fourth quarter of 2023, which showed a significant increase for the Federation of Bosnia and Herzegovina and a decrease for the Republika Srpska. The adoption was blocked by Minister of Finance and Treasury of Bosnia and Herzegovina Srđan Amidžić, Minister of Finance of the Republika Srpska Zora Vidović, and Republika Srpska expert member Dalibor Tomas – all from the Republika Srpska and associated with the Union of Independent Social Democrats (SNSD) – and prompted Minister of Finance of the Federation of Bosnia and Herzegovina Toni Kraljević (Croat Democratic Union BiH – HDZ BiH) to leave the session in protest. On 9 February 2024, the Board further failed to adopt the coefficients for the first quarter of 2024. This was due

to the absence of the Minister of Finance of the Federation of Bosnia and Herzegovina. Consequently, the last agreed coefficients – those from the third quarter of 2023 that benefit the Republika Srpska – continue to apply.

72. There was no progress on at least two longstanding issues with financial implications.

73. The Board has not yet identified an alternative enforcement source for the outstanding BAM 30 million debt of the Indirect Taxation Authority to the Republika Srpska based on a 2015 decision of the Court of Bosnia and Herzegovina. The attempted debt enforcement by the Republika Srpska in 2018 from public revenue accounts of the Indirect Taxation Authority caused financial damage to all indirect tax revenue beneficiaries, including both entities and the Brčko District, as well as to recipients of value-added tax refunds and customs insurance depositors. The suspension of the enforcement by the Court of Bosnia and Herzegovina expires in June 2024.

74. The Board has not yet agreed to a model of distribution of road toll revenue reserves, which have by now accumulated to about BAM 251 million. The absence of agreement prevents using these funds for highway and road construction. It also damages the Indirect Taxation Authority financially as it must pay charges on the deposit accounts.

75. Addressing the issues pertaining to certainty and adequacy of financing of the institutions of Bosnia and Herzegovina as well as to stability and functionality of the single indirect tax system is crucial to strengthening the fiscal sustainability of Bosnia and Herzegovina and thereby its political stability.

76. Another element of importance to that end is the Central Bank of Bosnia and Herzegovina as the guardian of Bosnia and Herzegovina's monetary and financial sector stability. The

mandate of the previous composition of the Bank's Governing Council expired on 11 August 2021. The appointment of new members was stalled for more than two years, which was unprecedented in the post-war period. They were appointed only on 18 December 2023, assuming duty as of 3 January 2024. The mandate expiry posed a threat to the continuity of operations of the Governing Council and by extension to the functionality of the Bank. The problem was addressed through the affirmation of the principle of legal continuity that is widely recognized and also embedded in Bosnia and Herzegovina legislation. Office of the High Representative guidance and political engagement were vital for preventing the problem from escalating and ensuring the uninterrupted operations of the Central Bank of Bosnia and Herzegovina.

Rule of Law

77. The concrete requirements for Bosnia and Herzegovina that are part of the 14 key priorities from the European Commission's Opinion on Bosnia and Herzegovina's application for European Union membership, namely the adoption of the new Law on the High Judicial and Prosecutorial Council and the new Law on Courts of Bosnia and Herzegovina, are still in preparation but drafting and negotiations intensified.

78. The new Draft Law on High Judicial and Prosecutorial Council contains a provision that should correct a serious flaw in the recent amendments. To the detriment of the rule of law, the rigorous asset declaration scheme initially envisaged to prevent and sanction possible conflicts of interest and irregularities of judges and prosecutors, fight corruption, and improve perceptions of the judiciary was seriously undermined by diluting the obligation of the authorities to deliver the information required to investigate the truthfulness of asset declarations. That situation does not meet the expectations of the Steering Board of the Peace Implementation Council and the international community, including Organization for Security and Cooperation in Europe

and the Office of the High Representative, which were expressed formally to the Collegium of the Parliamentary Assembly of Bosnia and Herzegovina. The current law is thus insufficient, as it makes the application of the State-level law dependent on entity and Brčko District legislation. The entity and District legislation may directly contradict State obligations and thus render the State law void, creating the possibility of different legislative treatment of judges and prosecutors depending on their entity background.

79. The Draft Law on Courts of Bosnia and Herzegovina gave up on the creation of a separate appellate court at the State level and reverted to the present solution, with one court having both the basic and the appellate jurisdiction. However, the authorities cannot agree on the seat of the appellate division. The Republika Srpska representatives seem to insist that it be moved from the capital and placed not only in the Republika Srpska but explicitly in Banja Luka. Given the geographical distance from the imprisonment facility and other technical problems of such a solution, including the need to relocate judges and staff, the Republika Srpska demand was not accepted. Further, the Republika Srpska authorities request that the criminal jurisdiction of the State of Bosnia and Herzegovina be substantially diminished, so that the State Court be not competent to adjudicate criminal offences prescribed by the entity laws when they are inter-entity or have consequences and endanger the values of the entire State. This jurisdiction is the ultimate tool that the State has to defend its constitutional values and to fulfill its constitutional obligation of ensuring the rule of law in its entire territory.

80. The authorities in the Republika Srpska try to use the processes designed to improve rule of law conditions in Bosnia and Herzegovina to undo previous reforms. This is combined with constant verbal attacks by Republika Srpska officials predominantly on the Prosecutor's Office of Bosnia and

Herzegovina, the Court of Bosnia and Herzegovina and the Constitutional Court of Bosnia and Herzegovina. As reported above, the Republika Srpska directly rejects the authority of the judicial institutions of Bosnia and Herzegovina and the applicability of their decisions, thereby effectively opting out of the judicial system of the State of Bosnia and Herzegovina and thus fundamentally rejecting the sovereignty of Bosnia and Herzegovina. This goes hand in hand with the rejection by the authorities in the Republika Srpska of my authority as High Representative in disregard of their legal commitments under Annex 10 of the General Framework Agreement for Peace.

81. While the rule of law is being gravely questioned, Bosnia and Herzegovina needs serious reforms, many of which were already identified in the so-called Priebe Report of 2019. Much needs to be done to guarantee judicial independence and impartiality, especially considering the ongoing challenges to the judiciary by public authorities. As a priority, rollbacks of previously achieved results must be halted and reversed.

Criminal Records on War Crimes

82. Criminal records in Bosnia and Herzegovina do not contain information on convictions of Bosnia and Herzegovina citizens by international judicial bodies. No judgment of the International Criminal Tribunal for the Former Yugoslavia or its successor is registered in the domestic criminal records in Bosnia and Herzegovina. Consequently, it seems that persons internationally convicted of genocide, crimes against humanity, or war crimes obtain a clean certificate in Bosnia and Herzegovina. Regrettably, the international judgments for the most serious violations of international humanitarian law are being disregarded in political, professional, and social life to the detriment of reconciliation and social cohesion, while different parts of the country still glorify war criminals.

83. Under the committed leadership of present Minister of Justice of Bosnia and Herzegovina Davor Bunoza (Croat Democratic Union BiH – HDZ BiH), the Ministry of Justice of Bosnia and Herzegovina intensified its work and signed a memorandum of understanding on 30 January 2024 with the International Residual Mechanism for Criminal Tribunals, which the Ministry believes will serve as a basis for the entry of the judgments of the International Criminal Tribunal for the Former Yugoslavia into the criminal records in Bosnia and Herzegovina. As of this writing, Bosnia and Herzegovina is yet to receive official information from the Mechanism, which needs to be included in the records. In addition, for the problem to be solved in its entirety, a domestic legal basis is still needed.

D. Further Challenges to the General Framework Agreement for Peace

Attacks on High Representative

84. Challenges to the institution and mandate of High Representative orchestrated by Republika Srpska President Milorad Dodik and his confederates continued unabated. These involve inflammatory rhetoric but also actions to undermine the credibility of the High Representative and thereby his ability to implement the mandate under the General Framework Agreement for Peace.

85. Representatives of the Republika Srpska ruling coalition blatantly abuse the institutions of Bosnia and Herzegovina in furthering this goal. The Minister of Security of Bosnia and Herzegovina, Nenad Nešić (DNS – Democratic Peoples Alliance), deployed State security agencies to investigate and act against the High Representative. He publicly disclosed and misrepresented their responses, including confidential information regarding my personal security. Moreover, he instigated politically motivated sanctions against non-compliant employees of the State institutions.

86. Moreover, the authorities in the Republika Srpska refuse to provide official documents to my Office, prevent my staff from attending Republika Srpska National Assembly sessions, disregard my decisions, and reduce contacts to a minimum. Such actions are in direct violation of Annex 10 to the General Framework Agreement for Peace, which mandates full cooperation of the parties to the Agreement with the High Representative.

Threats to Transitional Justice

87. An issue paper on “Dealing with the Past for a Better Future. Achieving justice, peace and social cohesion in the region of the former Yugoslavia”, published by the CoE’s Commissioner for Human Rights in December 2023, highlights the backsliding in public efforts to deal with the past and the alarming level of ethno-nationalist historical revisionism, denial of atrocities and glorification of war criminals. The report highlights that these trends are closely linked to the general backsliding of democracy, respect for human rights, and the rule of law, which increase mistrust and polarization within society. Detrimental effects include the increase in hate speech, interethnic violence, and intolerance, with recurrent violent incidents against returnees from minority groups, and religious and cultural buildings. This trend also creates a hostile environment for civil society and human rights defenders, especially those actors seeking transitional justice.

