

69th Report of the High Representative for Implementation of the Peace Agreement on Bosnia and Herzegovina to the Secretary-General of the UN

▪ General Assessment/Executive Summary

This report covers the period from 16 October 2025 to 15 April 2026. As stated in previous reports, the overall security situation in Bosnia and Herzegovina, a country torn apart by armed conflict only three decades ago, remains stable but fragile. Notwithstanding, the stabilizing role of the European Union Force (EUFOR) in close cooperation with my Office remains relevant in this respect. While disputes and differences, some of them rooted in the conflict of the nineties, remain confined to the political sphere, the need to transform military power into complex political structures referred to in previous reports continues to highlight the critical importance of both military and civilian aspects of the General Framework Agreement for Peace in Bosnia and Herzegovina. All the more so as ongoing disagreements over the General Framework Agreement continue to affect the functioning of the institutions of Bosnia and Herzegovina, slowly leading to their deconstruction. This trend was aggravated during the reporting period by a climate of distrust stemming from divisive and degrading narratives aimed mainly at one constituent group.

Intending to leave domestic actors the space they need, the international community's policy has focused, over the last few months, on domestic ownership. Unfortunately, political leaders were unable to depart from their entrenched positions and engage in constructive dialogue on issues that are critical for Bosnia and Herzegovina as a whole. The respite observed in the second half of 2025, following the political crisis in the first half of the year, has therefore not translated into any major breakthroughs on the European Union agenda, with the early elections in the Republika Srpska and campaigning for the 2026 general elections increasingly dictating the pace. Nor was there any progress on the issue of State Property, which has become a major obstacle to economic development in the Federation of Bosnia and Herzegovina.

The territorial integrity of Bosnia and Herzegovina continues to be questioned by the Republika Srpska leadership whose increasingly confrontational political rhetoric openly targets Bosniaks on ethnic and religious grounds.

The stalling of state institutions has continued to be used by those advocating for the devolution of powers to sub-state levels of government to expose that Bosnia and Herzegovina is not viable. While considerable progress was achieved during the first decades of implementation of the General Framework Agreement for Peace and the Constitution of Bosnia and Herzegovina in building and consolidating functional State institutions, this momentum has come to an end. As we enter the fourth decade of our engagement, the institutions created to enable the country to function as a sovereign state are held hostage by actors seeking to strengthen sub-state institutions, mainly in the Republika Srpska. This is

happening in a context where Bosnia and Herzegovina retains one of the most decentralized federal systems in Europe and maintains the need for participation of constituent Peoples and Entities in its decision-making. In this context, the Republika Srpska unwillingness to appoint judges to the Constitutional Court of Bosnia and Herzegovina and its rejection of many of its decisions continue to cast doubt on its willingness to operate within the General Framework Agreement for Peace. The Constitutional Court constitutes the only domestic authority that can decisively arbitrate disputes between authorities in Bosnia and Herzegovina and many of its decisions over the reporting period addressed past challenges to the institutions of Bosnia and Herzegovina by the Republika Srpska authorities.

Nowhere has this trend been more visible than in the upper Chamber of the Parliamentary Assembly of Bosnia and Herzegovina, the House of Peoples, where the quorum rules requiring a majority of all representatives of each Constituent People to be present to hold a session have been used as a blockage mechanism. All pieces of legislation recently adopted by the House of Representatives are awaiting adoption by the House of Peoples, including those that must be adopted before the first intergovernmental conference can be held to commence accession negotiations with the European Union. Other institutions of Bosnia and Herzegovina have also been experiencing politically motivated obstruction of their work or decision-making, thereby preventing them from fully discharging their constitutional and legal responsibilities.

The budget of the institutions of Bosnia and Herzegovina has long been the main tool used to weaken them. This trend has continued throughout the reporting period: the institutions of Bosnia and Herzegovina were on temporary financing throughout

2025 and then again as of January 2026. The use of budget adoption to weaken and, at times, incapacitate the institutions of Bosnia and Herzegovina is also reflected in the inadequate financing of these institutions. For more than a decade, their budget has remained at about the same level despite their growing obligations and inflation. By contrast, both Entity budgets have continued to increase significantly. The chronic lack of adequate financing for institutions of Bosnia and Herzegovina has caused problems across the board, including, first and foremost, in the defense and security sectors.

During the reporting period, the financial difficulties encountered by the Public Broadcaster of Bosnia and Herzegovina, BHRT, came to a head, illustrating once more that institutions created at the State level cannot survive financially when under constant attack by the Entities. The inability of local authorities to address BHRT's financial situation could lead to the State Broadcaster ceasing operations, another step in the process of creeping deconstruction of the State's institutionality. More generally, it highlights the failure of a system that defines the relationship between the three public broadcasters (one Country-wide Public Service Broadcaster, two entity public service broadcasters, and a Joint Operations Division) and sets minimum standards for program makers. This system was established to prevent the deterioration of broadcasting principles, which contributed to the outbreak of the war in Bosnia and Herzegovina in the early 90s. The State Broadcaster, unlike its entity counterparts, had thus far managed, despite serious management problems, to maintain a certain degree of political independence.

The system put in place by the General Framework Agreement for

Peace could function well enough if there were the will to make it work. The problem Bosnia and Herzegovina is facing today stems from the fact that some of the leading political elites are primarily interested in consolidating their political grip on institutions and undermining the system's capacity for checks and balances, rather than compromising for the sake of the country's progress towards more efficient institutions, rule of law and, ultimately, European integration. In that context, the absence of accountability leads to the "quiet collapse" of democratic standards, weakening the mechanisms that should be based on transparency, legal oversight, and electoral scrutiny. Corruption remains a serious and persistent problem in Bosnia and Herzegovina, deeply embedded in both public institutions and everyday life. This is reinforced by low trust in public institutions, widespread perceptions that officials are corrupt, and weak enforcement of anti-corruption measures. The gap between reported corruption cases and judicial outcomes reinforces perceptions of selective justice and impunity, further eroding public confidence in the legal system.

It is important to realize that the General Framework Agreement for Peace and the Constitution of Bosnia and Herzegovina continue to be the foundation upon which the country can progress. Although many in and outside Bosnia and Herzegovina have called for a new constitutional framework, I see such calls as little more than attempts to justify non-implementation of the existing framework. The recent debate about the establishment of a third entity has exposed the sensitivity of those attacks against the constitutional order and the attempts to further divide Bosnia and Herzegovina along ethnic lines.

Narratives that lie behind, which include projecting Bosnia

and Herzegovina as the theatre of a clash of civilization where Christianity has been under attack by radical Islam over the last 30 years, serve the same purpose. The attempt to destroy the multiethnic, multi-religious and multicultural character of Bosnia and Herzegovina and what is left of confidence between Constituent Peoples and citizens and to annihilate the prospect of reconciliation lies at the core of these statements, which have gained new momentum since the start of the hostilities in the Middle East. In that context, the issue of foreign influence has been deliberately exaggerated to deepen divisions in the country. The purpose of such narratives is to stimulate certain political reflexes abroad in addition to deepening divisions in Bosnia and Herzegovina, a corrosive strategy overused by some politicians to stay in power and strengthen their grip on institutions and resources.

The dispute over cultural institutions of Bosnia and Herzegovina should also be seen in that context. Without denying the competence of the Entities in cultural matters, I consider that the persistent refusal of State institutions to address the status and financing of institutions such as the National and University Library of Bosnia and Herzegovina must be seen as an attempt to question the cultural identity of the country as a whole. Three decades after the signing of the General Framework Agreement for Peace, political actors continue to evade responsibility for anchoring institutions established generations ago to preserve and promote Bosnia Herzegovina's cultural heritage within the post-Dayton legal and political order.

The reporting period has seen early elections for the President of the Republika Srpska held on 23 November, with repeated elections for the same on 8 February 2026.

Politically, these elections constituted a test for the upcoming General Elections, to be held in October 2026.

As previously noted, the Central Election Commission of Bosnia and Herzegovina scheduled early elections for the President of the Republika Srpska for 23 November 2025, following the termination of the mandate of the outgoing President, Milorad Dodik, by a final and binding decision of the Court of Bosnia and Herzegovina of 12 June 2025 in the criminal trial against him.

After determining that the elections for the President of Republika Srpska gave the ruling party an undue advantage and were marked by widespread fraud, the Central Election Commission of Bosnia and Herzegovina annulled the results in 17 electoral units (municipalities and cities) at 136 polling stations (6%). The repeated elections at these polling stations were held on 8 February 2026, with the ruling coalition candidate winning a mandate by a slim majority. The conduct of early elections exposed serious weaknesses in election integrity, particularly in voter identification, through false impersonation or voting without valid identification cards. These irregularities revealed, once again, fundamental shortcomings that, as explained above, call into question the functioning of elections as a means of guaranteeing democratic accountability through the free and unimpaired expression of the voters' will.

Introducing additional safeguard mechanisms to ensure election integrity, including technologies for voter identification and vote counting, is therefore essential for free and fair elections in the country. Building on the pilot projects conducted in 2024, the international community has continued

to support the domestic election authorities in their introduction. The implementation of my Decision of July 2025, which, among other things, identified the source of financing for their introduction, was obfuscated by the Minister of Finance and Treasury of Bosnia and Herzegovina (SNSD). Given the lack of progress on this issue and the resulting delay, I had to issue an authentic interpretation of my Decision to enable the procurement of equipment.

The institutional support provided by the authorities of Bosnia and Herzegovina to the Central Election Commission has not always been sufficient, making the Central Election Commission's achievements even more remarkable. In close consultation with the member states of the Steering Board of the Peace Implementation Council, the Organization for Security and Co-operation in Europe (OSCE) and the European Union, I will continue to follow the efforts of the election authorities of Bosnia and Herzegovina in that respect ahead of the General Elections in October. I can only welcome the converging views of the international community on the importance of the integrity of elections in the country.

The introduction of technologies cannot, in itself, correct all the irregularities observed in the last general and local elections. The practice of maintaining power through a strong patronage network tied to public-sector employment was also identified as a weakness in the system in place, as was the use of public resources for electoral purposes, both of which weaken elections as a means of securing political accountability.

The media freedom environment in Bosnia and Herzegovina, particularly in Republika Srpska, remains constrained.

Political influence over public broadcasters and segments of the private media sector continues to limit pluralism and weaken editorial independence. Intimidation of journalists also remains a concern, including legal pressure, hostile rhetoric from senior officials, and restricted access to official events, contributing to sustained deterrent effect on critical reporting. In addition, recent cuts by international donors have had a detrimental impact on smaller media outlets and have had a negative effect on the pluralism of news sources and independent reporting.

The outstanding dispute over State Property is another factor that contributes to stagnation in Bosnia and Herzegovina. I remain convinced that creating the conditions for the use of state property for public-interest development projects is urgent. A situation in which investment projects affecting state property are legally impossible or require public authorities ready to ignore the law, is not sustainable. The Federation of Bosnia and Herzegovina is the primary victim of the absence of a solution at the State level that satisfies the principles established by the Constitutional Court of Bosnia and Herzegovina. I remain convinced that opening that Entity and the wider country to domestic and foreign investment through a solution to the State Property issue in line with these principles would contribute to changing the prevailing political dynamic in a positive way and should therefore be a priority.

Let me conclude by saying that, in spite of the ongoing deconstruction of the institutional order of Bosnia and Herzegovina, there is also a story of remarkable societal resilience, in which citizens endured decades of divisive politics and irresponsible governance and often succeeded in moving the country forward. With continued assistance from the

international community, citizens and organizations – from the private sector, civil society, or local government – can be the catalyst the country needs to break the stagnation.

