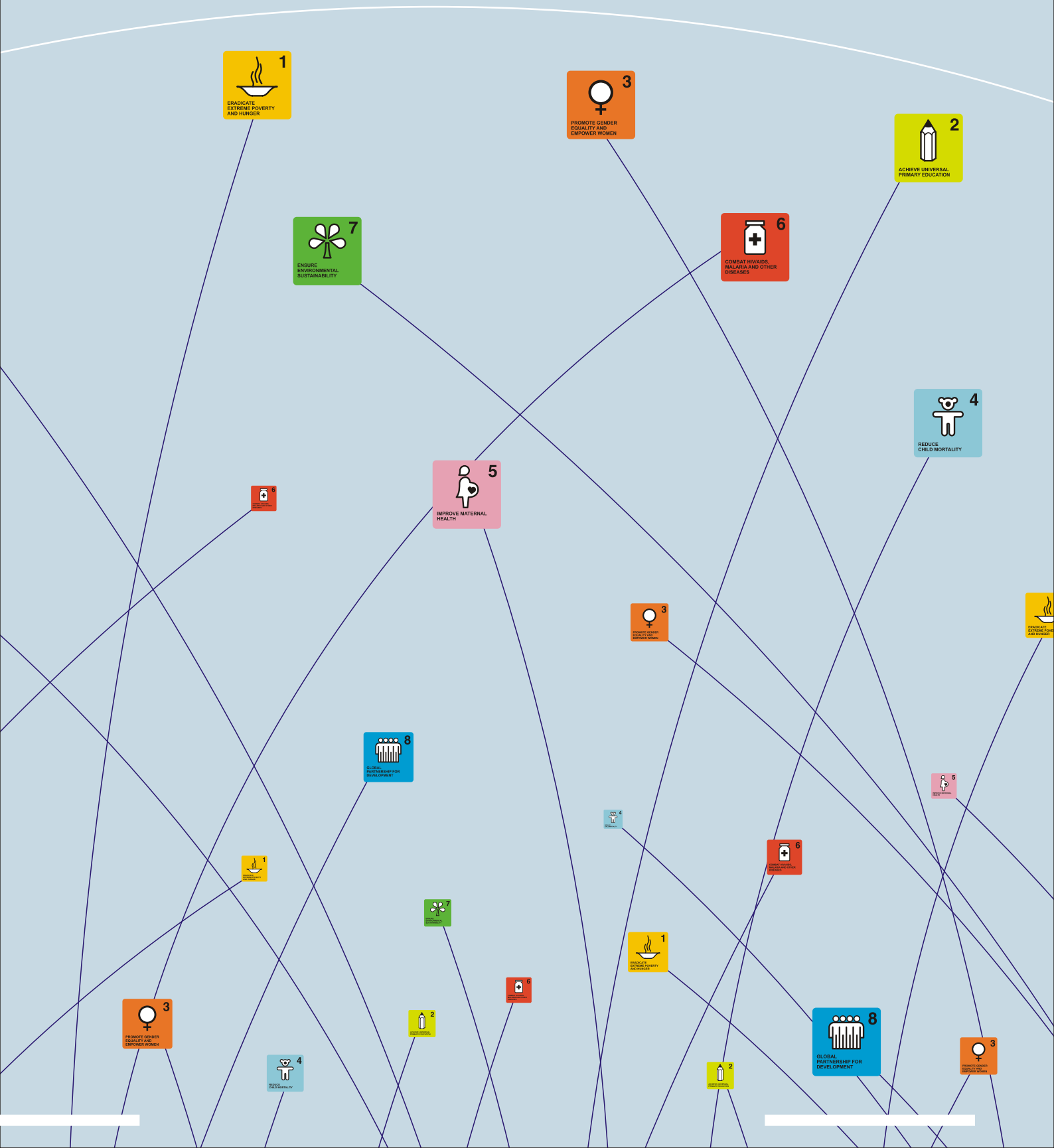




Progress towards the Realization of the MILLENNIUM DEVELOPMENT GOALS in Bosnia and Herzegovina 2010





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This report is prepared by the Ministry of Finance and Treasury of Bosnia and Herzegovina and
the United Nations Country Team in Bosnia and Herzegovina.

Sarajevo, July/August 2010.



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DESIGN

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BAM	- Bosnian Convertible Mark
BAT	- Best available techniques
BD	- Brčko District of BiH
BH MAC	- Mine Action Centre
BHAS	- Agency for Statistics of Bosnia and Herzegovina
BiH	- Bosnia and Herzegovina
CB BiH	- Central Bank of Bosnia and Herzegovina
CDS	- Country Development Strategy
CEDAW	- Convention on Elimination of All Forms of Discrimination against Women
DEI	- European Integrations Directorate
DEP	- Directorate for Economic Planning
DFID	- UK Department for International Development
EBRD	- European Bank for Reconstruction and Development
EC	- European Commission
ECTS	- European Credit Transfer and Accumulation System
EU	- European Union
EUROSTAT	- Statistical Office of the European Union
FBiH	- Federation of Bosnia and Herzegovina
FBiH PHI	- FBiH Public Health Institute
FZS	- Federal Statistics Institute
GAP	- Gender Action Plan
GDP	- Gross Domestic Product
GFATM	- Global Fund to Fight AIDS, Tuberculosis and Malaria
GTZ	- Deutsche Gesellschaft für Technische Zusammenarbeit
HBS	- Household Budget Survey
HDI	- Human Development Index
HDR/MDG	- Human Development Report/ Millennium Goals Report
HPI	- Human Poverty Index
HSEI	- Human Social Exclusion Index
IBHI	- Independent Bureau for Humanitarian Issues
ICITAP	- International Criminal Investigative Training Assistance Program
ILO	- International Labour Organisation
IMF	- International Monetary Fund
IOM	- International Organisation for Migrations
IPA	- Instrument for Pre-Accession Assistance
IPPC EU	- Integrated Pollution Prevention and Control Directive
IUCN	- International Union for Conservation of Nature
LFS	- Labour Force Survey
LiBiH	- Living in BiH Survey
LSMS	- Living Standard Measurement Survey
MDG	- Millennium Development Goals
MICS	- Multiple Indicators Cluster Survey
MIPD	- Multi-Annual Indicative Planning Document
MOR	- Memorandum of Understanding
MoFT	- Ministry of Finance and Treasury of BiH
MoFTER	- Ministry of Foreign Trade and Economic Relations of BiH
MTDS	- Medium Term Development Strategy
NAP	- National Action Plan
NGO	- Non-governmental organization
NHDR	- National Human Development Report
ODA	- Official Development Assistance
OECD	- Organization for Economic Cooperation and Development





Abbreviations and acronyms

- OSCE - Organization for Security and Cooperation in Europe
- OSF - Open Society Fund
- PABiH - Parliamentary Assembly of Bosnia and Herzegovina
- PRSP - Poverty Reduction Strategy Paper
- R&D - Research and Development
- RCA - Regulatory Communications Agency
- RS - Republika Srpska
- RS PHI - RS Public Health Institute
- RSIS - Republika Srpska Statistics Institute
- SEE - South East Europe
- SIS - Social Inclusion Strategy
- UN - United Nations
- UNDP - United Nations Development Programme
- UNECE - United Nations Economic Commission for Europe
- UNFPA - United Nations Population Fund
- UNHCR - UN High Commissioner for Refugees
- UNICEF - United Nations Children's Fund
- UNRCO - United Nations Resident Coordinator's Office
- VAT - Value Added Tax
- WB - World Bank
- WDI - World Development Indicators
- WHO - World Health Organisation
- WRI - World Resources Institute

The Report on Progress of the Realisation of Millennium Development Goals in Bosnia and Herzegovina - 2010 is prepared by the Ministry of Finance and Treasury, the Sector for Coordination of International Economic Aid, and the United Nations in BiH.

Numerous documents and analyses of BiH institutions and international organizations were used in order to prepare this report, as well as individual or joint consultations with the Agency for Statistics of BiH (BHAS); BiH Directorate of Economic Planning (DEP); European Integrations Directorate (DEI); BiH Ministry of Foreign Trade and Economic Relations (MoFTER), responsible entity level ministries and agencies. Analyses made by the World Bank and UN agencies were very useful in the preparation of this report.

Previous UNDP reports: HDR 2003 - "Millennium Development Goals in BiH" and UNDP's "Millennium Development Goals in BiH Update - PRS, Europe and Beyond", 2004, as well as the UN, Official MDG Indicators List (January 15, 2008), have been used as basis in defining and monitoring of the MDG achievement indicators.

Along with the universal MDG indicators, additional indicators, specific for BiH have been defined and monitored as well. At the same time, some of the universal indicators are not particularly relevant in BiH. Progress made in achieving MDGs was monitored based on 2000/2001 baselines, targets achieved according to MTDS/PRSP in 2007 as well as the results achieved in 2009 compared with the targets set for 2015, taking into consideration the consequences of the global economic crisis. When it comes to 2015, in cases where there were no targets determined in previous reports, an estimate was given. This report also analyzed problems stated in the Millennium Declaration that have not been directly covered by MDGs (i.e. refugees and internally displaced persons).

There is a need for a population census in Bosnia and Herzegovina. The lack of population census limits policy planning and the accuracy of social policy targeting. The monitoring of demographic trends, poverty and social indicators is therefore complex and limited due to the absence of up-to-date census data. Additionally, as all large scale surveys rely on good sampling methods, sampling in Bosnia and Herzegovina would be substantially improved with census data.

Considering the lack of certain official indicators for BiH, while preparing this report different international sources which did not always follow the same methodologies (in such cases methodological differences were stated) had to be used. In addition, it was not possible to find data for all indicators and for all the monitoring periods. Appropriate indicators for each of the MDG goals and the progress towards their achievement were analyzed within individual chapters on each of MDGs. Arguments for estimates with regard to their achievement by 2015 are also given.

A table was included at the beginning of each chapter with the basic goal and targets, accompanied by compulsory universal indicators as well as the assessment of the progress made with regard to the targets data for 2015. The complete table with all the indicators and additional indicators for BiH, with the sources of data and clarifications in terms of methodology are provided in Annex I of this report. The basic goal of this report is to monitor progress made in the achievement of the MDGs, to analyze problems encountered in that process and to propose policy recommendations.





1. BiH particularities and MDGs



BiH is a European country which had a medium level of development before the 1992-1995 war. The war caused immense human and material losses¹. During the post war reconstruction BiH received large international financial and expert assistance. The administrative structure defined by the Constitution is very complex and requires a robust process of aligning different interests in order to provide functionality. In the post-war period, BiH was going through a triple transition: from war to peace; from international financial aid to sustainable development and from a planned economy and political monopoly towards a market economy and democracy. The complexity of internal processes within BiH affected the status of MDGs, especially in 2000/2001, as well as the progress in terms of their realization. Bosnia and Herzegovina's future lies in its full integration into major European structures. The European Union and Bosnia and Herzegovina signed the Stabilization and Association Agreement on June 16, 2008. It will come into force upon the completion of the ratification process. By entering into these relationships with the EU, BiH took over an obligation to achieve progress, fulfilling the criteria for EU membership and implementing European standards, i.e. to gradually align its legislation and policies with the EU's *Acquis Communautaire*. It is a vast bulk of legislation and it will take a lot of effort to harmonize the legislation and technical standards in BiH with the current EU practices. The progress of Bosnia and Herzegovina in terms of fulfilment of the European Union accession criteria are monitored on an annual basis in the analyses provided within the European Commission Progress Reports for BiH. The present report is monitoring some of the Leaken indicators that are part of the process of monitoring of the European Social Inclusion Agenda.

MDGs, human development and social inclusion

The adoption of the Millennium Declaration by 189 United Nations members in September 2000 was an important moment in terms of global cooperation in the 21st century. Ten years later, the world leaders will gather again at the United Nations to assess the progress, provide recommendations and to agree on concrete strategies and actions to be taken in order to provide for the realization of the eight MDGs by 2015. These goals present human needs and basic rights that every human being should be able to enjoy.

Global Millennium Development Goals (MDGs):

- I. Eradicate extreme poverty and hunger
- II. Achieve universal primary education
- III. Promote gender equality and empower women
- IV. Reduce child mortality
- V. Improve maternal health
- VI. Combat HIV/AIDS, malaria and other diseases
- VII. Ensure environmental sustainability
- VIII. Develop a global partnership for development

The MDGs have been developed based on a human development concept. The human development approach focuses on, or uses as its basis, the freedom of human beings - or "opportunity" of positive choice, not in a formal sense, but more in terms of the true conditions limiting freedoms even in the most democratic of societies. In recent years, the human development concept has been expanded to include the human rights perspective which led to the development of Human Rights Based Approach (HRBA) or the adoption of basic international instruments for the protection of human and economic, social and cultural rights.

United Nations Millennium Declaration² puts the strict focus of the international agenda for the new millennium on both - human development and human rights. When the countries - UN members -

¹ Estimates of human and material losses are provided in UNDP, HDR 2003, Millennium Development Goals in BiH, 2003

² Adopted by UN within the Resolution 55/2, September 8, 2000, see <http://www.un.org/millennium/declaration/ares552e.pdf>.

reconfirmed their commitment to promote human development and protect human rights, they also agreed on eight measurable and time-bound goals - the so called Millennium Development Goals. These goals provide a focus for efforts to reduce poverty and represent a common basis for progress monitoring.

A concept complementing the human development concept and MDGs is the concept of social exclusion. Social exclusion describes the process by which certain groups are put in an adverse and inferior position due to discrimination based on their ethnicity, race, religious beliefs, sexual orientation, caste, origin, gender, age, disabilities, HIV infection, migration status or place of residence. Discrimination occurs in public institutions, within the legal or educational system, but also within social communities - households for example.³ Human development and social inclusion are, in addition, complementary to the concept of social capital since within their frameworks, they address the wellbeing of people within the social context and the integration of the individual and community and society as key to understanding their wellbeing⁴.

Importance of MDGs for Bosnia and Herzegovina

For BiH and its citizens, the achievement of the MDGs is especially important primarily because of the consequences of the war and the subsequent efforts aimed at sustainable development. In 2003 BiH incorporated MDG indicators into its first Medium-Term Development Strategy 2004-2007 (PRSP) - to be used for the monitoring of the implementation of this Strategy⁵. Thus the achievement of MDGs in BiH became a vital part of the strategy development and implementation process in the country.

The final report⁶ on the implementation of measures planned within the Action Plan (MTDS/PRSP 2004-2007) indicates that the progress in the achievement of MDGs was made within that medium-term period. In 2004 UNDP prepared the "Millennium Development Goals in BiH Update - PRS, Europe and Beyond", which represented a step forward in linking the MDGs in BiH and the European integration process. Adoption of the Medium-term Development Strategy of BiH and the medium-term Social Inclusion Strategy is in the final stage. The purpose of these strategies is, relying on EU Lisbon Strategy guidelines, to provide for a more stable, efficient and competitive BiH economy and to reduce poverty and achieve social inclusion in BiH as well as its integration into the EU. The goals of the BiH development strategy are: macroeconomic stability; competitiveness; employment; sustainable development; EU integration and social inclusion. The last goal on this list has been further elaborated in a separate document, *Social Inclusion Strategy*, with the following goals: social policy for employment (with a special section on social protection/welfare); improvement of the status of families with children; improvement of education; improvement of health care; improvement of pension policy and improvement of the status of persons with disabilities.

Each of these goals in this document has been developed in detail. Priorities and goals were further defined at the operational level in relevant action plans. Both strategies have been drafted with a full participation of all levels of government (BiH, entities, cantons, municipalities) and with participation of the civil society organizations. Goals and priorities correspond to the MDGs, thus the implementation of the strategies mentioned will be of great importance for future progress in the realization of the MDGs. Therefore it is important that the analysis and recommendations of the Report on Progress of the Realisation of Millennium Development Goals in Bosnia and Herzegovina - 2010 - includes priorities that these two documents will be focusing on. Such an approach would ensure higher-quality monitoring of the progress BiH is making in its development and, at the same time provide for participation of a wide range of stakeholders that would support BiH on its path towards the European Union.

³ DFID, *Reducing Poverty by Tackling Social Exclusion - Smanjenje siromaštva rješavanjem pitanja socijalne isključenosti*, September 2005, p. 3

⁴ See: UNDP, NHDR BiH 2009 "Ties that Bind Us - Social Capital in Bosnia and Herzegovina", p. 29

⁵ Medium-term indicators from UNDP, HDR 2003 (Ibid) were used. This UNDP BiH HDR was, in 2004 awarded a special UNDP global award for cooperation with the Government

⁶ DEP "Srednjoročna razvojna strategija BiH 2004-2007 (PRSP) Konačni izvještaj o implementaciji mjera iz Akcionog plana" - BiH Medium - Term Development Strategy 2004-2007 (PRSP) Final Report on the Action Plan Implementation, March 2008





1. BiH particularities and MDGs



Table 1.1. At a glance overview of key 20 indicators for Bosnia and Herzegovina

Goal/Target/Indicator	Baseline 2000/ 2001	2007		2009 or latest available data	2015 Targets MDGs	Progress towards 2015 Targets	
		Targets as in PRSP	Data Achieved				
MDG 1: To eradicate extreme poverty and hunger							
1.1. Percentage of population living below absolute poverty line	19.1	16.0	14.0	14.0 (2007)	9.0	Likely	
1.8. Unemployment rate in %	ILO definition	22.9	22	29.0	24.1 (2009); 29.9 (2010)	22.0	Unlikely
	Registered	43.4	30	44.1	42.7	30.0	Unlikely
1.12. Unemployment rate of the 15-24 age group - %	34.8 (Age group 19-24)	30	58.4	47.5	12	Unlikely	
MDG 2: To achieve universal primary education							
2.1. Primary school net enrolment rate in %	b1) 97 b2) 95 b3) 92.8 b4) 98.9	95	98.4 (2005/6) 98.3 (m) 98.6 (ž)	96	100	Potentially /Likely	
2.4. Secondary school enrolment rate %	b1) 56.8 b2) 72.6 b3) 68.3	75	79.3 (2005/06) 77.9 (m) 81.1 (f)	77	85	Potentially	
2.5. Higher education enrolment rate	b1) 19.8 b2) 24.2 b3) 23.0	25	d1) 25 (2004) d2) 33.5 (2007)	e1) 34 (2008) e2) 50 (2009)	35	Likely	
MDG 3: To promote gender equality and empower women							
3.3. Share of women in wage employment in the non-agricultural sector %	39.2	40.0	33.8	34.9	45.0	Unlikely	
3.4. Percentage of women representatives in Parliament of BiH	14.3	16.0	10.5 (2008)	10.5 (2008)	25	Potentially	
MDG 4: To reduce child mortality							
4.1. Under-five mortality rate, per 1000 live births	b1) 17 b2) 10.3 b3) 11.2	9.3	d1) 14 d2) 7.9	15 (2008)	7.0	Potentially	
4.2. Infant mortality (under one year of age) per 1000 live births	b1) 14 b2) 8.5 b3) 7.6	7.0	d1)13 d2)6.6	e1)12,7 e2)6.9 (2008)	5.0	Likely	
MDG 5: To improve maternal health							
5.1. Maternal deaths (per 100,000 live births)	5.05	4.0	3(2006) 1(2007)	1 (2007)	2.5	Achieved	
5.2. Percentage of assisted childbirths (%)	b1) 99 b2) 99.6	100	99.5	99.9	100.0	Achieved	
5.3. Contraception prevalence rate	49 (2001)	55	35.7 (2006)	35.7 (2006)	65	Potentially	
MDG 6: To combat HIV/AIDS and tuberculosis							
6.1. Adults with AIDS, number of new AIDS cases / no. of deaths	51/3	n/a	33/4	43	50	Likely	
6.3. Tuberculosis prevalence and mortality rate /100,000	cases	50	30	55	30	20	Likely
	mortality rate	4	0	8	<6	2	
MDG 7: To ensure environmental sustainability							
7.1. Percentage of forest area (% of land area)	b1) 44.6 b2) 55.6	52	42.7	53	60	Potentially	
7.5. Percentage of population having access to water supply systems	53	58	65 (2008)	65 (2008)	67	Achieved	
7.5. Percentage of population having access to water sewage system	33	36	36 (2008)	36 (2008)	40	Likely	
MDG 8: To develop a global partnership for development							
8.4. Official assistance for development (ODA) - as a percentage of GDP -%	11.1	n/a	2.97	2.6	1.0	Likely	
8.7. Personal computers per 100 population	3.9 (2000)	4.0	6.4	6.4 (2008)	12.0	Potentially	
8.8. Phone lines per 100 population	22.6	15.0	28.2	27 (2008)	26.0	Achieved	

Note: for more detail and sources, please refer to the main indicator table in Annex 1.

2. MDG 1: To eradicate extreme poverty and hunger



Table 2.1. MDG 1 indicators

Goal/Target/Indicator	Baseline 2000/ 2001	2007		2009 or latest available data	2015 Targets MDGs	Progress towards 2015 Targets	
		Targets as in PRSP	Data Achieved				
1.A Target: To halve, between 1990 and 2015, the proportion of people whose income is less than \$1 a day							
1.1. Percentage of population living below absolute poverty line	19.1	16.0	14.0	14.0 (2007)	9.0	Likely	
1.2. Relative poverty rate (%)	18.3 (2004)	n/a	18.2	18.2 (2007)	14.0	Likely	
1.3. Share of poorest quintile in national consumption %	9.5	n/a	7.2	7.2 (2007)	>10	Potentially	
2.B Target: To achieve full and productive employment and decent work for all, including women and young people							
1.4. Employment ratio compared to population of working age - %	36.1	n/a	31.2	33.1(2009) 32.5(2010)	37.3	Potentially	
3.C Target: To halve, between 1990 and 2015, the proportion of people who suffer from hunger							
1.5. Under nourishment among the children below 5 in %	4.2 (2000)	n/a	1.6 (2006)	1.6 (2006)	0.0	Likely	
1.6. Proportion of population below minimum level of dietary energy consumption %	Less than 5 (2002)	n/a	d1) 0.52 (2007) d2) less than 5 (2004-2006)	e1) 0.52 (2007) e2) Less than 5 (2004-2006)	Close to zero	Likely	
1.7. Gini index	26.0	25.0	33.3	33.3 (2007)	20.0	Unlikely	
1.8. Unemployment rate in %	ILO definition	22.9	22	29.0	24.1 (2009) 29.9 (2010)	22.0	Unlikely
	Registered	43.4	30	44.1	42.7	30.0	Unlikely
1.9. Participation of informal sector in overall employment expressed in %	b1) 33.3 b2) 36.5	n/a	d1) 21.4 d2) 33.6 (2006)	e1) 20.1 e2) 33.6 (2006)	f1) 16.0 f2) 25	Potentially	
1.10. Inter-quintile ratio (richest/ poorest 20%)	35.8:9.5=3.8	n/a	41.45:7.22=5.7	41.45:7.22=5.7 (2007)		No data	
1.11. Real annual GDP growth rate in %	4.1	5.5	6.2	-3.2	5.0	Potentially	
1.12. Unemployment rate of the 15-24 age group - %	34.8 (Age group 19-24)	30	58.4	47.5	12	Unlikely	
1.13. Average annual inflation rate - %	3.1	2.2	1.5	-0.4	Less than 4	Achieved	

Note: for more detail and sources, please refer to the main indicator table in Annex 1.

Situation analysis and progress

Poverty dynamics

In the period from 2000 to 2008, BiH recorded a significant economic growth with the GDP growing annually, on the average, by about 6%. Generators of this growth were the high level of exports, powerful domestic consumption and investment growth spurred by a significant growth in loans and remittances and the high price of BiH products on the world market (eg. metal). This GDP growth was accompanied by a decrease of poverty⁷. According to the WB/DEP estimates, absolute poverty, i.e. the percentage of the population living below the poverty line defined as the consumption level of 205 BAM per person per month has dropped between 2004 and 2007 from 18 to 14 %. It is however important to note that different data sets were used for the period mentioned.





2. MDG 1: To eradicate extreme poverty and hunger



From 2001 to 2004 a series of surveys (Living Standard Measurement Survey, LSMS) was conducted annually to measure the standard of living. Starting from 2004, the Agency for Statistics of Bosnia and Herzegovina (BHAS) used the Household Budget Survey (HBS) for poverty monitoring. It is important to mention that in 2004, the incidence poverty was similar in both of these data sets when using the same poverty line.