88. The denial of genocide and other war crimes, and the glorification of war criminals persist in Bosnia and Herzegovina and across the region, often perpetrated by high-level political representatives and in the media space. Recently, in the context of the unconstitutional celebration of 9 January as Day of the Republika Srpska, the Republika Srpska President again denied the Srebrenica genocide and glorified convicted war criminals Radovan Karadžić and Ratko Mladić, referring to them as individuals who led the Republika Srpska and fought for freedom. Politicians also give public

platforms to convicted war criminals by displaying support for them. For instance, on 16 February 2024, Valentin Ćorić, who was convicted and sentenced to 16 years in prison by the International Criminal Tribunal for the Former Yugoslavia for war crimes and crimes against humanity, promoted his book, an autobiographical report from The Hague, in Mostar. Croat Democratic Union BiH (HDZ BiH) President Dragan Čović and other politicians attended the event, albeit without commenting, honoring this person at a public cultural institution. They showed no distance to the ethnically divisive institution of "Herzeg-Bosnia" nor to a criminal offender. Following this event, the Association of Victims and Witnesses of Genocide requested that all international and domestic officials sever contacts "with all persons who glorify or support convicted war criminals." Denying, minimizing, or relativizing genocide and other war crimes as well as glorifying their perpetrators have detrimental effects on social cohesion and political stability and prolong the pain of the victims of the atrocities. They undermine incipient and fragile steps towards reconciliation on the ground.

89. Two and a half years since the criminalization of the denial of genocide and glorification of war criminals in July 2021, the Prosecutor's Office of Bosnia and Herzegovina registered over 70 complaints concerning the criminal offense of denying genocide and glorifying war criminals. Most of these reports are being dismissed outright, while some indictments were raised and then dismissed by the Court of Bosnia and Herzegovina.

90. On a positive note, the Prosecutor's Office of Bosnia and Herzegovina filed an indictment for glorification of war criminals, which was confirmed by the Court of Bosnia and Herzegovina. On 22 January 2024, president of the association "Eastern Alternative" (Istočna alternativa) Vojin Pavlović was indicted for the criminal offence of inciting ethnic, racial

and religious hatred, discord, and intolerance. The indictment refers to an action from 10 March 2023, when a banner with a picture and message congratulating Ratko Mladić on his birthday was displayed in the center of Bratunac (the Republika Srpska), knowingly glorifying and supporting the war criminal convicted by the International Criminal Tribunal for the Former Yugoslavia of the crime of genocide by a final judgement. By doing so, the accused caused anxiety and fear among a majority of residents in the area who saw the banner, especially among returnees who endured severe suffering in the past war.

91. This first indictment points at a positive development in the application of the amendments to the Criminal Code of Bosnia and Herzegovina. It was followed by another indictment concerning hate speech filed by the Prosecutor's Office of Bosnia and Herzegovina in late February 2024 and confirmed by the Court of Bosnia and Herzegovina. Samir Nukić from Bihać (Federation of Bosnia and Herzegovina) was indicted for last year's expressions of hatred on social media towards the victims of the 1993 grenade explosion in Vitez (Federation of Bosnia and Herzegovina) that killed eight children.

92. Besides temporary display of banners and billboards, the glorification of convicted war criminals through murals and graffiti continues across the country, adding to the legitimization efforts of extremist ideologies and a culture celebrating war crimes. Most numerous are murals depicting Ratko Mladić in many locations throughout the Republika Srpska. Most recently, an already existing mural in Čapljina (Federation of Bosnia and Herzegovina) glorifying war criminal Slobodan Praljak was expanded instead of being removed. Despite the criminalization of these practices, murals in most cases remain unreported or unsanctioned. A swift response is important, as on 9 January 2024, in Karuše/Doboj Jug, Federation of Bosnia and Herzegovina, when two young men were caught writing the name of Ratko Mladić at a bus stop,

committing the criminal act of “causing ethnic, racial and religious hatred, dissension and intolerance”.

93. Commemorations remain a space for glorification and provocative behavior. This includes the “traditional” gathering of the Ravna Gora Chetnik movement marking the anniversary of General Draža Mihajlović’s apprehension. After the court verdict that sentenced three movement members for inciting ethnic hatred in 2022 and the 2024 ban of the usual gathering in Visegrad, it was held at the nearby Mihajlović Memorial in Dobrun instead. The gathering provided a platform for extremist rhetoric and calls for unification of Montenegro, Serbia, and the Republika Srpska.

94. Bosnia and Herzegovina needs an efficient institutional response to incidents. Impunity for instances of hate speech, denial of genocide and other war atrocities, and glorification of war criminals, especially when committed and promoted by politicians and other public figures, reinforce a social climate in which such offenses become normalized as acceptable. Impunity represents an insult to the victims of such crimes and threatens their security and decreases prospects for reconciliation.

95. Stronger efforts are also needed to promote local efforts for better co-existence. In this regard, I am pleased to see the first successes of the “Mozemo bolje” project (Empowering Trust and Cohesion in Bosnia and Herzegovina’s Communities) implemented by the European Union, Organization for Security and Cooperation in Europe, Council of Europe, and United Nations.

Violence against returnees

96. Incidents against returnees continued. The reporting period witnessed a steady flow of reports of violence or provocations against the returnee population, feeding further into the sense of insecurity among this category of the

population. Ethnic or returnee-related incidents were particularly noted in conjunction with the marking of prominent religious and other holidays. Several such reports came in the period around the Serb Orthodox Christmas on 7 January 2024 and during the marking of the unconstitutional Republika Srpska Day on 9 January 2024.

97. In some cases, safety concerns motivated returnees to consider leaving their homes, as this population, besides being an ethnic minority in their places of return, consists often of predominantly elderly people, who are particularly vulnerable.

98. The most serious form of incidents included physical violence, often in combination with attempts at burglary or robbery in some more remote locations. In the most sinister case from the previous reporting period, a Croat returnee who was the victim of a physical attack near Derventa (the Republika Srpska) in October 2023 succumbed to inflicted injuries in November 2023.

99. Other cases of physical violence during the past six months include an attack against an elderly female Serb returnee in Vozuća (Zavidovici, the Federation of Bosnia and Herzegovina) in December 2023, during an attempted robbery, along with another burglary reported at another returnee household nearby. A similar case happened in January 2024 in Tumare (Lukavac, the Federation of Bosnia and Herzegovina), where another Serb female returnee was physically attacked and injured. In the most recent incident, a group of four young Bosniaks (age 18-22) from Stolac (the Federation of Bosnia and Herzegovina) was attacked by a group of ten masked persons armed with baseball bats at the entrance to their hometown. The police detained the perpetrators the following day, though the incident itself prompted new frustration and triggered a host of condemnations from all sides.

100. A Bosniak returnee was physically attacked and beaten in

the town of Višegrad (the Republika Srpska) in late January 2024, during a municipal celebration in a local restaurant, while other cases of burglary and damage to returnee property were reported near Višegrad in January 2024, and more notably in Vlasenica (the Republika Srpska), where property of Salaharević family was again the target of an attack, after a chilling symbolic message left in their yard in September 2023. Teenage soccer players from Drvar (the Federation of Bosnia and Herzegovina) were verbally and physically attacked during a tournament in Bihać (the Federation of Bosnia and Herzegovina) in December 2023, on which occasion one player sustained minor injuries. A number of returnee communities complained about hunting groups shooting in the vicinity of their households, causing stress and concern, despite occasional safety assurances by the hunter associations.

101. Threats and harassment directed against non-Serb population occurred throughout the Republika Srpska, including celebratory use of firearms, chanting of offensive songs and glorification of war criminals, most prominently, but not limited to Vlasenica, Višegrad, and Srebrenica – in the vicinity of the Srebrenica Genocide Memorial Centre.

102. Incidents were also observed in the the Federation of Bosnia and Herzegovina, with Serb returnees being targeted. On 7 January 2024, a Serb returnee household near Mostar was stoned, resulting in fear among the small Serb returnee community there, especially the elderly Serb woman who was the owner of the attacked house. Very often such incidents involve attacks on symbols. Two cases were recorded where Serb flag was the target of attacks which caused tensions, in particular in Konjic, where a flag was taken down from the church, and Zenica, where a Serb flag was burnt on 9 January 2024. Cases of returnee-related or ethnically motivated violence generally remain unresolved. To improve the situation, the Parliamentary Assembly of Bosnia and Herzegovina appointed a body to investigate returnee-related incidents and develop proposals

for action.

103. Proposals include setting up a comprehensive database of such cases to help track problems more efficiently and introducing more frequent police patrols in returnee areas as a preventive measure. There is also an initiative to amend relevant legislation to better protect returnees. Some members of the parliamentary body noted the need to look at returnee-related incidents together, rather than dividing them on the basis of ethnicity, which is predominantly the case.

104. The listed forms of ethnic disputes go beyond returnee-related violence and serve to perpetuate ethnic antagonisms and fuel the continuation of the conflict narrative. Some members of Parliament rightfully see inflammatory rhetoric as one of the underlying problems. Politicians feed the inter-ethnic tensions and capitalize on them. There is also a strong role of social media, where such attitudes are presented and distributed without entailing responsibility.

105. Safety and security problems pushed day-to-day struggles of returnees down the list of priorities. Those relate to insufficient or non-existing integration, lack of employment, inadequate living conditions, property issues, poor infrastructure, including in some places lack of connection to the electricity network.