I. Situational Update

1. On 18 October 2025, the Republika Srpska National Assembly annulled a series of laws that challenged the constitutional order of Bosnia and Herzegovina, and appointed Ana Trišić-Babić as the Acting President of the Republika Srpska. Her tenure ended on 17 February 2026, when Siniša Karan was sworn in as the elected President of the Republika Srpska following the repeated early elections. The moves in October 2025 broke the political deadlock and enabled the Republika Srpska to re-engage with the international community, while earlier secessionist policy and actions had been rebranded as “calls for the original Dayton,” implying the undoing of all reforms achieved and agreed upon in the post-Dayton period. These steps, notwithstanding, the leadership of the Republika Srpska continued to challenge the General Framework Agreement for Peace in Bosnia and Herzegovina, including by signing a lobbying contract indicating the independence of the Republika Srpska as the ultimate goal. Even if not cast as a direct challenge to State-level institutions, the Republika Srpska Government’s political actions were often designed to disable or undermine State institutions, through blocking necessary legal or administrative decisions. Further polarization during the reporting period was also due to the charged atmosphere during the protracted early elections for the President of Republika Srpska, as well as the run-up to the October 2026 General Elections.

2. Recent rhetoric from the Alliance of Independent Social Democrats (SNSD) party leader, Milorad Dodik – now acting free of institutional constraints, most evident in his remarks at the April 2026 Donja Gradina commemoration – has signaled a return to more explicit secessionist narratives. By framing the “unity of the Serb people” as a geopolitical inevitability, he portrayed the Republika Srpska in a transitory phase toward a permanent state union with Serbia. This may be a sign that SNSD’s ideological campaign is returning to a more aggressive secessionist footing to mobilize the electorate for the October 2026 General Elections. Describing the pursuit of secession as a moral and security imperative, alongside frequent references to “one united Serb nation,” underlines a quest to delegitimize the State of Bosnia and Herzegovina and frame it as an inherent threat to the Serb people. Should this line of thinking be pursued further, it would indicate that the deadlock within Bosnia and Herzegovina goes beyond political or legal issues.
3. As previously noted, the Central Election Commission of Bosnia and Herzegovina scheduled early elections for the President of the Republika Srpska for 23 November 2025. Holding early elections was a legal obligation arising from the termination of Milorad Dodik’s mandate, pursuant to the final and binding decision of the Court of Bosnia and Herzegovina issued on 12 June 2025 in the criminal proceedings against him.

Early elections for the President of the Republika Srpska gave an undue advantage to the ruling party and were marked

by widespread fraud, resulting in the annulment of the results by the Central Election Commission of Bosnia and Herzegovina in 17 electoral units (municipalities and cities) at 136 polling stations (6%). The repeated elections at these polling stations were held on 8 February 2026 with the ruling coalition candidate winning a mandate by a slim majority. The conduct of early elections exposed serious weaknesses in election integrity, particularly in voter identification, through impersonation or voting without valid identification documents. As already noted in my previous reports, introducing additional safeguard mechanisms for election integrity is essential for ensuring free and fair elections in the country. There have been persistent allegations of systematic vote buying and other irregularities.

4. My Decision of July 2025 was primarily aimed at preventing enforcement actions against state institutions arising from a debt incurred by the Republika Srpska, while also introducing measures to enable the rollout of election technologies—measures whose implementation continues to face persistent obstruction (see paragraphs 26-33 in my previous report). Most recently, notwithstanding the clearly established legal basis, the carryover of unspent funds into the current fiscal year was not authorized by the Minister of Finance and Treasury of Bosnia and Herzegovina. This development has contributed to delays in implementation and may affect the timely procurement of election technologies for the 2026 General Elections. The situation was resolved on 24 February 2026 through the issuance of an authentic interpretation of the Decision, which, *inter alia*, explicitly authorized the Deputy Minister of Finance and Treasury to sign the order and facilitate the transfer of funds.

5. Albeit delayed, the procurement process for the introduction of election technologies at the next General Elections is ongoing. The appeal process against the Central Election Commission's Decision on the selection of the best bidder is about to be concluded. Election integrity, built on the Election Law amendments I issued in 2023 in line with the recommendations of the OSCE Office for Democratic Institutions and Human Rights, has been widely accepted. The primary objective is to increase voter confidence in free, fair, and transparent elections.

A. Five Objectives and Two Conditions

- Progress of the Objectives

6. There was no progress in resolving the issue of State Property during the reporting period. The apportionment of state property between levels of government remains outstanding, continuing to hinder Bosnia and Herzegovina's economic development. In the current political context – marked by the rejection by the Republika Srpska authorities of relevant decisions of the Constitutional Court of Bosnia and Herzegovina – it is highly unlikely that a comprehensive State-level solution can be achieved in the short to medium term. This is despite sustained and consistent engagement by the international community to encourage domestic institutions to act in line with the legal framework and to reach a solution, including ahead of the electoral campaign.

7. In the Brčko District, the general positive trend continued in the reporting period, notwithstanding a current attempt by the Republika Srpska to extend its activities in the District, which represents a deviation from the full and faithful implementation of the Final Arbitral Award. Despite the successful conclusion of the October 2024 Local Elections, progress across local development projects is yet to reach the pace seen several years ago.
8. Fiscal sustainability of the institutions of Bosnia and Herzegovina remained fragile, as the State institutions operated on temporary financing for most of 2025 and again from January 2026 onwards. The less-than-satisfactory performance of the Indirect Taxation System Governing Board further underscored risks to institutional functionality and financial stability, negatively affecting a range of issues including the opening of the newly built Gradiška Border Crossing.
9. No progress has been achieved regarding the adoption of the new Law on the High Judicial and Prosecutorial Council of Bosnia and Herzegovina and the new Law on Courts of Bosnia and Herzegovina. The prolonged absence of meaningful progress in rule-of-law reforms continues to cast doubt on the country's ability to build on previous reforms and consolidate the independence of institutions crucial to the proper administration of justice.

- Objective 1 and 2: State and Defense Property

10. In accordance with the established jurisprudence of the Constitutional Court of Bosnia and Herzegovina, a state-level law is required to regulate the apportionment of state-owned property and public goods between the State and other levels of government. The Office of the High Representative continues to follow the issue closely and, drawing on its longstanding legal and practical experience, remains ready to support domestic authorities with proposals grounded in these legal principles. The central challenge remains not one of technical interpretation, but the continued refusal by the Republika Srpska authorities to acknowledge and implement the decisions of the Constitutional Court of Bosnia and Herzegovina.
11. On 3 November 2025, a group of delegates submitted to the House of Representatives of Bosnia and Herzegovina a Proposed Law on State Property. During the discussion, the proponents emphasized the urgency and importance of a systematic, comprehensive solution to the issue of State Property. The Proposed Law regulated that the State of Bosnia and Herzegovina is the titleholder of the right of ownership over the entire State Property, while Entities and other levels of authority in Bosnia and Herzegovina “can manage and use, or own, that State Property that is needed for execution of their respective competences” and was rejected by political parties from the Republika Srpska as well as by representatives of the Croat Democratic Union (HDZ BiH).
12. As mentioned in my previous report, the unresolved issue of State Property continues to pose a significant

barrier to the economic development of Bosnia and Herzegovina, affecting development and investment projects across key sectors such as transport and communication, renewable energy, mining and agriculture. This is particularly the case in the Federation of Bosnia and Herzegovina, where the authorities are making serious efforts to abide by the relevant decisions of the Constitutional Court of Bosnia and Herzegovina and the Law on the Temporary Prohibition of Disposal of State Property (State Property Disposal Ban), while the Republika Srpska authorities continue to openly flout them. Consequently, there have been increased calls by domestic authorities in the Federation of Bosnia and Herzegovina for a swift “unblocking” of projects, including State Property, proposing amendments to or even abolishment of the State Property Disposal Ban.

13. Renewed calls were made during the reporting period for the use of the High Representative’s powers to remove obstacles to investments. At its 18th regular session, held on 29 January 2026, the House of Peoples of Bosnia and Herzegovina discussed State Property during which the Minister of Justice of Bosnia and Herzegovina was invited to report on the problems faced by local communities regarding the unresolved issue of State Property. Minister of Justice underlined the magnitude of the problems that local communities face in practice, as the lack of regulation of State Property has adverse effects on investment and development projects. Similarly, the Association of Municipalities and Cities in the Federation of Bosnia and Herzegovina held a regular session of its Presidency on 25 February 2026, where the mayors identified the unresolved issue of State Property as a major hindrance to infrastructure investments and the issuance of construction permits,

resulting in significant budgetary losses for local self-government units.

▪ Objective 3: Completion of the Brčko Final Award

14. During the reporting period, the Office of the High Representative and the Brčko District Supervisor continued to engage at the expert and political level in efforts to promote good governance, economic growth and infrastructure development.
15. The issue of "The Serb House", i.e. the property bought by the Republika Srpska Government Catering Service to extend its activities in the District, has not yet been resolved. As a reminder, the Republika Srpska Government Catering Service is an expert service of the Government of the Republika Srpska meant to provide catering services to the Government and other institutions of the Entity, if approved by the Government of the Republika Srpska.
16. The Supervisor communicated his position to the District authorities and the Government of the Republika Srpska in two letters sent on 31 July and 22 September 2025. He recalled that the Final Arbitral Award provides that *[n]either entity will, however, exercise any authority within the boundaries of the District, which will administer the area as one unitary government*. This provision is further reinforced by the Statute of the Brčko District, whose Article 1 establishes the fundamental principle that the *Entities shall exercise within the District only those functions and powers*

assigned to the Entities by this Statute as written at the time the Statute enters into force.

17. The Secretariat-General of the Government of the Republika Srpska informed about its intention to request the approval of the District Government for the Republika Srpska Government Catering Service to perform activities in the territory of the District. Since no provision of the Statute of the Brčko District authorizes the Brčko District Government to issue such an approval, the Supervisor called upon the Government of the Republika Srpska to reconsider its purchase, Nevertheless, on 20 February 2026 the Republika Srpska Government Catering Service officially requested the District Government to issue an approval for the establishment of its branch office unit in the District.
18. Since the issue has raised concerns among Bosniak and Croat authorities and citizens in the District and throughout the country, and has triggered various public statements and reactions, the Supervisor communicated the issue to the Presiding Arbiter, Ambassador Clint Williamson.
19. The representatives of the executive and legislative authority in the District, Mayor Siniša Milić (SNSD), Deputy Mayor Anto Domić (HDZ BiH), Chief Coordinator of the Government Esed Kadrić (SDA), Brčko District Assembly Speaker Damir Bulčević (NiP), and the Deputy Speaker Ivo Filipović (HDZ BiH), issued a joint statement on 3 March 2026, clearly and unequivocally confirming their absolute commitment to preserving the political stability and institutional functionality of

the Brčko District.