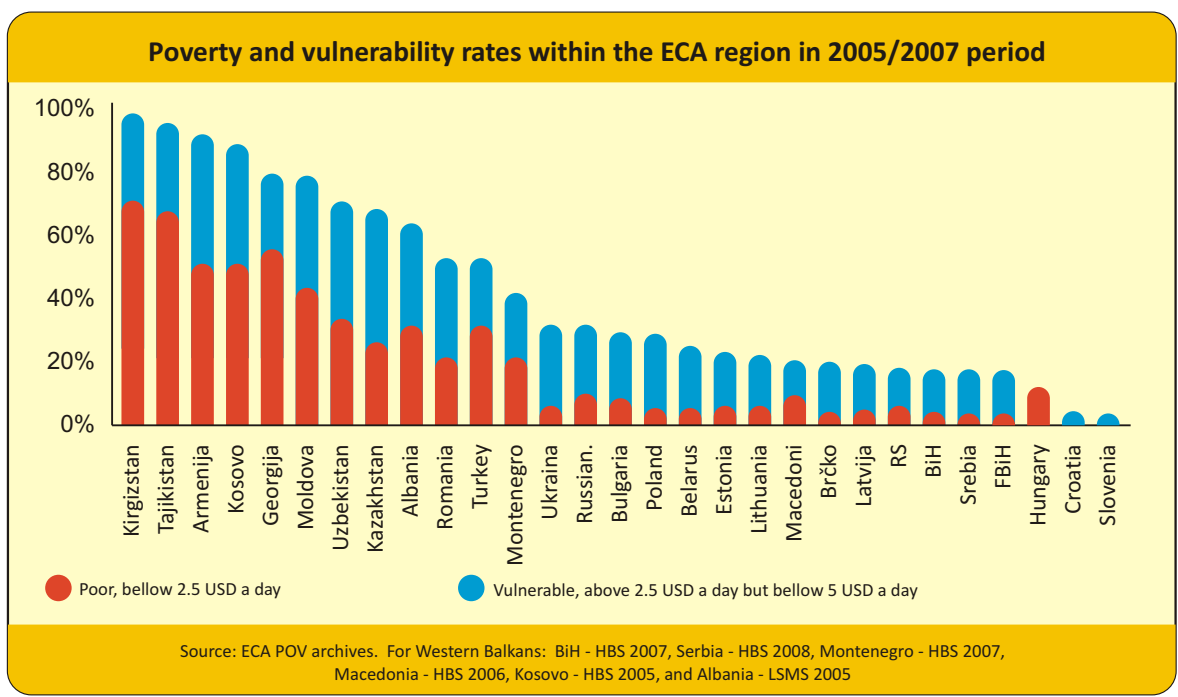
Despite the recent improvements, according to the WB/DEP report, a significant percentage of the population has expenditure levels that are just slightly above the poverty threshold. Based on the 2007 HBS, it is estimated that about 20% of the population, for example, have per capita expenditure levels between 204 BAM and 306 BAM. This population is susceptible to economic changes that could lead to a decrease of their income, even by rather small amounts, and move them below the poverty line.



Nevertheless, Bosnia and Herzegovina has one of the lowest poverty rates in the South-eastern Europe region according to poverty assessments comparable at the international level (ECA POV).



Graph 2.1. Regional comparison of poverty rates using comparable aggregated expenditure indicators and the newest PPP rates (ICP 2005)



Social policy challenges

The basic problem of the social protection system in BiH is its low efficiency in terms of poverty reduction.⁸ In 2007, BiH was spending 4% of GDP for payments of monetary social assistance of different forms that were not based on contributions. That is far more than the average among the countries in the region (1.6% of GDP). At the same time, the poorest population quintile is receiving only 17% out of the total monetary assistance from the social welfare sources, which is even less than their share within the overall population (20%) and falls far short of their real needs.

⁷ For details see: WB/DEP. "Protecting the Poor during the Economic Crisis: 2009 Bosnia and Herzegovina Poverty Update", December 18, 2009. p. 8-9.

⁸ See the World Bank report, "Policy note: Social Assistance Transfers in Bosnia and Herzegovina: Moving towards a more Sustainable and better Targeted Safety Net", April 30, 2009., p. 6-9

2. MDG 1: To eradicate extreme poverty and hunger



Thus the effect of these transfers on poverty reduction is insufficient. If these transfers (amounting to 4% of GDP) were abolished, poverty would increase only slightly, from 18.6% to 19.2%, or by 0.6 percentage points (based on BHAS poverty estimates). On the other hand, even with a doubling of these transfers, the effect in terms of poverty reduction would be negligible.

Social transfer programmes in BiH are mainly based on beneficiaries' status. Transfers to war veterans absorb about 1/3 of the total expenditures on non-insurance type cash benefits. Only 15% of transfers to war veterans are received by the poorest population quintile, while the 27% of transfers to war veterans are received by the richest population quintile. Efficiency is somewhat better for child protection allowances, allowances to non-war invalids and civil war victims. Some 26-30% of these transfers are received by the poorest population quintile.

In the World Bank Report quoted, such a situation was assessed as fiscally unsustainable, economically inefficient and socially unfair. BiH should reform the non-insurance type social transfers into programmes and measures aiming at developing a social safety net that would be: (a) less burdening to public resources, (b) more efficient and (c) better targeted towards the poor.

Significant changes have been undertaken, especially in FBiH, starting from the beginning of 2009, consisting of amendments to regulations on civilian invalids. In addition, from mid 2009 in the context of the IMF programme, significant measures are being introduced with regard to invalids of war and other war veterans. IMF criteria were implemented in RS as well.

Estimates of the impact of crisis and future poverty dynamics

It is estimated that the global economic crisis will seriously affect BiH. GDP was expected to fall by 3.5 to 4% in 2009, but the actual decline and its length are still uncertain.⁹ Even if the recovery of the world economy occurs in 2010, it is expected to be slow. Decrease of production was especially acute in the export sector. The industrial sector has been the hardest hit. It is estimated that the industrial production in the first quarter of 2009 fell by over 20% compared to the same period of 2008.

The level of vulnerability of households has increased in several ways. The unemployment rate in BiH reached 24% in early 2009 and was one of the highest in South-eastern Europe. It is estimated that the inflow of remittances, which accounted for 15% of BiH GDP will fall by 3-5% compared to 2008 flows. And finally, indebtedness adds another dimension to household vulnerability.

By 2007, the household debt amounted to 27% of GDP and that represented half of the overall private sector debt. The majority of loans in BiH had variable interest rates and were linked to foreign currencies. The increase of interest rates in countries from which the major loans were originating will likely lead to increased loan repayment costs.



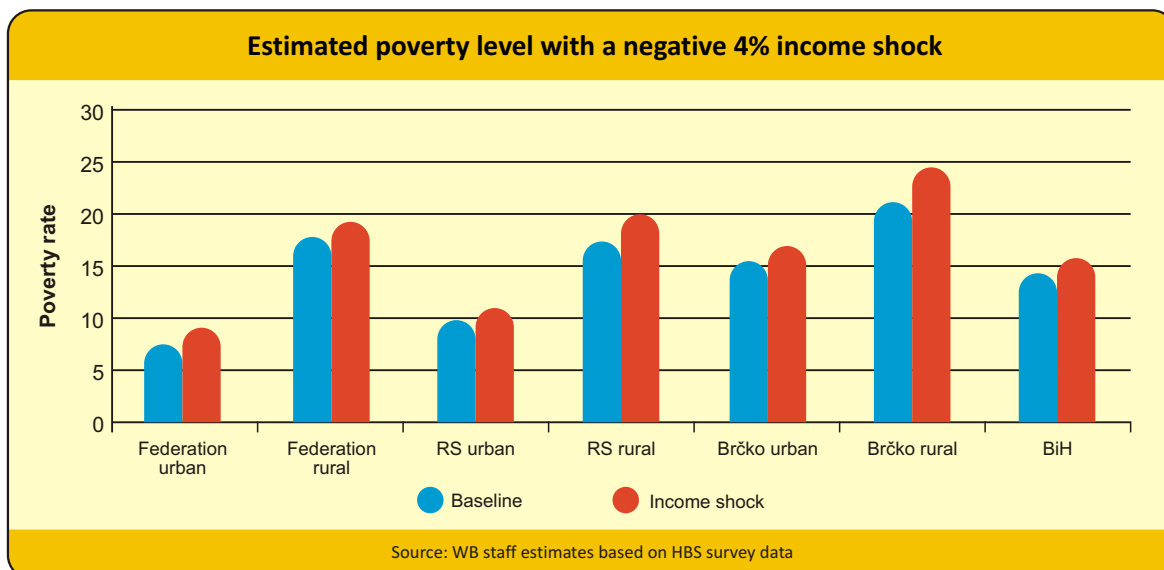
⁹ SB/DEP, Ibid, p. 32



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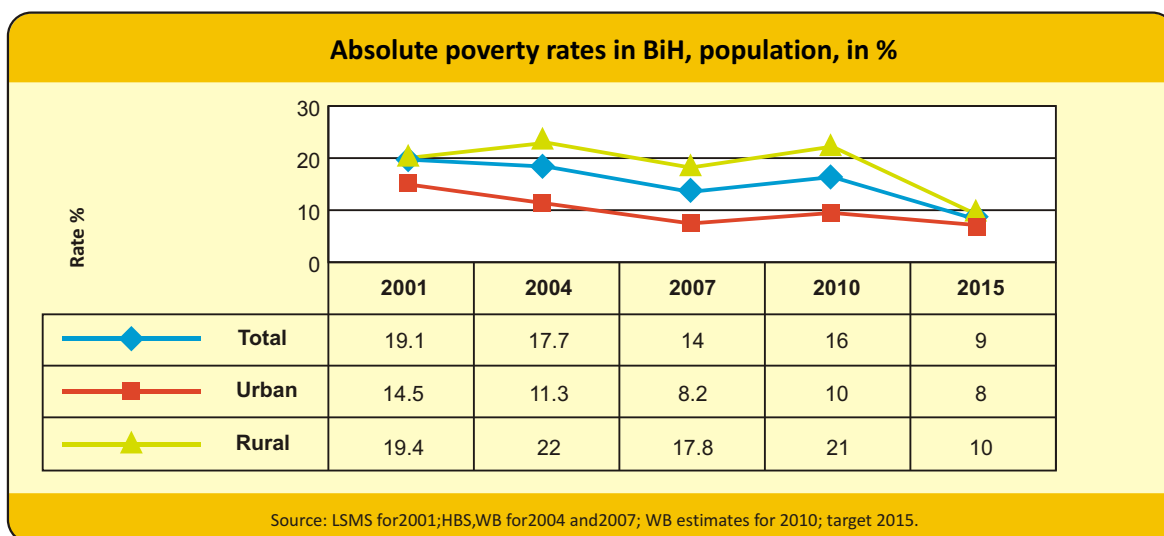
Graph 2.2: Estimated poverty level with a negative 4% income shock¹⁰



Empiric simulations conducted by the World Bank indicate that the foreseen fall in GDP could lead to an increase in poverty, thus wiping out half of the progress achieved before the crisis. A fall in household incomes by 4% would lead to an increase in the poverty rate by two percentage points.

The global economic crisis halted the progress in poverty reduction and led to its increase in Europe and the Central Asia region, as well as in other world regions. The post-crisis poverty increase in BiH is part of the global trend and is relatively lower than in other countries¹¹. The absolute poverty rates in BiH for 2001, 2004 and 2007 and the World Bank estimates for 2010, as well as the goal set for 2015 provide obvious poverty trends presented in Graph 2.3. It is evident that the poverty rate is consistently higher among the rural population.

Graph 2.3: Absolute poverty rates in BiH, population, in %



¹⁰ SB/DEP, Ibid, p. 32

¹¹ Thus, for example, "the preliminary data shows that the majority of progress on poverty reduction that had been achieved between 2000 and 2008 was abolished due to global economic crisis". UNDP, etc. "Draft Report on MDGs in Europe and Central Asia". Conference held in Istanbul in 2010, page. 21. See also UN; "The Millennium Development Goals Report". New York, 2010.

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Reduction of the rate of inequality along with the growth of GDP in 2001-2007 contributed to poverty reduction as well. The Gini coefficient dropped from 34.7 (2004) to 33.3 (2007), and the decline was more significant in rural than in urban areas¹².

Projections for 2015 are based on the assumption that after GDP stagnation in 2010, its growth will become more dynamic in the forthcoming five years. Assessments made by the DEP in the BiH Development Strategy Draft for the medium-term period imply a growth in GDP of 5.8% in 2011 and 6.6% in 2012¹³, therefore it is realistic to make an estimate of an average GDP growth of 5.5% for the period of 2011-2015. On the other hand, the implementation of the Social Inclusion Strategy, improvements in social protection, primarily in terms of better targeting of the real needs of beneficiaries, will speed up poverty reduction. Therefore it is realistic to estimate that poverty will fall to 9% of the overall population living below the general poverty threshold (WB/DEP report methodology) by 2015.

Social inclusion and human development

Taking into consideration the multi-dimensional nature of poverty and its interrelation with the wider concept of social exclusion, it is important to review the measurement of social exclusion. In the EU, social exclusion is measured using Laeken indicators. In BiH the preparations have just started for the (SILC) statistical researches that would enable a methodologically proper monitoring of Laeken indicators. In the meantime, a team of national experts developed a methodology for calculating social exclusion indices, conducted a representative survey and made the following findings for 2006¹⁴.

The three indices provide a snapshot of social exclusion in BiH:

1. The General Social Exclusion Index (HSEI) takes into consideration interdependence of living standards, health status, education, participation within the society and access to services.¹⁵ The general social exclusion index for BiH indicates that in 2006, 50.32% of its population was socially excluded in at least one of these forms.
2. The Extreme Social Exclusion Index (HSEI-1) estimated that in 2006 extreme social exclusion among the population of BiH was 21.85%, meaning that about 22% of the BiH population is excluded from basic processes and needs. There are visible differences between FBiH (24.53%) and the RS (20.01%), and the urban (19.75%) and rural (23.57%) population.
3. The Long-term Exclusion Index (HSEI-2) differs from other indices as it measures the part of BiH population that has limited choices in terms of improvement of their own situation, therefore that are at risk of long-term exclusion. The value of this index for BiH in 2006 was 47.31%, meaning that the 47.31% of working population in BiH is at risk of remaining in a long-term excluded category.

Considering that neither before nor after this study there was no similar research, it was impossible to compare and determine the dynamics of change in the social exclusion indices.

Considering the multidimensional nature of poverty and the need to analyze it from the human development perspective, however, it is important to note that there is a constant progress evident in BiH in terms of human development measured by Human Development Index (Table 2.2).

Table 2.2 BiH Human Development Index

Year	2001	2007	2009	2015
Human Development Index HDI	0.744	0.812	0.829	0.847

Source: for 2001 NHDR BiH 2006; 2007 HDR 2009; estimates for 2015.

¹² SB/DEP, Ibid, p. 12.

¹³ See: "Strategija zapošljavanja u Bosni i Hercegovini 2010-2014" Employment Strategy in Bosnia and Herzegovina, a document adopted at the Council of Ministers, July 14, 2010, p. 6.

¹⁴ UNDP/IBHI "Human Development Report 2007 Social Inclusion in BiH", Sarajevo, 2007. This report was in 2009 awarded UNDP and OECD awards on global level for "excellence in measurement". For methodology overview, see Annex I.

¹⁵ UNDP/IBHI "Human Development Report 2007 Social Inclusion in BiH", Sarajevo, 2007.





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The HDI estimate for 2015 is based on estimated achievements of all of the MDGs listed in this report and on the estimate of the average annual GDP growth of 5.5% for the period of 2001-2015 (based on DEP's estimates on GDP growth for 2001 and 2012). It is important to note that in 2004 BiH entered the group of countries with a high level of HDI.¹⁶



Employment features and trends



In 2000 to 2006 the number of employed declined, followed by a strong increase with the number of employed rising from 810,000 in 2006 to 890,000 in 2008, representing 10% growth. In that period there was a transfer of employed from informal into formal employment status, partially as a result of the introduction of the value added tax (VAT)¹⁷. In 2009 the employment rate decreased according to the LFS 2009 data (Table 2.3).



Table 2.3. Employment and unemployment rates in BiH, disaggregated by gender, in %



Rates	2006	2007	2008	2009
Activity rate - total				
men	56.2	57.7	57.1	56.2
women	30.8	31.0	31.6	31.9
Inactivity rate - total				
men	43.8	42.3	42.9	43.8
women	69.2	69	68.4	68.1
Employment rate - total	29.7	31.2	33.6	33.1
men	39.9	42.3	44.9	43.2
women	20.0	20.8	23.1	23.7
Unemployment rate - total			23.4	24.1
men	28.9	26.7	21.4	23.1
women	34.9	32.9	26.8	25.6



Source: 2006 Labour Force Survey, pilot project; 2007, 2008, 2009 Labour Force Survey 2009. BHAS

Activity rate: labour force compared to the working age population

Employment rate compared to the working age population; unemployment rate compared to the working age population

The main features of the labour market in BiH are the high inactivity rate as well as the high unemployment rate, in addition to a high level of employment in the informal sector. One of the prominent features of the labour market in BiH is the very high number of people of working age who are not participating in the labour market and who are 'inactive'.¹⁸ Labour force participation in BiH is significantly below the level in other countries of the region. Furthermore it has been stagnating for years, showing very few signs of possible increase.

On average, inactive persons have low level of skills - 65% of the inactive population have completed only primary school or not even primary school, 32% have completed secondary education, while only 3% have higher (university) education¹⁹. The activity rate among the young people in BiH is particularly low, compared to other countries in the region and in EU. Persons falling within the 15-24 age group are showing an activity rate of only 33%.

84% out of the total number of unemployed persons fall in the long-term unemployed category, meaning that they are jobless for over 12 months (giving the long-term unemployment rate of 20.1%). That implies that they do not possess the skills needed to get employment. In addition, 72.4% of them have been out of a job for more than 2 years, while 27.6% for more than 10 years!²⁰

¹⁶ Countries with high human development are those with HDI between 0.800 and 0.899

¹⁷ See: WB; "Are Skills Constraining Growth in BH?", April 2010, p. 6.

¹⁸ Inactive persons are all persons of 15 years of age and older who are not employed, taking no measures whatsoever to find employment and persons that would not be ready to start working if they would be offered a job.

¹⁹ See: WB, Ibid, p. 10-13.

²⁰ BHAS, Labour Force Survey 2009, p. 50

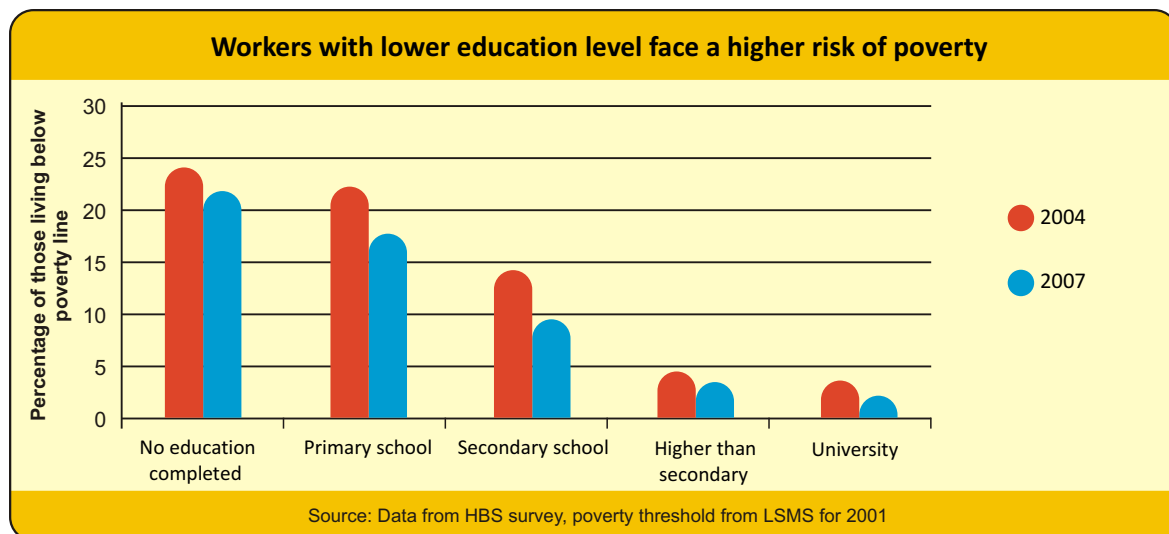
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A percentage of long-term unemployed persons of 84% indicates that this is a case of structural and not cyclic factors. The unemployed, it seems, don't possess the skills needed to find employment, while companies have no demand for the type of skills that the long-term unemployed persons possess.

A particularly worrying fact is that about half of the unemployed are persons seeking a job for the first time, persons who finished secondary school or vocational programmes. The unemployment rate among persons in the 15-24 age group in 2009 was as high as 48.7%. Surveys at the level of enterprises indicate that recent secondary school graduates do not possess the right type of training, skills or experiences needed by employers. The poverty risk indicates a high correlation with the low level of skills²¹.

Graph 2.4: Workers with lower education level face a higher risk of poverty²²



The majority of the poor are working poor.²³ The poverty rate among those classified as employed, compared to those self-employed, unemployed, retired and inactive is at the lowest level. Self-employed have shown to be poorer than both those officially employed and those retired. Still, about one third of the poor are employed, indicating that the majority of the poor are working. The next largest group among the poor are retired pensioners representing 25% of the total poor population.

Informal employment looks quite high as well. The “official” or registered unemployment remains slightly above 40%. For comparison purposes, the 2008 Labour Force Survey indicates that the real unemployment rate is about 23%, implying a high level of informal employment. Several reasons might explain the prominence of the informal sector. First of all, direct taxes being paid with regard to formal (official) employment are relatively high (social contributions amount to about 41% of gross salary, while personal income tax accounts for 10% and 8% in the Federation of BiH and in Republika Srpska).

The Employment Strategy in BiH for 2010-2014 adopted in mid-June 2010 recognizes as key challenges the increase of the overall employment rate, the increase of women in employment and a decrease of unemployment among the young. It aims for a 2% an annual increase of the employment rate, a 2.5% increase in the annual employment rate among women and a decrease in the unemployment rate among young people to 30% by 2014.²⁴ Based on this the target for the general employment rate in 2015 is 37.3%, for women employment rate - 27.5% and for youth unemployment rate - 29.5%.

The following table shows the employment rate (men/women) and unemployment rate trends as well as the youth unemployment rate (15-24 age group) in 2000-2010 along with the 2015 estimate based on the Employment Strategy in BiH 2010-2014. Realization of these goals in 2015 would require

²¹ WB/DEP, Ibid, p. ii

²² WB/DEP, Ibid, p. iii

²³ WB/DEP; Ibid, p. iv

²⁴ BiH Council of Ministers, “Strategija zapošljavanja u Bosni i Hercegovini 2010-2014” Employment Strategy in Bosnia and Herzegovina, July 2010, p 33.





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significant efforts regarding the implementation of medium-term strategic documents (Employment Strategy, Country Development Strategy and the Social Inclusion Strategy).



Table 2.4. Trends in employment and unemployment rates until 2015, according to ILO methodology

Indicators	2001	2007	2009	2015	Average annual rates growth in %, 2010 -2015
Employment rate		31.2	33.1	37.3	2.0
men	No data	42.3	43.2	47.7	1.7
women	No data	20.8	23.7	27.5	2.5
Unemployment rate	22.9	29.0	24.1	20.2	-2.9
Unemployment rate among the youth (15-24 age group)	No data	58.4	48.7	29.5	-8.0

Source: 2001 Living in BiH, Wave 1. 2007 and 2009; Labour Force Survey 2009; 2015 estimate is based on registered employment and unemployment trends, goals of the Employment Strategy in BiH 2010 -2014 and the Gender Action Plan.



Children²⁵

Children most prone to risk are those coming from households with the following features: households with three and more children where the youngest child is younger than five years; households with four or more adults; households with two or three elderly people; households headed by women; households where the head is unmarried or divorced; households headed by persons with no education or with only primary school completed; households with no employed members; those living in rural areas. Children who, in addition to the features listed, live in rural areas are at the greatest risk.

In addition to household characteristics, the risk of poverty and social exclusion is increasing for the following specific categories of children: children without parental care, children with disabilities, Roma children and displaced children. Analysis based on MICS3 research from 2006 clearly shows that the children living in poverty are under far greater risk of food and health deprivation. Poverty is the major individual cause of deprivation in terms of development and education of children in BiH.

Analyses are clearly showing that the children living in households headed by women are far more exposed to the risk of poverty and deprivation than children living in households headed by men (23% compared by 18%). The most important cause of this difference is gender related income inequality. Women's share of earned income is only 27%. Thus, the gender dimension is of extreme importance for the income level and economic status of a household. The gender income gap in BiH is particularly high. Women earn 146.40 BAM less than men in the informal and 86.82 BAM less in the formal sector. It is important to point out that the undernourishment of children in BiH has been reduced significantly from 4.2 (2000) to 1.6 (2006) per cent and the goal of having malnutrition of children under 5 years of age reduced to less than 1% in 2015 is realistic.

Youth

The population of young people in BiH is confronted with many challenges - economic, institutional and social. Youth (15 - 24 age) make 17.1%²⁶ of BiH population, which is somewhat larger than the EU average (12.7%²⁷ in EU 25, 12.2%²⁸ in EU 15). However, young people's activity rate, which is 32.6%, is significantly lower in BiH than in the countries of Southeast Europe (62%) and EU 27 (70%). The employment rate among the young in 2009 was 16.7%²⁹ and it is significantly lower compared to other age groups and with the EU average - EU 27 (37.2%) and EU 15 (40.8%).

²⁵ UNICEF Report - State of the World's Children 2005 provides a definition of child poverty inspired by principles of the Convention on the Rights of a Child. It focuses on resources children need for survival and growth: "Children living in poverty experience deprivation of the material, spiritual and emotional resources needed to survive, develop and thrive, leaving them unable to enjoy their rights, achieve their full potential or participate as full and equal members of society." See: UNICEF. Global Policy Section, Division of Policy and Planning. "Global Study on Child Poverty and Disparities" 2007-2008. New York. September 2007, p. 7.

²⁶ BHAS. ARS BiH, 2009.; ²⁷ BHAS, LFS BiH, 2009.; ²⁸ BHAS. ARS BiH, 2009.;

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The unemployment rate among the young (15 - 24 age group) in 2009 was 48.7% which is almost three times higher than in Romania and Bulgaria, and almost four times higher than in EU25. It can be stated that BiH is among the countries with the highest youth unemployment rate. The unemployment rate of women was 52.7% and men 46.4%. According to the data sourced from employment institutes/services, 50% out of the total number of unemployed in December 2007 were those seeking their first job, and most of them were young. Such evidence indicates that youth employment problems are not properly addressed by public policy.