106. As High Representative, I remind all citizens that the right to return is protected under the General Framework Agreement for Peace, obligating all sides to ensure the secure return to refugees and displaced persons, without the risk of harassment, intimidation, persecution, or discrimination, especially based on their ethnicity, religious beliefs or political views.

Deteriorating situation in Srebrenica

107. Inter-community relations in the Srebrenica municipality have been on a steady decline during the past two years. Since

the last local elections in 2020/21, apart from an initial effort, there has been no joint approach to dealing with the community problems. The Bosniak boycott of the partly repeated local elections cost them more significant representation. The Serb dominated authorities continued with the tendency to push Bosniaks out of the way, preserving today only the fig-leaf of multi-ethnicity in the municipal leadership by keeping a Bosniak Municipal Assembly Speaker.

108. The removal of the Bosniak Deputy Mayor in November 2023 and his replacement by a Serb created an atmosphere of increased pressure against the Bosniak community. These actions are largely driven by personal interests of the individuals involved, but there is also a sense of anti-Bosniak sentiment within the ruling Serb coalition. Incidents over the Orthodox Christmas period in January 2023 and subsequent reactions deepened the community divide.

109. Another divisive topic came with the initiative to rename the streets without clear and transparent procedures, the inclusion of the Bosniak representatives in the work of the commission for renaming the streets or direct citizen participation in general. Despite assurances by the Srebrenica Mayor that the process is not against Bosniaks, it is still widely viewed as flawed. On 15 April 2024, the Serb majority in the Municipal Assembly of Srebrenica adopted changes to the street names. The Bosniak representatives walked out of the session. They saw the initiative as directed against the Bosniak community in Srebrenica and shared their views with international community representatives. I regret very much that there was no sign of respect, including remembrance for the genocide victims.

110. The construction of a church in the Bosniak populated area of Osatica is another cause of tension. Bosniaks see it as provocation, whereas Serbs see it as response to the earlier construction of a Bosniak memorial across the road from the new church construction site.

111. The approaching local elections in October 2024 loom large in the background. The issue of the integrity of the election process in Srebrenica will add to the tense atmosphere.

112. In the neighboring Bratunac, new Mayor Lazar Prodanović (Union of Independent Social Democrats – SNSD) invests a lot of effort into reinstating “normality” in the community life, trying to change the paradigm and transcend the ethnic divide. His endeavors are insufficiently noticed and supported.

113. The problems in Srebrenica contribute to accelerated depopulation, which the local authorities do not properly address. Srebrenica may require a fresh approach and a new agenda for moving forward. Deep wounds need more care and attention, and the two communities need further support to be able to overcome the divisions and find strength to rebuild trust and cooperation. Out-of-country residents of Srebrenica are expected by some observers to come from places in Serbia and the Republika Srpska. It is not clear how proof of living in Srebrenica and being a resident of the town can be verified for those actually living elsewhere.

Missing persons

114. According to the updated list of the Missing Persons Institute, more than 7,600 people are still unaccounted for from the war of 1992-1995.

115. The lack of reliable information on potential gravesite locations continues to be the main obstacle in the tracing process, coupled with the lack of local capacities to process available information. Government agencies and institutions, especially Missing Persons Institute, are understaffed and underfinanced. Local forensic resources involved in exhuming and identifying missing persons are in dire need of reinforcement and financial support. Coordination of actors taking part in the search for missing persons must also be

strengthened.

116. There is no progress in fully implementing the Law on Missing Persons, including in establishing a fund for the families and in harmonizing entity legislation with the State-level law. The issue of missing persons no longer appears to be a priority and the families have been marginalized.

117. According to the assessment of the International Committee of the Red Cross from December 2023, the inability of many families to cope with the prolonged ambiguous loss of their loved ones as well as to obtain proper support within society have triggered severe mental health needs.

Education aspects of transitional justice

118. Generally, the education system is not used as an instrument to overcome ethnic tensions. On the contrary, education remains politicized and continues to fuel mistrust. This applies mainly to history teaching, where ethnocentric perspectives persist in the new generation of textbooks.

119. Both decisions of the Supreme Court of the Federation of Bosnia and Herzegovina that found the practice of “two schools under one roof” discriminatory (2014 regarding Stolac and Čapljina in the Herzegovina-Neretva Canton and 2021 regarding the Central Bosnia Canton) remain unimplemented. Instead of supporting integration towards multiethnic inclusive quality institutions, the local authorities work rather toward full separation through the establishment of mono-ethnic schools in mixed areas or the transport of children to schools in areas where they are the ethnic majority.

120. Positive developments were noted in relation to the lawsuits by Bosniak parents from Liplje (Zvornik, the Republika Srpska) (2022) and Janja (Bijeljina, the Republika Srpska) (2023) regarding the right of Bosniak children to call their language Bosnian and have it recorded in school documents. On 12 January 2024, the Bijeljina Basic Court

adopted the first instance ruling in the case of parents of Bosniak children from Janja against the Republika Srpska and the “Meša Selimović” school in Janja. The court ruled that Bosniak children are treated unequally and ordered that discrimination be eliminated. The Republika Srpska Ministry of Education filed an appeal before the District Court in Bijeljina.

121. In the Liplje case, the Zvornik Basic Court ruled already earlier that the plaintiffs were discriminated against on the ethnic and language grounds because the defendants denied them the equal right to education in mother tongue by not allowing them to call their mother tongue ‘Bosnian’ in the education process and not using this name in the official school documentation, which is not the case for Serb pupils. The defendants submitted an appeal.

Compensation for victims of war

122. The country still lacks comprehensive legal protection and regulation of the rights of civilian victims of torture, including former camp detainees and survivors of conflict-related sexual violence, and for families of missing persons. While some individuals have obtained the legal designation of war victims that entitles them to specific benefits, certain societal groups cannot assert their rights because of restrictive criteria outlined in the entity laws.

123. On 1 January 2024, the application of the Federation of Bosnia and Herzegovina’s new Law on Protection of Civilian Victims of War began. Its adoption was an essential step in ensuring the recognition and rights of civilian victims of war and in providing support to a historically neglected and marginalized group.

124. The Law on Protection of Victims of War Torture in the Republika Srpska has been applied in discriminatory ways with the result that many victims have been unable to realize the

rights safeguarded by this legislation. Moreover, the law had a brief preclusion period that expired on 5 October 2023 and authorities have not so far shown willingness to extend it. As a result, survivors are no longer able to even apply for victim status and exercise their rights in the Republika Srpska. My intention is to extend the deadline for damage compensation for victims.

125. While important, existing entity and Brčko District legislation does not secure a non-discriminatory approach to the recognition and compensation of all categories of civilian victims of war throughout the country. Still, no steps were taken to adopt a State-level framework law clearly defining countrywide criteria on the rights of wartime victims.

126. The statutory deadlines enshrined in the various laws regulating the status of victims of war impose arbitrary and undue burdens on victims' ability to obtain recognition. The Republika Srpska authorities continue the practice of seeking reimbursement for court costs from victims of war who were barred by statutes of limitations from seeking compensation through civil proceedings.

127. Moreover, despite the availability of formal mechanisms allowing victims to seek compensation through criminal proceedings, judicial authorities throughout Bosnia and Herzegovina have not ensured that victims are able to exercise that right. According to the Organization for Security and Cooperation in Europe's comprehensive trial monitoring program, compensation was awarded in just 19 of nearly 700 adjudicated war crimes cases.

128. In 2023, after children born of war were symbolically first recognized by Brčko District, the Federation of Bosnia and Herzegovina took a step forward by not only recognizing children born of war as civilian victims of war but also by providing them with adequate material rights. The Republika Srpska and Brčko District need to harmonize their laws in this

regard.

129. Overall, decisions by international mechanisms affirming the rights of civilian victims of war to effective forms of redress remain unimplemented. This includes recommendations by several UN treaty bodies as well as the 2019 Decision by the UN Committee Against Torture.

130. I welcome the engagement of the Council of Europe, the European Union Delegation, Organization for Security and Cooperation in Europe, the United Nations Resident Coordinator and the non-governmental organization "TRIAL International" in following developments closely and prompting the authorities of Bosnia and Herzegovina to act.

Peacebuilding Fund

131. Following the confirmation of eligibility of Bosnia and Herzegovina in 2022 for the UN Secretary General's Peacebuilding Fund, various programs have been developed and agreed with government covering Women, Peace, and Security; Youth Peace and Security and strengthening trust with institutions and civil society. The 1st meeting of the newly established Peacebuilding Committee co-chaired by the Bosnia and Herzegovina Minister of Foreign Affairs and the UN Resident Coordinator in Bosnia and Herzegovina was held on 19 February 2024, with government, donor, regional and civil society representatives. The establishment of the Peacebuilding Steering Committee marks a pivotal moment in collective efforts to support sustaining peacebuilding initiatives in Bosnia and Herzegovina and is aligned with the government's progress in implementing key priority 5 of the European Union accession priorities focused on creating an environment conducive to reconciliation. It was referenced by the President of the European Union Commission in her address on 12 March 2024 to the European Union Council as one of the five factors demonstrating progress by Bosnia and Herzegovina for opening full European Union negotiations.

Gender-based violence

132. Gender-based violence remains widespread and is reflected in increasing numbers of femicide cases. The increased violence rate in general clearly drew attention to the need for urgent institutional action to ensure higher level of security through legislation and more efficient preventive measures.