20. They reaffirmed their commitment to act in accordance with the Final Arbitral Award and the Constitution, and to implement key reforms, strengthen economic development and improve infrastructure. They emphasized that the Brčko District institutions are capable of and responsible for solving all issues that are within their competence independently, through dialogue, agreement and consensus, respecting the fundamental principles on which the Brčko District is based.
21. They called on other levels of government in the country to refrain from activities and statements that do not contribute to the stability and implementation of policies agreed by the Brčko District institutions.
22. Encouraged by the interest expressed by a group of businessmen from the United States, the Brčko District leadership undertook action to meet legal requirements for the establishment of the Brčko District Stock Exchange. A new Law on the Securities Market was adopted and subsequently published on 4-8 April 2026. The Brčko District Stock Exchange is expected to boost investment, create jobs, and drive growth, not only in the District but across Bosnia and Herzegovina.
23. Since the current District authorities seem more determined to finalize the public administration and civil service reform, i.e., to finalize the new Law on Public Administration and the new Law on Civil Servants and Employees in the institutions of the Brčko District,

representatives from the executive and legislative authorities, encouraged by the Brčko District Supervisor, decided to engage in working together with the working groups and in coordination with Delegation of the European Union in Bosnia and Herzegovina and the Office of the High Representative on the main requirements of the said legislation. To that end, the Supervisor facilitated a joint meeting that brought together on 14 October 2025 the Brčko District leadership, representatives of the working groups in charge of drafting the two Laws, and representatives from the Delegation of the European Union and the Office of the High Representative. Engagement of the Brčko District leadership resulted in agreement on most of the disputed issues. Several remaining issues were discussed at technical-level meetings held on 8-9 December 2025. The draft Law on Public Administration is finalized, while several principles related to the Law on Civil Servants and Employees in the institutions of the Brčko District require further discussion.

▪ Objective 4: Fiscal Sustainability

24. Ensuring the reliable financing of the institutions of Bosnia and Herzegovina has been central to post-Dayton efforts to strengthen the country's political stability, institutional functionality and resilience to challenges. In recent years, parties that seek to weaken the State have delayed or even circumvented budget adoption, thereby forcing the institutions of Bosnia and Herzegovina into temporary financing. In the last 25 years, the budgets of Bosnia and Herzegovina's institutions were adopted on time only five times, the last time being on 14 December 2016 for the fiscal year

2017. The current reporting period confirms that trend.

25. Whilst my Decision of 7 June 2022 secured uninterrupted temporary financing and thereby ensured continuity in the functioning of the institutions of Bosnia and Herzegovina in the absence of a budget, temporary financing is only a stop-gap measure as it restricts the amount of funds available to the institutions and the scope of their operations.
26. The uncertainty surrounding the budget adoption at the State level is compounded by the inadequacy of the financing of specific institutions. For more than a decade, their budget has been locked at about the same level despite their increasing obligations. By contrast, both Entity's budgets have continuously increased. The chronic lack of adequate financing has constrained important institutions of Bosnia and Herzegovina, primarily in the defense and security sectors. A system guaranteeing that the functionality of these institutions is not held hostage by those who want to demonstrate that the State of Bosnia and Herzegovina is not viable is therefore a precondition for the stability of the country and so are eroding the Dayton consensus.
27. Attempts to convene the Fiscal Council of Bosnia and Herzegovina and to adopt *the Global Framework of Fiscal Balance and Policies in Bosnia and Herzegovina for the Period 2026-2028* The document is long-overdue, as it should have been adopted by the end of May last year to allow for the timely preparation and adoption of the 2026 State budget. The sessions could not take place because of the uncertainty over the constitutionality of

the appointment of the Prime Minister and the members of the Government of the Republika Srpska.

28. In the reporting period, the Finance and Treasury Minister of Bosnia and Herzegovina Srđan Amidžić (SNSD), in his capacity as Chairman of the Indirect Taxation System Governing Board, convened no regular sessions and only three electronic and three extraordinary sessions of the Governing Board and with modest overall output. For nearly three years now, the Republika Srpska has blocked the quarterly indirect tax revenue coefficient adjustments by the Board, thereby financially damaging the Federation by about BAM 120 million. The Republika Srpska has also blocked the Board's biannual inter-entity debt settlement, which would compensate the Federation for the financial damage.
29. There has been no progress on at least two other longstanding issues with financial implications, which I noted in my last report. The Board has not yet adopted a permanent methodology for allocating fuel excise tax revenue, commonly referred to as road toll revenue, thereby also accumulating reserves from this source instead of deploying them for road and highway construction. Following my Decision of 17 July 2025 that allocated an equal portion of the road toll revenue reserves accumulated by that date for the use by both entities, i. e. for the settlement of the Republika Srpska debt stemming from the International Centre for Settlement of Investment Disputes (ICSID) ruling in the Viaduct case and for the settlement of road and highway construction costs of the Federation, and the accumulation of road toll revenues since then, the toll revenue reserves held on an escrow account with the

Central Bank of Bosnia and Herzegovina currently total BAM 101.8 million. Furthermore, the Board has not yet identified an alternative enforcement source for the outstanding BAM 30 million debt of the Indirect Taxation Authority (ITA) to the Republika Srpska, based on a 2015 decision by the Court of Bosnia and Herzegovina.

- Objective 5: Rule of Law Issues, including Criminal Records on War Crimes

30. The rule of law in Bosnia and Herzegovina continues to face serious structural challenges, with increasing perceptions of fragility and political interference. Repeated failures to respect and implement decisions of the state-level judicial institutions have significantly undermined legal certainty and institutional authority. In addition, actions by political actors from the Republika Srpska that contest the authority of State-level judicial institutions and challenge the constitutional order remain unanswered by competent law enforcement authorities.

31. The Republika Srpska authorities have rejected or disregarded final and binding judgements of the Constitutional Court of Bosnia and Herzegovina, including those related to the designation of 9 January as Republika Srpska Day and to State Property. Despite the existence of criminal provisions sanctioning the non-enforcement of Constitutional Court decisions, no action has been taken. This lack of enforcement has contributed to an environment in which the Court's final and binding decisions, as provided by Annex 4 of the General Framework Agreement for Peace, are

systematically disregarded.

32. The situation is compounded by the continued deliberate refusal of the Republika Srpska National Assembly to appoint judges to the Constitutional Court of Bosnia and Herzegovina, which has impeded the Court's full functioning and has been used to contest its legitimacy. This has prevented the Grand Chamber of the Court from operating and taking decisions, leading to cases normally within its jurisdiction being decided by the Plenary and causing a significant increase in the Court's backlog. The Venice Commission, in its Opinion CDL-AD (2024)002, concluded that the authorities' failure to fulfil their constitutional obligations to ensure the Court's functioning not only constitutes a violation of the Constitution of Bosnia and Herzegovina but also weakens the fundamental principles of democracy, human rights, and the rule of law.
33. Such conduct directly challenges the constitutional framework established under the General Framework Agreement for Peace in Bosnia and Herzegovina and weakens the authority of state-level institutions. Although limited steps toward renewed engagement with constitutional obligations were observed following political developments in October 2025, these steps have not resulted in sustained or systemic compliance.
34. More broadly, accountability mechanisms remain weak. Corruption continues to be widely perceived as endemic, while tangible results in prosecuting high-level cases remain limited. Although a final conviction in November 2025 for inciting racial and religious hatred –

including genocide denial – briefly signaled progress, subsequent reporting suggests a return to inconsistent prosecutorial practices in such cases.

35. The gap between reported violations and judicial outcomes reinforces perceptions of selective justice and impunity, further eroding public confidence in the legal system.
36. According to the 2025 assessments by several civil society organizations, corruption in Bosnia and Herzegovina remains deeply embedded in everyday life and institutions. There are no indications the situation pertaining to corruption has improved. In addition, GRECO finds that Bosnia and Herzegovina has implemented only a small fraction of its anti-corruption recommendations, reflecting limited overall progress; the main causes are fragmented governance across state, entity, and cantonal levels, weak enforcement and oversight mechanisms, political interference in key institutions, and delays in adopting and effectively applying reforms, meaning that while some laws and strategies now exist, practical implementation and accountability remain significantly deficient.
37. The concrete requirements in the rule-of-law sector, forming part of the 14 key priorities outlined in the European Commission's May 2019 Opinion on Bosnia and Herzegovina's application for membership of the European Union, remain largely unfulfilled, including with respect to some of the 14 key priorities. These requirements should ensure that legislative reforms strengthen the effectiveness of institutions designed to

uphold the rule of law, rather than undermine the progress achieved through earlier reforms. These are key deliverables required to meet the rule of law benchmarks that are conditions for accessing Growth Plan funding.

38. While several draft laws concerning the High Judicial and Prosecutorial Council have been prepared, with two currently under consideration in the Parliamentary Assembly of Bosnia and Herzegovina, none has secured legislative endorsement to date. The process has been marked by persistent political obstruction, including the Council of Ministers' inability to deliberate on the draft law prepared by the Ministry of Justice due to repeated blocking of the agenda by representatives of the Alliance of Independent Social Democrats (SNSD). As a result, the draft was submitted directly to the House of Peoples, while, in parallel, opposition representatives from the Republika Srpska introduced an alternative proposal in the House of Representatives of Bosnia and Herzegovina. This fragmented approach underscores the broader challenges to achieving coherent and coordinated legislative reform and signals that the parties represented in the authorities of Bosnia and Herzegovina are unable to put their differences aside, even when there is broad agreement on the need to progress towards European Union membership.
39. Similarly, progress on the adoption of a new Law on the Court of Bosnia and Herzegovina remains stalled. Despite multiple draft versions being under consideration, none has been adopted. The Court of Bosnia and Herzegovina, which exercises jurisdiction throughout the country, plays a central role in safeguarding the constitutional order, particularly through its competence over criminal

offences with inter-entity implications or those affecting state-level interests. However, not only its jurisdiction but also its mere existence has been subject to sustained political challenges from authorities in the Republika Srpska, further complicating efforts to ensure the prerequisites for the efficient delivery of justice.

40. In parallel, continued obstruction of state-level institutions has prevented Bosnia and Herzegovina from addressing deficiencies identified by the Council of Europe's Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism (MONEYVAL), thereby increasing the risk of enhanced monitoring by the Financial Action Task Force and undermining the country's financial integrity. In this context, efforts to adopt a state-level legal framework for managing confiscated assets derived from criminal activity have not succeeded. This is due to the Republika Srpska authorities' opposition to the designation of the state as the temporary titleholder of such assets.

41. Absent renewed political commitment to uphold constitutional obligations and ensure the enforcement of judicial decisions, the rule of law in Bosnia and Herzegovina is likely to remain weak. Continued institutional obstruction and lack of accountability may further erode public trust, hinder reform efforts, and delay progress toward European integration.

B. Other issues under General Framework Agreement for Peace

- Threats to transitional justice / Annex 7, with a special focus on violence against returnees and further specific cases

42. In the context of returnee issues, the reporting period has seen several claims of violations and usurpation of returnees' property rights in both entities, as well as the Serb Orthodox Church property in some parts of the Federation of Bosnia and Herzegovina. Besides the occasional accompanying media sensationalism, these reports prompted some specific actions, including a meeting of the state and the entities' Ministers of Justice, who discussed some of these issues in February 2026.

43. Returnees to the Republika Srpska continue to raise the problem of discrimination, which they are facing in different forms, including education and employment, to the extent that it is perceived as a normalized state. This situation, along with several newly reported incidents, prompted the Republika Srpska Vice-President Ćamil Duraković to address the OSCE, invoking the "Moscow mechanism" due to systemic discrimination and violation of human rights of Bosniak returnees in the Republika Srpska.

44. Regarding the attacks on minority returnees and the calls to amend the laws for their stronger protection, the initiatives launched at the BiH Parliamentary Assembly have thus far produced no results.