The participation of young people in education drops significantly after they turn 18, while entry into the labour market happens around 20 years of age. At the age of 25, only a small number of young persons are still in school, without significant differences between men and women. Men are generally at greater risk of leaving education and remaining unqualified. Recent research shows that it takes longer (about 16 months³⁰) for young people who left school to integrate into the labour market than for their qualified colleagues (7 months). Unemployment mostly affects people with lower education levels, such as with a secondary school degree or qualified workers.

Persons with disabilities

It is estimated that as high as 10% of BiH citizens have some sort of physical, sensory, development, mental or emotional disability, while 30% of total population is directly or indirectly affected by the consequences of these disabilities, which by itself represents a risk of social exclusion. In fact, most of these people are exposed to isolation and unnecessary suffering due to stereotypes and obsolete practices.

Poverty and unemployment affects many people with disabilities and even those who have jobs often work for minimal wages. In BiH, disability³¹ increases the possibility of becoming poor by 18%. Almost two third of the total number of adults with disabilities live close to or below the poverty line. Significant social, educational, economic, and physical and transportation barriers prevent the majority of persons with disabilities from enjoying their basic rights. This situation has a very adverse effect on the quality of life of each person with disabilities in BiH.

Regarding policy measures and progress made, it should be noted that in 2008 the Council of Ministers adopted the "Disability Policy" document based on which the entity strategies were prepared. FBiH Parliament adopted the Law on the Establishment of the Institute for Health Medical Assessment³², which created a good prerequisite for a cohesive approach to the evaluation of disability, and the application of common criteria for assessing disability that will be determined by relevant institutions. The Government of the FBiH is also implementing a strategic project called the "Employment Program for the War Veterans Population," whose goal is to establish the foundation for creating employment programs for war veterans, using an inter-sectoral approach and in cooperation with NGOs. In the RS there is a law on vocational rehabilitation, training and employment of disabled people that defines incentives and resources for the employment of persons with disabilities. The normative framework for the employment of disabled persons under special conditions allows the establishment of institutions and enterprises for these purposes. In this way, persons with disabilities are provided both with special protection and a mechanism for the full realization of their right to work. By pursuing this law since 2006, the Fund for vocational rehabilitation and employment of the disabled in the RS supported the employment of 2,950 persons with disabilities, of which 1,014 persons with disabilities were employed directly by the Fund and by the 224 projects it supported.

²⁹ BHAS. ARS BiH, 2009.; ³⁰ Labour and employment agency BiH, Statistic bulletin for 2008;

³¹ "Disability and poverty in BiH", World Bank and I.C."Lotos", 2006, calculation based on LSMS.

³² The Law was published in the Official Gazette of FBiH (No 70/07). A single Institute for Medical Assessment for the entire FBiH territory was established by this Law. Institute headquarters is in Sarajevo, with departments in charge of first instance proceedings in Bihac, Mostar, Sarajevo, Tuzla, Zenica, Travnik, Ljubuski and Livno. If needed, departments could be established in other towns as well, as regulated by the Institute Rules. Organization, operations, work and functioning of the Institute are also regulated by the Law.





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Roma

Roma are the largest minority in Bosnia and Herzegovina out of the total of 17 minorities in BiH. In the absence of a census, only an estimated number for the Roma population in BiH is available. Estimates are different: the most realistic estimate for 2007 was about 76,000 Roma residents of BiH.³³ This represents a significant 2.2% proportion of the total estimated population of BiH.



The Roma population is traditionally faced with social exclusion. Low weight and undernourishment are more frequent among Roma children than in other groups (the low weight rate is five times higher among Roma children, 24.2% were moderately undernourished, while 12.1% severely undernourished³⁴). 50% of Roma were enrolled in primary education, while only 2% are included in secondary education.³⁵ The actual dimensions of social exclusion of Roma can be seen from several illustrative sets of data. Only 3% of Roma have permanent employment, most frequent sources of their revenue include trading in secondary raw materials (29% Roma) and begging (19%), while 76% of Roma had never attended and have not completed primary school³⁶. Poverty among the Roma is very high, 27% of Roma in BiH live in households with per capita consumption below the equivalent of the PPP 2.15 USD.³⁷



A series of legislative and programme initiatives was used in trying to resolve the difficult and unacceptable situation of the Roma minority community in Bosnia and Herzegovina. Thus, in 2003 the Law on Protection of National Minorities was adopted, and two years later, the national "Strategy of Bosnia and Herzegovina for Addressing Roma Issues" was adopted, which includes the adoption of 15 specific programs in different areas of life that will impact on improving the overall social position of the Roma population in BiH. In 2004 the "Action Plan on the Educational Needs of Roma and Members of other Ethnic Minorities" was prepared and the Action Plan of Bosnia and Herzegovina was adopted to address the problems of Roma in the areas of employment, housing and health care. At the same time, the BiH Council of Ministers adopted a decision establishing a coordinating committee to monitor implementation of this Action Plan.³⁸ It is of particular significance that representatives of Roma NGOs participated in the preparation of these documents, and numerous international governmental and non-governmental organizations provided technical and financial support in developing these plans. By the adoption of these action plans, Bosnia and Herzegovina has fulfilled the conditions required to join the international initiative Decade of Roma Inclusion 2005-2015.³⁹



Elderly Population

The elderly merit special attention as a growing group, with health problems and at risk of social exclusion. The elderly are at the highest risk of falling below the poverty line, at least in terms of income-measured poverty. The right to receive a pension reduces the risk of poverty to a significant degree, particularly for women. Two-member households, where at least one person is older than 65 and without dependent children, are poor in 36.1% of cases. A total of 28.8% of single-member households with a person aged 65 or more is poor. In other words, every third elderly person in BiH can be considered poor. Further, considering women alone, the poorest women are elderly single women aged 65 and over without any income.⁴⁰ The pension system in BiH covers 81% of persons older than 64 years. The average pension in BiH is still very low. Pensions have failed to keep up with changes in the cost of living and the inequalities emerging between recipients.



³³ BOSPO, BiH Action Plan to Address the Problems of Roma in Areas of Employment, Housing and Health Care

³⁴ UNICEF "Study on Nutritional and Development Status of Roma Children" (Incomplete reference, UNHCR input).

³⁵ Open Society Institute. "Monitoring Education for Roma". 2006.

³⁶ UNDP/IBHI "Human Development Report 2007 Social Inclusion in BiH", Sarajevo, 2007

³⁷ UNDP Bratislava. "At Risk: Roma and Displaced in Southeast Europe", 2006. (Complete the reference, UNHCR input).

³⁸ http://www.bhric.ba/dekada/pristup_bih_dekadi.php, <http://www.oscebih.org/public/cro/default.asp?d=6&article=show&id=2298>

³⁹ Ibid, "Improvement in Education of Roma in Bosnia and Herzegovina", Country Situation Analysis and Strategic Directions of the Roma Education Fund, [http://www.romaeducationfund.hu/documents/Country%20Assessment%20-%20Bosnia%20and%20Herzegovina%20\(final%20-%20BCS\).pdf](http://www.romaeducationfund.hu/documents/Country%20Assessment%20-%20Bosnia%20and%20Herzegovina%20(final%20-%20BCS).pdf)

⁴⁰ BiH NHDR, 2007, "Social Inclusion in Bosnia and Herzegovina".

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Beside poverty, the elderly face a high risk of social exclusion. Women aged 65 and above have the highest illiteracy rate in BiH. The elderly are most likely to be 'network poor'. Social changes and consequences of the war have significant impacts on the level of supports that elderly people receive from social networks which previously existed. Regarding their participation in public life, people over 60 are significantly less likely to be active members of an association than those between 30 and 60 years and those under 30 years. A related survey shows that every second person aged 65 or above often, or very often, feels that everything is difficult and that every activity is difficult which is an indicator of the level of active exclusion by elderly people in BiH society.⁴¹ Among the returnees, a significant group is also the elderly without a source of income or family support. Many of them do not have access to a pension.

Refugees, displaced persons and migrants

A significant number of refugees and displaced persons is one of the biggest consequences of the war in Bosnia and Herzegovina. Annex VII of the Dayton Peace Agreement aims to address the return of refugees and displaced persons. By March 31, 2010, the total number of returnees from abroad (refugees) was 447,623, and returnees, internally displaced persons were 579,163. The total number of returnees to BiH was 1,026,786.⁴² Besides these undoubtedly positive results, the problem still remains important since currently in BiH there are 113,191 displaced persons.

In June 2010 the BiH Parliament adopted a Revised Strategy for the Implementation of Annex VII of the Dayton Peace Agreement in order to overcome the obstacles to a permanent solutions for returnees and internally displaced persons. Quick and efficient implementation of the Strategy, combined with implementation of the existing commitments to human rights would accelerate the process of finding a permanent solution for the remaining internally displaced persons and returnees, including those in collective centres.

The objectives of the migration policy of Bosnia and Herzegovina are clearly stated in the Strategy in the Field of Migration and Asylum and in the Action Plan for its Implementation 2008-2011, which assessed the current shortcomings and needs, and suggested activities and plans for development and progress in migration policy including immigration. According to these documents, the main objective of migration policy is to develop an efficient system of border management, a visa regime and a system of migration and asylum in Bosnia and Herzegovina according to the EU standards, which is one of the essential conditions BiH has to fulfil with regard to EU membership⁴³.

From the perspective of migration, for Bosnia and Herzegovina, emigration is still more important than immigration. Recent research⁴⁴ shows that 62.6% of young people in BiH would be ready to leave the country to find employment. The phenomenon of emigration has gained momentum because of the issues generally related to demographic consequences of emigration and outflow of educated people with skills and knowledge⁴⁵, while the Council of Ministers of BiH does everything possible to formulate an efficient emigration policy.

The strengthening of ties of migrant communities abroad with BiH and their potential contribution to the development of BiH; increasing opportunities for professional migration of BiH citizens and facilitating the immigration / entry into the country and staying in it for foreign nationals; can be viewed as "positive" aspects of the current BiH migration plan. Qualitative evidence⁴⁶ shows that remittances in BiH contribute to poverty reduction and that they also have the potential to support long-term economic development if savings and investments are promoted.

⁴¹ BiH NHDR 2009, "The Ties that Bind" and its survey.

⁴² UNHCR. "Statistics package". 31. March 2010.

⁴³ Council of Ministers BiH, 2008: 14.

⁴⁴ Oxford Research International, The Silent Majority Speaks: Snapshots of Today and Visions of the Future of Bosnia and Herzegovina, prepared for UNDP BiH (2009).

⁴⁵ According to the reports from UNESCO, in 1995, 79% engineers and researchers have left Bosnia and Herzegovina, with 81% university scientists, out of which 75% of those with Ph.D. Council of Ministers BiH, 2008, p. 133.

⁴⁶ Stites, Lautze, Mazurana and Anic 2005: Coping with War, Coping with Peace: Livelihood Adaptation in Bosnia and Herzegovina, 1989-2004, Study commissioned by USAID.





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Conclusion

BiH made significant progress towards achieving MDG 1 in the period for which assessment can be made. BiH entered the first decade of the 21st century with still very severe consequences of the 1992-1995 war, first of all, with the effects of great human and material losses, the fall of GDP during the war, and the brain drain. At the beginning of this century, the level of economic development of BiH was significantly below the level reached in the last pre-war years. This certainly influenced, above all, the state of the MDG indicators in 2000/2001.

During the first eight years of this period remarkable progress was made in terms of poverty reduction and employment growth (particularly after 2006). The growth of GDP of an average of 6% per year has led to poverty reduction by almost 4 percentage points and an increase in employment by 10%. This very positive trend was stopped by the consequences of the global economic crisis in 2009. Unemployment, higher than the regional average, remains a problem. The relatively modest decline in GDP in 2009, compared with other countries, and the stable financial system, are the basis for realistic estimates of dynamic GDP growth. Therefore, the estimates of the significant decline in poverty and unemployment by 2015 are realistic. In the context of MDG 1, particularly vulnerable groups are children, youth, persons with disabilities, Roma and refugees and displaced persons. For BiH it is very important to continue with reforms in the social sector and the development of active labour market policies.

Recommendations

The following recommendations refer to social and labour market policies:

- to adopt and implement the Medium-Term Development Strategy of BiH and the Action Plan for its implementation. These documents are already prepared. Especially important is the implementation of the third strategic objective, which is related to employment, particularly;
 - to improve conditions for development and to develop financial instruments to support small and medium enterprises;
 - to encourage development of business zones, clusters and technology parks;
 - to increase flexibility and security of the labour market;
 - to improve functioning of labour market institutions and management of active employment measures and social dialogue;
 - to improve labour market skills, vocational education and training;
 - to continue the reform of secondary vocational education;
 - to promote employment of men and women, especially the most vulnerable;
 - to improve effectiveness and efficiency of the policy and management of labour market institutions.
- to adopt and implement the medium-term Social Inclusion Strategy prepared with the Action Plan for its implementation. In the context of MDGs, it is especially important to:
 - reform the social protection system in order to achieve its fiscal sustainability and provide for better targeting of the needs of beneficiaries and thus provide for better efficiency in fight against poverty;
 - pay special attention to children, i.e., protection of families with children, primarily by improving legal regulations relevant to the status of children and families with children, as well as the cooperation between sectors;
 - develop the practice of "friends of the children communities", and use a holistic approach for the elimination of poverty and deprivation of children;

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- develop sensitive policies and budgets for persons with disabilities, and ensure their inclusion in defining those policies;
 - develop an inclusive social policy model with harmonized criteria of identification and targeting of vulnerable groups, and adjust it to the EU standards;
 - implement the existing BiH strategies focusing on vulnerable groups (Disability Policy; BiH Action Plan for Addressing Roma Issues in the Field of Housing and Health Care; and a Revised Strategy for the Implementation of Annex VII of Dayton Peace Agreement (returns)).
- The statistical system in BiH (at all levels) should be financially strengthened and supported in order for it to be able to:
 - prepare and implement the census;
 - be qualified to conduct SILC surveys;
 - periodically (every two years) implement an expanded HBS, LFS and MICS;
 - provide for monitoring of child poverty;
 - provide a unified methodology for monitoring of progress in achieving MDGs, especially poverty and labour market indicators;
 - start monitoring the Laeken indicators, specific indicators for social inclusion in BiH and align them according to MDG indicators.





3. MDG 2: To achieve universal primary education



Table 3.1. MDG 2 indicators

Goal/Target/Indicator	Baseline 2000/ 2001	2007		2009 or latest available data	2015 Targets MDGs	Progress towards 2015 Targets
		Targets as in PRSP	Data Achieved			
2.A Target: To ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling						
2.1. Primary school net enrolment rate in %	b1) 97.0 b2) 95.0 b3) 92.8 b4) 98.9	95	98.4 (2005/6) 98.3 (m) 98.6 (ž)	96	100	Potentially /Likely
2.2. Percentage of the number of students enrolled into 1st grade reaching the 5th grade	Total	99.0	99.8	99.8	100	Likely
	Male	99.2	99.6	99.6		
	Female	98.8	100.0	100.0		
2.3. Literacy rate of the 15–24 age group	Total	99.6	n/a	99.2	100	Likely
	Male	99.6	n/a	99.7		
	Female	99.7	99.6	98.7		
2.4. Secondary school enrolment rate %	b1) 56.8 b2) 72.6 b3) 68.3	75	79.3 (2005/06) 77.9 (m) 81.1 (f)	77	85	Potentially
2.5. Higher education enrolment rate	b1) 19.8 b2) 24.2 b3) 23.0	25	d1) 25 (2004) d2) 33.5 (2007)	e1) 34 (2008) e2) 50 (2009)	35	Likely
2.6. Percentage of children attending pre-school facilities - %	4.3	12	6.4 8.0 (f) 4.7 (m)	9.9	25	Unlikely
2.7. Percentage of GDP allocated for education	b1) 5.2 b2) 6.0 b3) 6.8 (FBiH) 3.6 (RS)	5.6 (FBiH), 4.5 (RS)	4.14	4.51	7.5	Potentially (target needs revision)
2.8. Adult literacy rate (literacy rate of the population aged 15+) %	b1) 85.9 b2) 88.9	90	98	97.6	99	Likely

Note: for more detail and sources, please refer to the main indicator table in Annex 1.

Situation analysis and progress made

According to Bosnia and Herzegovina's Constitution, the Education Sector is decentralized. At the state level, the Sector of Education within the Ministry of Civil Affairs is in charge of coordination of activities at the level of BiH, enforcement of international obligations in the area of education, harmonization of plans of governmental bodies of Entities and strategy development concerning science and education. Institutions in charge of education within the FBiH are the 10 cantonal Ministries of Education. The Federal Ministry of Education has a coordinating role at the level of this Entity. In the RS, the institution in charge of education is the Ministry of Education and Culture. In Brčko District, the body responsible for education is the Sector of Education in the Brčko District Government. Coordination of operations of the 14 Ministries is facilitated by the Conference of Ministers of Education. Such a fragmented administrative structure is also reflected in its funding. BiH has 13 education budgets (2 Entities, 10 cantonal and one in BD) financed from public funds. The percentage of GDP spent on education in BiH in 2007 was 4.14%. The target of 5.6% of GDP expenditure on education in FBiH and 4.5% in RS was not reached. Reaching 7.5% in 2015 would imply a significant increase in expenditures for education by 2015 and this percentage needs to be revised in accordance with the policies planned.

Activities within the education sector for the last 10 years have focused on harmonization of BiH education system and adjusting it to a modern, European education model. BiH prepared and adopted a comprehensive document/strategic framework for the development of education till the end of 2015⁴⁷. The document refers to all levels of education (pre-school, primary, secondary and

⁴⁷ Council of Ministers of BiH "Strategic Directions for the Development of Education in Bosnia and Herzegovina, with the Implementation, 2008-2015", June 2008

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higher education). Two strategies, the BiH Development Strategy and the Social Inclusion Strategy are in the adoption phase. These two documents define education as BiH's strategic goal. The most significant changes in 2008, following the adoption of several important laws during 2007/2008, were the establishment of the Agency for Development of Higher Education and Quality Assurance, Agency for Preschool, Primary and Secondary Education of Bosnia and Herzegovina and the Centre for Information and Recognition of Qualifications in Higher Education (CIP). All the three institutions are operational and are becoming recognized authorities in the development of educational standards.

Pre-school education

The goal from PRSP for 2007 was to achieve a 12% pre-school enrolment rate and to achieve a 25% enrolment rate by 2015. The percentage of children attending pre-school institutions in 2006 was 6.4% with a somewhat higher rate for girls (8%) compared to boys (4.7%). The coverage in urban areas was far higher (14.3%) than in rural areas (2.4%). Mothers' education and the living standard of a household had a significant impact on attendance in pre-school institutions. In order to reach the 25% enrolment rate in 2015 BiH should invest significant efforts, having in mind the coverage of only 9.9% in 2009. It should also strengthen its monitoring capacities of pre-school education.

Table 3.2. Number of children attending pre-school institutions in BiH

2001/2002	2002/2003	2003/2004	2004/2005	2005/2006	2006/2007	2007/2008	2008/2009	2009/2010
15,004	11,692	13,548	13,135	12,989	13,384	14,517	16,260	16,784

Source: BiH Agency for Statistics

Primary Education

For the purpose of reaching MDG2, the PRSP set the expected primary education enrolment rate at 99% in 2007 and 100% in 2015. The net primary school enrolment rate in 2001 was between 92.8% and 98.9%, depending on the data source. The net primary education attendance rate in 2006 was 97.9%⁴⁸ implying that there is 1 to 2% of children of primary school age in BiH not attending primary school. The percentage of students who reached 5th grade compared to the number of those who enrolled in the 1st grade was 99% in 2001 and 99.8% in 2006, which is in compliance with the set targets. The lack of a population census and the lack of a strategy concerning the regular surveys of living standards are significantly complicating the monitoring of education of children in BiH. In order to reach the net enrolment rate of 100% by 2015, BiH should make an effort to include children in primary education and to establish a system for primary education monitoring in BiH. Rural and poor municipalities are areas requiring the biggest efforts in terms of inclusion of children into primary education. The enrolment rate among children of parents with a low level of education is far lower, and that acts as an aggravating factor in terms of acquiring better conditions needed to exit poverty. The direct costs related to school attendance are the second most important reason influencing the reduction of number of poor children attending school.

Secondary education

The PRSP set the target of 75% secondary school enrolment rate in 2007 and 85% in 2015. BiH met the 2007 PRSP target. According to 2001 data, the secondary education enrolment rate ranged from 56.8% to 68.3%, depending on the source of data, and according to 2006 data, from 80.3⁴⁹ to 89.3%⁵⁰, while the attendance rate was 79.3%. This actually means that every fifth child in BiH does not attend

⁴⁸ MICS3 research conducted in 2005-2006, http://www.childinfo.org/files/MICS3_BiH_FinalReport_2006_Bos.pdf, table ED.3 ISCED, Primary school attendance ratio, net a percentage of children of primary school age attending primary or secondary school, page 114

⁴⁹ This indicator was calculated combining two indicators. MICS3 research conducted in 2005-2006, http://www.childinfo.org/files/MICS3_BiH_FinalReport_2006_Bos.pdf Indicators combined are: primary education completion rate 86.6% and the transition rate primary-secondary - 92.7%

⁵⁰ MICS3 research conducted in 2005-2006, http://www.childinfo.org/files/MICS3_BiH_FinalReport_2006_Bos.pdf, table ED.4 ISCED, Secondary school attendance rate, net percentage of children of secondary school age attending secondary school, page 115





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secondary school. In rural areas (87.9% rate), one out of three children does not attend secondary school while in urban areas only one in every ten children does not attend secondary school (91.8% rate). Poverty and mother's education status are factors related to secondary school attendance. The lack of a population census since 1991 and the inability to conduct a sample based research in the five previous years that would explore the net secondary school enrolment rate represents a huge challenge in terms of monitoring education of children in the secondary school age group. In order to reach the target for 2015, it is necessary to increase the enrolment rate by cutting the number of children not enrolling in secondary school by half by 2015.



Higher education



The higher education enrolment rate in 2001 was 19.8%. In a period from 2001 to 2010, the number of students at the higher education institutions almost doubled (Table 3.3). The MTDS/PRSP set the target to increase the enrolment rate by 2007 to 25% and to 35% by 2015. One can say that BiH is progressing well in terms of achieving this goal. In the period from 2001 to 2007 the number of graduated students increased approximately three times.



Table 3.3. Number of students who attended higher education institutions in BiH



2001/2002	2002/2003	2003/2004	2004/2005	2005/2006	2006/2007	2007/2008	2008/2009	2009/2010
66,246	70,956	77,033	84,422	91,263	99,557	104,938	105,488	109,579

Source: BiH Agency for Statistics



Table 3.4. Graduated students in BiH



2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
3,705	4,444	4,319	6,039	6,848	8,127	10,003	12,199	15,246	16,851

Source: BiH Agency for Statistics

According to the Situation Analysis on Human Resources at the Labour Market in BiH⁵¹ the level of education is low, in comparison to EU standards. It has been estimated that 41.8% (30.6% men and 53% of women) have a low qualifications level, 47.4% (56.8% men and 38% of women) have medium qualifications level, while 10.8% (12.6% men and 9% of women) have a high qualifications level.⁵² The level of education of women in BiH is especially low - when compared to EU standards. From the gender perspective, this is alarming evidence. Groups with low education levels lack some of the basic skills, vocational capacities and the basis for life-long learning.

Access to education among vulnerable groups

The most vulnerable groups from the education and poverty perspectives are:

Minority groups (Roma minority)	Girls
Displaced persons	Children with special needs

According to the Open Society Institute⁵³ from 2006 in BiH, 50% of Roma children are enrolling in primary school and every third Roma child, or 32.6%, completes primary education by the age of 15. However, only 2% of Roma children enrol in secondary school. Only 9.6% of the total number of Roma older than 15 have finished secondary school, and only 0.2% of them complete university. Implementation of the Action Plan for Roma provides for direct assistance to women and children members of the Roma community in BiH that belong to the most vulnerable group of the population.

⁵¹ Situation Analysis Report, Situation Analysis on Human Resources at the Labour Market in BiH, developed within the European Union Programme for BiH.

⁵² Labour Market Review of Bosnia and Herzegovina, ETF, 2007

⁵³ OSI: "Monitoring of Education for Roma 2006". Statistical Baseline from Central, Eastern and Southeastern Europe. p. 42.

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It is very difficult to find institutions providing extra teaching hours for students who drop out. The law says that children younger than 15, who haven't finished primary education and cannot attend classes regularly, should be provided teaching free of charge and allowed to take extraordinary (emergency) exams. This happens very rarely and the schools that initiated such an activity are getting very little help.

The existing school networks do not facilitate the return of refugees and displaced persons. The fact that there are often no schools in their pre-war villages/towns or that the closest school is often far away are also reasons for slow return.⁵⁴ Considerable numbers of returnee children walk a long way to their schools. Due to difficult conditions, a large number of returnee children finish only primary education.⁵⁵ Having in mind the needs of families of returnees, the Ministers of Education of two BiH Entities, at the beginning of March 2003, signed an Interim Agreement on Accommodation of Specific Needs and Rights of Returnee Children.⁵⁶ Signatories of the Implementation Plan were all Ministers of Education. The goal of this Interim Agreement was to create conditions to include returnee children into schools all over BiH and to provide solutions that would guarantee equal rights among all the constituent peoples in BiH in their access to education. However, no significant progress was noted in terms of the implementation of the Interim Agreement regarding returnee children: in 2005 in the RS, the total number of returnee students was 7,026 meaning 4.12% (mainly Bosniacs, fewer Croats and Serbs), and in the FBiH 30,606 meaning 8.59% (mainly Bosniacs, fewer Croats and Serbs).

Girls coming from large families, living more than three kilometres from school, with unemployed parents, i.e. having severely limited means are under the greatest risk of dropping out of school.⁵⁷ The remnants of an early marriage tradition is one of the reasons due to which Roma girls as well as the girls from other ethnic groups drop out of primary schools, although that is not necessarily the primary reason.