133. In the last 14 months, 12 women have been murdered, primarily by their partners or relatives, four of whom subsequently committed or attempted to commit suicide. A particularly worrying case was one from February 2024 when an off-duty police inspector in Tuzla murdered the owner of a café, which resulted in citizen protests with the calls for resignations of the Cantonal Minister of Interior and the Police Commissioner.

134. A pride parade was previously held in Sarajevo. Nevertheless, lesbian, gay, bisexual and transgender persons are not fully accepted, and progress in this regard is inadequate. I will continue to work with the United Nations, the Council of Europe and other organizations to support non-governmental organizations and politicians in Bosnia and Herzegovina that are active on lesbian, gay, bisexual and transgender issues.

Gender Equality

135. In the reporting period, there were several key developments related to gender equality in the country. The new Gender Action Plan 2023-2027 was adopted by the Bosnia and Herzegovina Council of Ministers tracing the path to key priorities for gender equality in Bosnia and Herzegovina. Unfortunately, owing to blockages from the Republika Srpska, the new National Action Plan for the Implementation of the UN Security Council Resolution 1325 (2000) "Women, Peace and Security" in Bosnia and Herzegovina was not adopted.

136. Bosnia and Herzegovina played a prominent role and engaged actively in the sixty-eighth session of the Commission on the Status of Women, calling for feminist financing and collective action for women's economic justice. The first ever parallel audit report on progress regarding Sustainable Development Goal 5 in Bosnia and Herzegovina was implemented jointly by the audit institutions of Bosnia and Herzegovina, the Federation of Bosnia and Herzegovina and the Republika Srpska, outlining clear recommendations for all three levels of government on how to improve achievement of the commitments contained in Goal 5. The second Gender Equality Index for Bosnia and Herzegovina has been published by Bosnia and Herzegovina Agency for Statistics and Bosnia and Herzegovina Ministry for Human Rights and Refugees, measuring the achieved level of gender equality in six key areas: Knowledge, Power, Work, Health, Time, and Money. In all of the domains, Bosnia and Herzegovina scores significantly lower than European Union average, pointing to worrying trends of regression of gender equality.

137. The mounting rhetoric against women's rights in the Republika Srpska, as well as legislative attempts to eliminate the term gender equality, shows a worrying trend of diminishing human rights obligations and commitments related to women's rights and gender equality.

138. In addition, the very low level of women's political participation at different levels of government is a worrying trend and more effort should be spent to encourage women to engage and run in the upcoming local elections.

II. Developments Related to the State Institutions of Bosnia and Herzegovina

A. Presidency of Bosnia and Herzegovina

139. In accordance with the eight-month rotation, Denis Bećirović took over the chairmanship of the Presidency of

Bosnia and Herzegovina from Željko Komšić on 16 March 2024, who led the Presidency with efficiency and effectiveness, as demonstrated by the resolution of some long-standing issues, such as the appointment of the Governing Council of the Central Bank of Bosnia and Herzegovina.

140. The Presidency of Bosnia and Herzegovina took decisions from within its competency in the domain of foreign policy and defence and engaged in diplomatic activities in various bilateral and multilateral forums and international summits and conferences, which intensified in relation to the country's European Union path and the opening of accession negotiations. Worth singling out is the adoption of the decision initiating negotiations towards the Agreement between Bosnia and Herzegovina and the European Union on operational activities carried out by the European Border and Coast Guard Agency (FRONTEX), which was one of the key European Union conditions for the opening of accession negotiations with Bosnia and Herzegovina.

141. The Presidency Members continue to hold and express diverging positions on various issues including the constitutional and legal order of Bosnia and Herzegovina, Bosnia and Herzegovina's statehood and holidays, the General Framework Agreement for Peace, my role as High Representative, State property, Russia's aggression against Ukraine, NATO integration, and many other issues. The conduct of foreign policy was to some degree better harmonized as of late.

142. Presidency Chair Bećirović continued to warn of blatant and unprecedented attacks by the Republika Srpska authorities led by Republika Srpska President Milorad Dodik against the General Framework Agreement for Peace and the constitutional and legal order of Bosnia and Herzegovina, with unforeseeable consequences for peace and stability. He continues to condemn their anti-Dayton, unconstitutional, and separatist policies as undermining legal certainty and destabilizing the country, and to appeal to the international community to remain

committed to preserving the General Framework Agreement for Peace and safeguarding peace, stability, and the territorial integrity of Bosnia and Herzegovina. He repeatedly stressed that Bosnia and Herzegovina's accession to the European Union and NATO remain the two most important foreign policy goals of Bosnia and Herzegovina and that opening of accession negotiations with the European Union would be an encouragement for the country and its citizens.

143. Presidency Chair Bećirović was adamant that all attempts to question and undermine the Constitutional Court of Bosnia and Herzegovina and the High Representative are part of a well-designed plan aimed at eliminating the guardians of peace, independence, sovereignty, and territorial integrity of Bosnia and Herzegovina.

144. Presidency member Željka Cvijanović continued to challenge the presence of international judges in the Constitutional Court of Bosnia and Herzegovina, as well as the international community's presence in its current mandate and capacity, primarily the powers vested in the High Representative.

B. Council of Ministers of Bosnia and Herzegovina

145. During the reporting period, the Council of Ministers of Bosnia and Herzegovina held a total of 20 regular sessions and 15 urgent sessions under the leadership of Chairwoman Borjana Krišto (Croat Democratic Union BiH – HDZ BiH).

146. Satisfaction with the cooperation with the Office of the High Representative is mixed. Exchange on issues relevant to the General Framework Agreement for Peace with some ministers is good, and insufficient with the others. So far, the Chairwoman has not instructed institutions to improve this situation.

147. The Chairwoman continued to express strong commitment to European Union integration. In expectation of a positive

decision of the European Council on opening accession negotiations, she repeatedly shared the conviction that the future of Bosnia and Herzegovina and the Western Balkans depended on the preservation of dialogue, enhancement of cooperation and identification of sustainable solutions. She emphasized that the key to Bosnia and Herzegovina's success lies in continued dialogue of constituent peoples and their legitimate representatives and relevant political actors.

148. The reporting period was marked by intensified diplomatic activity, numerous bilateral and multilateral visits, and participation in the international arena, in expectation of further progress on the country's European Union path. On 5 December 2023, Chairwoman Krišto co-chaired the second high-level forum on European integration of Bosnia and Herzegovina together with European Commissioner for Neighborhood and Enlargement Olivér Várhelyi. The forum was attended by representatives of the legislative and executive authorities of all levels.

149. The Council of Ministers adopted amendments to five existing laws as well as other documents from within its competence, including the Public Procurement Strategy for the Period 2024-2028 and the Program of Economic Reforms for the Period 2024 – 2026. Its focus was on improving trans-border cooperation, regional cooperation, managing migrations, digitalization, and energy efficiency.

150. The Council of Ministers appointed on 17 January 2024 a body for the preparation of a Reform Plan for the Implementation of European Union Growth Plan for Western Balkans. The body, presided by Chairwoman Krišto, held its constituent session on 26 January 2024.

151. The established practice of not proposing legislation to the Parliamentary Assembly of Bosnia and Herzegovina unless there is full political consensus on adoption was duly followed.

C. Parliamentary Assembly of Bosnia and Herzegovina

152. During the reporting period, the House of Representatives of Bosnia and Herzegovina held six regular and four urgent sessions, while the House of Peoples of Bosnia and Herzegovina held three regular and two urgent sessions.

153. The pace of adoption of legislation required under the European Union accession process did not meet expectations. The Parliamentary Assembly of Bosnia and Herzegovina adopted only two new laws relevant to the European Union path, namely the Law on Prevention of Conflict of Interest and the Law on Prevention of Money Laundering and Financing of Terrorism. Additionally, the Parliamentary Assembly of Bosnia and Herzegovina adopted only three laws amending the existing legislation, namely the Law on the High Judicial and Prosecutorial Council, Law on Civil Service, and Value Added Tax Law.

154. The Parliamentary Assembly of Bosnia and Herzegovina at the same time rejected three laws previously adopted by the Council of Ministers of Bosnia and Herzegovina (new Law on Foreign Affairs, Law on Manner of Conclusion and Execution of International Agreements, Amendments to the Law on Air Navigation Services Agency of Bosnia and Herzegovina), and four laws proposed by delegates.

III. Developments Related to the Federation of Bosnia and Herzegovina

A. Executive and Legislative Authorities of the Federation of Bosnia and Herzegovina

155. As already reported, after all constitutional deadlines for the Government formation expired, my Decision of 27 April 2023 unblocked the appointment of the Government of the Federation of Bosnia and Herzegovina and helped to overcome the continual political stalemate at the entity level.

156. An integral part of this Decision was the amendment to the Constitution of the Federation of Bosnia and Herzegovina that will enter into force in May 2024 if the Parliament of the Federation of Bosnia and Herzegovina fails to amend the Constitution to overcome similar government formation blockages. The Parliament of the Federation of Bosnia and Herzegovina was expected to develop a long-term solution to prevent future obstacles in the formation of the government. The 12-month period between the Decision and the Amendment's entry into force should have been sufficient for an agreement to emerge on constitutional changes relating to this issue. An initiative to that end was launched only on 12 April 2024, when a majority of delegates in the Bosniak Caucus in the House of Peoples of the Federation of Bosnia and Herzegovina proposed an amendment to the Constitution of the Federation of Bosnia and Herzegovina in place of the enacted amendment. By the end of the reporting period, consideration in the parliament has not been scheduled.