45. The situation regarding returnee education remains unchanged, and the claims of discrimination against Bosniak returnees in the Republika Srpska persist during the 2025/26 school year. Introduction of the Bosnian language into the curriculum under its name remains a contentious issue. Other occasional returnee-related problems in education, such as the reported problem regarding the transport of returnee schoolchildren in Stolac in October 2025, were addressed by the competent authorities.
46. The reporting period has seen the recurrence of similar patterns and examples of inter-ethnic violence and provocations, including new cases of glorification of war criminals and hate speech. There were reports of vandalism and attacks, often targeting minority religious representatives and facilities.
47. Along with the situation noted above regarding the discrimination against returnees in the Republika Srpska, another phenomenon that has become a normal occurrence is the glorification of war criminals, including cases involving the denial of the Srebrenica Genocide. Several such instances were noted, sometimes involving senior political representatives of the Republika Srpska. These often take place during commemorative events, but they also occasionally happen at sporting events. Murals dedicated to war criminals and hateful graffiti continue to appear throughout the Republika Srpska, while the action by the competent authorities to curb such cases is insufficient. Examples of glorification of war criminals appeared in other places as well, including the unveiling of a monument in November 2025 dedicated to the late convicted war

criminal Slobodan Praljak in Čapljina.

48. Towards the end of the reporting period, there has been an increase in reports of inter-ethnic tensions, specifically in Mostar, some of which indicate the involvement of football fan groups. Likewise, there have been new cases of hate speech and hateful graffiti reported in various locations across the country.
49. It was encouraging to see that the Inter-Religious Council resumed its work in full capacity, and its joint condemnations of the inter-ethnic incidents contribute to the spirit of trust-building. With the expected judicial follow-up on inter-ethnic incidents and hate speech, the Inter-Religious Council's approach will help foster a more positive atmosphere in society. There are numerous examples of cooperation and inter-ethnic support, most of which do not get media coverage, but those that do show the resilience of inter-ethnic cooperation in Bosnia and Herzegovina. Cooperation of religious leaders in Mostar and Trebinje, Bosniaks supporting their Serb neighbors near Mostar in the fight for their community, or joint youth actions such as the one involving youth from Zvornik and Kalesija, are just some among many examples that demonstrate that inter-community cooperation is point in the right direction.
50. The Republika Srpska Vice President Ćamil Duraković publicly asserted that he had been deprived of the entitlements associated with his position following the termination of mandate of Milorad Dodik as President of Republika Srpska. Those entitlements have not been restored to date.

- Victims of war

51. Despite sustained advocacy by international organizations and civil society, the Government has regrettably not taken any action to implement a decision of the UN Committee Against Torture from 2019 in an individual case requiring reparation for a survivor of conflict-related sexual violence and also reiterating recommendations from the Concluding Observations of the Committee Against Torture concerning reparation for all victims of wartime torture.
52. Persistent disparities in access to rights and support for conflict-related victims across Bosnia and Herzegovina continue to undermine equal protection, reflecting fragmented frameworks and uneven implementation shaped by differing administrative and legal contexts across the country.
53. Survivors continue to lack state-level legislation that would ensure equal treatment of all victims of war crimes across the country. The decentralized model for the protection of the rights of civilian victims of war, established through the adoption of the Law on the Protection of Civilian Victims of War of the Federation of Bosnia and Herzegovina, provides a comprehensive framework for safeguarding this category of persons. However, the fragmentation of responsibilities between the federal and cantonal levels has, in certain cantons and with respect to certain victims, resulted in unequal treatment. This highlights the need for improved

regulation through cantonal legislation and implementing acts, as well as for adequate financial allocations to ensure the effective realization of the rights provided for by law.

54. Notwithstanding previous reporting, the authorities in Republika Srpska have never amended the Law on Protection of Victims of Torture to extend the deadline for submitting applications for the recognition of status, which expired in October 2023. Consequently, this category of victims residing in the Republika Srpska who did not submit the relevant application within the prescribed time limit is unable to exercise their rights.

55. The situation in which certain categories of war victims have been unsuccessful in civil compensation proceedings for non-material damage due to the expiry of the statute of limitations has, in recent years, been particularly aggravated in the Republika Srpska by the imposition of court costs on the victims themselves, thereby further contributing to their re-victimization.

56. Children born of war remain unrecognized in the Republika Srpska, which deepens their marginalization, discrimination, and exclusion from systemic support.

▪ Developments Related to Annex 8

57. Since my last report, the Commission to Preserve

National Monuments has taken very limited action to unblock its internal processes and enable the Institution to operate smoothly.

58. The rule requiring consensus among the domestic members of the Commission (now the only remaining members), as enshrined in the acts regulating its work, has in recent years become a structural impediment to the Body's ability to adopt meaningful decisions aimed at protecting the cultural heritage of Bosnia and Herzegovina. Instead, the Commission has increasingly been individually instrumentalized for the pursuit of political objectives.

59. Nevertheless, the new Decision of the Presidency of Bosnia and Herzegovina on the Commission to Preserve National Monuments of 12 January 2026, without prejudging its political implications, could represent a starting point for unblocking the institution and returning its processes to a functional track. The Decision foresees the abolition of the consensus rule, which would, in the event of their reappointment, restore voting rights to the international members.

60. The Presidency now has to appoint five members, three domestic and two international, as the mandate of the current composition expired in early February 2026.

- Cultural Institutions of Significance for Bosnia and Herzegovina

61. Since my Order Supporting the Functioning of the National and University Library of Bosnia and Herzegovina and Other Cultural Institutions of Significance for Bosnia and Herzegovina of 21 November 2024 helped secure the uninterrupted operational continuity of seven state cultural institutions, no progress has been made toward a systemic solution regarding their status, financing, and management. Situation remains menacing for the ability to care for the cultural heritage of Bosnia Herzegovina.
62. The institutions have once again endured another reporting period, relying primarily on unreliable funding from lower levels of government. Despite initial indications that this might occur, they were once again not included in the State Budget for 2025. Such a step or otherwise addressing their status through an appropriate legislative framework, would represent a necessary move toward a systemic solution reflecting their clear legal position. I therefore urge the Minister of Civil Affairs to present a draft law addressing this issue for adoption by the Council of Ministers.

▪ Missing Persons

63. The Institute for Missing Persons of BiH confirmed that 7,581 victims of the past war remain missing nationwide. In 2025, the remains of 72 victims were identified and returned to their families, while 45 additional victims were exhumed – the lowest number recorded to date, due to limited information on mass grave locations. In the same period, 119 re-exhumations were also carried out to

recover additional remains and add them to previously identified and buried victims. The Institute highlights that the main obstacles they face in their work are the continued silence of those with knowledge of mass graves and the challenges of fieldwork in altered landscapes, more than 30 years after the war. Former landmarks have disappeared, and some sites have been deliberately changed, complicating investigations.

64. Regional cooperation proved very important in 2025, when joint efforts with the Commission for Missing Persons in Montenegro led to the identification of one family from Foča, while future collaboration with the Commission for Missing Persons of the Government of Serbia, through the Missing Persons Group, is planned to continue searches on Serbian territory. The process of searching for missing persons and submitting new reports at the Institute remains open, and it should be noted that the Institute received new reports of missing persons. The Institute for Missing Persons of Bosnia and Herzegovina stated, “although nearly 80 percent of the total number of missing persons in our country have been found, this statistic means little for each family whose loved one has not yet been located. It is our duty to persist in this process to the very end, even though the search for missing persons is becoming increasingly complex, difficult, and demanding.”

- Public Security and Law Enforcement, Including Intelligence Reform

65. The widespread practice of inappropriate political interference in operational police functions and

management continued during this reporting period. Political divisions in the country and lack of harmonization between the legal frameworks at different levels of government continued to make it difficult to direct and coordinate law enforcement agencies, especially in the fight against corruption and organized crime.

66. Corruption remained an obstacle to progress in Bosnia and Herzegovina in the reporting period. There are several corruption-related cases currently being investigated at different levels of government. Anti-corruption measures are still being developed within both the Border Police (BP) and the State Investigation and Protection Agency (SIPA). According to the Fifth Evaluation Round of the Group of States Against Corruption (GRECO), Bosnia and Herzegovina has made some limited but tangible progress within its police bodies, particularly the Border Police and the State Investigation and Protection Agency (SIPA), with several measures—such as anti-corruption planning, revised ethical frameworks, merit-based appointments, and conflict-of-interest safeguards—partly implemented under the broader framework of the 2024–2028 Anti-Corruption Strategy adopted by the Council of Ministers; however, despite these steps forward, none of the recommendations have been fully implemented and significant gaps remain, especially in areas like compulsory ethics training, integrity checks, staff rotation, and whistleblower protection, indicating that while initial reforms are underway, substantial further effort is still required to achieve meaningful and comprehensive progress.

67. The Chairwoman of the Council of Ministers has failed to

fulfil her legal obligation to nominate a candidate for the position of the Minister of Security of Bosnia and Herzegovina. This position remains unfilled since 28 January 2025, following the previous minister's arrest on charges including corruption. Police administration at every level remains widely understaffed. Causes of the shortages are prolonged delays in cadet recruitment and outflow of experienced staff, including through retirements. Despite valiant efforts by the leadership and officers of the State Border Service, their ability to effectively carry out their border protection mandate was hampered by a persistent lack of budgetary and human resources.

68. Budgetary constraints and continued political blockages at the State level have had a particularly negative impact on State-level law enforcement agencies. These constraints serve to advance the policy of certain political parties seeking to prevent the development of institutions at the State-level and have further limited the ability of State-level police agencies (not only Border police but also State Investigative and Protection Agency, and the Directorate for the Coordination of Police Bodies) to address staffing shortages and improve operational capacity.
69. In my previous report, I noted that the law providing for the establishment of an Auxiliary Police Force in the Republika Srpska had been adopted. To date, the said law has not been repealed.
70. On 28 January 2026, an office of the Hungarian Counter-Terrorism Center was opened in Banja Luka, implementing

prior cooperation between the Ministry of Internal Affairs of Republika Srpska and Hungarian law enforcement authorities.

71. The office stems from two Memoranda of Understanding (MoUs) signed in 2025 on counterterrorism, information exchange, and police training. These agreements were concluded during heightened political tensions, including the issuance of arrest warrants by the Court of Bosnia and Herzegovina against senior officials of the Republika Srpska. Reports indicate that the Republika Srpska police obstructed these warrants and that Hungarian personnel were allegedly present in the Republika Srpska prior to the public disclosure of the agreements. The MoUs were only published in February 2026.
72. These developments raise concerns about compliance with Bosnia and Herzegovina's constitutional framework. Under Article IV(2)(d) of the Constitution of Bosnia and Herzegovina, entities may conclude agreements with foreign states only with prior consent of the Parliamentary Assembly of Bosnia and Herzegovina. In addition, international police cooperation falls within the competencies of state-level institutions, notably the Directorate for Coordination of Police Bodies within the Ministry of Security of Bosnia and Herzegovina.
73. On 26 March 2026, the Constitutional Court of Bosnia and Herzegovina ruled that several provisions of the Republika Srpska Law on Police and Internal Affairs are incompatible with the Constitution of Bosnia and Herzegovina.

74. The ruling of the Court invalidated, among other provisions, Article 146(1), which allowed the Ministry of Internal Affairs of the Republika Srpska (MUP RS) to “directly conduct international cooperation.” The Court reaffirmed that, under the Law on the Directorate for Coordination of Police Bodies of Bosnia and Herzegovina, international police cooperation falls exclusively within the remit of state institutions, in line with Article III/1(g) of the Constitution. Any parallel engagement by Entity authorities risks undermining the unified legal framework, breaching international obligations, and weakening data protection standards. The Constitutional Court emphasized that international cooperation of the Republika Srpska police authorities must undoubtedly take place through the institutions of Bosnia and Herzegovina, in accordance with the relevant laws and bylaws, unless otherwise prescribed by those regulations.
75. Following the completion of the selection procedure conducted by the Independent Committee of the Parliament of the Federation of Bosnia and Herzegovina, the Government of the Federation of Bosnia and Herzegovina appointed the Director and Deputy Director of the Federal Police Administration on 4 March 2026. These appointments conclude a prolonged period during which these senior management positions remained vacant, with the post of Police Director vacant since January 2019 and the Deputy Police Director position vacant since February 2023. The completion of this process is expected to strengthen institutional functionality, enhance operational effectiveness, and improve managerial stability within the Federal Police Administration.