The implementation of the BiH Gender Action Plan in the forthcoming period should, through different activities, improve the status of women from all the vulnerable groups. Chapter IX Lifelong Learning aims to create equal opportunities and access to education for both boys and girls, women and men of all ages, including members of vulnerable groups in rural and urban areas and provide them with the same opportunities in terms of their future professional life.

In the context of the social inclusion of children with special needs (challenges in physical and psychic development), in the last three years BiH underwent education system reform. The two previous systems (1. education in the regular school system for children with physical challenges and 2. training in specialized schools) have been turned into education of children with developmental challenges who are following special needs-based curricula. These curricula are being adjusted based on the evaluation of a commission. The new system was experiencing troubles in terms of its implementation, the biggest problems being the training of personnel and inadequate equipment in education institutions.

Two schools under one roof

In a report adopted by the BiH Conference of Ministers of Education in January 2010, a Conference confirmed that there are more than 50 elementary and secondary schools under one roof existing in five different forms. Ministers' Conference recommended that the term "two schools under one roof" is redefined taking into consideration all the objective circumstances of such schools' operations. A further detailed analysis in terms of exploring if segregation or discrimination is happening in schools has been recommended.

⁵⁴ UNHCR Survey on Displaced Persons in Tuzla Canton from the Podrinje Area, Eastern Republika Srpska.

⁵⁵ BiH Ministry for Human Rights and Refugees Revised Strategy of Bosnia and Herzegovina for the Implementation of Annex VII of Dayton Peace Agreement.

⁵⁶ www.oscebih.org/document/29.cro.pdf

⁵⁷ Field Report, OSCE Mission to Bosnia and Herzegovina, Slipping Through the Cracks: School Enrolment and Completion in Bosnia and Herzegovina, December 2007





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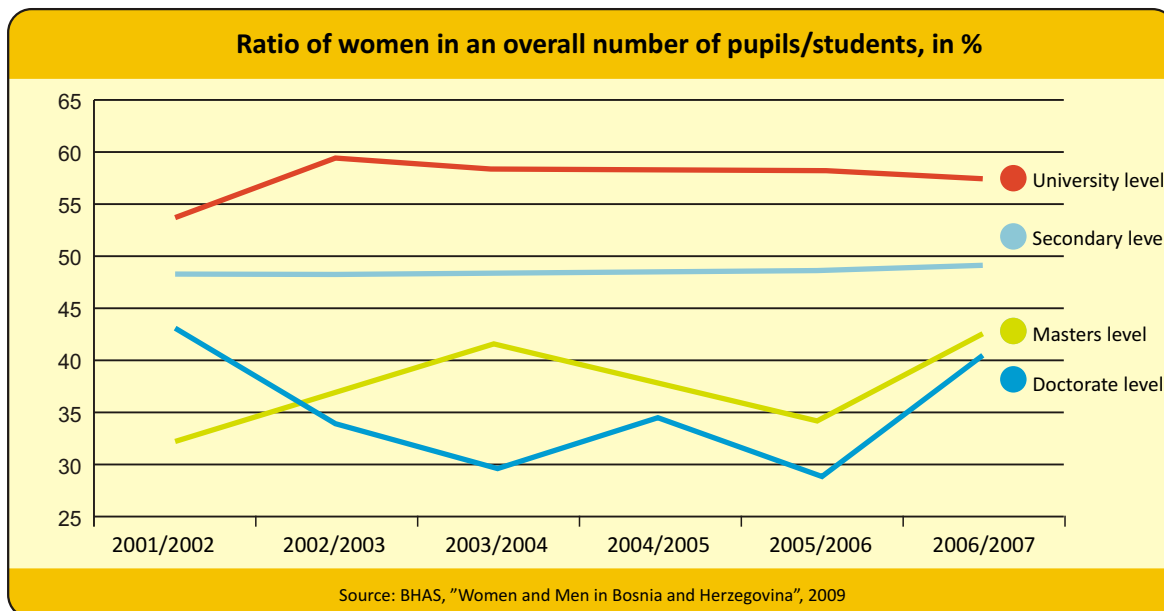


Education from a gender perspective

Significant gender differences in terms of attendance and completion of higher education and post-graduate studies have been recorded in BiH in 2001-2007. Three out of five students in BiH are women and the same goes for those graduating from higher education. This ratio changes in favour of men when it comes to completing post-graduate studies, obtaining masters or doctoral degrees.



Graph 3.1: Ratio of women in an overall number of pupils/students, in %



The impact of the economic crisis on education

The effects of the economic crisis have an impact on the quality of educational services due to budget cuts or the rise in energy prices as well as shocks to household budgets caused by price hikes or the loss of a job of the household members. Research conducted in 2007 indicates that parents tend to prioritize their spending on their children's education; however, the poorest categories face difficulties in terms of funding extracurricular activities, such as sports, IT training and foreign languages as well as funding higher education. As a consequence, there will likely be a decrease in human capital in BiH. In the great economic crisis it is extremely important to treat the costs of education as investments and not as expenditures and spending for education should not be reduced linearly - the way other kinds of budget spending are being reduced.

Conclusion

In the context of further progress in terms of achieving not only the MDG2 but other MDGs as well, BiH needs to strengthen its efforts concerning education development and reform. The priority is, most certainly, universal primary education since any eventual progress in higher levels of education depends on it. At the same time, it is important to improve higher education levels as well since these are complementary processes.

3. MDG 2: To achieve universal primary education

Recommendations

- To implement priorities set forth in the document entitled “Strategic Directions for the Development of Education in Bosnia and Herzegovina, with the Implementation Plan, 2008-2015.”
- To increase access (accessibility) for the entire population - individual target groups (poor population, Roma people, persons with disabilities) are materially or physically vulnerable and thus in one way or another they are being deprived of access to education.
- To provide for the implementation of provisions concerning free education, especially for vulnerable groups.
- To establish the educational statistics system in accordance with EUROSTAT and strengthen statistical institutions in BiH, FBiH and RS in order for them to be able to operate in accordance with the EU standards.
- To reform the system of education funding in order to provide for a more efficient education - data shows that BiH is among the countries with the highest percentage of allocations for education from the GDP in the region. Yet, in the area of education there is a constant lack of material resources; therefore reform of the financial system in education is needed in order for the money to reach its users and in order for education to be able to meet the labour market needs.
 - To establish the new education funding model - it is necessary to establish funding models that would be more efficient than the current ones.
 - To define needs in terms of additional investments into education in BiH - one can invest into education not only by investing budget funds but by development of additional models such as self-financing (of pupils-students), participation in educational projects, cooperation with employers as well as other models that could contribute to the additional investments in education.
 - To establish educational norms and standards at the level of BiH - it is necessary to rationalize the number of employees in education. Statistical indicators suggest that it is financially unfeasible to have classes with a small number of students (village schools attended by only few students), as well as many other educational institutions with a large number of teaching staff and a trend towards a decrease in the number of incoming students. What is needed is to establish the educational norms and standards at the level of BiH that would be aligned with the standards of European countries.
- To align the education system with the needs of the labour market and the needs of economic and social development.
 - To establish a system of inter-sectoral cooperation among the social partners in the area of education - the education system should be closely linked not only to the needs of the labour market but also to the needs of all the social partners in the country. Only then will it be able to accommodate the requirements of the task it was charged with.
 - To develop an efficient certification and re-training system - the needs of the labour market require vocational re-training, upgrading of occupations by aligning them with changes in science, technology and other aspects of social development.
- To sum up - the goal of education in BiH is to integrate its educational system into the EU Education Area, to provide for knowledge mobility and to create a modern, trained labour force.





4. MDG 3 - To promote gender equality and empower women



Table 4.1. MDG 3 indicators

Objective/Target/Indicator	Baseline 2000/2001	2007		2009 or latest available data	2015 Targets MDG	Progress towards 2015 Targets	
		Targets as in PRSP	Achieved				
3A Target: To eliminate gender inequalities in elementary and high school education, possibly by 2005, and at all levels of education by 2015 the latest							
3.1. Girls/boys ratio in education (no. of girls per 100 boys)	elementary	94.7	n/a	94.9	95.0	100	Likely
	high	99.4	n/a	99.0	99.5	100	Likely
	university	122.2	n/a	126.6	127.4	100	Likely
3.2. Ratio of literate women to men, 15-24 age group - %	1.01	n/a	0.99 (2008)	0.99 (2008)	1		Likely
3.3. Share of women in wage employment in the non-agricultural sector %	39.2	40.0	33.8	34.9	45		Unlikely
3.4. Percentage of women representatives in BiH Parliament at the state level	14.3	16.0	10.5 (2008)	10.5 (2008)	25		Potentially
3.5. Registered women's unemployment - in %	49.4	n/a	49.2	48.1	40.0		Potentially
3.6. Women's unemployment (ratio of employed women within the overall female population) in %	17	13	20.7	23.7	20		Achieved
3.7. Share of women in the employed population %	37.2	38.0	34.4	37.1	40.0		Potentially
3.8. Women's participation in the executive branch of government %	2.38	4	15	10 (2008)	10		Achieved

Note: for more detail and sources, please refer to the main indicator table in Annex 1.

Situation overview and progress

Institutional, legislative and policy framework for integrating gender equality

The process of mainstreaming gender equality in all spheres of social life in BiH requires, above all, actions raising awareness and knowledge about the causes and consequences of gender discrimination. General examples of gender inequality are most evident with regard to participation of women in public and political life reflecting their position in society, their position in the labour market, increased violence against women, including domestic violence.

Progress in promoting gender equality and the empowerment of women in BiH was brought about by the Law on Gender Equality in BiH (2003) and the establishment of the Gender Equality Agency of BiH, Gender Centres at the entity level as well as other gender institutional mechanisms at state, entity, cantonal, city and municipal level. The BiH Council of Ministers adopted a Gender Action Plan of Bosnia and Herzegovina⁵⁸ in 2006. It is a strategic document, aimed at introducing principles of gender equality in all spheres of public and private life.

Education⁵⁹

The first indicator used for monitoring of gender equality and the empowerment of women measures participation of men and women in education from primary to university levels. In Bosnia and Herzegovina, this indicator shows that participation of boys and girls in primary education is almost equal, that there are challenges for greater participation of girls in secondary education, while female students outnumber their male fellow students when it comes to enrolment and graduation from higher education institutions.

⁵⁸ Gender Action Plan of Bosnia and Herzegovina has the main goal to achieve the principle of inclusion and gender equality in BiH in all spheres of public and private life. It contains fifteen chapters: European integration in light of gender equality, cooperation and capacity building, macroeconomic and development strategies, gender sensitive budgets, political life and decision-making, employment and labour market, social inclusion, gender sensitive media, lifelong learning, health, prevention of and protection against domestic violence, sexual harassment, and trafficking in persons, the role of men, harmonization of professional and family life, gender and sustainable environment and communication and information technologies. All sections of GAP, in its structure, have certain common elements, such as: harmonization of legislation and adoption of bylaws, defining strategies and policies, research, statistics, education and raising awareness.

⁵⁹ See more information in the MDG 2 chapter.

4. MDG 3 - To promote gender equality and empower women

According to data from the BiH Agency for Statistics in 2009, 367,176 students attended regular primary education at the end of 2006/2007 school year, of which 178,843 were female students, or 48.6%. Secondary education had 160,497 students enrolled, of whom 80,054 were female students or 49.9%. Of the total of 104,938 students in university institutions in academic year 2007/2008, 58,624 or 55.9% were women.⁶⁰

Implementation of the Gender Action Plan of Bosnia and Herzegovina should, in the forthcoming period, improve the position of women in all vulnerable groups through various activities. Chapter IX Lifelong Learning aims to create equal opportunities and access to education for girls and boys, women and men of any age, including members of vulnerable groups with the same prospects for future professional life.

Work and employment

A strong link between the social roles of women and their education, occupation and position in the labour market is still present in Bosnia and Herzegovina.

BiH has the lowest percentage of women participating in the labour market in Southeastern Europe - only 35%⁶¹

Such a situation prevents any significant change in the ratio between employed women and men in the labour market between 2001 and 2008, thus men continued to outnumber women among the employed population. Labour market analysis⁶² shows that there are typical male and typical female professions, and indicates the presence of a slight gender gap in wage levels in the private sector, where males have slightly higher wages than women.⁶³ Discrimination is also visible in the fact that the rights of women for maternity leave have been regulated differently in different parts of BiH (cantons and entities), as well as the fact that maternity leave is not always paid, and that some women are left jobless after becoming pregnant. These issues, as well as issues of education policies, are necessary to be addressed through implementation of current laws in combination with increased monitoring of law enforcement.

According to data from the Bosnia and Herzegovina Agency for Statistics⁶⁴, the overall employment rate was 33.1%, while for men it was 43.2% men and for women 23.7%. The unemployment rate in Bosnia and Herzegovina in 2009 was 24.1% (23.1% men and 25.6% women),⁶⁵ The unemployment rate was highest among young people aged 15-24 - 47.5% (44.8% men and 52.3% women).

⁶⁰ Bosnia and Herzegovina Agency for Statistics (2009), Women and Men in BiH.

⁶¹ Bosnia and Herzegovina Agency for Statistics, Thematic Bulletin: "Men and women 2009", July 2009

⁶² Human Rights Report: Bosnia and Herzegovina, Bureau of Democracy, Human Rights, and Labour 2009 Country Reports on Human Rights Practices March 11, 2010. The report covers period from June 2009 until beginning of 2010.

⁶³ 2009 Human Rights Report: Bosnia and Herzegovina, Bureau of Democracy, Human Rights, and Labour 2009 Country Reports on Human Rights Practices March 11, 2010. The report covers period from June 2009 until beginning of 2010.

⁶⁴ BHAS. Labour Force Survey 2009

⁶⁵ See Table 3 in MDG1 section for details, employment and unemployment rates, and page 21.

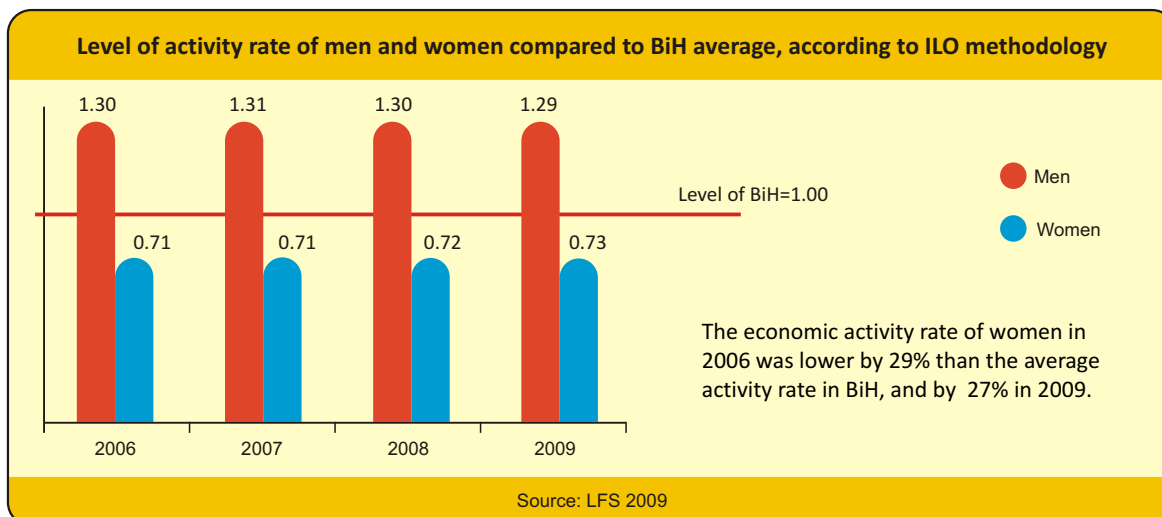




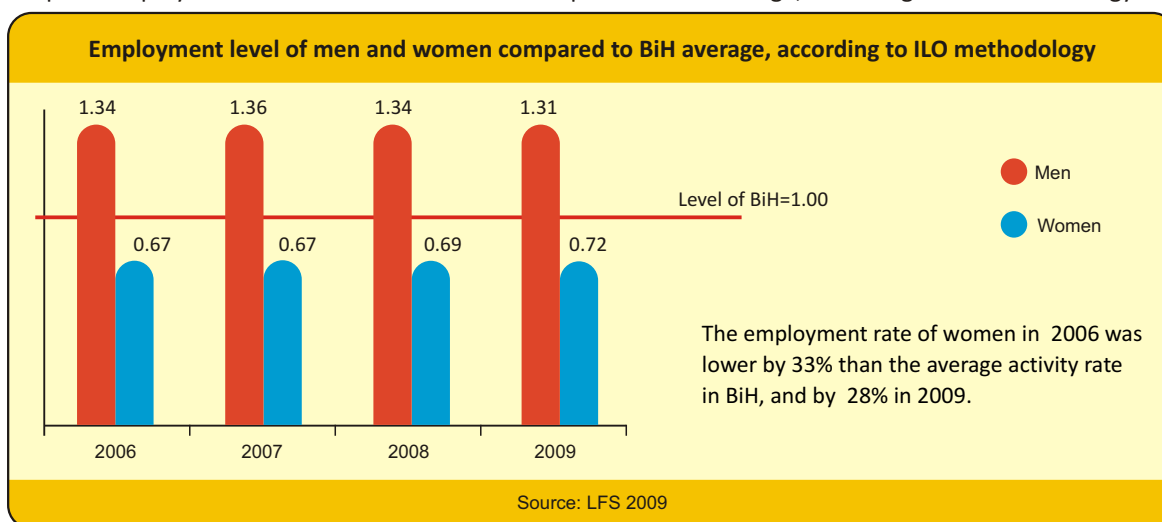
4. MDG 3 - To promote gender equality and empower women



Graph 8. Level of activity rate of men and women compared to BiH average, according to ILO methodology



Graph 9. Employment level of men and women compared to BiH average, according to ILO methodology



A significant gender difference can also be observed in the educational structure of the unemployed: 8% of out of all unemployed women have a university education, while that percentage among men is only 3%.⁶⁶ Overall, women in the 16-64 age group account for only 35% of the active labour force in Bosnia and Herzegovina, which is the lowest level of representation of women in the labour market in Southeast Europe. Women account for 34.9%⁶⁷ of the total number of employees in the non-agricultural sector (industry and services).

The global economic and financial crisis has had a particularly negative impact on the female population, worldwide and in Bosnia and Herzegovina. Further research is required in order to determine the actual impact of the crisis on the position of women in BiH, but it can be assumed that it has had a negative impact on women's employment levels. Measures taken to mitigate the effects of the economic crisis tend not to be gender sensitive and it is therefore necessary for women to be more involved in decision making in the political, economic and financial spheres.

In response to these problems, the gender institutional mechanisms in BiH have been working on integrating special measures for including women in employment policymaking, and have undertaken a number of initiatives to improve legislation in order to stimulate the employment of women and to protect women at work, as well as to implement financial support programmes encouraging more

⁶⁶ Bosnia and Herzegovina Agency for Statistics (2009) Women and Men u BiH.

⁶⁷ Bosnia and Herzegovina Agency for Statistics (2009) Women and Men u BiH.

4. MDG 3 - To promote gender equality and empower women

women into employment. The Agency for Gender Equality of BiH and entity Gender Centres have submitted proposals for such initiatives to appropriate entity institutions to be incorporated at the entity policy level.

Participation in political and public life

The percentage of women in legislative and executive authorities at all levels is not satisfactory, although the situation is much more favourable in comparison with 1996 when the percentage of women in the Parliamentary Assembly of Bosnia and Herzegovina was 2%. The electorate in 2006 elections included 51.3% of women and 48.7% of men; registered candidates consisted of 65% of men and 35% of women, while among the elected officials 79.85% were men and only 20.15% were women. The percentage of women in Parliamentary Assembly of BiH in 2010 is 17.54% vs. 82.45% men.

Women are poorly represented in political parties in BiH, less than 3% of presidents of parties are women. Researchers at the Helsinki Citizens Assembly pointed out that no woman participated in public debates of political parties on public television during the local elections of 2004 although the Election Law of BiH guarantees equal representation of women and men during election campaigns.

Available data on the ratio of men to women employed in in public administration in Bosnia and Herzegovina shows approximately the same ratio among civil servants in both Republika Srpska and the Federation of Bosnia and Herzegovina, with the increasing number of men holding higher and more important positions, such as managers of independent administrative bodies, assistant ministers, chief inspectors and others.

In the judiciary of Bosnia and Herzegovina, it is evident that women outnumber men among court personnel. The percentage of women ranges from 38.1% in the Court of BiH, to 69.01% in the municipal courts of the Federation. Meanwhile, the total percentage of women among police officers in 2009 amounted to only 6.3%.⁶⁸ While women's participation is not satisfactory and needs to increase, advocates of such changes often report that society believes police work to be a "male profession". When evaluating women's participation in the police it should be taken into consideration that employment of women in the police has only been actively promoted since the mid-nineties, i.e. after the war.

Gender mainstreaming policies includes regular pre-election activities to raise awareness of the participation of women in both in the legislative and the executive branches of power. BiH Election Law requires a 30% quota for women's representation in elected bodies, yet there are many shortcomings in the law regarding the practical application of this provision that needs to be corrected. The gender mainstreaming mechanisms have begun to actively support and provide training to political parties and only when changes occur within political parties, their decision-making structures, statutes and programs, will the participation of women in political life in BiH be truly promoted.

Social exclusion

The position of Roma women in BiH society is extremely difficult. About 90% of Roma women have no access to healthcare, social protection or employment.⁶⁹ The number of Roma girls who attend primary school is extremely small compared to the number of boys - the ratio is about 3 girls to 7 boys; furthermore the number of Roma girls who drop out is far greater than that of boys.⁷⁰ Although there are many projects and programmes by international organizations and UN agencies, aimed at solving the problems of the Roma population in BiH, there is lack of effective programmes to improve protection.

⁶⁸ Agency for Gender Equality in BiH and EUPM (2010) Women in Politics: Condition in Bosnia and Herzegovina.

⁶⁹ BH-HCHR (2007) Report on Human Rights in BiH, Helsinki Committee for Human Rights in BiH.

⁷⁰ Bureau for Human Rights (2009), Annual Analysis of the Implementation of the State Law on the Protection of Human Rights of Minorities in BiH and The Framework Convention for period November 2007 - November 2008, Tuzla, OSCE (2008). Slipping Through The Cracks: School Enrolment and Completion in Bosnia and Herzegovina and Directorate for Economic Planning (2004) Medium Term Development Strategy of BiH 2004.-2007, CRIN (2010) Bosnia and Herzegovina.





4. MDG 3 - To promote gender equality and empower women

Women with disabilities face daily discrimination, both as women and as persons with disabilities. They often lack adequate health care, access to services and are often socially isolated. The document "Disability Policy in Bosnia and Herzegovina" was adopted by the Council of Ministers of BiH in 2008. This document contains principles enabling entity authorities to make improvements in the area of rights of persons with disabilities, with special emphasis on women with disabilities. The document also provides for the required budgetary allocations, budgetary planning, preparation and implementation, guidelines for drafting strategies and action plans in the area of disability, and promotes the harmonization of laws and recommendations for improving the "equality of rights" across the entire territory of Bosnia and Herzegovina.⁷¹

Female-headed households make up almost one third of the total number of internally displaced persons in BiH. Currently 7,500 people are located in collective centres and are often subject to multiple insecurities relating to their physical and mental health, their age and the absence of a basic livelihood or family support, and their inability to return for reasons of personal security. During 2008 and 2009, UNHCR coordinated activities of relevant government institutions and international organizations in support of a number of women - internally displaced persons - who are also civilian victims of war or who have suffered sexual violence during the war, in providing them permanent and appropriate residence, and to improve their overall quality of life through various forms of assistance.

Domestic violence

Recent studies indicate that domestic violence in BiH is directed against women and children five times more than against men.⁷² Yet, it is very difficult to determine the precise extent of domestic violence in Bosnia and Herzegovina. The key reasons for this are primarily the hidden nature of the problem, the failure to report cases of domestic violence, the lack of uniform statistical records and the treatment of domestic violence as a purely "private problem".

Perception of domestic violence in the society is slowly but surely changing from an attitude that it is a private problem to a view that domestic violence is a serious social problem, thus it is becoming a matter of legislation, public interest and research. This is also evident in amendments to the existing - and adoption of new - legislation regulating this matter, and in the increased interest of the public and the media on this issue, and efforts to improve statistical data collection and research on the extent of this problem. A particular protective measure for victims of domestic violence is placement in a safe house. There are currently nine shelters existing on the territory of BiH. International organizations and UN agencies have supported and still support the work of these shelters, while their funding by government institutions is also improving each year. An example of this is the introduction of legal obligations in Republika Srpska to fund shelters from the RS budget (70%) and from the budgets of local communities (30%). Further progress in this regard is expected from amendments to the Law on Protection against Domestic Violence in the Federation of BiH.

Trafficking in human beings

Bosnia and Herzegovina was for the first time faced with the problem of human trafficking in the aftermath of war. At first, BiH was considered to be a transit country for Western Europe, but also as a destination for women and children coming from Central and Eastern Europe. A series of legal, administrative and operational measures had to be taken to address this problem.⁷³

In 2007, 41 persons were identified as victims of trafficking in human beings or were forced into prostitution, 73% of them were citizens of BiH. Particularly worrying was the fact that 18 people or 44% out of the total number of identified victims were minors, and all of them were citizens of Bosnia

⁷¹ BiH Council of Ministers have adopted 2008 the Disability Policy in Bosnia and Herzegovina in 2008.

⁷² UNDP, 2007, *NHDR*.

⁷³ *Ibid*.