157. The Government met regularly throughout the reporting period, holding 15 regular sessions and 50 extraordinary sessions. On the other hand, the Parliament of the Federation of Bosnia and Herzegovina met far less frequently, with the House of Peoples of the Federation of Bosnia and Herzegovina holding two extraordinary sessions and three regular sessions and the House of Representatives of the Federation of Bosnia and Herzegovina holding one extraordinary session and five regular sessions.

158. The Parliament adopted two new laws as well as two proposals amending the current laws. On 31 January 2024, the House of Representatives of the Federation of Bosnia and Herzegovina amended its own rules of procedure, harmonizing them with my Decision of 27 April in order to prevent blockages in the working bodies of the House of Representatives and make the work of the House more efficient.

159. On 25 September 2023, Mirjana Marinković-Lepić (Our Party

– NS) resigned from the position of Speaker of the House of Representatives of the Federation of Bosnia and Herzegovina for health reasons. In the absence of a replacement, the sessions of the House of Representatives are chaired by Deputy Speaker Mladen Bošković (Croat Democratic Union BiH – HDZ BiH).

160. After the adoption of the amendments to the Rules of Procedures of the House of Representatives of the Federation of Bosnia and Herzegovina, the opposition led by Party of Democratic Action (SDA) and Democratic Front (DF) filed requests for dispute resolution before the Constitutional Court of the Federation of Bosnia and Herzegovina regarding, among others, procedural matters related to the chairmanship of the 8th and 9th sessions of the House of Representatives of the Federation of Bosnia and Herzegovina.

161. On 28 November 2023, the House of Representatives adopted the proposal by Slaven Raguž (Croat Republican Party – HRS) of the Declaration on Introduction of Modern Technologies in Control of Election Process in which the Central Election Commission of Bosnia and Herzegovina and all political parties represented in the Parliamentary Assembly of Bosnia and Herzegovina were requested to amend the Election Law of Bosnia and Herzegovina without delay, so that the local elections in 2024 could meet democratic standards protecting the integrity of the process.

162. The House of Representatives of the Federation of Bosnia and Herzegovina has not yet met its constitutional obligation to appoint a replacement for member of the Constitutional Court of Bosnia and Herzegovina Judge Mato Tadić who retired in November 2022. The Selection and Appointment Committee of the House of Representatives of the Federation of Bosnia and Herzegovina has still not come to an agreement whether to propose only the top-ranked candidate or the full list of the successful candidates to the House of Representatives of the

Federation of Bosnia and Herzegovina for a final vote.

163. In parallel, following the failure of the President of the Federation of Bosnia and Herzegovina, with the concurrence of the Vice-Presidents, to nominate within 30 days from the list submitted by the High Judicial and Prosecutorial Council a replacement for Kata Senjak, a judge on the Constitutional Court of the Federation of Bosnia and Herzegovina, who met the retirement requirements on 14 January 2023, it became the responsibility of the House of Peoples to complete the appointment. To date, a replacement has not been appointed. It is important to note that, by virtue of the amendment to the Constitution of the Federation of Bosnia and Herzegovina that I enacted on 2 October 2022, if a new judge is not appointed by the date when the judge to be replaced reached 70 years of age, the judge who reached 70 years of age shall continue to serve until a new judge assumes office. As a result, sitting judge Kata Senjak may continue to serve until the responsible authorities meet their constitutional obligation.

164. The appointment of members of the Governing Board of the Radio-Television of the Federation of Bosnia and Herzegovina has also been long outstanding. As a consequence, there is no oversight and governance structure in place to fulfil its mandate effectively, which also undermines public trust in the integrity and impartiality of this media institution. On 27 February 2024, my Office joined the European Union and the Organization for Security and Cooperation in Europe in a joint letter to the Parliament of the Federation of Bosnia and Herzegovina, urging it to finalize the appointment without further delay.

Closure of 'ventilators case'

165. On 26 January 2024, the Appellate Chamber of the Bosnia and Herzegovina Court confirmed the first-instance verdict in the 'ventilators case' sentencing former Prime Minister of the Federation of Bosnia and Herzegovina Fadil Novalić (Party of

Democratic Action – SDA) for abuse of office to four years in prison over the procurement of 100 overpriced ventilators from China in 2020 during the COVID pandemic, at a cost to the budget of BAM 10.53 million. Deputy Prime Minister and Minister of Finance of the Federation of Bosnia and Herzegovina Jelka Miličević (Croat Democratic Union BiH – HDZ BiH) was acquitted.

166. The director of the company Srebrena malina, Fikret Hodžić, and the suspended director of the Administration for Civil Protection of the Federation of Bosnia and Herzegovina, Fahrudin Solak, were also found guilty and sentenced to five and six years in prison, respectively.

B. Mostar

Statute

167. Following the unsuccessful attempts earlier by the Mostar City Council to adopt the City Statute, as mandated by the High Representative in 2004, the Mostar City Council revisited the issue on 14 November 2023. Despite support from Party of Democratic Action (SDA)-led coalition, the Council failed to achieve the required two-thirds majority (24 of 35 city councillors) for adoption.

168. Fully cognizant of the non-implementation of the Mostar Agreement signed in June 2020, I urge the involved parties to elevate their discourse regarding the adoption and execution of the agreed Statute. It is imperative that they strive for a functional, equitable and unified urban framework for Mostar.

Issues of discontent

169. On 24 February 2024, a sign announcing the construction of an Intercultural Center Mevlana in the Mostar Central Zone, near newly built Croat National Theatre, was vandalized and then removed. While Party of Democratic Action (SDA), People and Justice (NiP), Social Democratic Party (SDP BiH) and

Peoples' European Union (NES) voiced their support for the project, Croat Democratic Union (HDZ BiH) criticized the placement of the sign as an illegal act, claiming that a religious institution stands behind that activity of installing the sign in the absence of proper legal documentation. Given the area's intricate relationships and historical context, the construction triggered heightened tensions and risks evolving into a political and legal issue. Mayor Mario Kordic intended to overcome the ethnic division in Mostar in several fields. Unfortunately, this has not led to broad participation.

170. The Office of the High Representative urged Mostar's politicians to engage in constructive dialogue for the benefit of the citizens. On 6 March, the Muftiship of Mostar unveiled the Center's design, envisioning it as a hub for interreligious dialogue and promoting intercultural dimensions. On 8 March, a new billboard announced the project's commencement. Mostar Mufti Salem Dedović asked for my assistance in resolving the issue and further requested the formation of an international expert commission to assist in enabling the construction of the Center. I will remain engaged with the relevant parties.

C. Cantonal Developments

170. Five Cantons got new governments in the reporting period.

171. Herzegovina-Neretva and Canton 10 were the last to appoint their governments, 13 and 16 months after the 2022 General Elections, respectively. In Herzegovina-Neretva, after lengthy negotiations, Croat Democratic Union BiH (HDZ BiH), Party of Democratic Action (SDA) and Social Democratic Party (SDP BiH) formed the government on 9 November 2023. Canton 10 formed its government on 14 February 2023. The majority is composed of six political parties led by two Croat Democratic Union BiH's (HDZ BiH) splinter parties (Croat National Advancement – HNP and Croat Democratic Union 1990 – HDZ 1990),

leaving Croat Democratic Union BiH (HDZ BiH) in the opposition. Party of Democratic Action (SDA) and Union of Independent Social Democrats (SNSD), alongside two Serb opposition parties, also joined the majority in this Canton.

172. Una-Sana, Zenica-Doboj and Sarajevo had their governments reconstructed or reshuffled.

173. In Sarajevo, the government reshuffle was confirmed on 15 November 2023 to reflect the changes within the Troika-led parliamentary majority (SDP BiH-NiP-NS). The Troika kept its leading position. The Prime Minister and eight Ministers in the government remained in place, while two new Ministers from the Troika (i.e. ten in total) and two from the only newcomer to the government, For New Generations (ZNG), were appointed in this reshuffle.

174. In Una-Sana, Party of Democratic Action (SDA) broke the coalition with the second strongest party there, Peoples' European Union (NES), and formed a new one with Social Democratic Party (SDP BiH), People and Justice (NiP), and Movement for Modern and Active Krajina (POMAK). Consequently, on 5 December 2023, the Una-Sana Cantonal Assembly elected a new Speaker from Movement for Modern and Active Krajina (POMAK) and appointed a new Government led by the Prime Minister from Party of Democratic Action (SDA) and consisting of ministers from Party of Democratic Action (SDA), Social Democratic Party (SDP BiH), and People and Justice (NiP). It is also important to note that the Anti-Corruption Office of the Una-Sana Canton was opened on 23 October 2023 in Bihać. While that is just the first step in the process, it is an important achievement in Canton's institutional and systematic efforts to combat corruption and ensure fairness and transparency.

175. In Zenica-Doboj, following Party of Democratic Action's (SDA) takeover of the parliamentary majority from the Troika and its partners, the process of government reconstruction was

finalized on 26 October 2023. The Cantonal Assembly appointed a new government consisting of five ministers from Party of Democratic Action (SDA), two from Democratic Front (DF), one from Peoples' European Union (NES) and three ministers nominated by the independent representatives.

176. All ten Cantons adopted their 2024 budgets. They vary from slightly less than BAM 67 million in the Posavina Canton to BAM 1.5 billion in the Sarajevo Canton.