76. Recent amendments to the laws on police officers in the West Herzegovina Canton, adopted on 23 January 2025, the Herzegovina-Neretva Canton, adopted on 31 July 2025, and the Posavina Canton, adopted on 17 December 2025, have introduced significant changes to the composition of promotion commissions within police administrations. These changes effectively increase ministerial influence over promotion procedures and raise concerns regarding the operational independence and professional autonomy of the police. Enhanced political involvement in promotion processes may affect merit-based career advancement, potentially impacting the integrity of investigations, decision-making within police structures, and broader operational effectiveness.
77. These legislative changes appear to reflect an emerging pattern across the Federation of Bosnia and Herzegovina. Announcements of similar amendments in other cantons suggest a trend toward greater political influence over policing structures. If sustained, this development risks contributing to fragmentation in legal frameworks and weakening the coherence and consistency of police regulation at the cantonal level.

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

A. Presidency and Council of Ministers of Bosnia and Herzegovina

78. The Presidency of Bosnia and Herzegovina held three regular sessions in the reporting period as well as several extraordinary sessions. The Presidency took decisions from within its competency and engaged in a series of bilateral and multilateral fora and international summits and conferences. The messages conveyed by the Members of the Presidency have continued to reflect profound political divisions in the country and divergent views on matters regarding the statehood of Bosnia and Herzegovina, competencies of entities *vis-à-vis* the State, and other internal unresolved issues such as State Property and the public broadcasting service of Bosnia and Herzegovina (BHRT).
79. Bosniak Member of the Presidency Denis Bećirović continued to draw attention to the ongoing crises and the serious political situation in the country, continued anti-Dayton rhetoric by Milorad Dodik and the Alliance of Independent Social Democrats (SNSD), and the attacks against the fundamentals and institutions of the General Framework Agreement for Peace and the constitutional and legal order of Bosnia and Herzegovina, as well as unprecedented hate-speech targeting Bosniaks in the country. Bećirović maintained that without protecting the constitutional order, it would be impossible to preserve peace and stability in the country as well as in the region as a whole. Bećirović also vocally defended that State Property is a matter of statehood, independence, sovereignty, and territorial integrity of Bosnia and Herzegovina, and it rests with the State and not with the Entities.
80. Croat Member and then-Chair of the Presidency Željko Komšić continued to voice commitment to Bosnia and

Herzegovina's EU perspective, to underline the importance of ensuring equality and non-discrimination among its citizens, while maintaining a critical view of the ethnic distribution of power in politics.

81. Presidency Members Bećirović and Komšić actively sought to raise awareness of the financial difficulties BHRT faces, stressing the need to prevent its collapse. Both strongly condemned and rejected false narratives by actors who portray Bosnia and Herzegovina as a failed state.

82. Presidency Member Željka Cvijanović maintained the narrative that the long-term stability and functionality of Bosnia and Herzegovina depend on the internal dialogue of domestic actors without imposed solutions by the international community. In this context, she continued to call for an end to "state-building efforts".

83. On 16 March 2026, Bosniak Member of the Presidency Denis Bećirović took over the chairmanship in the last rotation cycle of this Presidential term.

B. Council of Ministers of Bosnia and Herzegovina

84. The Council of Ministers maintained its regular meeting schedule and held a total of 17 regular sessions and 11 extraordinary sessions, chaired by Chairwoman Borjana Krišto (HDZ BiH).

85. Although EU membership is reaffirmed as a key strategic goal and a foreign policy priority, the path towards the EU remains seriously undermined because of blockages, first and foremost by the Alliance of Independent Social Democrats (SNSD). Whilst the key legislative requirements for the opening of accession negotiations, the Law on High Judicial and Prosecutorial Council and the Law on Amendments to the Law on Courts of Bosnia and Herzegovina, remained pending, there has also been no progress in reaching an agreement on the chief negotiator and the negotiating structure, thereby delaying the start of negotiations.
86. The adoption of the Reform Agenda required for the implementation of the Growth Plan, just ahead of the 30 September 2025 deadline, did not lead to a swift follow-up, hence the Decision on Setting up an Institutional Framework for Implementation of the Reform Agenda is still pending wider harmonization.
87. The Council of Ministers adopted the Program of Economic Reforms 2026-2028, which, alongside the Reform Agenda, is considered a key document for the Stabilization and Association Agreement (SAA) process and for meeting the economic criteria for EU membership. The Council of Ministers also adopted the Program of Reforms for 2025, one of the commitments arising from NATO's Partnership for Peace program.
88. Chairwoman Krišto maintained a cautious optimism *vis-à-vis* bringing Bosnia and Herzegovina back on track with

reforms and European integration, while repeatedly stressing the importance of internal dialogue in reaching consensus between constituent peoples in ensuring their equal rights and constituent legitimate position, respecting the constitutional order of the country.

89. The established practice of not proposing legislation to the Parliamentary Assembly of Bosnia and Herzegovina unless there is full political consensus was fully maintained, negatively affecting legislative output.
90. The Council of Ministers adopted five pieces of legislation, including a new version of the State Budget for 2025, Law on Restricting Disposal of Property Aimed at Preventing Terrorism, Amendments to the Law on Communications, Amendments to the Law on Labor in the Institutions of BiH, and Law on Protection of Geographic Origin Labels. It also adopted other acts within its competency, including the 2026 Work Plan, as well as its Mid-term Work Plan until 2028, and confirmed several appointments, including the Deputy Director of the State Investigation and Protection Agency (SIPA).
91. As part of the Revised Action Plan for Execution of ECtHR Judgements, the Council of Ministers took a Decision on 30 October 2025 to form a twelve-member working group to prepare draft amendments to the Constitution of Bosnia and Herzegovina and draft amendments to the Election Law aimed at implementing ECtHR judgements. At the time of this writing, this has not materialized in the form of a concrete proposal.

C. Parliamentary Assembly of Bosnia and Herzegovina

92. During the reporting period, the House of Representatives of Bosnia and Herzegovina held five regular and five urgent sessions, while the House of Peoples of Bosnia and Herzegovina completed only two urgent sessions on 17 December 2025 and 23 March 2026. A total of seven urgent sessions and three regular sessions of the House of Peoples either never commenced after being convened or were not brought to a successful completion, hardly moving any further than deliberation on the agenda, all due to walkouts by either the Alliance of Independent Social Democrats (SNSD) alone or SNSD and the Croat Democratic Union (HDZ BiH) delegates combined.

93. The fact that the House of Peoples remained all but fully blocked adversely affected the overall work and legislative output of the Parliamentary Assembly of Bosnia and Herzegovina. This occurred despite sustained efforts by delegates of the House of Representatives to maintain the Parliament's legislative function and to offset the limited output by the Council of Ministers through proposing the adoption of legislation. These efforts included attempts to unblock the appointment of the Chief and Deputy Chief Negotiator for the EU accession negotiations, which had been proclaimed as illegal and unconstitutional by the Chairwoman of the Council of Ministers.

94. Rules of procedures and quorum requirements, with

repeated walkouts, continued to be abused as a tool for conditioning of how agendas are shaped and for deliberately preventing debate and subsequent voting on initiatives seeking the removal of House of Peoples Collegium member Nikola Špirić (SNSD), as well as SNSD Ministers Staša Košarac (Foreign Trade and Economic Relations) and Srđan Amidžić (Finance and Treasury) and certain Deputy Ministers in the Council of Ministers. These practices were also used to prevent or delay deliberation on legislation previously adopted by the House of Representatives – such as Amendments to the Election Law and the Law on Council of Ministers – as well as on laws proposed by the opposition within the House of Peoples. All initiatives aimed at the removal of the Alliance of Independent Social Democrats (SNSD) officials were still pending at the time of writing. There is an intense public debate about the legitimacy of the use of parliamentary procedures to block the work of the House.

D. Constitutional Court of Bosnia and Herzegovina

95. The Constitutional Court has issued a series of important decisions over the reporting period.
96. On 4 November 2025, the Constitutional Court rejected as unfounded the appeal filed by Milorad Dodik against the Court of Bosnia and Herzegovina's judgment of 12 June 2025. That judgment upheld the Trial Judgment of 26 February 2025, which sentenced him to one year in prison and a six-year ban from serving as the President of Republika Srpska. The Constitutional Court rejected as inadmissible for being manifestly ill-founded the

appeals concerning the statements made by public officials during his trial. The appeal against the ruling of the Court of Bosnia and Herzegovina of 18 August 2025 and the decision of the Central Election Commission of Bosnia and Herzegovina of 6 August 2025 terminating the appellant's term of office as the RS President was also rejected. The Constitutional Court found that, overall, the circumstances of the case do not suggest that the appellant's right to a fair trial was violated during the criminal proceedings. The Constitutional Court, among other things, also found the appellant's allegations challenging the legal status of the High Representative and his powers when amending Article 203a of the Criminal Code of Bosnia and Herzegovina, of which the appellant was found guilty, unfounded.

97. On 27 and 28 November 2025, the Constitutional Court deliberated on requests filed by Member of the Presidency Denis Bećirović and 14 Members of the BiH House of Representatives for a review of constitutionality of the Republika Srpska National Assembly Conclusions of 22 August 2025 (as amended on 24 September 2025) concerning the *Information Related to the Decision of the Central Election Commission of Bosnia and Herzegovina on the Termination of the Mandate of President of the Republika Srpska Milorad Dodik*. The Court found that certain points of the challenged Conclusions are incompatible with the Constitution of Bosnia and Herzegovina and rendered them ineffective as of their adoption. The Constitutional Court noted, *inter alia*, that in view of the fact that the decision of a competent State institution ended Milorad Dodik's mandate as the President of the Republika Srpska and called elections for that function, it is indisputable

that the rejection of the concrete judgment of the Court of Bosnia and Herzegovina, the decision of the Central Election Commission of Bosnia and Herzegovina and the decisions of the Constitutional Court is in direct conflict with the obligation to comply with decisions of State institutions under Article III(3)(b) of the Constitution of BiH and with the principle of rule of law under Article I(2) of the Constitution of Bosnia and Herzegovina according to which final and binding decisions of the institutions may not be reviewed but must be implemented. With respect to point 12 of the disputed Conclusions, under which the National Assembly Collegium was tasked with preparing the text of a Resolution on the self-determination of the Serb people and the Republika Srpska, the Constitutional Court noted that it had already established in its case-law that the Entities do not have the right to self-determination under the Constitution of Bosnia and Herzegovina, as such a right would permit self-organization and territorial separation, which contradicts Articles I(3), III(2)(a) and III(2)(5) of the Constitution of Bosnia and Herzegovina. That position is final and binding within the meaning of Article VI(5) of the Constitution of Bosnia and Herzegovina.

98. The Constitutional Court of Bosnia and Herzegovina issued several decisions on 26 and 27 March 2026. The Court found, among other things, that provisions challenged in the *RS Law on Police and Internal Affairs* assigning competences over digital signatures, qualified certificates, document personalization, and direct international police cooperation to the Republika Srpska Ministry of Interior are unconstitutional as such responsibilities belong to the relevant state institutions under state legislation. The Court further

ruled that the Republika Srpska National Assembly *Decision Establishing the Draft Constitution of Republika Srpska* published in the Official Gazette of RS on 18 March 2025 is not in line with the Constitution of Bosnia and Herzegovina, it repealed the Decision and ordered the Republika Srpska National Assembly, all Republika Srpska authorities, and responsible officials to cease all activities based on it. The Court ruled that provisions of the said Decision are incompatible with the constitutional order of Bosnia and Herzegovina and the division of competencies established by the Constitution of Bosnia and Herzegovina, as well as the decisions of the institutions of Bosnia and Herzegovina, pose a direct threat to the sovereignty and territorial integrity of Bosnia and Herzegovina and fail to respect final and binding decisions of the Court providing that the Entities do not have the right to self-determination that would allow self-organization and territorial secession.