<http://bosnian.sarajevo.usembassy.gov/trgovina-ljudima-2010.html>

<http://gvnet.com/humantrafficking/Bosnia-Herzegovina.htm>

4. MDG 3 - To promote gender equality and empower women

and Herzegovina.⁷⁴ According to the Report on Trafficking in Human Beings for 2010, 60 victims were identified in 2010, which is 19 more than in 2007. Of this number, 52 were citizens of BiH, while four were from the Ukraine and four from Serbia.⁷⁵

Considering this new trend, BiH has established legal and administrative methods in order to deal with domestic victims, in order to provide necessary rehabilitation and assistance for their reintegration into society. A fund to help victims of trafficking with human beings was established within the Ministry for Human Rights and Refugees⁷⁶. BiH established regional monitoring teams to ensure that the standards of care conform with legal standards, which also applies to the handling of cases of human trafficking. In 2009, BiH adopted an amendment to the Criminal Code⁷⁷ determining a minimum three year prison term for trafficking in human beings. The minimum sentence for officials involved in trafficking has also been increased. Although the Council of Ministers of BiH and entity governments were investigating, processing and issuing convictions on cases in 2009, it is necessary to strengthen links between the judiciary and the police.

Conclusion

In the period 2000 to 2010, significant progress was made regarding development of legal and institutional frameworks needed in order to improve gender equality and empower women. On the other hand, in real life, the required changes in employment practices, income opportunities, and political participation have been modest. The legal and institutional frameworks provide good foundations for strengthening efforts aimed at gender equality. To achieve better results it is necessary to:

1. follow and enforce the Gender Equality Law;
2. implement the Gender Action Plan (GAP) in BiH in such a way that all the government institutions and other stakeholders fulfil their obligations and responsibilities defined in the GAP;
3. enforce recommendations of the UN CEDAW Committee for BiH (from 2006) as well as other applicable international standards.⁷⁸

The goals for 2015 are: to achieve an equal balance between the number of boys and number of girls in education, i.e. in primary - 100:100, secondary - 84:84 and in higher education 50:50. In addition, a target of increasing the economic activity of women was defined (increasing the participation of women in the total number of employed persons to 32.5%, as well as the participation of women in the BiH Parliament to 25%).

Recommendations:

- Education: recommendation no. 32 of the Concluding Comments of the CEDAW Committee is that a Member State should continue the process of reforms in order to provide consistency with regard to education opportunities for both genders in both entities of Bosnia and Herzegovina, including rural areas as well as marginalized groups of women and girls, especially those from the Roma minority. The recommendation of the Committee is also that the Member State should support and stimulate diversity of educational and professional choices for women and men.

⁷⁴ Report on the Situation in Trafficking in Human Beings and Illegal Immigrations in Bosnia and Herzegovina and the Report on Operations of the National Coordinator for Combating the Trafficking in Human Beings and Illegal Immigrations for 2007, available at http://www.msb.gov.ba/anti_trafficking/dokumenti/godisnji_izvjestaj/?id=3893

⁷⁵ <http://bosnian.sarajevo.usembassy.gov/trgovina-ljudima-2010.html>

⁷⁶ IOM Project "Strengthening Local capacities for Preventing Trafficking in Human Beings" was finished on December 31, 2009.

The project's goal was to support the Ministry for Human Rights and Refugees to develop a national fund for assisting victims of human trafficking. The fund is currently operational and shall continue to support organizations providing services to domestic victims of trafficking in human beings in BiH.

⁷⁷ Amendments to criminal codes concerning offences involving trafficking in human beings are harmonized and adopted at the state level, entity level and in Brčko District.

⁷⁸ UNICEF, Gender Equality Situation Analysis for Bosnia and Herzegovina, 2009.





4. MDG 3 - To promote gender equality and empower women

- Work and employment: recommendation no. 34 of the Concluding Comments of the CEDAW Committee requests from the Member State a translation of relevant provisions of the Gender Equality Law and to ensure that state and privately owned companies are held responsible and taken to court in cases of where there is a violation of the provisions of the Gender Equality Law concerning work and employment issues; that all the employment programmes have to be gender-sensitive and that women are provided with the opportunity to fully use the opportunities deriving from the planned entrepreneurship support, including the opportunities for favourable loans; to strengthen efforts in order to increase the participation of women in the formal (official) economy in order to eliminate professional segregation; to reduce and bridge the gender wage gap – differences in wages between men and women in the public sector; to provide access to vocational education to women.
- Recommendation no. 30 of the Concluding Comments of the CEDAW Committee is that BiH should align its Election Law with the Gender Equality Law and strengthen and enforce measures to increase the number of female representatives within the elected and appointed positions and bodies and in decision-making positions within the state administration, judiciary as well as the positions in state owned companies, by applying special, interim measures.
- When it comes to family violence, recommendation no. 26 of the Concluding Comments of the CEDAW Committee advises the Member State to harmonize legislation in both entities and to accelerate the drafting and adoption of bylaws as well as to establish relevant structures and mechanisms needed for their application. CEDAW Committee is paying special attention to the problem of trafficking in human beings and requests the Member State to intensify its efforts in combating trafficking in women and girls.

5. MDG 4: To reduce child mortality

Table 5.1. MDG 4 indicators

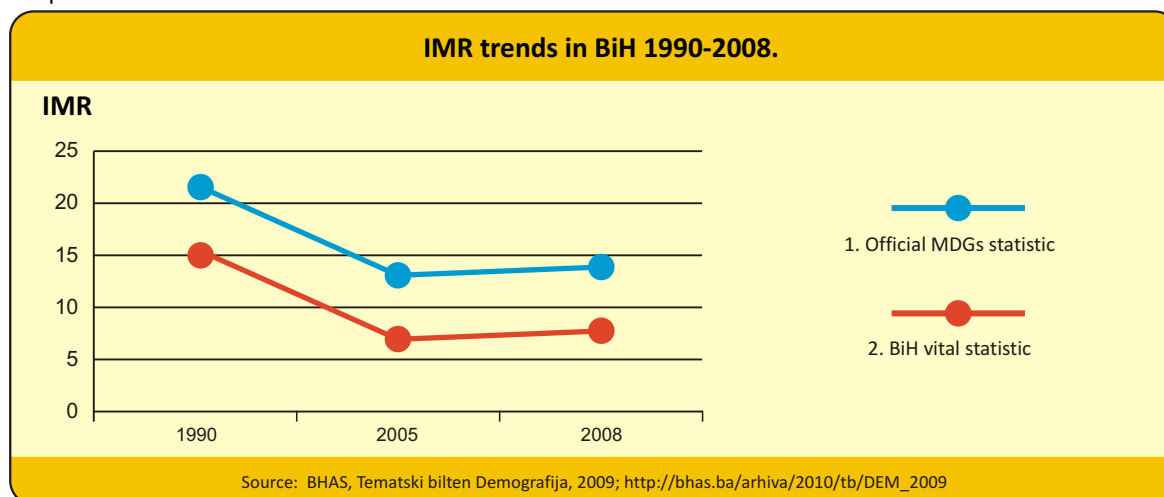
Goal/Target/Indicator	Baseline 2000/2001	2007		2009 or latest available data	2015 Targets MDGs	Progress towards 2015 Targets
		Targets as in PRSP	Achieved			
4A Target: To reduce by two thirds, between 1990 and 2015, the under-five mortality rate						
4.1. Under -five mortality rate, per 1000 live births	b1) 17 b2) 10.3 b3) 11.2	9.3	d1) 14 d2) 7.9	15 (2008)	7.0	Potentially
4.2. Infant mortality (under one year of age) per 1000 live births	b1) 14 b2) 8.5 b3) 7.6	7.0	d1)13 d2)6.6	e1)12,7 e2)6.9 (2008)	5.0	Likely
4.3. Percentage of children vaccinated against measles - %	b1) 83 b2) 80.7 - 95.1	98	d1) 75 (2006) d2)96.2 (FBiH) 92 (RS)	d1) 75 (2006) d2) 96.2(FBiH) 92 (RS)	100	Likely
4.4. Percentage of newborns weighting 2.500 grams or less - %	4	3	4.5 (2006)	4.5 (2006)	1	Potentially
4.5. Children under 6 months exclusively breastfed, %	2.1	5	17.6 (2006)	17.6 (2006)	15	Achieved

Note: for more detail and sources, please refer to the main indicator table in Annex 1.

Overview of the current condition

On the eve of the five-year countdown to 2015, Bosnia and Herzegovina (BiH) has demonstrated steady progress in reducing child mortality and improving child health. This evolution is measured by the following indicators: under-five mortality rate (U5MR), infant mortality rate (IMR), and the proportion of children primo-immunised against measles. Relevant monitoring reports⁷⁹ have categorised BiH alongside other countries of South-eastern Europe (SEE), as being “on track” for achieving MDG 4 by the 2015 deadline.

Graph 5.1 IMR trends in BiH 1990-2008.



As shown in the Figure 5.1. downward trends in U5MR and IMR, have stabilised in recent years (2005-2008). International estimates by the Inter-agency Group for Child Mortality Estimation (IGME), published MDGs statistical estimates,⁸⁰ displaying higher U5MR and IMR than the rates registered through the regular BiH vital registration system.⁸¹ The Institute for Health Metrics and Evaluation instead presents figures closer to those published in the BiH vital statistics reports.⁸² In general, an absence of officially reported U5MR in available vital statistics reports is noticeable at both the state and the entity levels in BiH.

⁷⁹ World Bank (WB). *Millennium Development Goals. Progress and Prospects in Europe and Central Asia*. Washington: IBRD/WB, 2005; and UNICEF, WHO, World Bank and UN Population Division. *Levels and Trends of Child Mortality in 2006: Estimates Developed by the Inter-agency Group for Child Mortality Estimation*. New York: IGME, 2007

⁸⁰ United Nations Statistics Division (UNSTATS). *Millennium Development Goals Indicators*. [online]. New York: UNSTATS. [Accessed 11 Jul 2010]. Available from: URL: <http://mdgs.un.org/unsd/mdg/Data.aspx>

⁸¹ Agency for Statistics of Bosnia and Herzegovina. *Demography. Thematic Bulletin TB2*. Sarajevo: Agency for Statistics of Bosnia and Herzegovina, December 2009; and Public Health Institute of the Republika Srpska. *Health Status of the Population of the Republika Srpska*. Banja Luka: Public Health Institute of the Republika Srpska, 2005-2008

⁸² Rajaratnam JK, Marcus JR, Flaxman AD, Wang H, Levin-Rector A, Dwyer L, Costa M, et al. Neonatal, postneonatal, childhood, and under-5 mortality for 187 countries, 1970-2010: a systematic analysis of progress towards Millennium Development Goal 4. *Lancet* 2010; 375: 1988-2008.





5. MDG 4: To reduce child mortality

The IMR officially reported rate in the two BiH entities (RS and FBiH) and at the lower level (canton and region) show significant differences.⁸³ Although the WHO definition of “live birth” has been adopted in BiH, the practice and quality of reporting births and infant deaths should be investigated before making inferences about the accessibility and quality of relevant health services.

Even if disease-specific IMR and U5MR are not routinely published, the relative share of the standardised groups of diseases and conditions, classified according to the International Statistical Classification of Diseases and Related Health Problems, 10th Revision (ICD-10), can be determined from entity and state reports. In 2008, health problems (“certain conditions”) initiated in the prenatal period (P00-P96) and congenital malformations, deformations and chromosomal abnormalities (Q00-Q99) were the most relevant causes of infant mortality with 58% and 26% respectively, while infectious and parasitic diseases, including pneumonia, contributed with only 4%.⁸⁴ Injuries, poisonings and other consequences of external causes (S00-T98) predominate with 29% as the causes of mortality in the age group 1-4.⁸⁵ These findings approximately correspond with the recently published estimations published by the Child Health Epidemiology Reference Group of WHO and UNICEF, which highlights the 50% of under-five child mortality causes in BiH to preterm birth complications and congenital abnormalities, with a more prominent share of infectious, vaccine-preventable diseases.⁸⁶

Assuming that causes of child death are accurately reported in BiH, it can be concluded that a further reduction of child mortality in the country increasingly depends upon addressing preventable neonatal mortality. In 2008, approximately two-thirds of deaths in children under 5 years old occurred in the first month, mostly (56%) in the first week of life. Strengthening prenatal and neonatal services is thus of paramount importance for BiH. Low infant birth weight is among the key risk factors that are associated with increased morbidity and mortality in children. According to the Multiple Indicator Cluster Survey (MICS3) from 2006, the percentage of infants weighing less than 2,500 grams in BiH is 4.5%, and this figure is further reduced to less than 4% in recent BiH reports from 2008. It is in line with the SEE sub-regional average and slightly less than the average recorded in the WHO European Region (6%).⁸⁷

Exclusive breastfeeding in the first six months of life is a policy recommended and strongly supported by WHO and UNICEF. The percentage of infants under 6 months old who are exclusively breastfed in BiH is relatively low (17.6% in 2006); although encouraging trends have been reported in FBiH in 2008. Observed figures are again in line with SEE figures, and the WHO European Region average of 23%.⁸⁸

The high immunisation coverage of the BiH population was severely compromised during the war (1992-1995), while afterwards, thanks to the significant financial and technical support provided by WHO, UNICEF and the GAVI Alliance, regular immunisation services were swiftly restored and standard immunisation programmes expanded with newly introduced vaccines against hepatitis B (HepB), and Haemophilus influenzae type B (Hib). As reported in Figure 5.2, the percentage of children primo-immunised against measles is high; however it has been fluctuating in the range of 80-96% in the period of 2000-2009. It is important to mention that MICS3 2006 found significantly lower coverage of children primo-vaccinated against measles than was reported by responsible national health authorities for the same year.⁸⁹

⁸³ Agency for Statistics of Bosnia and Herzegovina. *Demography. Thematic Bulletin TB2*. Sarajevo: Agency for Statistics of Bosnia and Herzegovina, December 2009; and Public Health Institute of the Republika Srpska. *Health Status of the Population of the Republika Srpska*. Banja Luka: Public Health Institute of the Republika Srpska, 2005-2008

⁸⁴ United Nations Statistics Division (UNSTATS). Millennium Development Goals Indicators. [online]. New York: UNSTATS. [Accessed 11 Jul 2010]. Available from: URL: <http://mdgs.un.org/unsd/mdg/Data.aspx>.

⁸⁵ Agency for Statistics of Bosnia and Herzegovina. *Demography. Thematic Bulletin TB2*. Sarajevo: Agency for Statistics of Bosnia and Herzegovina, December 2009.

⁸⁶ Black RE, Cousens S, Johnson HL, Lawn JE, Rudan I, Bassani DG, Jha P, et al, for the Child Health Epidemiology Reference Group of WHO and UNICEF. Global, regional, and national causes of child mortality in 2008: a systematic analysis. *Lancet* 2010; 375: 196987.

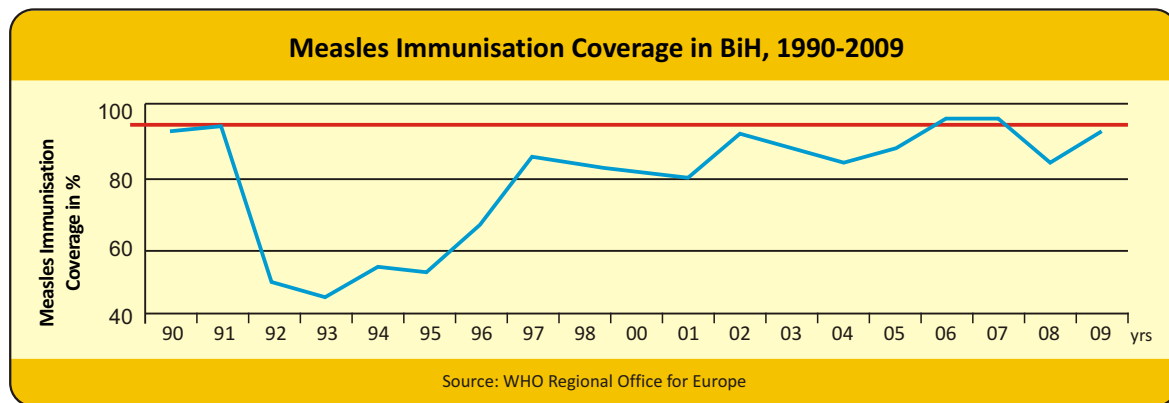
⁸⁷ World Health Organization (WHO). *World Health Statistics 2010*. Geneva: WHO, 2010.

⁸⁸ UNICEF BiH. *Bosnia and Herzegovina. Multiple Indicator Cluster Survey 2006*. Sarajevo: UNICEF BiH, 2007.

⁸⁹ UNICEF BiH. *Bosnia and Herzegovina. Multiple Indicator Cluster Survey 2006*. Sarajevo: UNICEF BiH, 2007.

5. MDG 4: To reduce child mortality

Figure 5.2: Measles Immunisation Coverage in BiH, 1990-2009



According to the WHO strategic plan for the European region 2005-2010, immunisation programmes need to achieve and sustain a minimum of 95% coverage with two doses of the measles vaccine and better targeting of susceptible individuals in the general population and high-risk groups, in order to interrupt indigenous transmission and achieve elimination of this highly contagious disease.⁹⁰ The weaknesses of the measles immunisation programmes in BiH were evident in late 2006-early 2007, when a measles outbreak occurred in FBiH, with 125 cases registered over a four-month period.⁹¹ This reiterates the need for measles immunisation programme to actively search for and expand coverage of socially vulnerable groups within the population.⁹²

The health authorities in FBiH and RS are currently engaging in strengthening their routine immunisation programmes with supplemental immunisation activities (SIA) for measles and rubella, aiming at extending the immunisation coverage to socially marginalised groups. With support from WHO, immunisation programmes rulebooks in FBiH and RS are in the process of being updated accordingly.

Challenges and lessons learned

In the complex administrative and institutional context of BiH, there are numerous technical, operational and political challenges⁹³ which need to be addressed.

1. Improving the quality and accuracy of internal reporting,⁹⁴ remains a pressing priority, as a part of a longer term commitment to strengthening the BiH health information systems. A coherent, standardised and quality-assured vital registration system will help in reconciling the currently existing gap between BiH-produced information and related international estimates, and provide a solid base upon which to develop, monitor and evaluate the effectiveness of appropriate health policies, programmes and services. Furthermore, enhancing coordination between public health professionals and demographers, and ensuring appropriate and consistent presentation of information in disaggregated format are recognised as the main concern areas in which BiH has to move forward.

The representativeness of data and the ownership of the processes of tracking and adequately acting upon the relevant child morbidity and mortality indicators remain of critical importance. To this end, an institutionalised approach and collaboration between key BiH institutions and decision-makers at both state and entity levels need to be upgraded.

⁹⁰ WHO Regional Office for Europe (WHO EURO). *Eliminating measles and rubella and preventing congenital rubella infection. WHO European Region strategic plan 2005-2010*. Copenhagen: WHO EURO, 2006 (Updated reprint).

⁹¹ 46% of registered measles cases originated from the Roma community, while the rest were registered in the general population of Sarajevo canton Rantala M, Mereckiene R, Hahné S, Pebody R, Uzicanin A, Bosman A, Hajrulahovic H, Spika J. *Measles outbreak in Sarajevo, Bosnia and Herzegovina. December 2006 March 2007. Outbreak investigation report*. 10 May 2007.

⁹² The categories of vulnerable are Roma, internally displaced persons, persons with disabilities and other population groups with limited access to immunisation services.

⁹³ Child Mortality Coordination Group. *Tracking progress towards the Millennium Development Goals: reaching consensus on child mortality levels and trends. Bull WHO 2006; 84 (3): 225-32*.

⁹⁴ A more accurate reporting might also include the births at home and in private practice institutions which do not consistently figure out in existing reports, and assuring quality by minimising misreporting of births and infant deaths. Disaggregated information on infant and child morbidity and mortality, which includes breakdown by age, gender, ethnicity, place of birth/living, socioeconomic group (occupation, education, income and employment of parents) etc, is essential in informing design, implementation and evaluation of child health programmes.





5. MDG 4: To reduce child mortality

2. Specific policies and programmes which aim at improving child health in BiH should demonstrate and enhance their pro-poor and equity-sensitive orientation. Existing evidence from the WHO European region supports the observation that children born and living in rural areas, from poor families and born to parents with lower levels of education, as well as children from ethnic minority communities or migrant and internally displaced populations, tend to be significantly disadvantaged in their capacity to benefit from overall progress towards the achievement of MDG 4.⁹⁵ To adequately address these inequalities, decisive action on socioeconomic and environmental determinants of health has to be embedded in all BiH child health programmes, and resource allocation decisions adjusted accordingly. Specific targeting strategies need to be adopted for those vulnerable populations which slip through the net of the BiH child health coverage system.

3. Policies which promote effective and integrated child health services figure prominently in existing BiH strategic health plans and frameworks. It is important to maintain the sustainability of related programmes and services, such as immunisation, health promotion and education, mother-and-child health services etc, especially in a time of global financial crisis and economic downturn, when economic contractions may threaten, halt or reverse already achieved progress and health gains for BiH children. Specific frameworks/strategies developed by WHO and UNICEF, such as Integrated Management of Childhood Illness (IMCI), Early Child Development (ECD) strategies etc, may be of particular help to BiH health authorities and policy-makers in capitalising on BiH achievements in child health and the sustained implementation of specific interventions and activities which will contribute the most towards the ultimate achievement of MDG 4.

4. Leveraging health systems in BiH, which includes needs-responsive service provision and resource generation, equity-oriented health financing and accountable strategic governance, needs to be continuously supported. Further investments in child health programmes in BiH are needed to achieve MDG 4, however overall resource allocation decisions should be well-informed and mindful of other important health-related priorities, in particular of the growing disease and disability burden from non-communicable diseases in the adult BiH population.

Conclusion

BiH is making progress in the reduction of child mortality. In 2000-2005, the child mortality rate was very high. In 2005-2008, the child mortality rate was stabilized at a still relatively high level. The consequences of the global economic crisis for the general health situation in BiH are not significant, and this also applies to child mortality.

In order to fulfil the ambitious goals of 2015⁹⁶, it is necessary to follow the recommendations stated below.

Recommendations

- Strengthen BiH health information systems and collection of data, by considering MDG 4 in the context of all other MDGs, for the promotion of “health for all” policies and multi-sector actions.
- Enhance policy and programming aimed at reducing the levels of child morbidity and mortality, and at solving distributional implications.
- Secure implementation of evidence-based and integrated child health programmes, tailored to prioritise leading causes of child ill-health and mortality in BiH.
- Strengthen BiH health systems to adequately respond to population health needs, and to ensure well-balanced resource allocation to achieve the highest gain in population health.

⁹⁵ World Health Organization. Regional Office for Europe (WHO EURO). *Millennium Development Goals in the WHO European Region. A situational analysis at the eve of the five-year countdown*. Copenhagen: WHO EURO, 2010.

⁹⁶ i.e. to halve mortality of children under 5 and infant mortality, as well as significantly increase the number of children under 1 immunised against measles,

6. MDG 5: To improve maternal health

Table 6.1.: MDG 5 indicators

Goal/Target/Indicator	Baseline 2000/2001	2007		2009 and/or latest available data	2015 Targets MDGs	Progress towards 2015 Targets
		Targets as in PRSP	Achieved			
5A Target: To reduce the mortality rate of mothers by three quarters in period 1990 - 2015						
5.1. Maternal deaths (per 100,000 live births)	5.05	4.0	3(2006) 1(2007)	1 (2007)	2.5	Achieved
5.2. Percentage of assisted childbirths (%)	b1) 99 b2) 99.6	100	99.5	99.9	100.0	Achieved
5B Target: To achieve the universal approach in reproductive health by 2015						
5.3. Contraception prevalence rate	49 (2001)	55	35.7 (2006)	35.7 (2006)	65	Potentially
5.4. Fertility rate (Total number of live births per woman)	1.4	1.5	1.174	1.19 (2008)	1.7	Potentially
5.5. Birth-rate (Natavity or childbirths per 1000 people per year)	9.9	11.5	8.8	8.9 (2008)	13.5	Unlikely
5.6. Population natural growth rate (%)	1.9	3.7	-0.3	0.0	7.0	Unlikely
5.7. Life expectancy at birth (years)	total	73	73.5	75	75.2 (2008)	74 Achieved
	male	71	n/a	72.4	72.1(2008)	
	female	76	n/a	77.7	77.5(2008)	

Note: for more detail and sources, please refer to the main indicator table in Annex 1.

Situation analysis

Sexual and reproductive rights fall within the basic human rights acknowledged by national and international documents on human rights. In addition to current legislation, the Ministry of Civil Affairs of Bosnia and Herzegovina needs to develop a national sexual and reproductive health strategy. Having in mind that health issues fall within the jurisdiction of Entities, entity-level sexual and reproductive health strategies are being prepared, addressing the issues of the protection of women before, during and after delivery, as well as examining pregnancy termination rates. Women's health protection is a strategic priority aiming to provide accessible and good quality antenatal care to every mother, as well as safe delivery and overall postnatal protection and care. Decrease in pregnancy termination rate is another strategic priority aiming to eliminate illegal abortions and promoting access to health services.

The FBiH Law on Health Protection⁹⁷ regulates indisputable rights to: accessible health services of standard quality and equal substance, while the Law on Health Insurance⁹⁸, guarantees the right, within the obligatory health insurance coverage, to a complete health protection concerning pregnancy and maternity, the right to medications and medical aids, and the right to artificial insemination.