177. The Zenica-Doboj Canton and the Una-Sana Canton adopted laws regulating public gatherings. The laws are compliant with applicable international standards on the right to freedom of peaceful assembly, including General Comment No. 37 of the United Nations Committee on Human Rights on Article 21 of the International Covenant on Civil and Political Rights (Right to Peaceful Assembly).

D. Municipalities/Cities

178. Citizens of the municipality of Stari Grad in Sarajevo elected their new Mayor, Irfan Čengić (Social Democratic Party – SDP BiH), on 29 October 2023, after they recalled the previous Mayor, Ibrahim Hadžibajrić (Peoples' European Union – NES), on 23 July 2023, following his arrest and confirmed indictment at Sarajevo Municipal Court. Mr. Čengić won nearly 63 per cent of votes, beating his opponent from Party of Democratic Action (SDA).

179. Another Sarajevo Municipality – Centar Sarajevo was also on the way to recalling the Mayor, Srđan Mandić (Our Party – NS), following an initiative led by People and Justice (NiP) in the Municipal Council. However, preparatory procedures for a referendum on the Mayor's recall failed and the referendum could not be organized in time prescribed by the relevant legislation, i.e. before the end of that calendar year.

IV. Developments Related to Republika Srpska

A. Executive authorities of the Republika Srpska

180. During the reporting period, the climate was influenced by the events occurring in the previous period. These events included the indictment and the subsequent trial of Republika Srpska President Milorad Dodik and Republika Srpska Official Gazette Acting Director Miloš Lukić for breaching obligations in office as indicated earlier.

181. The Republika Srpska Government held 23 regular sessions until 29 March 2024.

B. Republika Srpska National Assembly

182. In the same period, the Republika Srpska National Assembly held three regular and three special sessions, during which twenty-one laws were passed.

183. The decisions made by the Republika Srpska National Assembly in the previous reporting period are also coming into force. Although no problematic legislation was passed in the National Assembly during the reporting period, some contentious bills had already been introduced in the parliamentary procedure previously (first reading or public debate), awaiting a set time frame for their adoption. They include the Law on Referendum, the Law on Immunity, the Proposal Law on Special Registry and Publicity of the Work of Non-Profit Organizations, also known as the Foreign Agents Law, and the Election Law of the Republika Srpska. Out of these four laws, the Foreign Agents Law and the Election Law were passed in the first reading, while the other two (Referendum and Immunity) passed the public debate stage and are in line for final adoption.

184. During the previous reporting period, defamation was recriminalized and reintroduced into the Criminal Code of the Republika Srpska, which, along with two other laws, clearly bolsters authoritarian tendencies in the politics of the Republika Srpska. These developments help the Republika Srpska

authorities reduce civic liberties and allow politicians to act with impunity.

V. Public Security and Law Enforcement

185. The practice of inappropriate political interference in operational policing has not diminished during the reporting period.

186. In October 2023, the Herzegovina-Neretva Canton Independent Board released a public vacancy for the position of deputy police commissioner due to the impending retirement of the current deputy police commissioner. Following the completion of the vacancy procedure, the Board forwarded to the Herzegovina-Neretva Canton Minister of Interior the name of the selected candidate to replace the outgoing deputy police commissioner. However, to date, the Herzegovina-Neretva Canton Government has not completed the appointment procedure due to questions about the retirement records of the outgoing deputy police commissioner and related disagreements within the ruling coalition.

187. On 25 January 2024, the Independent Board of the Parliamentary Assembly of Bosnia and Herzegovina reviewed letters from the Directorate for Coordination of Police Bodies of Bosnia and Herzegovina and the Border Police of Bosnia and Herzegovina regarding amendments to the Law on Police Officials of Bosnia and Herzegovina. The Board supported efforts to find solutions for filling vacant positions within these agencies. The Board forwarded the materials, including the proposed amendments to the Law on Police Officials of Bosnia and Herzegovina, to the Joint Collegium of both the Parliamentary Assembly of Bosnia and Herzegovina and the Ministry of Security of Bosnia and Herzegovina.

188. The post of Police Director of the Federation of Bosnia and Herzegovina has been vacant since January 2019, and the post of Deputy Police Director has been vacant since February

2023. The Independent Board of the Federation of Bosnia and Herzegovina, responsible inter alia for recruiting the police director and deputy director, disbanded in August 2022. The Parliament of the Federation of Bosnia and Herzegovina has not appointed a new Independent Board.

189. In January 2024, the Zenica Doboje Cantonal Assembly removed three members of the Independent Board and appointed 'temporary' replacements, sparking sharp claims by opposition political parties of political interference in professional policing. In February 2024, the United States Embassy in Bosnia and Herzegovina wrote to the Zenica-Doboje Cantonal authorities questioning the commitment to police independence and professional policing. In March 2024, the Zenica-Doboje Cantonal Assembly appointed three new Independent Board members to four-year mandates. Media in the Zenica-Doboje Canton have carried claims of serious irregularities in the appointment. Also in March 2024, the Constitutional Court of the Federation of Bosnia and Herzegovina ruled that the Amendments to the Cantonal Law on Internal Affairs used in the procedure of removal of the previous Police Commissioner are unconstitutional due to the retroactive implementation of the amendments.

190. In February 2024, following several high-profile security incidents, a murder committed by an active police official in the Tuzla canton sparked protests by citizens, including demands for the resignations of the Cantonal Minister of Interior and the Police Director. On 15 February 2024, the Tuzla Cantonal Assembly held an urgent session, but evaluated the security situation as positive. An initiative to remove the Independent Board failed to secure enough votes, and no resignations took place.

191. In March, the Una-Sana Cantonal Assembly adopted extensive amendments to the Una-Sana Cantonal Law on Internal Affairs and the Law on Police Officials. The amendments introduced a new post of Deputy Police Director appointed by

the Una-Sana Cantonal Government outside the standard merit-based selection process. The amendments included other departures from the police independence model in the previous legislation. The Una-Sana Canton has been without a police commissioner (now director) since October 2022.

192. In March 2024, the Sarajevo Canton Minister of Interior formed an expert team for the prevention of crime and other security risks in Sarajevo in response to a worsening public security environment. Also in March, the Sarajevo Cantonal Assembly held a session devoted to addressing security concerns in the canton.

193. The mandate of the current Director of State Investigation and Protection Agency (SIPA) will expire in July 2024. It is expected that the Independent Board of the Parliamentary Assembly of Bosnia and Herzegovina will release a public vacancy for a successor to the post in late April.

VI. Economic and Social Developments

A. Economic Trends

194. Economic activity in Bosnia and Herzegovina has slowed down. The growth rate in Q3 was 1.9 per cent, substantially below the growth rate of 3.8 per cent in 2022. Economic indicators – such as foreign trade exchange and industrial production – confirm the slowdown. In 2023, Bosnia and Herzegovina's exports and imports dropped by 7.1 per cent and 3 per cent, respectively. Industrial production dropped by 8 per cent. Inflation was 6.5 per cent. Foreign direct investments in Q3 amounted to BAM 1.433 billion (up by 23.9 per cent compared to same period in 2022).

195. The social indicators improved but progress is merely statistical. In December 2023, the average net salary was BAM 1,297, an increase of 8.9 per cent compared to December 2022. The average pension of BAM 582 in the Federation of Bosnia and Herzegovina and of BAM 541 in the Republika Srpska increased

by 20.7 per cent and 13.8 per cent, respectively. Still, the income levels remain significantly below the average price of the basket of goods of over BAM 2,800 for a four-member family, suggesting that even those with steady incomes struggle to make ends meet. The number of unemployed persons in December 2023 was 343,500. This is a 3.9 per cent decrease compared to December 2022. The registered unemployment rate is about 28.7 per cent, while the real (labor survey-based) unemployment rate is about 13.1 per cent for Q2 of 2023. The number of employed persons is 852,813 (up by 0.9 per cent). The number of pensioners is 727,337 (up by 2.3 per cent).

196. The outflow of people has accelerated. The Union for Sustainable Return and Integration in Bosnia and Herzegovina estimated the number of those who have left Bosnia and Herzegovina in the period 2013-2023 at 600,000. According to population projections and youth emigration aspirations survey conducted by the United Nations Population Fund in Bosnia and Herzegovina, the total population decreases by approximately 45,000 people every year, of which over 20,000 are young, skilled people who emigrate abroad. This represents about 4 per cent of the total youth population. These population trends are likely to persist in the coming years and result in less dynamic post-emigration Bosnia and Herzegovina as the pool of young people available and willing to emigrate will shrink, while increased losses will result from increased mortality caused by the proportionally higher number of older people in the country. The infrastructure and health conditions will improve but cause doubts about the country's ability to withstand potential existential challenges.

197. Political instability and poor standards of living are quoted as the key factors that drive people away. As for the latter, according to Eurostat, indicators that measure the level of economic wellbeing of countries place Bosnia and Herzegovina at the European bottom. The Bosnia and Herzegovina Agency for Statistics published the results of the European

Price – Gross Domestic Product (GDP) Comparison Program, which show that, in 2022, GDP per capita in Bosnia and Herzegovina expressed in purchasing power standards was only 35 per cent of the European Union average, while the actual individual consumption per capita expressed in purchasing power standards was 41 per cent of the European Union average. An additional factor quoted as a reason for leaving the country is corruption. The Transparency International's Corruption Perceptions Index 2023 ranked Bosnia and Herzegovina as 108th of 180 countries. The Bosnia and Herzegovina rank is again the lowest in the region and the second worst in Europe.