99. At the same session, the Court ruled that the Republika Srpska *Law on Financing Political Organizations* adopted by the Republika Srpska National Assembly in May 2025 is incompatible with both the Constitution of Bosnia and Herzegovina and the European Convention on Human Rights. The Court held that the law disproportionately interfered with freedom of association and undermined political pluralism. The Court was acting upon the request of Darko Babalj, Deputy Speaker of the House of Representatives of Bosnia and Herzegovina, who challenged the constitutionality of the Law on Financing Political Organizations adopted by the Republika Srpska National Assembly on 21 May 2025. The Court had previously adopted a request for the adoption of an interim measure, temporarily suspending the said Law

after pointing out that the existence of significantly different legal solutions at the State and Entity levels when it comes to public financing of political parties or organizations results in different treatment in the exercise of political rights and activities of political parties from Republika Srpska. In respect to the case concerning the constitutionality of the decision of the House of Representatives of Bosnia and Herzegovina establishing the European Union Chief Negotiator's Office, the Court ruled that the challenged decision is not in line with the Constitution of Bosnia and Herzegovina and annulled it *ab initio*. The Court found that the said decision lacked confirmation by the BiH House of Peoples and therefore does not constitute a valid act of the Parliamentary Assembly of Bosnia and Herzegovina and has no legal effect. The Court further instructed the Parliamentary Assembly of Bosnia and Herzegovina to adopt a constitutionally compliant framework within six months, including procedures for appointing the Chief and Deputy Chief Negotiators.

100. At its Plenary Session held on 22 and 23 January 2026, acting upon several requests for the assessment of constitutionality and determination of the constitutional dispute between Bosnia and Herzegovina and the Republika Srpska concerning the decisions of the Republika Srpska National Assembly on the election of the Prime Minister and members of the Government of the Republika Srpska and their early entry into force, the Constitutional Court of Bosnia and Herzegovina concluded that the challenged decisions were contrary to Art. I/2 and III/3.b) of the Constitution of Bosnia and Herzegovina because they were adopted on the basis of the Decision on the Proposal of a Candidate for the Prime Minister adopted by Milorad Dodik on 23 August

2025, although his mandate as President of the Republika Srpska had ended on 12 June 2025 i.e. on the day of the final judgment of the Court of Bosnia and Herzegovina, which had legally resulted in the termination of his mandate. In a later decision (26-27 March 2026) concerning the constitutionality of the decisions of the Republika Srpska National Assembly electing the Prime Minister of the Republika Srpska, Savo Minić, nominated by the then Acting President of the Republika Srpska, Ana Trišić-Babić, and electing the members of the Government of the Republika Srpska nominated by Prime Minister Minić on 18 January 2026, the Court rejected the case as inadmissible due to lack of jurisdiction. The Court clarified that the matter concerns the regularity of the procedure for the election of the Prime Minister and Government members of the Republika Srpska, which is governed by the Constitution of the Republika Srpska rather than the Constitution of Bosnia and Herzegovina.

Judgments of the European Court of Human Rights

101. On 27 January and 3 February 2026, the Fourth Section of the European Court of Human Rights (ECtHR) rendered judgements concerning three applications submitted by Zlatan Begić (DF member of the House of Representatives Bosnia and Herzegovina) and an application submitted by the political party Democratic Front (DF).
102. In the case *Begić v. Bosnia and Herzegovina* (Application no. 5067/23), the ECtHR established violation of Article 1 of Protocol No. 12 to the Convention noting that only Bosniaks, Croats and Serbs (the “constituent peoples”)

are eligible to stand for election to the position of Chair and Deputy Chairs of the House of Representatives of Bosnia and Herzegovina and that an applicant, who does not declare affiliation with any “constituent people” is hence excluded, by virtue of law, on the grounds of his ethnicity.

103. In the case *Begić v. Bosnia and Herzegovina* (Application no. 16613/23), the ECtHR established a violation of Article 1 of Protocol No. 12 to the Convention. The ECtHR noted, among other things, that in the present case, the Constitutional Court of BiH has expressly acknowledged the alleged breach, but since the general measure indicated by that court has not yet been implemented, the applicant is still ineligible to take part in the election for the President and Vice-Presidents of the Federation on account of his ethnicity and that accordingly, he can still claim to be a victim of the alleged breach. The ECtHR noted that the Constitutional Court of Bosnia and Herzegovina held that the applicant’s ineligibility to take part in the election for the President and Vice-Presidents of the Federation constituted a difference on the ground of ethnic origin and lacked an objective and reasonable justification, and that the ECtHR does not see any reason to disagree with the Constitutional Court’s finding.

104. In the Case *Democratic Front v. Bosnia and Herzegovina* (Application no.8168/23), the ECtHR dismissed the Democratic Front’s (DF) application as inadmissible. DF, in its application, challenged the timing of the amendments to the Constitution of the Federation and the Election Law of Bosnia and Herzegovina enacted by the

High Representative and their effects on the Election of 2 October 2022. DF additionally challenged the alleged discriminatory effects of other aspects of the electoral system introduced or maintained by the said amendments. The Court rejected DF's broader discrimination complaints about the electoral system, including claims that multi-ethnic parties were disadvantaged. It found the application inadmissible because DF was not "directly affected" by the measures, meaning it did not qualify as a "victim" under the Convention. This brought to an end the legal challenge against my Decision of 2 October 2022.

105. In the Case *Begić v. Bosnia and Herzegovina* (Application no. 34891/21) in which the applicant complained that as a result of different power-sharing arrangements (notably, the Entity veto) in the Parliamentary Assembly of Bosnia and Herzegovina, the legislative process could be blocked by a minority of members of parliament which is in the view of the applicant discriminatory and incompatible with the concept of "effective political democracy", the ECtHR unanimously declared the application inadmissible. The ECtHR considered, *inter alia*, that the applicant's complaint was directed at effecting a change to the constitutional and electoral structure of Bosnia and Herzegovina – purportedly in the interest of the public – rather than vindicating his individual rights guaranteed by the Convention and the Protocols thereto.
106. Multiple reports indicate that Milorad Dodik lodged an application with the ECtHR in January 2026, seeking interim measures under Rule 39 to suspend the enforcement of decisions by courts in Bosnia and

Herzegovina, including those resulting in the termination of his mandate as President of the Republika Srpska. According to media reporting of 10 April 2026, the Court confirmed that the request for interim measures was rejected. The Agent of Bosnia and Herzegovina before the Court further stated that, at the time of reporting, the application had not yet been formally communicated to the Government.

III. Developments Related to the Federation of Bosnia and Herzegovina

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

107. The Government of the Federation of Bosnia and Herzegovina met regularly throughout the reporting period, holding nine regular sessions and 54 extraordinary sessions. On the other hand, the Parliament of the Federation of Bosnia and Herzegovina met far less frequently, with the House of Peoples (HoP) of the Federation of Bosnia and Herzegovina holding only one extraordinary and two regular sessions, and the House of Representatives (HoR) of the Federation of Bosnia and Herzegovina holding three extraordinary sessions and three regular sessions. The output of the Federation Parliament was low in this reporting period, with the adoption of three new laws and five proposals amending current legislation.

108. On 22 October 2025, in cooperation with the Youth

Council of the Federation of Bosnia and Herzegovina, KULT and Westminster Foundation for Democracy, a thematic session of the Commission for Youth Issues: Youth and Security – “Challenges and Answers in modern society” was held and the Government of the Federation of BiH was instructed to submit a Proposal for the Youth Strategy of the Federation of Bosnia and Herzegovina 2025-2034 to the Parliament of the Federation of Bosnia and Herzegovina for formal legislative procedure.

109. On 16 January 2026, the Croatian Democratic Union of Bosnia and Herzegovina (HDZ BiH) – Croatian National Assembly (HNS), Croatian Democratic Union 1990 (HDZ 1990) – Croatian National Parliament (HNP), representatives Mario Karamatić and Slaven Raguž demanded the dismissal of the House of Representatives Speaker Dragan Mioković (Naša stranka) due to his statement in which he referred to the period after World War II and, in their opinion, tried to relativize the murders of Croats after World War II, especially at Bleiburg and the Crossroads. Speaker Mioković himself apologized for his reckless statement, saying that he would never justify any war crime or the murder of a captured soldier or a civilian while fleeing. The House of Representatives Working Committee for Appointment and Election discussed the proposal for the Speaker’s dismissal on 11 February 2026, but it did not receive the required majority. The House of Representatives adopted the Decision on Mioković’s dismissal during its sessions on 11 and 12 March 2026.
110. Meanwhile, on 4 March 2026, Naša stranka’s Club President Mirsad Čamdžić filed a request to the House of Representatives for removal of the Deputy Speaker Mladen

Bošković (HDZ BiH) from the position of the House of Representatives' Deputy Chair stating that the request for the dismissal of Speaker Mioković has deliberately brought the leadership of the House of Representatives into a crisis, and thus the functioning of the institution itself.

Southern Interconnection Pipeline

111. In an attempt to intensify efforts in implementation of the Project, on 25 March 2026, the Government of the Federation of Bosnia and Herzegovina adopted the Proposal of Amendments and Changes to the Law on Gas Pipeline "the Southern Interconnection Bosnia and Herzegovina – Republic of Croatia" under urgent procedure. The Parliament of the Federation of Bosnia and Herzegovina adopted the Proposal on 15 April 2026, laying the foundations for the country's energy security, diversification of energy sources, and reduced dependence on Russian gas.

B. Mostar: City Statute, Issues of Discontent

112. As previously reported, the Mostar Agreement of June 2020 remains unimplemented. The adoption of the High Representative's Statute, including potential amendments, has not yet been considered by the Mostar City Council elected in 2024. I continue to urge all political actors to reach a compromise and adopt a Statute that establishes a functional, sustainable governance framework for Mostar, reflecting its

multiethnic character and supporting long-term stability.

IV. Developments Related to the Republika Srpska

113. The reporting period was marked by an apparent de-escalation by the Republika Srpska authorities, by snap elections for the President of the Republika Srpska and two reappointments of the Minić government, with Milorad Dodik as the leader of the Alliance of Independent Social Democrats (SNSD) continuing to exercise *de facto* political authority and influence over the actions of the Government of the Republika Srpska. The reporting period also witnessed increased engagement with international actors at various levels and through formal and informal channels.
114. The snap elections for the President of the Republika Srpska contributed to the consolidation of the Republika Srpska institutions. The electoral process was marked by numerous irregularities, leading to repeat elections at 136 polling stations, exposing systemic deficiencies that must be addressed to restore public trust in the election process.
115. The political rhetoric of the ruling coalition in the Republika Srpska fell to new lows. There were increasingly confrontational references to Bosnian Muslims targeting them on ethnic and religious bases. In addition, there were flagrant personal attacks on the High Representative during the reporting period. In one such incident, the Minister of Foreign Trade and

Economic Relations of Bosnia and Herzegovina, Staša Košarac (SNSD), sent an SS helmet to the Office of the High Representative and subsequently flaunted his outrageous act on social media using equally offensive language.