Recent FBiH Law on Health Protection guarantees, to all women (BiH nationals), the right to a free-of-charge baby delivery, postnatal care for mothers for the following six months after the delivery and free health care of children up to 18 years of age. The Law on Health Protection of Republika Srpska⁹⁹ prescribes that the health protection and care is to be provided under the same conditions to the general population and to groups of special socio-medical significance, including women - concerning family planning, during pregnancy and delivery, maternal health care for up to 12 months after delivery, and children up to 15 years of age, school children, students in the course of their studies - but only up to 26 years of age.

In this period of transition, the population's sexual and reproductive health is at risk. Unreliable systems for the monitoring of sexually transmittable diseases, the presence of HIV infections as a new challenge, the increasing number of malignant diseases on reproductive organs in women and the increasing number of abortions are all substantial health risks. Changes affecting the population of Bosnia and Herzegovina are also reflected in the constantly decreasing birth rate and the continuous increase in the mortality rate. The population growth rate is continuously decreasing, getting close to negative values.

⁹⁷ "Official Gazette of the Federation of BiH", no. 29/97

⁹⁸ "Official Gazette of the Federation of BiH", no. 30/97. 7/02 and 70/08

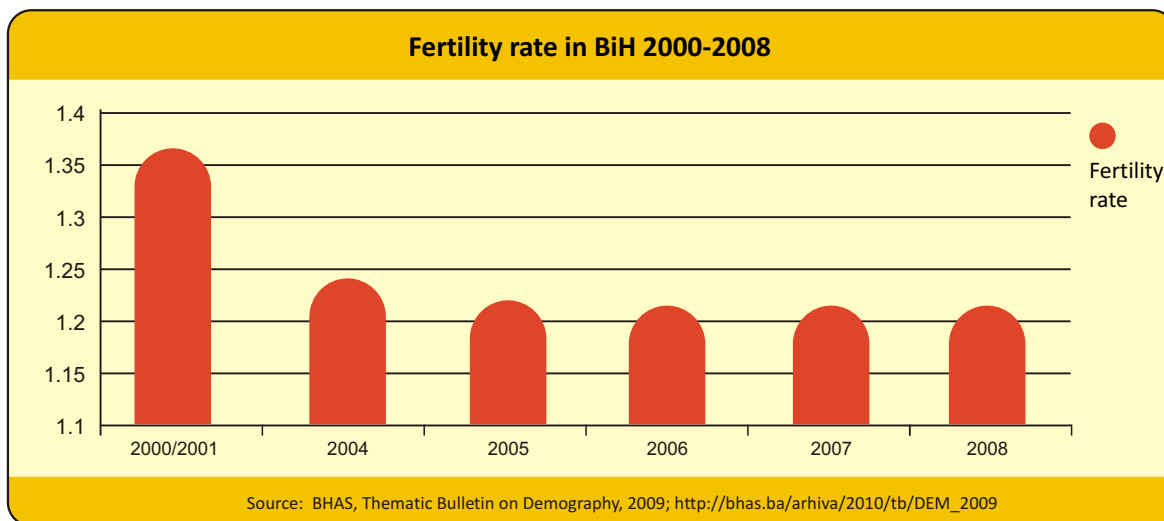
⁹⁹ "Official Gazette of Republic of Srpska": 106/09





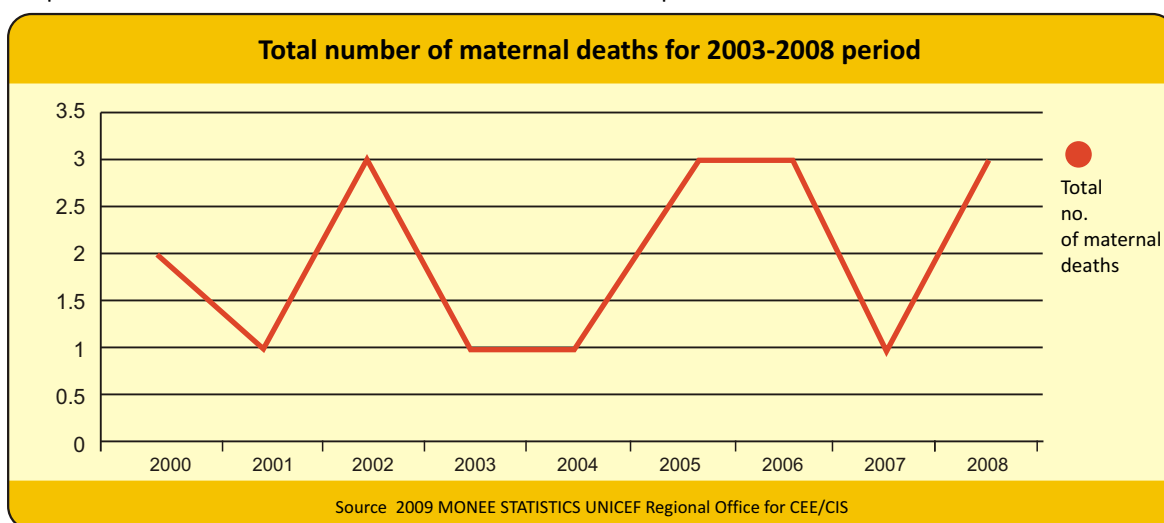
6. MDG 5: To improve maternal health

Graph 6.1. Fertility rate in BiH 2000-2008



BiH has faced a decreasing birth rate and fertility trend and an increasing mortality rate in the past decade, which will have a significant impact on the country's population and it is extremely important that these indicators are included in the existing sector policy reforms. An important feature of the current population policy in BiH is the existing problem of recognizing demographic trends, considering the lack of reliable information on the number of the country's population. Such a situation has an impact on the health sector as well and is disabling any detailed analysis of demographic indicators necessary for setting a quality basis for population policy. According to the available data, the average life expectancy in BiH is 75.1 years (72.4 for men and 77.6 for women) and, in this, progress is noticeable in comparison to the 2001. This change can be explained by improvements in the living standards of the population, as well as improvement to the health system. Maternal mortality, i.e. women's mortality, caused by diseases and conditions related to pregnancy, delivery and the six-week of post delivery recovery period, is being monitored on a 5-year basis. The MDG report of 2003 serves as basis for this report. Bosnia and Herzegovina is on the right track to meet the target of reducing the maternal mortality rate. This rate remains constantly low, as shown in Graph 6.2.

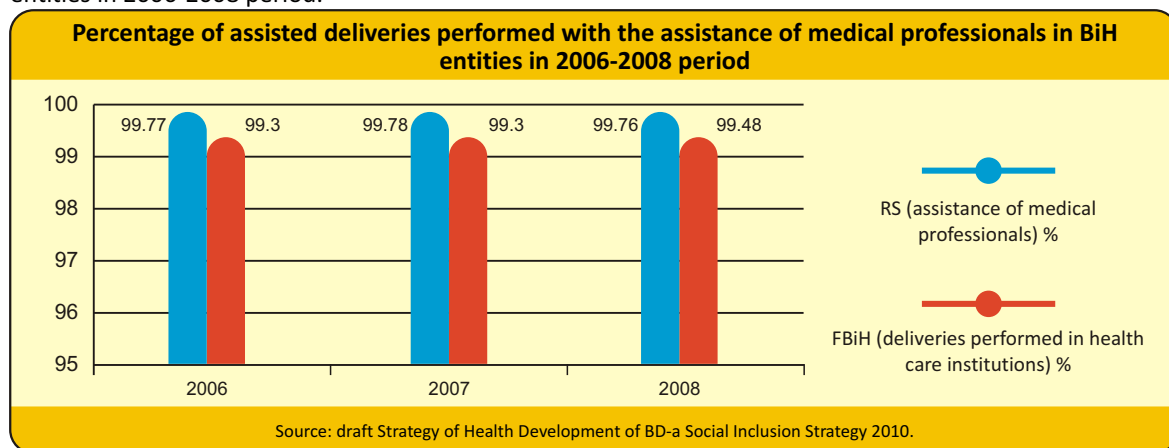
Graph 6.2.: Total number of maternal deaths for 2003-2008 period



A positive trend of low maternal mortality is closely related to the high percentage of deliveries performed with the assistance of medical professionals - 99% (Graph 6.3), as well as the high percentage of prenatal check-ups.

6. MDG 5: To improve maternal health

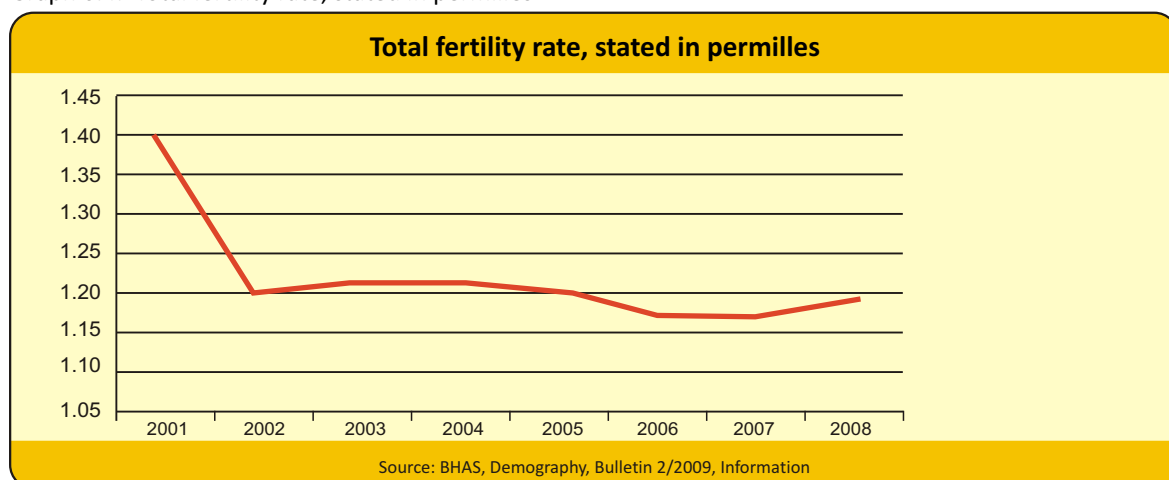
Graph 6.3. Percentage of assisted deliveries performed with the assistance of medical professionals in BiH entities in 2006-2008 period.



According to this information, there is visible progress in BiH in fundamental health outcomes, such as reduced maternal and child mortality rates (see charts). It is important to use a complex approach while trying to achieve these results, since the influence of social factors on maternal and child health cannot be separated from the impact of biological factors and from the performance of health services. In order to ensure improvements in child and maternal health, it is necessary to act by increasingly educating the BiH population, providing standard health care services and social protection services.

Although the current programs of statistical research concerning health in BiH envisage the collection of statistical data on intentional abortion, the data is still not available. The available data serving as a basis to estimate the size of the problem are the result of a cross-sectional study conducted in the Federation of BiH. Results of the study show that almost every third woman had an intentional abortion, and 7% of these had three or more abortions. 7% of respondents who had an abortion have had it before they delivered their first child and 51% had the abortion between first and the last delivery. Out of the total number of respondents reporting they had an intentional abortion, 12% stated that it was due to medical complications. Due to the difficulty in collecting data, most of the studies on intentional abortions come from the hospitals. It is assumed that the situation is similar in RS. All this indicates how significant the problem is and how necessary it is to improve data collection in the public and private health sector in BiH. Lastly, the fertility rate is constantly falling. It was recorded to be 1.400 in 2001 to 1.194 permilles in 2008. (Graph 6.4.)

Graph 6.4. Total fertility rate, stated in permilles



The natural movement of the population, followed by vitality statistics, shows a worrying trend. There has been a slight decline in the birth rate : from 9.9 in 2001 to 8.9 permilles in 2008. Meanwhile, the mortality rate slightly increased from 8.0 in 2001 to 8.9 permilles in 2008.

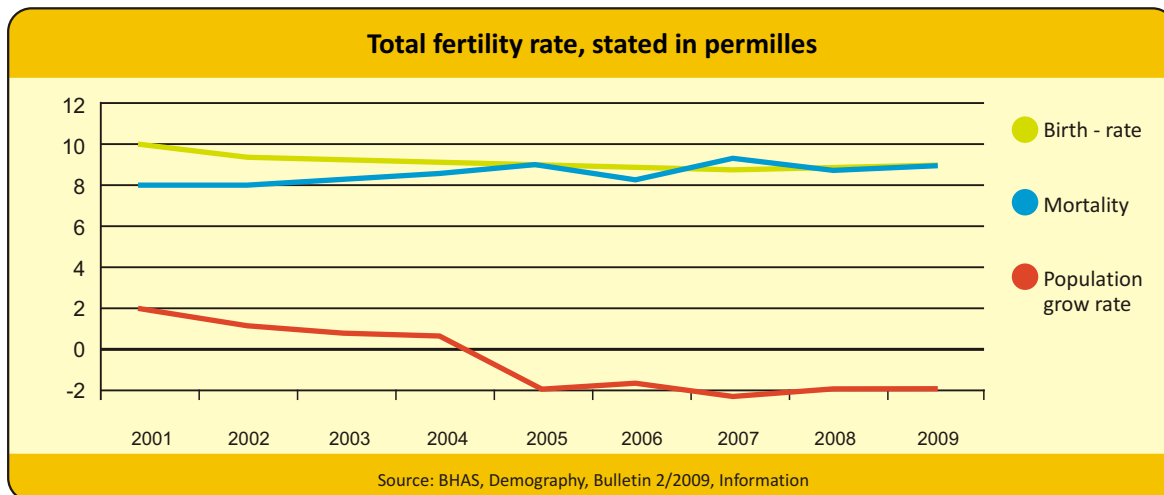




6. MDG 5: To improve maternal health



Graph 6.5. Total fertility rate, stated in permilles



The result of these movements is a decreasing rate in the growth of the population, that fell from 1.9 in 2001 to 0.01 in 2009¹⁰¹, while in 2007 it was negative -0.3 per cent. (Graph 6.5)



Conclusion

Despite the incontestable results in improving maternal healthcare, BiH is still facing serious demographic and population problems - primarily the decreasing birth-rate. Therefore, it is necessary to put additional efforts regarding the population policy and social protection of families with children. It is planned to reduce the maternal mortality to 2.5 per 100,000 by 2015 and reach a rate of 100% of childbirths assisted by medical professionals, as well as to significantly increase the population growth rate (2015 - 7%). The accessibility of medical services for women's reproductive health is guaranteed by insurance schemes existing in the Entities, and in accordance with the laws on health protection¹⁰². This includes regular check-ups during pregnancy and health care after delivery. Considering that health insurance is linked to employment, women often have to pay for such medical services. Maternal health depends on other aspects of the life of households (e.g. women's empowerment, the household's income, the division of domestic work, etc.). BiH still has neither state nor entity level strategies/policies on reproductive health, nor on any aspect of reproductive health (cervical cancers, abortion, sexually transmitted diseases, etc).

Recommendations

Reducing the intentional abortions rate

- It is necessary to raise the awareness of the population on birth control methods and family planning. Such an intervention would most certainly contribute to the improvement of women's health and to reducing the intentional abortion rate.

Birth-rate growth

- The population growth rate in BiH is falling significantly. This negative trend is also accompanied by youth emigration, which additionally complicates BiH's demographic situation. The current situation requires a strong and coordinated response by state authorities, especially in health and social protection departments that should take the leading role in birth-rate improvement efforts. An important activity in that regard would be the development of a national strategy aiming at boosting the population growth rate, as well as the upgrading of existing social policy.

¹⁰¹ Population growth rate in 1996 was 5.9 permills.

¹⁰² Official Gazette of FBiH, no. 29/97, Law on Health Protection; Official Gazette of FBiH, no. 30/97, Law on Health Insurance; Official Gazette of RS, no. 18/99, 51/01, 70/01, 51/03, 57/03, Law on Health Insurance.

6. MDG 5: To improve maternal health

The development of a national strategy concerning sexual and reproductive health would definitely contribute to the overall progress in this field.

Access of vulnerable groups to health services

- New (existing) legislation should be able to bring improvements in access to reproductive health services for all citizens of BiH, vulnerable groups and especially Roma women, for whom this problem is quite severe. Educational/awareness raising programs for vulnerable groups, Roma women and adolescents would be an essential complement to all the legislative efforts at enhancing access to health services.

Data collection

- Regular periodical research remains the key priority for the following period. Demographic research on health conditions of the population is necessary in order to monitor and analyse the current situation and to develop plans for future interventions.





7. MDG 6: To combat HIV/AIDS and tuberculosis

Table 7.1. MDG 6 indicators

Goal/Target/Indicator	Baseline 2000/2001	2007		2009 or latest available data	2015 Targets MDGs	Progress towards 2015 Targets **
		Targets as in PRSP	Achieved			
6A Target: To have halted by 2015 and begun to reverse the spread of HIV/AIDS						
6.1. Adults with AIDS, number of new AIDS cases / no. of deaths	51/3	n/a	33/4	43	50	Likely
6.2. HIV prevalence in adults %	0.004		< 1	<1	0.004	Likely
6.B Target: To have halted by 2015 and begun to reverse the incidence of malaria and other major diseases						
6.3. Tuberculosis prevalence and mortality rate /100,000	cases	50	30	55	30	Likely
	mortality rate	4	0	8	<6	
6.4. Proportion of TBC cases discovered and treated under DOTS treatment/100,000		n/a	100	n/a		no data
6.5. Registered drug addicts	n.a.	n/a	3,499	4,900	<7,500	Likely
6.6. GDP percentage allocated for healthcare	b1) 4.8 b2) 7.3 b3) 7.7	6.7 FBiH 5.9 RS	9.8	n/a	8	Achieved
6.7. Percentage of population covered by health insurance %	78	100	83.65 (FBiH), 70 (RS), 90.26 (BD)	83.65 (FBiH), 70 (RS), 90.26 (BD)	100	Likely
6.8. Number of physicians per 1000 inhabitants	1.5	1.5	1.4	1.5	1.7	Likely
6.9. Number of hospital beds per 1000 inhabitants	3.2	3.2	n/a	3.5 (2008)	3.2	Achieved

Note: for more detail and sources, please refer to the main indicator table in Annex 1.

Review of current conditions and progress

Bosnia and Herzegovina has been successful in maintaining a low HIV prevalence rate. Until the end of 2009, a total of 163 cases of HIV infection and 103 cases of AIDS were registered. Monitoring data shows that 77.3% of those infected with HIV are men, and the most common way of transmission of HIV is through heterosexual sex (57%). Currently, there are 52 persons living with HIV, of which 39 are receiving anti-retroviral therapy. The anti-retroviral treatment began in 2007, through the public health care system with limited funding. The challenge of a shortage of anti-retroviral therapy is being addressed through the programme of the Global Fund to Fight AIDS, Tuberculosis and Malaria. BiH was among countries with an "intermediate" TB burden in the WHO European Region, with a relatively high TB incidence but remained stable for several years. In 2003, local experts on contagious diseases placed tuberculosis as one of the most threatening diseases in BiH. However, recent data shows a reduction in the prevalence of tuberculosis (TB) compared to the 2000/2001 baseline, to an estimate of 30 cases per 100,000. Free TB treatment regardless of the patient's insurance status has been guaranteed by legislation. Out of the total number of TB patients identified through the health care system, 1,302 were under the Directly Observed Therapy Short-Course (DOTS) with daily visits carried out by patronage nurses.

Substantial efforts have been made in the prevention and detection of HIV/AIDS. The Voluntary Confidential Counselling and Testing Centres (VCCT) for HIV in BiH have been operational since early 2005. Currently, there are 19 VCCT centres, 12 in the FBiH and 7 in RS. VCCT centres have been targeting the most-at-risk population groups, such as injecting drug users (IDU), men who have sex with men (MSM), sex workers (SW) with the provision of free, voluntary and confidential counselling and testing for HIV. During the period of April 2007 to March 2010 26 HIV cases were diagnosed through VCCT centres. Outreach workers are also providing prevention information and counselling to MSM, IDU and SW. Six drop-in centres have been regularly providing injecting drug users with sterile needles and syringes, distributing condoms and HIV/AIDS information materials, as well as referral to VCT centres.

7. MDG 6: To combat HIV/AIDS and tuberculosis

Youth “in” and “out-of-school” are receiving information on HIV prevention through peer based education. To date, around 55,798 school youth aged 14-19 years old and 120,380 out-of-school youth aged 15-25 years old have been reached, compared to 2,000 youth and 15,000 youth respectively reached as of the baseline years. Roma population, particularly Roma women, have also been provided with HIV information and counselling. 5,923 Roma women have been reached in the period of 1.11.2006-31.03.2010. To date, approximately 2-3 % of the total population have received a free and confidential HIV test.

Bio-behavioural Surveys (BBS) have been conducted to assess HIV/STI related knowledge, risk behaviours and to analyze trends. BBS conducted among IDU show that their use of condoms with a regular partner last time they had sex was 38.8% in 2007, and 37% in 2009. BBS for MSM was conducted in 2008 and showed a condom-use rate of 49.2%. BBS for SW conducted in 2008 showing a condom-use rate of 75.6%.

The “Strategy on the prevention and fight against HIV/AIDS in Bosnia and Herzegovina 2004-2009” made significant progress in ensuring a legal framework for the protection of people living with HIV on the basis of human rights principles. Another major achievement in the fight against HIV/AIDS and Tuberculosis was the strengthened coordination between governmental health institutions and civil society organisations. BiH has established a functioning Country Coordination Mechanism (CCM) to ensure local ownership and participatory decision-making in the implementation of the programmes funded by the Global Fund to Fight AIDS, Tuberculosis and Malaria. The national HIV Monitoring and Evaluation mechanism has been strengthened. The CRIS (Country Response Information System) database has been used to monitor all indicators related to HIV/AIDS collected at state and entity levels. A TB network has been established among National M&E Coordinators, Cantonal/Regional Coordinators, nurses, and sub-recipients' mobile teams to ensure open communication lines for delivering TB drugs.

Psychosocial support for people living with HIV/AIDS is provided by civil society organisations. Red Cross Society mobile teams and volunteers also provided services to TB patients and TB laboratories agreed to perform smear microscopies free of charge for the services provided by Red Cross Society mobile teams. A new pathway has been established to save time and money for patients that need this service and to offer quality analysis. Effective information exchange among partners has contributed to the improved implementation of the DOTS Strategy in Bosnia and Herzegovina. The issues of co-infection and co-morbidity of TB and HIV/AIDS have also been addressed by the programmes funded by the Global Fund.

Bottlenecks and Challenges

While HIV/AIDS incidence in BiH is still low, like other countries in transitions, the country is facing a number of challenges of social and demographic change with increased numbers of drug users, sex workers, and sexually transmitted diseases. Migration of the population, unhealthy lifestyles, stress, insufficient nutrition, poverty with a lack of medication and patient support would all increase the risks of tuberculosis. Although living conditions have improved over the last decade, poverty remains the main factor influencing tuberculosis morbidity.

The lack of a state-level health system strategy creates a “bottleneck” in dealing with HIV/AIDS and tuberculosis from a broad health care approach. This leads to such a limitation of the BiH HIV/AIDS Strategy 2004-2009 that HIV/AIDS prevention and treatment have not been linked with other aspects of sexual and reproductive health, especially with other sexually transmitted diseases.

Primary, secondary and tertiary health care strategies have been adopted at the entity level, while a primary health care strategy exists at the state level. The FBiH adopted the Strategic Plan for the Development of Health in FBiH for the period 2008 - 2018. Meanwhile, the RS Strategic Directions in





7. MDG 6: To combat HIV/AIDS and tuberculosis

Development of Health exists in draft form. The Strategy of Health Development in Brčko District BiH for the period 2008 - 2013 was adopted in 2008. Donor activities in the health sector are coordinated on an ad-hoc basis although sub-sector working groups exist, such as the Country Coordination Mechanism (CCM) in the area of HIV/AIDS and Tuberculosis.

Among the limitations in the health care system, there are several bottlenecks which need to be addressed. Referral between sexual and reproductive health services and VCCTs needs to be improved. HIV/AIDS prevention programmes need to offer other contraception commodities apart from condoms, as well as medication for other sexually transmitted infections. The challenge ahead is in the readiness of governmental institutions to take over the funding and management responsibilities once the Global Fund's programmes end.

Conclusion

In the period of 2000-2010 BiH has made significant progress in the struggle against HIV/AIDS and tuberculosis. However, it is very important to improve the health system as a whole, which will also enhance the framework for the struggle against these diseases. In 2015, relevant accomplishments regarding HIV/AIDS prevention will be maintained, and tuberculosis mortality will be significantly reduced (<4 cases). The GDP percentage for health, which was higher than planned by PRSP in 2007, is likely to be maintained at a high level (8%) up to 2015.

Recommendations

- Enhance health insurance coverage of the population. The implementation of this priority will influence the financial availability of health protection, as well as other important features of health protection.
- Ensure additional sources of funding for the promotion of health and disease prevention. Prevention and promotion programmes are the best principles of health protection and will increase people's awareness and responsibility for their health.
- Improve primary health protection with a focus on the family and the community that will result in better quality of health services and reduced costs of health care.
- Improve reproductive and sexual health of women and men in order to reduce risks and increase protection from HIV/AIDS and other sexually transmitted diseases.