198. The financial sector appears stable. According to the preliminary data, the banking sector in Bosnia and Herzegovina had a record profit in 2023, amounting to BAM 709 million. This is a 41.2 per cent increase over 2022.

199. The Ministry of Finance and Treasury of Bosnia and Herzegovina estimates Bosnia and Herzegovina's overall public debt at the end of Q4 of 2023 at BAM 12.95 billion, which is ca. 26.73 per cent of Bosnia and Herzegovina's GDP. Out of this amount, the foreign debt is BAM 8.92 billion (68.88 per cent) and the domestic debt is BAM 4.03 billion (31.12 per cent). The Federation of Bosnia and Herzegovina share in the overall debt is 50.97 per cent, the Republika Srpska share is 48.212 per cent, and the share of the State institutions and Brčko District is 0.47 per cent and 0.35 per cent, respectively.

200. On 2 February, the rating agency Standard & Poor's confirmed Bosnia and Herzegovina's sovereign credit rating of "B+" with stable outlook.

B. Fiscal Issues

201. There were no delays in debt servicing and regular budget payments in the reporting period. This was foremost due to the continued growth of indirect tax revenue, which accounts for

most budget revenue for all levels of government. In 2023, the Indirect Taxation Authority of Bosnia and Herzegovina collected BAM 10.640 billion. This is an increase of 7.19 per cent or BAM 714 million over 2022, which is a record collection of indirect tax revenue. The regular execution of financial commitments should also be attributed to borrowing, which is particularly excessive in the Republika Srpska.

202. It has become the practice that the 31 December deadline for the adoption of a State budget for the following year is not met. At the time of reporting, a State budget for 2024 was not even finalized by the Ministry of Finance and Treasury of Bosnia and Herzegovina, let alone adopted by the Parliamentary Assembly of Bosnia and Herzegovina. While this can be attributed to the eight-month delay in the adoption of the Global Framework of Fiscal Balance and Policy in Bosnia and Herzegovina for the Period 2024-2026 as the first step in the budget process at the State level, the 2024 budget preparation and adoption may also be held hostage to political party calculations.

203. While my Decision of 7 June 2022 secured uninterrupted temporary financing of the State institutions in the absence of a budget, temporary financing is only a stop-gap measure, as it restricts the amount of funds available to the State institutions and their scope of operations. Under the Constitution of Bosnia and Herzegovina, the responsible authorities have an obligation to ensure financing of the State institutions so they may fully discharge their constitutional and legal responsibilities. Thus, the problem of financing of the State institutions requires a sustainable solution.

204. The Federation of Bosnia and Herzegovina maintained its budget stability, which should be attributed to the sustained growth of indirect tax revenues and the continued domestic borrowing, mainly through the issuance of treasury bills and bonds. The Parliament of the Federation of Bosnia and

Herzegovina – at the House of Representatives session of 22 January 2024 and the House of Peoples session of 25 January 2024 – adopted the Budget of the Federation of Bosnia and Herzegovina for 2024 in the total amount of BAM 7.474 billion, an increase of BAM 537 million or 8 per cent over the rebalanced 2023 Budget.

205. The total domestic revenue is projected in the amount of BAM 5.978 billion, which is 6 per cent more compared to the 2023 budget and includes among others: indirect tax revenue in the amount of BAM 2.256 billion (up by 7 per cent), revenue from pension contributions in the amount of BAM 2.991 billion (up by 6 per cent), and non-tax revenue in the amount of BAM 618.8 million (up by 18 per cent). Current transfers and donations are planned in the amount of BAM 14.3 million (down by 82 per cent). Borrowings and receipts from financial assets are planned in the amount of 1.395 billion (up by 52 per cent), with plans to be covered through short-term and long-term domestic borrowings and international loans realized through the State. Funds for the construction of highways and expressways in the amount of BAM 101.3 million are also planned on the revenue side.

206. On the expenditure side, the budget foresees, among others, BAM 346.7 million for gross salaries and allowances (up by 12 per cent), BAM 44 million for employee contributions (up by 9 per cent), BAM 149.4 million for material and service expenditures (up by 19 per cent), and BAM 5.083 billion for current transfers (up by 7 per cent) that also include transfers for social and veterans' categories, pensions, economy, and lower levels of government. Expenditures for the acquisition of fixed assets are planned in the amount of BAM 66.6 million (up by 87 per cent). The Federation debt payment totals BAM 1.203 billion (up by 7 per cent), of which foreign debt totals BAM 750.4 million (up by 3 per cent).

207. The Republika Srpska maintained the stability of budget payments thanks to the sustained growth of public revenues and

the continued domestic borrowing. On 14 December 2023, the Republika Srpska National Assembly adopted the 2024 Budget in the amount of BAM 5.735 billion. This represents a 4 per cent increase compared to the 2023 Budget. More than half of the budget funds have been allocated for pensions and civil servant salaries, with BAM 1.785 billion and BAM 1.134 billion, respectively. The Government planned a budget deficit of BAM 201 million in 2024, which is 3.5 per cent of the total budget and 1.2 per cent of the estimated 2024 GDP of BAM 16.6 billion.

208. To meet its financial needs, the Republika Srpska Government plans to borrow BAM 952 million long-term and BAM 338 million short-term. It has also included a debt service of BAM 922 million in its budget. The Republika Srpska Government has been servicing its financial obligations regularly until now. However, the Republika Srpska operates in a fragile financial environment and finances almost a quarter of its regular budgetary needs through borrowing. The entity authorities will continue to borrow from the local capital market to cover the regular budgetary needs planned in the 2024 Budget. So far, the Government has raised BAM 130.5 million by selling securities through the Banja Luka Stock Exchange (BAM 50.5 million in 6-month Treasury Bills and BAM 80 million in 5-year Bonds). According to the Republika Srpska Ministry of Finance, the entity's total debt as of the end of September 2023 was BAM 6.3 billion, which is 41 per cent of the estimated 2023 GDP.

C. Specific International Obligations

209. Bosnia and Herzegovina has not rectified its non-compliance with the Energy Community Treaty due to which it has been sanctioned on and off by the Energy Community Ministerial Council since 2015. Despite the invitation extended to the country by the Council to step up efforts towards full compliance, no progress has been made to date.

210. Bosnia and Herzegovina is breaching the Treaty in six different cases (related to the areas of Electricity, Energy Efficiency, Infrastructure, Gas, Environment, and Third Energy Package). The most serious breach concerns the long-standing failure of Bosnia and Herzegovina to establish a gas sector regulator at the State level, which the Republika Srpska persistently rejects. Also, Bosnia and Herzegovina has the highest overall number of cases/breaches and the lowest implementation of obligations stemming from the Treaty with a score of 35 per cent. The Ministerial Council, during its regular annual meeting held on 14 December 2023, again called upon all Contracting Parties to accelerate the full and swift implementation of the Acquis Communautaire in all areas and announced infringement procedures to accelerate this process.

D. Sustainable Development Goals

211. Following the first presentation of first Voluntary National Review by Bosnia and Herzegovina at the High-Level Political Forum in New York in 2019, the country adopted the most important document for the implementation of Agenda 2030 since 2007, the first country-wide strategic vision on sustainable development: Sustainable Development Goals Framework in Bosnia and Herzegovina, endorsed by State, entity and Brčko District authorities in April 2021. Significant efforts have been made across all levels of government to align and harmonize key development strategies with the framework.

212. The presentation of the second Voluntary National Review in July 2023 at the High-Level Political Forum in New York detailed the impacts of the COVID-19 pandemic, war in Ukraine and record inflationary pressures on SDG progress. It also detailed the strong efforts being made to improve vertical cooperation and coherence across different levels of institutions, as well as the benefits of horizontal exchange of best practices, especially between local communities and different stakeholders. Despite the complex institutional

structures in Bosnia and Herzegovina, an ambitious SDG localization process was launched, also seeking to engage the private sector, citizens and academia to help accelerate SDG progress.

213. Specific achievements include the work of the SDG Financing Working Group to recommend options for mobilizing innovative financing, including with the private sector, for accelerating the SDGs. Progress was made in digitalization, energy transition and efforts to bring new jobs and environmental protection opportunities. Areas of further focus included investment in research and development, science and technology. The SDG Business Pioneers Award was established with the private sector, and similar awards were created for the most progressive leaders in local communities and the academic sector.

214. Bosnia and Herzegovina has actively promoted regional cooperation on SDGs and Agenda 2030. Examples include the meeting of the states of the European Union Adriatic-Ionian macro-region focusing on a mid-term evaluation of the progress in achieving the SDGs, the annual meetings of the Western Balkan experts, launched at the end of 2021, activities within the Central European Initiative, and active participation in the annual Regional Forum on Sustainable Development in Geneva.

E. Problems of Specific State Legal Entities

Electricity Transmission Company of Bosnia and Herzegovina

215. The appointment of members of the management and the management board of the Electricity Transmission Company of Bosnia and Herzegovina is awaiting its resolution and the procedure for more than six years, while the current office holders continue to carry out their responsibilities in an acting capacity. First steps towards new appointments were taken at the end of February, when the vacancies for the

General Manager and the Executive Directors were finally published. The vacancies for the Management Board are still in process. Prolonging the appointment may eventually affect the work and decision-making of this company to the detriment of the country and all its citizens.