A. Presidency and Government of the Republika Srpska

116. On 18 October 2025, the Republika Srpska National Assembly (RSNA), in a special procedure, voted Ana Trišić-Babić as Acting President of the Republika Srpska, as the mandate of the President Milorad Dodik had been terminated by the Central Election Commission of Bosnia and Herzegovina. Ana Trišić-Babić exercised presidential duties until Siniša Karan was elected President in February 2026. Newly elected President of the Republika Srpska, Siniša Karan, pledged to continue Milorad Dodik's political agenda.

117. The Government of the Republika Srpska, led by Prime Minister Savo Minić, came under review by the Constitutional Court of Bosnia and Herzegovina because he had been nominated by Milorad Dodik following the termination of the latter's mandate. In anticipation of a pending decision by the Constitutional Court of Bosnia and Herzegovina concerning the legality of the first government led by Prime Minister Savo Minić, the Republika Srpska National Assembly convened its 29th and 30th Special Sessions on 18 and 19 January 2026, formally accepted Minić's resignation, and subsequently reappointed him as Prime Minister.

118. Prime Minister Minić was reappointed for the third time on 17 March 2026, during the 36th Special session of the Republika Srpska National Assembly, to address the legal uncertainties regarding his previous appointment. Namely, as the Constitution of the Republika Srpska does not recognize the position of acting president, the Republika Srpska leadership once again acted preemptively to avoid challenges to its legitimacy and thus opened the way for engagement with the international community, including international financial markets.

119. During the reporting period, the Government of the Republika Srpska held 23 sessions.

B. The Republika Srpska National Assembly

120. In the reporting period, the Republika Srpska National Assembly held three regular and eleven special sessions.

121. On 18 October 2025, the Republika Srpska National Assembly held its 27th Special Session, appointing Ana Trišić-Babić as Acting President of Republika Srpska and, under urgent procedure, adopting the Law on the Termination of Laws alongside a conclusion invalidating its 25 December 2024 position on the alleged “collapse of the legal order” in Bosnia and Herzegovina.

122. The adopted Law on the Termination of Laws repealed six key pieces of legislation, Law on Immovable Property

Used for the Functioning of Public Authority, Law on Non-Application of Decisions of the Constitutional Court of Bosnia and Herzegovina, the Election Law of the Republika Srpska, the Law on Non-Application of the Law and the Prohibition of Activities of Extra-Constitutional Institutions of Bosnia and Herzegovina, the Law on Amendments to the Criminal Code of the Republika Srpska, the Law on the High Judicial and Prosecutorial Council of the Republika Srpska. These measures had previously sought to assert Entity-level supremacy over State-level judicial, electoral, and institutional authority. Their annulment marked a formal rollback of the Republika Srpska's unilateral institutional decoupling from the rest of the country and effectively returned the Entity to the operative constitutional framework of Bosnia and Herzegovina as shaped by post-Dayton reforms.

123. The Republika Srpska National Assembly adopted a Conclusion repealing its earlier Conclusions relating to the *Information on the Collapse of the Legal Order in Bosnia and Herzegovina by Violation of the Dayton Peace Agreement*, adopted on 25 December 2024. These developments follow the decisions of the Constitutional Court of Bosnia and Herzegovina adopted in 2024 and 2025, which found several laws of the Republika Srpska to be unconstitutional, repealed them *ab initio*, and ordered that they cease to be in effect upon publication in the Republika Srpska Official Gazette. Furthermore, on 1 July 2023, I enacted a Decision preventing the entry into force of the Republika Srpska *Law on Non-application of Decisions of the Bosnia and Herzegovina Constitutional Court* and the *Law on Amendments to the Republika Srpska Law on Publication of Laws and Other Regulations*, annulling all legislative steps taken in

relation to them, and terminating the legislative procedure.

C. Political Developments and Rhetoric

124. During the reporting period, the Alliance of Independent Social Democrats (SNSD) President Milorad Dodik consistently used rhetoric targeting Bosniaks, which aligns with his broader political strategy of delegitimizing both Bosniaks as a Constituent People and pro-Bosnia and Herzegovina political positions, while framing the country as an “impossible state”. This strategy reflects demographic fears and aims to perpetuate a political conflict in Bosnia and Herzegovina in civilizational and geopolitical terms. Five key themes emerge from Milorad Dodik’s public statements about Bosniaks and Bosnia and Herzegovina: (a) alleged Islamization of Serb-majority areas by Bosniaks, (b) propaganda of ethnic othering grounded in historical myths and wartime strategies employed by convicted war criminals Radovan Karadžić and Ratko Mladić, (c) political delegitimization claiming that Muslims or Bosniaks do not have a state-building character, (d) portraying Bosniaks as political adversaries and linking them to historical and contemporary security threats, (e) continuing the secessionist rhetoric and justifying it by claiming Bosnia and Herzegovina is a failed state.

V. Economy

A. Economic Trends

125. The economic growth projections for 2025 and 2026 are estimated at 2.3 per cent and 2.6 per cent, respectively. While growth is resilient despite a challenging domestic and external environment, it falls short of potential, hindering Bosnia and Herzegovina's economic prosperity and swift convergence with the European Union.
126. The foreign trade exchange registered moderate growth in 2025, with exports up by 5.6 per cent and imports up by 4.5 per cent. In the period January-November 2025, industrial production dropped by 2.1 per cent, while annual inflation was 4 per cent. Early estimates of foreign direct investments are discouraging, showing a drop in Q3 2025 of 22.8 per cent.
127. The foreign debt of Bosnia and Herzegovina at the end of Q1 2025 totaled BAM 8.957 billion. By debtor, the Federation's share is 54.5 per cent, the Republika Srpska's share is 44.3 per cent, the share of the institutions of Bosnia and Herzegovina and the Brčko District is 0.46 percent and 0.56 percent, respectively.
128. The banking sector appears stable, capitalized and profitable. The profit registered in 2025 amounted to BAM 613 million in the Federation (up by 2.1 per cent) and BAM 267 million in the Republika Srpska (up by 8 per cent).

129. As for social welfare indicators, the average net salary of BAM 1,600 and the average pension of BAM 714 remain significantly below the average price of the basket of goods of over BAM 3,355 for a four-member family. This suggests that even those with steady incomes struggle to make ends meet. The number of unemployed people is 314,870, and the real, labor survey-based unemployment rate is 11.2 per cent. The number of employed people is 855,280, while the number of pensioners is 758,842.

130. There was no apparent improvement in the demographic situation in this reporting period. Political instability, corruption, nepotism and poor standards of living are quoted as the key factors that account for emigration. The increasing outflow of youth is yet another serious impact of the political, economic, and social challenges Bosnia and Herzegovina faces, and it continues to jeopardize the overall economic, political, and social prospects of the country.

131. The credit ratings remain the same, B+ by Standard & Poor's and B3 by Moody's Investors Service, with a stable outlook. Political instability, institutional complexities and a reform slowdown are generally seen as key risks and constraints.

B. Fiscal Issues

132. 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 2025, the collection by the Indirect Taxation Authority (ITA) of Bosnia and Herzegovina was a record-high, exceeding BAM 12 billion, an increase of 5.5 per cent or BAM 633 million over 2024.

133. The State-level budget for 2025 was adopted only on 20 November 2025. The late budget adoption not only forced the institutions of Bosnia and Herzegovina to operate on temporary financing for eleven months, but the adopted budget was not financially adequate to mitigate the consequences of years of underfunding. It totaled BAM 2.797 billion, of which the amount for financing the institutions was BAM 1.570 billion (up by 16 percent) and the amount for servicing the foreign debt was BAM 1.226 billion (down by 14 per cent).
134. At the time of reporting, the State-level budget for 2026 had not been adopted. The persistent failure of the Fiscal Council of Bosnia and Herzegovina to adopt a Global Framework of Fiscal Balance and Policies as a first step in the budget process blocks budget preparation and suggests continued financial challenges to the State in the coming period. Moreover, the budget ceiling proposals put forward by the Republika Srpska so far do not go in the direction of ensuring adequate financing of the institutions of Bosnia and Herzegovina in 2026.
135. The Federation maintained its budget stability, which should be attributed to the sustained growth of indirect tax revenues, continued domestic borrowing and borrowing at international capital markets. Last July, the

Federation successfully issued its first-ever Eurobond of EUR 350 million, with a five-year maturity and a 5.5 per cent interest rate, on the London Stock Exchange. The transaction was oversubscribed and helped finance budget payments.

136. The Federation budget for 2026 was adopted by the Federation Parliament on 23 January 2026. It totals BAM 8.898 billion, an increase of BAM 649 million or 7.8 per cent over 2025. Domestic revenues are planned in the amount of BAM 6.511 billion, a decrease of BAM 290 million or 4.2 per cent. Borrowing and proceeds from financial assets are planned in the amount of BAM 2.386 billion, a 65 per cent increase, with plans to be covered by short-term borrowing (BAM 360 million), long-term borrowing (BAM 1.976 billion) and proceeds from financial assets (BAM 50 million).

137. All cantonal budgets for 2026 have been duly adopted.

138. The Republika Srpska budget for 2026 was adopted by the Republika Srpska National Assembly on 17 December 2025 in the amount of BAM 7.41 billion, representing a 9.8 per cent increase compared to the second 2025 rebalance (BAM 6.75 billion). Planned gross borrowing amounts to BAM 1.69 billion, out of which external long-term bond issuance is BAM 978 million. Borrowing largely reflects refinancing needs rather than new net borrowing.

139. Total revenues are projected at BAM 5.59 billion, of which BAM 5.18 billion is from tax revenues, and BAM 410 million is from non-tax revenues. The budget foresees a

consolidated deficit of BAM 383 million, more than double the level recorded in the 2025 rebalance, to be financed primarily through borrowing. Expenditures remain heavily weighted toward current spending.

140. In February 2026, Standard & Poor's Global Ratings affirmed the Republika Srpska's long-term credit rating at 'B' with a negative outlook. The rating reflects continued speculative-grade risk, heightened political uncertainty ahead of the 2026 elections, and structurally limited liquidity buffers. The lifting of U.S. sanctions in late 2025 improved the Republika Srpska's access to capital markets, reducing immediate refinancing pressures ahead of the EUR 300 million Eurobond maturing in April 2026. However, available cash covers approximately 35 per cent of the projected debt-service obligations over the next 12 months, underscoring reliance on continued market access. Standard & Poor's Global Ratings warns that the rising contingent liabilities stemming from court cases pose a threat to the Republika Srpska's financial performance and credit quality. These risks, coupled with weak debt management and political volatility, underpin the negative outlook and could lead to a downgrade.

141. The Republika Srpska Fiscal Council assessed that the 2026 Budget increases fiscal rigidity due to sustained growth in wages, pensions, and other permanent expenditures. It cautioned that revenue projections may prove optimistic under weaker external conditions and recommended gradual fiscal consolidation, improved alignment between annual budgeting and medium-term fiscal planning, and strengthened oversight of refinancing risks and contingent liabilities.

142. To bolster public support ahead of the expected spill-over effects of Middle Eastern conflicts, the Republika Srpska Government's economic measures included public sector wage increases effective 1 April 2026 (10% for police and civil servants, 7% for healthcare specialists, and 5% for general healthcare workers), alongside targeted social relief measures such as subsidized youth housing loans, abolition of VAT on first properties, shorter mandatory internships, and one-off financial assistance for pensioners and youth later in the year.

143. Amidst rising oil prices, the Republika Srpska authorities in joint institutions voted against the temporary suspension of excise tax on oil derivatives and opted for measures within the Entity's competencies. The Government initially imposed margin caps on oil distributors and subsequently introduced targeted subsidies and refunds for Republika Srpska residents and firms, while avoiding measures that would reduce indirect tax revenues collected via the Indirect Taxation Authority (ITA) and thereby retaining both fiscal space and political control over resource allocation.