8. MDG 7: To ensure environmental sustainability

Table 8.1. MDG 7 indicators

Goal/Target/Indicator	Baseline 2000/2001	2007		2009 or latest available data	2015 Targets MDGs	Progress towards 2015 Targets	
		Targets as in PRSP	Achieved				
7A Target: To integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources							
7.1. Percentage of forest area (% of land area)	b1) 44.6 b2) 55.6	52	42.7	53	60	Potentially	
7.2. Percentage of terrestrial protected areas for the biodiversity maintenance - %	0.5	1.5	0.8	<2 (2009)	6	Potentially	
7.3. GDP per unit of energy used (constant 2005 PPP \$ per kg of oil equivalent)	4.0	n/a	4.7	4.7 (2007)	4.9	Likely	
7.4. CO2 emission	metric ton per capita	6.1(2000) 5.4(2001)	3.5	6.8 (2005)	7.3 (2006)	5.0	Unlikely
	Kg per 2005 PPP \$ of GDP	1.3	n/a	1.2 (2005)	1.2 (2006)	n/a	No data
7B Target: To halve, by 2015, the proportion of the population without sustainable access to safe drinking water and basic sanitation 2015							
7.5. Percentage of population having access to water supply systems	53	58	65 (2008)	65 (2008)	67	Achieved	
7.6. Percentage of population having access to water sewage system	33	36	36 (2008)	36 (2008)	40	Likely	
7.7. Electric power consumption/pc (kwh/pc)	540	1,050	2,381	2,381 (2007)	2,500	Likely	
7.8. Percentage of surface cleared of mines	b1) 5 b2) 6.12	20	n/a	64	80	Likely	

Note: for more detail and sources, please refer to the main indicator table in Annex 1.

Review of current conditions and progress

Environmental sustainability has been gradually recognized as an important development issue in Bosnia and Herzegovina. In the last decade, BiH has increased efforts to address environmental challenges and has harmonised legal aspects of environmental protection in each entity in a set of environmental laws prepared in accordance with European Union directives. After the National Environmental Action Plan (NEAP) in 2003, some sectoral strategies and environmental action plans at entity, cantonal or municipal levels have been prepared or are in the process of preparation and adoption. With international assistance, a number of recently initiated projects aim to improve the infrastructure for environmental protection.

The Government of BiH is a party to a number of international environmental agreements and conventions, including the United Nations Framework Convention on Climate Change (UNFCCC), the Vienna Convention for the Protection of the Ozone Layer, the United Nations Convention on Biological Diversity, and the Bern Convention on Conservation of European Wild Species and Habitats. BiH prepared its First National Communication under UNFCCC in 2009 which presented a comprehensive calculation of greenhouse gas emissions, an assessment of vulnerability and the potential for mitigating climate change in BiH.

Despite this progress, Bosnia and Herzegovina needs a state-level environmental law to ensure harmonised nationwide environmental protection. Implementation of the environmental legislation remains a concern. The country needs to strengthen its environmental protection institutions, particularly at the state level. The human and technical capacity of inspectorates to ensure compliance with environmental legislation at entity, canton and local levels is currently insufficient. Integration of environmental concerns in other sectors is still limited. One of the major issues for the long-term environmental protection is ensuring a sustainable source of financing which requires efforts to prioritise and coordinate investment programmes.





8. MDG 7: To ensure environmental sustainability

Forest coverage, biodiversity and climate change threats

Bosnia and Herzegovina is a country rich in biodiversity. The country is considered to be among the top five countries in Europe in terms of biodiversity¹⁰³ with a high number of endemic and relict species. BiH is home to 30% or 1,800 endemic species of Balkan flora and numerous threatened species.¹⁰⁴ About 53% of BiH territory is covered by forest and more than a half of the surface area of BiH is covered with natural and semi-natural ecosystems.

Data shows that forest coverage has increased compared to the base year of 2000/2001, although, the MDG 2015 target of 60% forest coverage remains challenging but potentially achievable. Efforts are being made towards defining boundaries and zoning areas in accordance with IUCN classification. The NEAP (2003) specifies as a biodiversity protection measure, the preparation of an adequate protection program for 15-20% of BiH territory. Thus, the MDG target of having the protected area reaching 60% of the country's territory by 2015 could be potentially achieved.

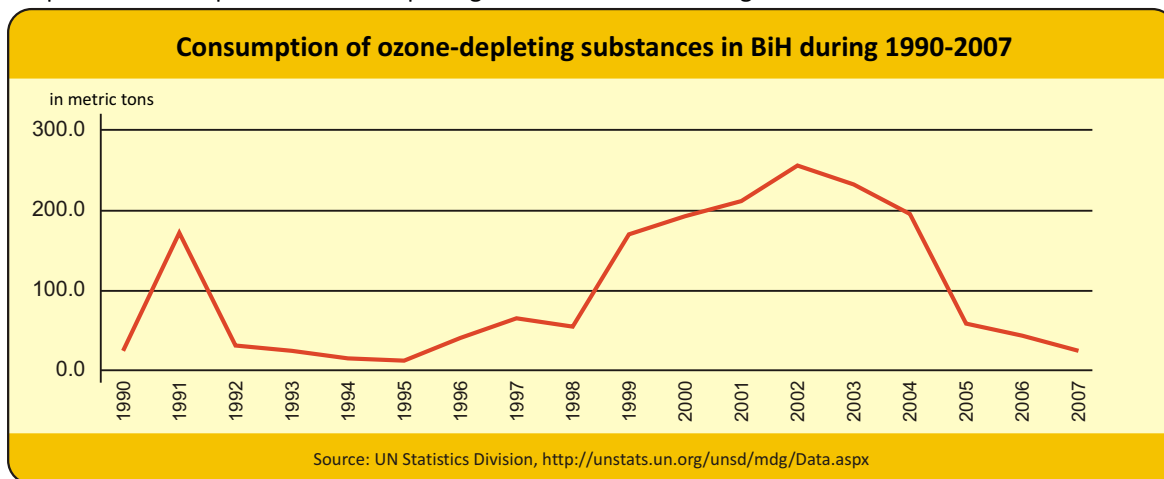
Management of the protected area is, however, a concern. The existing protected areas have not been properly monitored and managed, which results in degradation of sites and a potential loss of the biological basis for conservation status.¹⁰⁵ The complexity of biodiversity in BiH requires a new approach to the management of protected areas with an increased use of scientific monitoring.

BiH is considered highly sensitive to climate change threats due to its "climate-sensitive" economic sectors, such as agriculture, forestry and the hydropower/energy sector. Carbon dioxide (CO₂) is one of the most important greenhouse gases. In BiH, the most significant source of CO₂ emissions is the energy sector, which contributes 74% of the total CO₂ emissions. In the energy sector, solid fuels (coal) make up the largest proportion (77%), followed by liquid fuels (17%) and gas (6%). Other emission sources include agriculture, industrial processes, and waste accounting for 12%, 11% and 3% respectively of total CO₂ emissions.

Like in most other transition countries, there are no data available for monitoring the climate change impact on biodiversity. Despite the challenge of data availability and data quality, the First National Communication of BiH under UNFCCC compiles the 1990 base year inventory of greenhouse gases. The assessment of vulnerability and adaptation to climate change shows that BiH has the potential to reduce CO₂ emissions. Forest in BiH represents a significant CO₂ sink of 7,423.53 Gg CO₂ from the base year 1990.¹⁰⁶

The World Bank monitors CO₂ emissions globally and estimates that BiH's CO₂ emissions per capita have increased since 2000 in contrast to the target of a reduction by 2015 (See MDG indicator 7.4). However, CO₂ emission per 2005 PPP \$ of GDP seem to decrease slightly. On the consumption of ozone-depleting substances, UN data shows a consistent reduction since 2003 (Graph below).

Graph 8.1: Consumption of ozone-depleting substances in BiH during 1990-2007



¹⁰³ BiH Biodiversity Assessment, USAID 2003

¹⁰⁴ BiH's National Environmental Action Plan (NEAP) 2003.

¹⁰⁵ BiH's Third National Report Convention on Biological Diversity

¹⁰⁶ BiH's First National Communication under UNFCCC, published in 2009

8. MDG 7: To ensure environmental sustainability

Sustainable access to drinking water and sanitation

As a country in transition and in the process of EU integration, BiH has adopted relevant standards and measurements related to this MDG. While BiH is rich in water resources, access to drinking water measured by the proportion of population with continuous access to an adequate amount of safe drinking water (piped water) at home¹⁰⁷, is not yet fully ensured for the whole population. However, access to water has increased from the baseline of 53% in 2000/2001, and the 2015 target of 67% population coverage is almost achieved. Access to a public (centralized) sewage system¹⁰⁸ has also increased from the very low baseline of 33% to 36% and the 2015 target of 40% coverage is likely to be achieved.

Waste also represents one of the main environmental challenges affecting the quality of life in BiH. Although the number of regional landfills has grown from 16 to 22-23, the current problem of insufficient waste disposal capacities has led to the situation that a considerable quantity of waste is dumped illegally, posing threats to public health and the environment. There is currently no incineration facility in Bosnia and Herzegovina. At least 95% of the collected mixed municipal waste is disposed of mostly on non-sanitary disposal sites. While the National Solid Waste Management Strategy, adopted in 2000, which set out a long-term framework for improving BiH waste management capacity through various technical and financial measures is still in force. The Federation of BiH's recently drafted Environmental Strategy for the period 2008-2018 aims at increasing the number of joint regional landfills.

The main challenges lie in service delivery at the municipal level, as these public services are under the direct jurisdiction of local governments, municipalities or cities (in the case of big cities). Municipalities own public utility companies and communal service enterprises which are responsible for service delivery. The financial sustainability of these public companies has been low over the last decade often resulting in a compromise to the quality or quantity of the services.

The current infrastructural capacity of the water supply system is a matter of serious concern. Due to damage and a lack of maintenance during the war (1992-1995), most of the water and wastewater systems, which date back more than 25 years, suffer from a high level of network leakage. In some urban zones, the public utility companies cannot supply sufficient drinking water during the dry season, when water demand is at its highest. At the same time, rural areas, typically not connected to a centralized water supply system, rely on small village water supply systems which have not been ensured with regular water quality control. Access to drinking water of vulnerable and marginalized groups in rural areas is worse as the capacity of public water companies is often overwhelmed by the large number of returnees and limited reconstruction of damaged facilities. The Roma population, often living in informal settlements, lack basic facilities, including access to portable water.¹⁰⁹ Furthermore, access to drinking water within/in close proximity to schools in rural areas, and within/in close proximity to housing units of disabled persons is limited compared to that for other persons.¹¹⁰

The sewage system in BiH is inadequate in terms of capacity and technology used. Sewerage systems exist only in central parts of cities, while the urban fringes and rural areas are served largely by inadequate and inappropriate septic pits, which seriously endanger the quality of surface and groundwater that are important sources of drinking water.¹¹¹ New sewage lines were often added to the main sewage system in an ad hoc manner as the urban area expanded, which contributed to the decreasing quality of the system. In addition to the low coverage of the public sewerage system, treatment of collected waste water is very limited. There are only seven waste water treatment plants for sewage water in BiH, and they treat less than 2% of waste water (1.9% in FB&H and less than 1% in RS). The low collection rate and low price for the provision of public services, in particular the price of water is well below the level of the operating costs of utility companies, is one of the challenges in improving infrastructure, maintenance and quality of service delivery. The "right to water" does not mean free water, but an affordable and sufficient water supply to citizens. In applying the human-right based approach to development both duty-bearers and right-holders have to fulfil their respective responsibilities in delivering the services and in contributing to the sustainability of the public services.

¹⁰⁷ The indicator was used instead of the Global MDG indicator measuring access to improved drinking water source which includes household water connection, public standpipe, borehole, protected dug well, protected spring and rainwater collection.

¹⁰⁸ BiH adopts the indicator measuring the proportion of population with access to public sewage system instead of the Global MDG indicator „Proportion of people using an improved sanitation facility“ which includes flush or pour-flush toilet or latrine to piped sewerage, septic tank or pit; a Ventilated Improved Pit (VIP) latrine; a pit latrine with slab or a composting toilet/latrine.

¹⁰⁹ IDMC (2008), 'Bosnia and Herzegovina: Broader and improved support for durable solutions required', p228.

¹¹⁰ UNDP (2007) 'National Human Development Report 2007: Social Inclusion in Bosnia and Herzegovina'.

¹¹¹ 89% of water supply in BiH comes from groundwater, 10.2% from rivers, and 0.8% from natural lakes and artificial reservoirs.





8. MDG 7: To ensure environmental sustainability



De-mining

Bosnia and Herzegovina is the most mine contaminated country in Europe, and certainly one of the most contaminated in the world. It is estimated that there are some 220,000 mines, mostly anti-personnel, and many types of unexploded ordinances (UXOs) still taking lives of innocent victims. In its most recent review conducted in 2009 BHMACE estimated that 2.9% of the territory is still suspected to contain mines. This has an impact on the lives, safety and freedom of over 900,000 people. In the post-war years huge efforts have been made to eliminate the general mine threat posed to human security and in this sense significant progress has been accomplished. As a result the number of mine victims has been significantly reduced. Around 64% of the mine contaminated areas have been cleared, and the 2015 target of 80% is likely to be achieved. National Mine Action Strategy 2005 - 2009 was revised and adopted by the Council of Ministers in October 2004 and aims to free BiH from mines by 2019. The Strategy was ambitious in terms of availability of financial resources and planned funding might not be secured due to a decline of donor funds for demining in BiH.



The need to pass a new NEAP (National Environmental Action Plan)

The Inter-entity Coordination Body for Environment is the main platform for coordination and harmonization of the activities in the Environmental sector. A state-level Law on Environmental Protection was drafted with the support of the EC and it is expected that a revised draft will be submitted for parliamentary procedure by end of 2010. In the absence of a national strategy for environmental protection, the entities recently (in 2009-2010) developed strategies for environmental protection. These strategies provide a strong foundation for further development, regardless of the different applied methodologies.



Conclusion

Sustainable development, as one of the goals of the Draft BiH development strategy, refers to the development of environment and environmental infrastructure, renewable energy sources, transport infrastructure and telecommunications, and agriculture and rural areas with the goal of diversifying economic activities, especially the increase of BiH's self-supply of healthy food. A significant increase in the percentage of forested land is foreseen in 2015 (60%), as well as protection of the land's biodiversity (6%), and a reduction in CO2 emissions / pc (000 kg) to 3.2 %. Progress in the percentage of the population with access to a water supply is also expected (67%), as well as in the percentage of households with sewage systems (40%). Great progress is expected with regard to an increase in the percentage of demined areas (64%).

Recommendations

- Utilize renewable and non-renewable natural resources;
- Ensure improvement of human capacities, organisational-institutional and legislative progress and harmonisation at all government levels of BiH;
- Urgently draft, harmonise and apply the already adopted entity strategies for relevant areas, and for those areas that have no strategies;
- Harmonise spatial and urban development plans at different levels, and apply strategic estimates of their effects on the environment;
- Improve environmental legislation for sustainable development through the process of EU integration, with the help of appropriate EU institutions;
- Encourage and monitor development of environmental infrastructure (treatment of solid ballast, waste waters, public water supply, irrigation systems, etc);
- On the basis of defined sector priorities and strategic goals, define a set of indicators for BiH with a detailed analysis of missing data to improve environmental monitoring systems;
- Ensure better integration of environmental protection policies with other sector policies: 1) transpose the remaining requests for environmental and related legal EU Acquis and integrate environmental issues with other sectors (energy and mining, transport, agriculture and forestry, industry, tourism, health, education, finances etc.)
- Ensure operationalisation of entities, BD and cantonal environment funds;
- Introduce European standards and regulations for biomass fuels in order to facilitate energy exploitation, market growth and increase of consumers' confidence; Develop a wind map, geothermal map, map of small hydroelectric power plants, solar energy potential and a map of wood production and distribution for BiH.

9. MDG 8: To develop a global partnership for development

Table 9.1. MDG 8 indicators

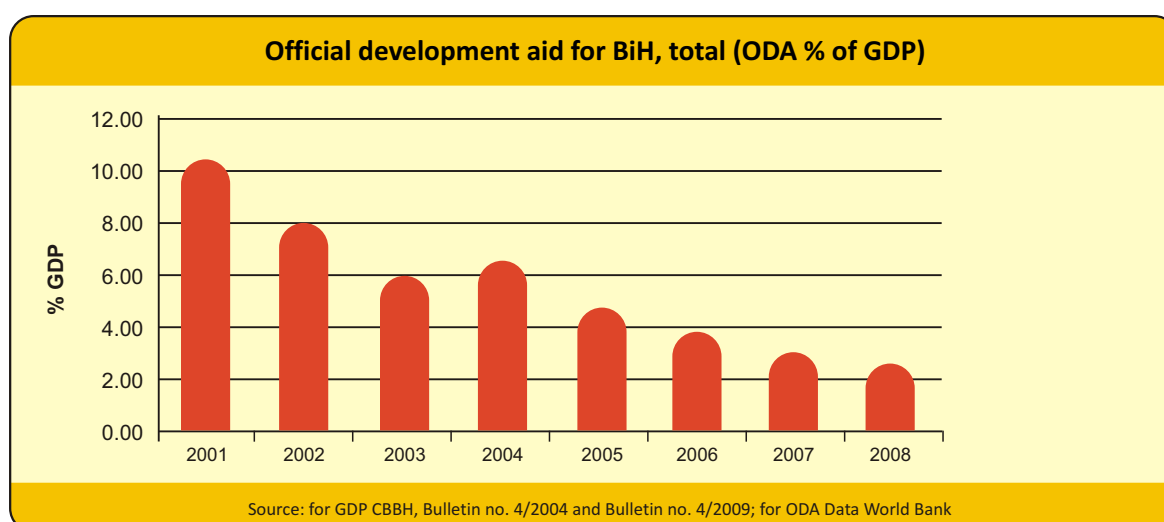
Goal/Target/ Indicator	Baseline 2000/ 2001	2007		2009 or latest available data	2015 Targets MDGs	Progress towards 2015 Targets
		Targets as in PRSP	Achieved			
8A Target: To develop further an open, rule-based, predictable, non-discriminatory trading and financial system						
8.1. Corruption Perceptions Index	n/a	n/a	3.3	3.2 (2008)	4	Likely
8.2. Exports expressed as a percentage of imports, - %	30.8	n/a	42.7	44.8	80.0	Potentially
8.3. Foreign direct investments – as a percentage of GDP, - %	2.1	n/a	13.5	2.9	7.0	Potentially
8.4. Official assistance for development (ODA) – as a percentage of GDP -%	11.1	n/a	2.97	2.6	1.0	Likely
8B Target: To deal comprehensively with developing countries' debt using measures at the national and international level to make the debt sustainable and comparable on a long-term basis						
8.5. Total debt/GDP ratio, %	35.2	n/a	18.2	21.8	25	Likely
8.6. Export/GDP ratio, %	17.9	n/a	27.3	23.2 (2009)	34	Potentially
8C Target: In cooperation with the private sector, to make available benefits of new technologies, especially information and communications						
8.7. Personal computers per 100 population	3.9 (2000)	4.0	6.4	6.4 (2008)	12.0	Potentially
8.8. Phone lines per 100 population	22.6	15.0	28.2	27 (2008)	26.0	Achieved
8.9. Mobile phone subscribers per 100 population	11.9	n/a	64.9	84 (2008)	90.0	Likely
8.10. Internet users per 100 population	1.11	4.0	27.9	34.7 (2008)	15.0	Achieved

Note: for more detail and sources, please refer to the main indicator table in Annex 1.

Official development aid to BiH - from dependency to self-reliance

In the post-war period of 1995 to 2000 BiH received large amounts of financial aid intended for humanitarian assistance, economic recovery and reconstruction as well as other forms of assistance (support to democratization, institutional building, etc).¹¹² BiH's experience of that period indicates the need to increase the efficiency of international assistance. An important basis for that is stronger reliance on national stakeholders as well as better coordination among different donors. At the beginning of this decade the official development aid (ODA) was very large, accounting for over 10% of GDP in 2001. In the following years it has decreased, as demonstrated in following graphs:

Graph 9.1 Official development aid for BiH, total (ODA % of GDP)



¹¹² There is no consolidated data on international aid to BiH within this period. Some estimates are stating that in that period it amounted to 22-24 USD billions. See: UNDP, HDR 2003, "Millennium Development Goals in BiH", p. 85.

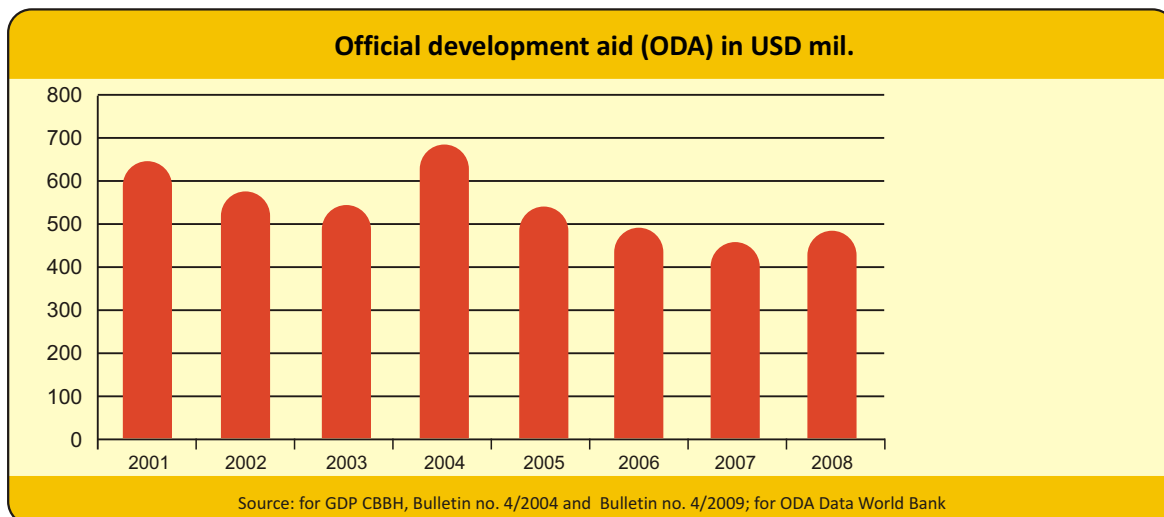




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Graph 9.2 Official development aid (ODA) in USD mil.



The decrease in official development assistance is a clear sign of improving sustainability of BiH's economic development, signified by a steady growth of GDP in this period.



In the last two years,¹¹³ Bosnia and Herzegovina (BiH) has undertaken several steps to strengthen coordination of its international assistance. The availability of official development aid (ODA), based on grants, is gradually decreasing and there is general agreement that all the authorities and donor agencies have to cooperate more closely in order to increase the impact of these limited contributions. The BiH authorities have undertaken steps to introduce more initiatives in managing external assistance, including the establishment of a new organizational structure for aid coordination, improvements of the public spending planning process, external funds planning and management in accordance with BiH development priorities as well as participation in initiatives to promote efficiency of external assistance flows to the country.



The assistance coordination process started in 2006, when the Council of Ministers of BiH adopted a policy of "Strengthening the International Assistance Coordination System in Bosnia and Herzegovina". This document defined numerous planned changes regarding coordination of assistance, including the transfer of the mandate for the international assistance coordination from the Ministry of Foreign Trade and Economic Relations (MoFTER) to the Ministry of Finance and Treasury (MoFT) and the establishment of the International Assistance Coordination Board.



In 2008, improvements were made in the BiH Public Investments Programme (PIP) through the development of a Grants Management System that was co-financed by the EC and UNDP, and implemented by UNDP. Significant progress has been achieved during 2010 in redefining PIP as an analytical tool for better allocation of development resources. The PIP calendar has been adjusted to the calendar for development of the Budgetary Framework Document and institutions' annual budgets. In its new format, the PIP connects the proposed projects with institutions' and sectors' strategic goals as well as the development goals within the Country Development Strategy. In this way, the PIP will present a qualitative basis for development of the National Development Plan. The new system of identification of priority projects will gradually allow better targeting of resources for achievement of MDGs. Development of PIP in accordance with the new methodology has been adopted at all levels of government in BiH and enables development of unified plan for BiH.



The Donor Coordination Forum (DCF) and the Donor Mapping Exercise (DME) are mechanisms providing prerequisites for strengthening of partnerships between BiH and donors. In 2008-2009 DCF members allocated 765.77 million Euro for the implementation of projects during 2008 and 430.37 million Euro during 2009 (data from before the end of 2009). Out of the total of 1,196.14 million Euro that was allocated in 2008 and 2009, 354.67 were provided as grants, while 841.47 million Euro was provided as loans.¹¹⁴

¹¹³ See: Ministry of Finance and Treasury of BiH BiH Donor Coordination Forum, "Donor Mapping Report 2008-2009".

¹¹⁴ Ministry of Finance and Treasury of BiH. Ibid, p. 14.

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Although it is quite certain that the consequences of the global economic crisis will be lasting, no significant short term impact on official development aid flows, globally, have been noted. As evidenced in the Chapter on MDG 1, economic growth dropped, and in 2009 it even showed negative values. In such circumstances, aid flows are becoming more important, in particular those flows used to fund major capital investments projects. BiH authorities are giving priority to enhancing the effectiveness of development aid and acceleration of investment projects within the wider response to crisis.

The Sector for Coordination of International Economic Aid within the MoFT has initiated a procedure that should lead to adoption of the Paris Declaration on Aid Effectiveness and the application of its key principles. With the BiH Council of Ministers decision from December 2009, BiH officially adopted the Paris Declaration on Aid Effectiveness pledging to improve effectiveness in five key areas: ownership, integration, harmonization, results-based management and mutual accountability. After signing the Paris Declaration, BiH will start developing a Memorandum of Understanding to be signed with all donors. This document should precisely define a new model of partner relations between the Council of Ministers and donors, based on Paris Declaration principles.

Development assistance to BiH in the forthcoming period will, to a significant degree, be focused on areas complementing MDG goals: employment, social protection, pensions, education and health care, and civil society development. It is important to point out the role of the Millennium Development Goals Achievement Fund (MDG-F) financed by the Spanish Government which is, in cooperation with UN agencies, implementing four projects in BiH. The focus of the official development aid to social sectors is, in several aspects, a good response to the consequences of the economic crisis in BiH.