216. As a reminder, the company was established by the Law Establishing the Electricity Transmission Company of Bosnia and Herzegovina, adopted by the Parliamentary Assembly of Bosnia and Herzegovina in 2004, following the June 2003 agreement between the two Entities regulating the issue of the establishment of a joint transmission company and independent system operator at the state level, based on Article III (5) (b) of the Constitution of Bosnia and Herzegovina.

Public Railways Corporation of Bosnia and Herzegovina

217. The Public Railways Corporation of Bosnia and Herzegovina remains underfunded despite being the only mechanism for a harmonized approach to reconstructing railway routes in the country. The cause of its financial vulnerability is the full dependence on entity financial transfers that have proven unreliable. While the Federation respects its payment obligations, the Republika Srpska continues contributing below its share of 40 percent. The Corporation has resorted to reserves to cover the budget gaps but those have now been exhausted. This puts at risk the ability of the Corporation to settle its financial obligations, including salaries and operational expenses.

218. The downward trend in financing over the last years has already affected the work and stalled the development of the Corporation to the detriment of the country's economy and all its citizens. Should the financial uncertainty and restraints continue, there is a risk to the sustainability of the Public Railways Corporation of Bosnia and Herzegovina as the only corporation established under Annex 9 of the General Framework Agreement for Peace.

Financial Sustainability of the Public Broadcasting System

219. The Public Broadcasting System (PBS) faces significant financial challenges, particularly following the expiration of the agreement for RTV tax collection at the end of 2023. The Bosnia and Herzegovina Radio-Television (BHRT), one of the main public broadcasters, did not renew its agreement with the power company Elektroprivreda Bosnia and Herzegovina and the Radio-Television of the Federation of Bosnia and Herzegovina (RTFBiH), citing violations of the Law on Public Broadcasting System due to misallocation of funds by the entity broadcasters. The Republika Srpska Radio-Television (RTRS) has been independently collecting the RTV tax since 2017 without contributing to BHRT, leading to a lawsuit from BHRT for some BAM 85 million. In the Federation of Bosnia and Herzegovina, RTV tax collection is at about 56 per cent of households, with notable non-payment in western Herzegovina. RTFBiH, which manages these funds, has been retaining a portion intended for the Republika Srpska Radio-Television, further complicating the situation.

220. The issue of fund collection and distribution remains contentious. In early 2024, BHRT proposed a new method of tax collection with Elektroprivreda Bosnia and Herzegovina, which RTFBiH rejected as illegal under the Law on PBS. However, a breakthrough occurred on 29 February 2024, when BHRT and RTFBiH agreed with Elektroprivreda Bosnia and Herzegovina to resume tax collection from March 2024, though the issue of equitable fund distribution is still unresolved and further 60 days were given to BHRT and RTFBiH to come to an agreement. Additionally, on 27 February, the international community wrote to the Parliament of the Federation of Bosnia and Herzegovina to express concerns arising from the fact that RTFBiH has been operating with only one of four members of the Governing Board for more than 10 years, and to ask the Parliament to fulfill its responsibility and appoint Board members so that this body, part of the PBS System Board, could

function properly.

221. This situation is critical regarding Bosnia and Herzegovina's efforts to meet the European Union's 14 priorities, which include ensuring the financial sustainability of the PBS. The proposed solutions include short-term measures for immediate stability and long-term strategies such as legislative changes and internal restructuring for PBS efficiency.

VII. Developments Related to Annex 8

222. Following decisions by the Presidency of Bosnia and Herzegovina in early 2000s, the Commission to Preserve National Monuments worked well with five professional expert members, including two international and three local members (two from the Federation of Bosnia and Herzegovina and one from the Republika Srpska). In 2016, the Presidency of Bosnia and Herzegovina decided not to fill the two international positions in the Commission. At the same time, a new rule was introduced whereby the presence of the three domestic members constituted a quorum for work and decision-making. Despite advocacy from the international community at the time, the remaining two members have not been appointed to the Commission to date. The 2016 decision of the Presidency of Bosnia and Herzegovina was temporary as it was supposed to be applicable until 30 May 2017. Nevertheless, the quorum and decision-making rules (presence of three and consensus of three) were incorporated in the Commission rules of procedure, which are still applicable.

223. The Commission currently has three domestic members. This situation impacts the Commission's ability to function. In addition, the independence of the Commission is compromised as two of its members are active members of political parties and were included in the candidates' list for the 2022 elections to the cantonal assemblies.

224. In the reporting period, there were no changes regarding the situation and functioning of the Commission. The last session of this Commission was held on 27 February 2024.

VIII. Media Developments

Intimidation of journalists

225. The intimidation of journalists continues to be a major problem, especially in the Republika Srpska. Denying access to information and governmental institutions to journalists who are not aligned with the ruling party remains a frequent practice. Several pieces of new Republika Srpska legislation risk curtailing media freedom.

Regulatory changes

226. The mandate of the members of the Governing Council of the Communications Regulatory Agency of Bosnia and Herzegovina expired at the end of 2017. In March 2024, the Council of Ministers of Bosnia and Herzegovina established a candidates list and submitted it to the Parliamentary Assembly of Bosnia and Herzegovina to carry out the appointment procedure for new members of the Governing Council, but it is yet to be finalized. The delay in appointing the Council indicates political factors are at play. This prolonged interval since the previous Council's mandate expired in December 2017 suggests significant political influence in what should be a procedural appointment, raising concerns about the independence and neutrality of this regulatory body crucial for fair governance in the communication and broadcasting sectors.

227. In terms of its operations, on 26 January 2024, the Communications Regulatory Agency made a public call for the allocation of a license for Multiplex C to optimize available capacities for digital broadcasting. This is an addition to the already established Multiplex D within which 18 stations already broadcast digitally. Communications Regulatory Agency

also granted a license for Multiplex 1 for digital radio, enabling commencement of digital radio broadcasting.

Digitalization Progress

228. The digitalization process is advancing through two Multiplexes. Multiplex A, primarily for public broadcasters, saw an expedited procurement procedure – finalized in January 2024 with the signing of an agreement between the Ministry of Communications and Transport of Bosnia and Herzegovina and the consortium of companies from Banja Luka and Zagreb – for the procurement of equipment for digital transmission and broadcasting of public radio and television services in Bosnia and Herzegovina, i.e., equipment necessary to finalize the Digitalization Project (Phases II and III). Meanwhile, according to the Communications Regulatory Agency, Multiplex D is on track to cover 90 per cent of Bosnia and Herzegovina's territory with digital terrestrial signals by the end of the year, currently hosting 17 TV stations, with an ongoing invitation for new participants.

IX. European Union Military Mission in Bosnia and Herzegovina

229. The unanimous approval of United Nations Security Council on 2 November 2023 to extend the EUFOR Althea Mission was of utmost importance for peace and stability in Bosnia and Herzegovina. The international community cannot permit a security vacuum to develop in Bosnia and Herzegovina.

230. The EUFOR Althea Mission is needed now more than ever. Visibility and mobility of the deployed EUFOR troops and availability of the intermediate reserve forces (IRF) for EUFOR Althea remain essential given the challenging political situation in Bosnia and Herzegovina and the associated security risks. EUFOR also monitors military facilities and arms factories based on a detailed inspection plan. Arms control is one of EUFOR's main tasks in creating a safe and secure environment and is carried out in close coordination

with the relevant ministries. According to Annex 1-A, Article I and II, and Annex 1-B, Article I, II and IV, of the General Framework Agreement for Peace, all parties are committed to arms control and have agreed to cooperate with international organizations.

231. Since the invitation to the NATO Membership Action Plan (MAP) in 2010, the Armed Forces of Bosnia and Herzegovina have continuously evolved to become a reliable partner in the Euro-Atlantic security architecture. Although the Armed Forces of Bosnia and Herzegovina is a crucial State-level institution where cooperation within the multi-ethnic structure functions best, its operational and command capabilities remain dependent on the support of strong NATO and European Union partners.

X. Office of the High Representative Operations

232. While the Office of the High Representative has faced substantial reductions to budgets and staff over the last few years, its remaining tasks have not decreased commensurately. The current annual operating budget of the organization is EUR 5.8 million. Collecting budgeted funds remains challenging, with more than EUR 600,000 of the budget expected to be uncollected in the current operating period. As previously noted, the Russian Federation suspended its contribution to the Office of the High Representative budget in February 2022 and this remains their position. The Office of the High Representative employs 73 national staff and 20 internationals, of which 16 are seconded in Sarajevo and its regional and field offices.

233. To achieve progress on the 5+2 Agenda, a robust and efficient Office of the High Representative is indispensable. Its capacity to fulfill the mandated responsibilities is restricted without the appropriate resources. This financial situation is counterproductive to the goals established by the Steering Board of the Peace Implementation Council and could

threaten the core mandate of the Office of the High Representative.

234. As 2025 will be the 30th anniversary of the Srebrenica Genocide and the peace in Bosnia and Herzegovina through the General Framework Agreement for Peace, I am planning to work on a high-level political evaluation conference and a new approach to General Framework Agreement for Peace implementation and European Union integration.

XI. Reporting Schedule

235. I submit this report in accordance with the requirement in UN Security Council Resolution 1031 (1995) for the High Representative to submit regular reports to the Secretary-General for transmission to the Security Council. Should the Secretary-General or any member of the Council require further information, I am at their disposal. The next regular report is scheduled for November 2024.