C. Specific International Obligations

144. Due to established deficiencies, the Council of Europe's Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism (MONEYVAL) placed Bosnia and Herzegovina under a one-

year observation by the Financial Action Task Force. If the deficiencies are not addressed by the end of the observation period, Bosnia and Herzegovina is at risk of being listed as a “jurisdiction under increased monitoring” (commonly known as “grey list”). The required measures include a law on asset confiscation and management, a law on targeted financial sanctions for terrorism, financing of terrorism and proliferation of weapons of mass destruction, and a register of beneficial ownership for legal persons in Bosnia and Herzegovina, all of which are blocked by State representatives from the Republika Srpska. Grey-listing would have immediate and tangible consequences for businesses, banks, payments, investment and Bosnia and Herzegovina’s economic credibility, affecting access to international financial markets and transactions, private commercial activities as well as public fiscal affairs. It could also negatively affect Bosnia and Herzegovina’s chances of joining the Single Euro Payments Area (SEPA) that would result in tangible benefits for all citizens and businesses in Bosnia and Herzegovina, such as drastically lowering transaction costs and ensuring faster and more efficient payments, thereby not only modernizing the financial sector but also facilitating remittances, improving business competitiveness and reducing grey economy.

145. The significant risks faced by multiple levels of government in Bosnia and Herzegovina due to pending arbitration claims remained in the period covered by this report. My decision of 17 July 2025 (see paragraphs 26-33 in my previous report) provided a safeguard for the State by specifying that the level of government that creates debt will be responsible for its ultimate repayment. The authorities of Bosnia and Herzegovina

have so far failed to propose a systemic solution to address this problem.

146. The EU Carbon Adjustment Mechanism (CBAM) is a tariff on carbon intensive products set by the European Union and applicable to Bosnia and Herzegovina's exporters of certain products (cement, aluminum, iron and steel, artificial fertilizers and electricity) as of 1 January 2026. This tariff will affect the competitiveness of domestic companies if a domestic emissions trading system is not introduced, as domestic products will become more expensive. Its implementation can have a heavy impact on the economy of Bosnia and Herzegovina, considering that its exports to the European Union amount to around 70 per cent of Bosnia and Herzegovina's total foreign trade exchange. In order to remain competitive, Bosnia and Herzegovina must fulfil a broader set of specific conditions. Those include the adoption of the Law on Regulator, Transmission and Electric Energy Market in Bosnia and Herzegovina, which would provide for the establishment of a Bosnia and Herzegovina power exchange. The Law is currently in parliamentary procedure.

D. Problems of Specific State Legal Entities

147. The Public Railways Corporation of Bosnia and Herzegovina, as the only corporation established under Annex 9 to the General Framework Agreement for Peace, is seriously underfunded. The Corporation is fully dependent on financial transfers from the Entities. While the Federation respects its obligations, Republika Srpska continuously contributes below its share, thereby

challenging the financial sustainability and unimpeded functioning of the Corporation.

VI. Media Developments

148. The media landscape in Bosnia and Herzegovina remains generally diverse, with many media outlets operating across television, radio, print, and online platforms.
149. However, media outlets operate in a financially challenging environment with an insufficient advertising market and are in many cases dependent on political and business interests. Therefore, the media landscape reflects and reinforces the broader political power structures. The recent cuts by international donors have had a detrimental impact on smaller media outlets and further reduce the pluralism of news sources and independent reporting. In addition, journalists face challenges regarding their safety and working conditions.
150. The public broadcasting system in particular faces longstanding governance and funding challenges, while broader regulatory and institutional frameworks require further strengthening to ensure transparency and independence in the media sector.
151. Ensuring the effective functioning of regulatory bodies and public broadcasting services, as well as improving transparency and accountability in the media sector,

remains an important component of Bosnia and Herzegovina's democratic development and its progress on the European integration path.

152. During the reporting period from October 2025 to 15 April 2026, the environment for freedom of expression and media freedom in Republika Srpska continued to deteriorate. The re-criminalization of defamation, introduced in 2023, has increasingly translated into practice, with a steady flow of criminal cases against journalists, thereby reinforcing a significant chilling effect regardless of case outcomes. Journalists remain exposed to political pressure, verbal attacks, and intimidation, including from high-level officials, while institutional responses to such incidents remain insufficient and often dismissive. The growing use of strategic lawsuits against public participation (SLAPPs) further contributes to self-censorship. Civil society and independent media also face a constrained operational environment, marked by financial and other types of pressures as well as instances of disproportionate inspections. Although previously announced legislative and policy initiatives—such as a new media law and measures to address “disinformation”—have not advanced during the reporting period, their earlier articulation continues to raise concerns about potential avenues for increased control over the media space. Overall, these developments point to a sustained negative trend, with systemic pressures undermining pluralism, critical reporting, and the effective exercise of freedom of expression in the entity.

153. The competition for the position of Director General of the Communication Regulatory Agency (CRA), launched in 2024, remained unresolved as of the end of the reporting period. The CRA Council completed the selection procedure and forwarded the selected candidate to the Council of Ministers of Bosnia and Herzegovina for confirmation, which was not done at the time of writing.
154. Ensuring the full independence and effective functioning of the only institution regulating both telecommunications and broadcasting remains an important element of Bosnia and Herzegovina's alignment with European standards in the field of media regulation. Transparent and merit-based appointments to this independent regulatory body remain essential for safeguarding the credibility and effectiveness of media oversight institutions.

Public Broadcasting System of Bosnia and Herzegovina

155. The financial situation of the Public Broadcasting System, comprised of one State-level and two Entity-level broadcasters, deteriorated further during the reporting period, with the State-level broadcaster – public broadcasting service of Bosnia and Herzegovina (BHRT) – being the most affected.
156. On 26 February 2026, BHRT temporarily suspended its regular programming and publicly warned of a possible shutdown. BHRT's accumulated liabilities are estimated

at over BAM 100 million, including approximately BAM 22 million owed to the European Broadcasting Union (EBU), with interest and penalty charges continuing to accrue.

157. As previously reported, the financial threat to the broadcaster results from the unilateral disengagement of the public broadcaster of the Republika Srpska – supported by the Republika Srpska governing structures – from the joint collection and distribution of the legally mandated radio and television (RTV) fee. The problem is further aggravated by the failure of the public broadcaster of the Federation of Bosnia and Herzegovina to collect the RTV fee on the entire territory of the Federation of Bosnia and Herzegovina. While court rulings in 2025 and April 2026 confirmed BHRT's entitlement to the outstanding revenues from the Republika Srpska, their enforcement remains pending.
158. By the end of the reporting period, efforts by Minister of Communications and Transport of Bosnia and Herzegovina to facilitate a political agreement within the Council of Ministers of Bosnia and Herzegovina on emergency assistance for BHRT yielded no results due to persistent dissent by the Ministers coming from the Republika Srpska. The State broadcaster thus remains at imminent risk of shutdown, with serious and far-reaching implications. It is the duty of the Council of Ministers and the Parliamentary Assembly of Bosnia and Herzegovina to find a solution to this crisis.
159. Ensuring the financial sustainability of the public broadcasting system remains one of the key priorities identified by the European Commission for Bosnia and

Herzegovina's progress on its European integration path. In key priority 12 of the 14 key priorities the European Commission requires from Bosnia and Herzegovina to fundamentally improve its legislative and institutional framework to guarantee freedom of expression and of the media and the protection of journalists, notably by "(...) (b) ensuring the financial sustainability of the public broadcasting system".

160. Throughout the reporting period, I have received repeated requests from various stakeholders, including political actors and media commentators, urging me to intervene and resolve the situation. At the same time, I have been the target of critical, strongly worded, and unsubstantiated public remarks for not acting in accordance with these demands, including comments originating from BHRT management.
161. Longstanding concerns also persist regarding the independence of the public broadcasters. The public broadcasting service of the Republika Srpska (RTRS) continued to be closely aligned with the ruling coalition in the Republika Srpska. RTRS programming often reflects the political positions and narratives of the authorities in the Republika Srpska while offering limited or no space for pluralistic debate or critical scrutiny of government policies, raising concerns regarding compliance with the broadcasting principles of neutrality and balanced reporting essential to public service broadcasting. Since the management bodies of the public broadcasting service of the Federation of Bosnia and Herzegovina were appointed only recently, it is too early to evaluate this broadcaster's compliance with broadcasting principles, including on impartial and

objective reporting.

162. Only an independent and financially sustainable public broadcasting system, with its constituent services, can support the strengthening of democratic governance and media pluralism in the country and ensure that the citizens of Bosnia and Herzegovina have access to objective, accurate, unbiased and timely information.

VII. EU Military Mission in BiH

163. On 31 October 2025, the UN Security Council unanimously decided to extend the mission of EUFOR-Althea, praising EUFOR's balanced action and adherence to its mandate.

164. An impartial, visible, prepared and credible EUFOR remains a pivotal factor in guaranteeing peace and stability in Bosnia and Herzegovina, through providing reassurance, and preparing for adequate responses to any eventual deterioration of the security situation. The international community cannot permit a security vacuum in Bosnia and Herzegovina.

165. According to Articles I and II of Annex 1-A and Articles I, II, and IV of Annex 1-B of the General Framework Agreement for Peace, all parties are committed to arms control and have agreed to cooperate with international organizations. EUFOR-Althea continues to undertake a role in arms control by conducting verifications and inspections in close coordination with the relevant

ministries. EUFOR-Althea also remains a key contributor in the field of humanitarian demining through assisting and advising national mine action authorities and international organizations, as well as monitoring demining activities. Bosnia and Herzegovina requested a five-year extension under the Ottawa Convention to achieve mine-free status by 2032.

166. Since the invitation to the NATO Membership Action Plan in 2010, the Armed Forces of Bosnia and Herzegovina have become a reliable partner in the Euro-Atlantic security architecture. Although the Armed Forces of Bosnia and Herzegovina are crucial State-level institution in which cooperation within the multi-ethnic structure functions best, their operational and command capabilities remain dependent on the support of NATO and European Union partners. During the reporting period, Bosnia and Herzegovina adopted important cooperation documents with NATO, namely the *Individually Tailored Partnership Program for 2025-2028* and the *2025 Reform Program*. In parallel, the implementation of the *Defense Capability Building package* is ongoing. EUFOR-Althea also puts additional emphasis on joint training. Increased cooperation with EUFOR and NATO is accepted by all political stakeholders.

VIII. Operations of the OHR

167. While the Office of the High Representative continues to face real and substantial reductions to its budget over the past few years, its remaining tasks have not decreased commensurately. The current annual operating budget of the organization is €5,857,618, identical to

the previous year with no expected inflation uplift. Collecting budgeted funds remains challenging, with around €700,000 of the budget uncollected due to countries not paying their contributions in the 2025/26 OHR financial year. As previously noted, the Russian Federation suspended its contribution to the Office's budget in February 2022, and this remains its position. The Office employs 83 national staff and 20 international staff, 16 of whom are seconded to Sarajevo, its regional and field offices.

168. To achieve progress on the 5+2 Agenda, it is imperative to maintain a robust and efficient Office of the High Representative. Its capacity to fulfil its mandated responsibilities is highly dependent on the appropriation of necessary resources. The current financial situation is not commensurate with the goals established by the Steering Board of the Peace Implementation Council and could endanger the achievement of the purported mandate of the Office of the High Representative. Moreover, any future transformation of the Office of the High Representative needs adequate funding.

IX. Reporting Schedule

169. 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 2026.