Assessments of the size of official development aid that BiH will be receiving in the period from 2010 to 2015 mainly depend on the dynamics of its EU integration processes. A realistic assumption is that BiH will receive EU membership candidacy status, which will give access to the EU Regional Fund and Cohesion Funds would open. Considering the estimated GDP growth, the expected decrease in bilateral development aid and an increase in the EU's development assistance, it would be realistic to estimate that official development aid should be at the level of 2% of GDP.

International economic relations and foreign trade

During the last 10 years, BiH started the process of foreign trade liberalization and has a very liberal trade policy in accordance with the World Trade Organization (WTO). BiH is involved in trade negotiations and their implementation, bilateral negotiations, CEFTA, EU negotiations and negotiations with regard to the accession to WTO membership. The foreign trade exchange of BiH was, during the first decade of this century, experiencing a rather dynamic growth. It is evident that in 2009 foreign trade has improved, compared to the previous year, but this improvement is not a result of improvements in terms of moving BiH products into foreign markets, but as a result of a drastic drop in imports.

Table 9.2. Foreign trade exchange of BiH in million BAM

Indicators	2001	2002	2003	2004	2005	2006	2007	2008	2009
Export	2,256	2,089	2,323	2,819	3,783	5,164	5,937	6,712	5,530
Import	7,331	8,048	8,319	9,306	11,179	11,389	13,898	16,293	12,348
Balance	-5,075	-5,959	-5,996	-6,487	-7,396	-6,225	-7,961	-9,581	6,818
Coverage of import by export %	30.8	26.0	27.9	30.3	33.8	45.3	42.7	41.2	44.8

Source: 2001-2003 CBBH, Bulletin no. 4/9; 2004-2009 CBBH Bulletin no. 4/2009

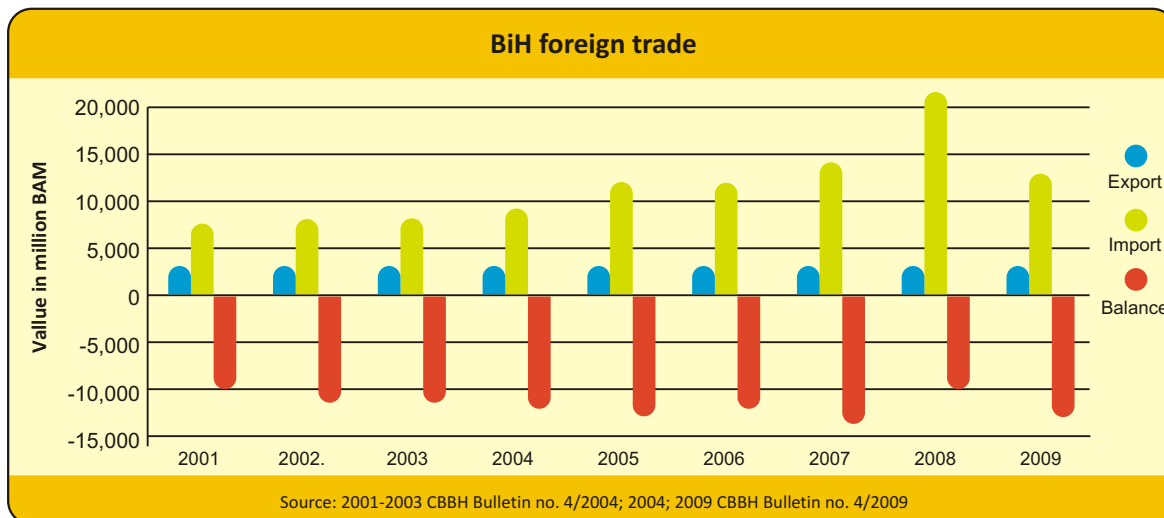




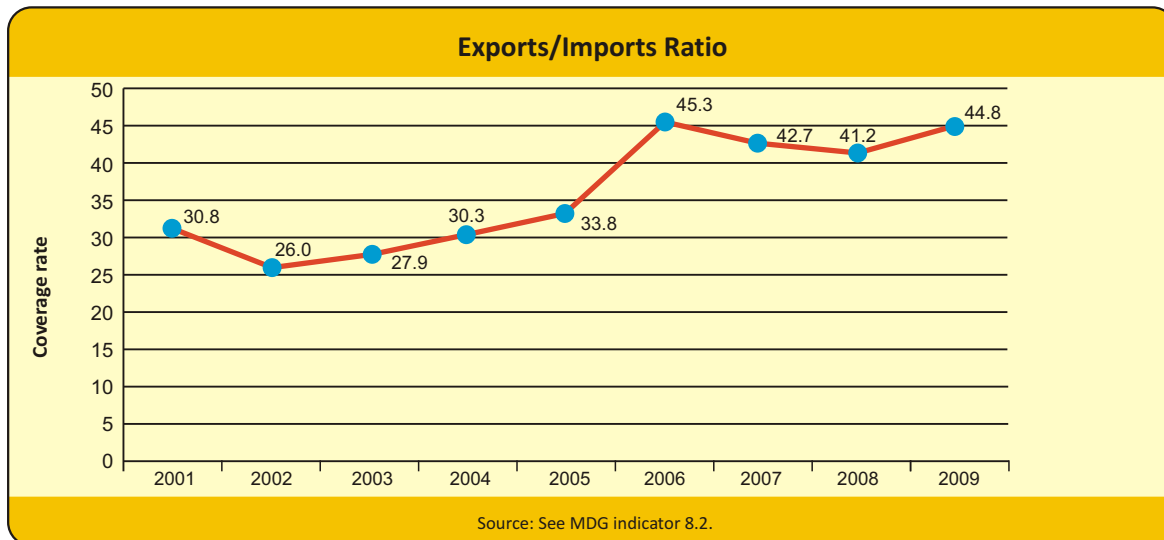
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Graph 9.3. BiH foreign trade



Graph 9.4. Exports/Imports Ratio



In 2009, exports were at 5.5 billion BAM while imports were at 12.4 billion BAM. When comparing these amounts to 2008, imports dropped by 17.6%, while exports dropped by about 24.2%. The export/import ratio in 2009 was 44.8% while in 2008 it was 41.2%. This means that compared to 2008, the deficit decreased by about 2.8 billion BAM or by 28.8%.¹¹⁵ In 2009, the national economy maintained its high level of openness (since the ratio of the foreign trade turnover to the size of the economy was 75.5%) and thus BiH falls within the category of small open economies. A negative foreign trade balance in 2009 remained significantly high, although far lower compared to previous years. In the previous period BiH consistently recorded a significant negative balance on its current account.

The current account deficit in 2009 was 1.81 billion BAM or 7.5% of GDP, and compared to 2008, there is a notable decrease by 51.6%, or by 1.93 billion BAM in absolute terms. Changes in the BiH current account deficit are caused by huge decrease in the volume of foreign trade caused by the current economic decline.

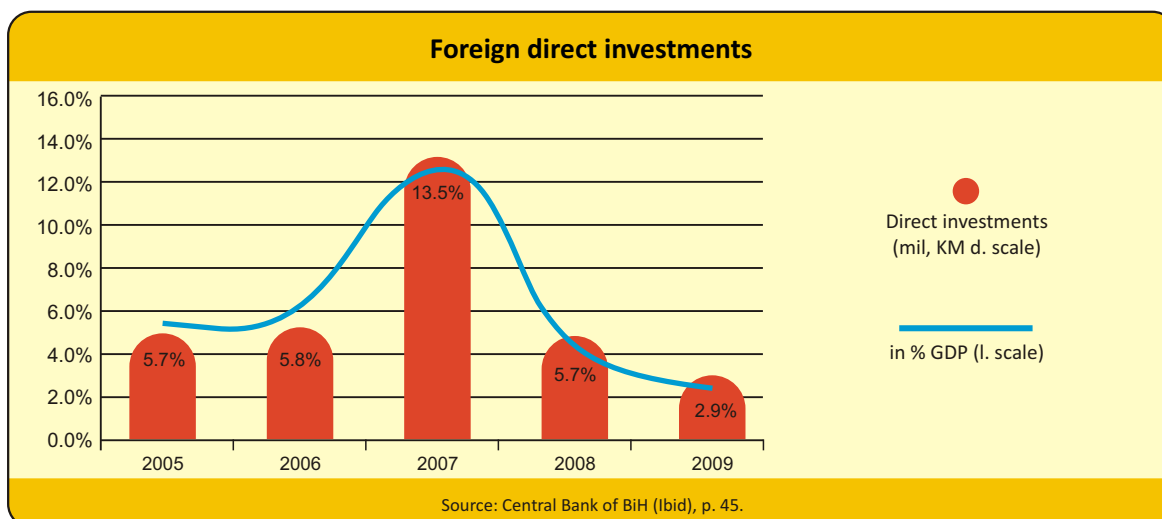
The trade deficit at the end of 2009 amounted to 6.66 billion BAM, that is 2.77 billion BAM or 29.4% lower than in 2008. The decrease resulted from a drastic drop in national imports rather than from a growth of exports. The current account deficit of BiH can briefly be explained by current circumstances and this phase in country's transition. The main reason for the decrease in the trade deficit is the reduction in the trade exchange, but also the decreased value of the current balance items, which represents a slow-down of economic development and growth in BiH.¹¹⁶ The reduced inflow of foreign direct investments in 2009 compared to 2008 was also noted.

¹¹⁵ See: Central Bank of Bosnia and Herzegovina, "Annual Report 2009", p. 41.

¹¹⁶ See: Central Bank of Bosnia and Herzegovina; Ibid P. 40.

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Graph 9.5. Foreign direct investments¹¹⁷



The share of foreign direct investments in GDP was only 2.9% in 2009. That is the lowest ratio for the whole period for which data is available. Thus, in 2009, the value of foreign direct investments according to CBBH estimates were - within the total net inflow, about 699.3 Million BAM, that is a decrease of 50.1% against 2008. Regular research conducted by CBBH on a quarterly basis collected data on the flow of direct foreign investment for the first nine months of 2009. The data on the amounts of undistributed profit are collected on an annual basis and therefore were not included in direct foreign investment values for 2009. Therefore this data was not comparable to the data provided for previous years.

The above indicators clearly signify the impact of the global crisis. Crisis-related shifts in capital flows are of high importance for a small, open economy, such as in BiH. In 2009 there was a real GDP decrease of 4.0% in the Eurozone, and a 4.1% decrease of GDP in EU27, while in 2008 the real GDP in the Eurozone grew by 0.8% and by 0.9% in EU27.¹¹⁸ The direct impact of the crisis on financial markets in the region has been slow to recede, while a second round of consequences is already being felt in low domestic demand, the decrease in corporate profits, increased unemployment and a deteriorated fiscal situation. Only Albania and Poland, of all the countries in transition, have achieved positive GDP growth in 2009. As to other countries, the fall of real GDP in Baltic countries was 16%, in Central Europe 6% and in Southeast Europe 4%. Croatia had a real GDP fall of 5.7%, while in Serbia, that fall was 3.9%.

In 2009, BiH's foreign debt increased significantly, thus at the end of the year the foreign debt amounted to 5.1 billion BAM, and indebtedness was 22.6% higher compared to 2008. Foreign debt as a percentage of GDP was 21.7%, which is about 5.0 percentage points higher than a year earlier. The main reason for such an increase was the activation of the debt towards the London Club in December 2009 of the amount of 436.5 Million BAM and the new loan approved by IMF of the amount of 388.7 Million BAM. On the other hand, the ratio of debt to GDP was still far lower than in other countries in the region or in some other EU members.

¹¹⁷ Central Bank of Bosnia and Herzegovina (Ibid), p. 45.

¹¹⁸ See: Central Bank of Bosnia and Herzegovina, Ibid, p.14-15.

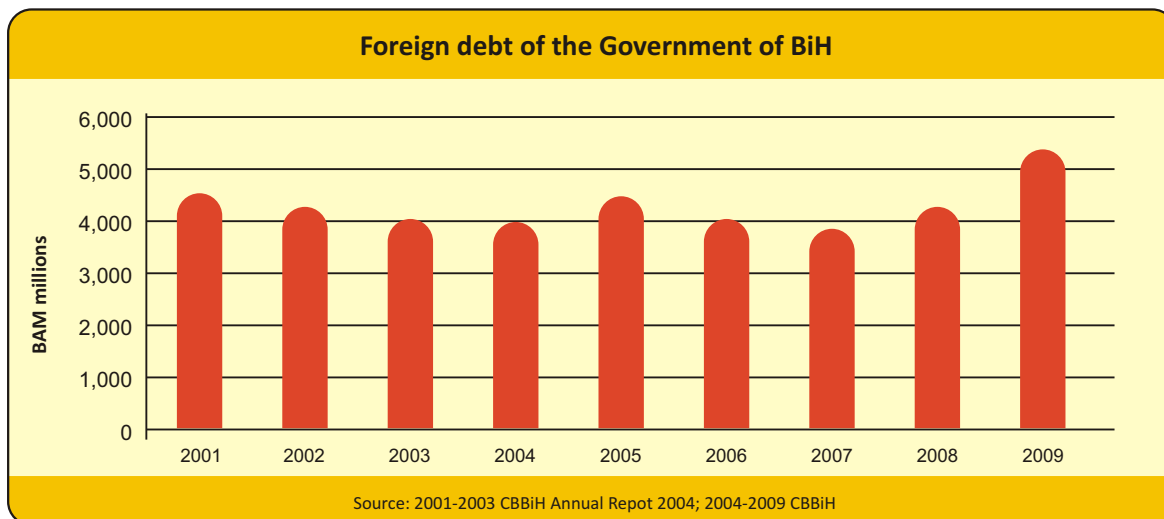




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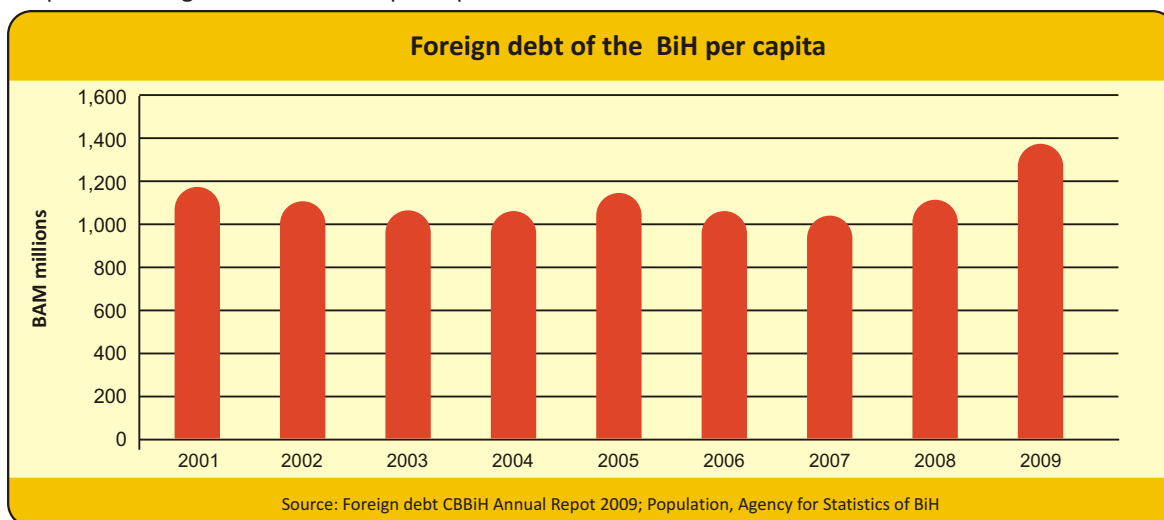
Graph 9.6. Foreign debt of the Government of BiH



The majority of credits were World Bank's credits - IDA accounting for 28.4% of the total. The IDA loans are followed by debt towards the Paris Club creditors, accounting for 15.9%, London Club - 12.5% and the World Bank - IBRD - 10.5%. Inactive funds at the end of 2009 were 1.71 billion BAM.



Graph 9.7. Foreign debt of the BiH per capita



Taking into account the importance of the foreign debt burden for the BiH economy, this problem should be addressed thoroughly, especially in terms of the rationalization of borrowing. The total amount does not cover the funds which have been agreed but still haven't been activated, and their drawing depends on postponed project implementation. The level of indebtedness in BiH still may be considered as moderate, and the prevention of excessive borrowing and the purpose of the funds borrowed will be one of the key issues related to macroeconomic stability in following years. It should be noted that the data referred to above does not account for the debt of the private sector.

Development of an open and non-discriminating trade and financial system

Bosnia and Herzegovina made steps in terms of the prevention of corruption and established the Anti-Corruption Agency. It also adopted a line of laws and finally, in 2009, adopted an Anti-Corruption Strategy. At the same time, BiH recorded a fall on Transparency International's CPI - Corruption Perception Index scale, yet this remains far from satisfactory.

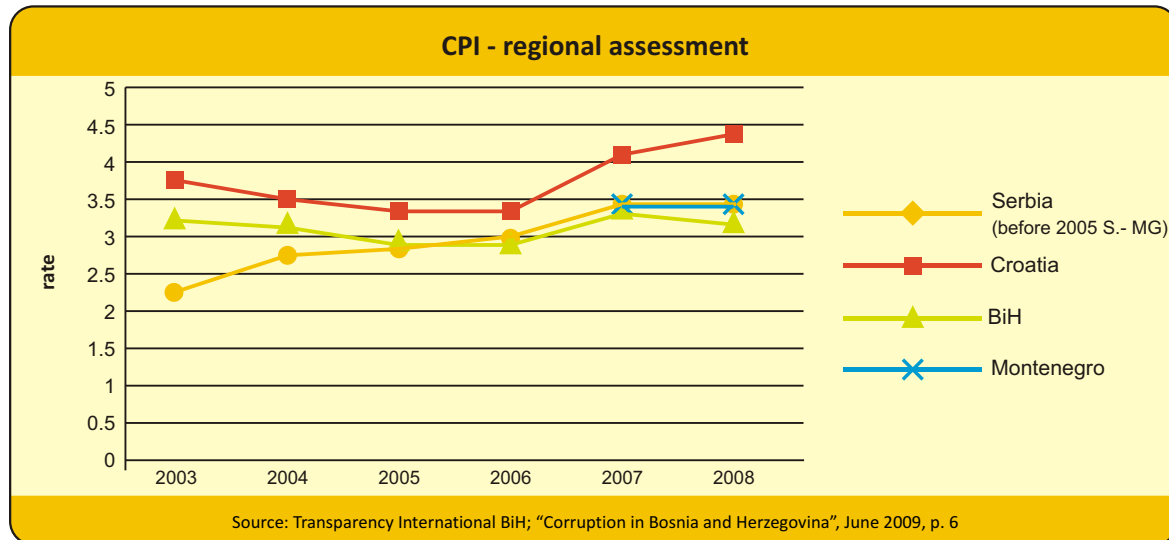
The processes of opening a business and the issuance of permits are also prone to corruption which puts the overall investment climate in BiH at risk - whether in the short or long-term. To resolve these



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problems Bosnia and Herzegovina should take serious steps in order to implement the Anti-Corruption Strategy. If implemented fully and with clearly defined anti-corruption measures it would contribute to the overall process of fighting against corruption and increasing trust in governing structures.

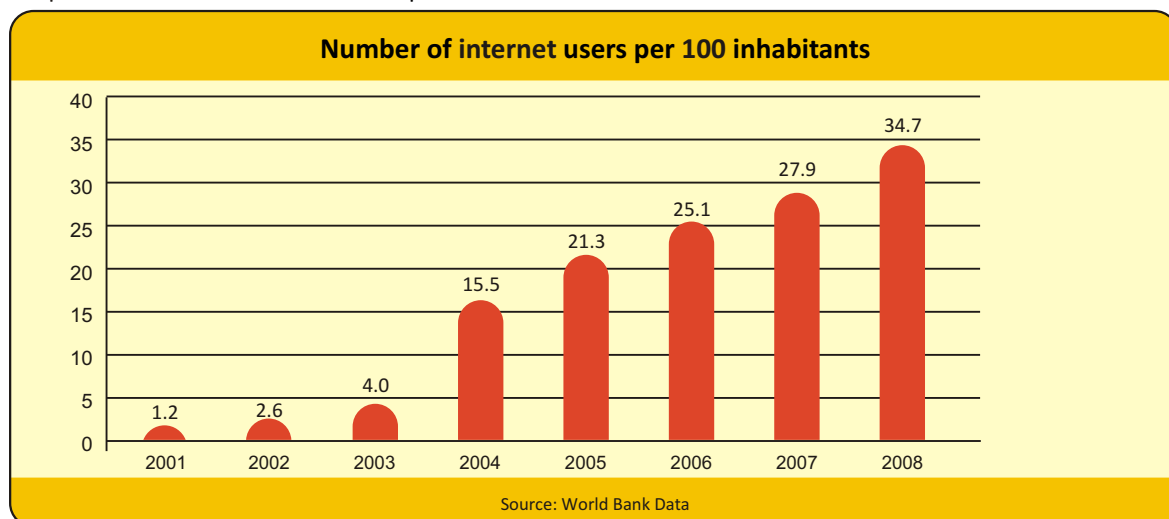
Graph 9.8. CPI corruption assessment



Information and communication technology availability

The last of the MDG targets refers to development of information and communication technologies. Information and communication technologies (ICT) are, more and more, taking the central place in strategies aiming at increasing the competitiveness of countries all over the world. Compared to 2003, the availability of information technologies in BiH has improved considerably.

Graph 9.9. Number of internet users per 100 inhabitants



Considering how important ICT is for enabling middle-income countries to reach higher levels of development and the economic and social transformation, BiH cannot allow itself to be left out from the process of development and expansion of information technologies.

Transformation from a classical into an information society is one of the prerequisites of integration into the EU. A prerequisite for the establishment of the information society lies in the development of a wide-spread ICT infrastructure as a medium for the flow of information, consisting of telecommunications networks and strategic information systems. The existing infrastructure network, although technologically up-to-date, has not yet been put to full use.





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Over the past years, the following documents have been adopted at the state level: the Information Society Development Policy, Strategy and Action Plan. These documents refer to following areas: ICT infrastructure, ICT industry, e-business, e-education, e-health protection and care, e-government, e-legislation, e-environment (based on the SEE Agenda, a regional strategic document concerning the information society development in the SEE countries, from 2002). In 2005, regulations on the market of a broadband network and interconnection to global networks¹¹⁹ were adopted. In 2006, a base law concerning the electronic signature was adopted. In 2007, a regional framework for the information society development in SEE was agreed (the e-SEE Agenda+¹²⁰). In 2008, at the level of BiH, a Telecommunications Sector Policy for 2008-2012 was adopted as well as the Telecommunications Sector Development Strategy for the same period.¹²¹



EU integration



The leading document for the implementation of the Strategy of Integration of BiH into the EU is the Stabilization and Accession Agreement (including the Provisional/Interim Agreement) which is “external” in terms that the implementation of its provisions representing BiH's international obligations. By the end of 2009 the SAA was ratified by 20 countries (out of EU-27), and until it is ratified by all of them, the Interim Agreement is in force.



This Agreement promotes cooperation in the following areas: promotion of freedom of movement of goods; establishment of efficient institutions; development of a market economy; reduction of crime and corruption; development of democracy, human rights and an independent media; improvement of transport infrastructure within the region.



The European Partnership Agreement - the partnership between BiH and the EU member countries is a constituent part of SAA and its purpose is to prepare BiH for a higher level of integration with the EU. The Agreement defines short-term and long-term cooperation priorities between BiH and the EU. It was revised in 2007 and the new priorities have been adjusted to the specific needs of the country at this stage of its accession to EU. In that regard, BiH made a plan for the realization of priorities in the European Partnership, with defined deadlines and specific measures.¹²² The key priorities from the European Partnership are:



- to implement the Public Reform Strategy from 2006 and to provide for adequate funding of the state level ministries and institutions;
- to strengthen administrative capacities in preparation for the implementation of obligations deriving from the Stabilization and Association Agreement and the Interim Agreement;
- to achieve significant progress in terms of the creation of a single economic space in BiH that would support the freedom of movement of goods, capital, services and people;
- to reduce the structural rigidity that is affecting the functioning of the labour market, especially taxes, social contributions and mechanisms for determining wages in order to increase the labour participation and employment rate;
- to undertake measures in order to achieve more functional and more sustainable institutional structures and higher respect and enforcement of human rights and basic freedoms;
- the Agreement, in addition, defines the framework for the EU's financial assistance. Priorities stated within the Agreement include short-term priorities - expected to be implemented within the deadline of one to two years, as well as the medium-term priorities - which are expected to be implemented within three to four years. The priorities refer to the adoption of the new legislation and its enforcement.

Adoption of the *Acquis Communautaire* is the most complex and lengthiest task of the European integration process. Considering the ongoing and forthcoming obligations based on Article 70 of the Stabilization and Association Agreement, the Directorate of European Integration in BiH (Sector in charge of coordination of harmonization of BiH's legal system with the *Acquis Communautaire*) has selected EU legal documents and the parts of the *Acquis* in a form of secondary sources titles¹²³ - directives and regulations needed for the implementation of the European Partnership and the Interim Agreement. It was translated



¹¹⁹ bSEE Action Plan for Broadband Development in SEE adopted in Thessaloniki on July 1, 2005; ¹²⁰ E-SEE Agenda Plus, Sarajevo, October 29, 2007.

¹²¹ See: BiH Council of Ministers; “Strategy for the Development of Science in Bosnia and Herzegovina 2010-2015”, November 2009

¹²² See: BiH Council of Ministers, European Integrations Directorate, “European Partnership Action Plan”, 2008

¹²³ Article 249 of the Treaty on the Establishment of the EC, as the primary source of *acquis* defines which legal documents are to be adopted by the EU institutions as well as a degree of their mandatory nature

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into a document entitled “The Programme of Harmonization of Priorities concerning Legislation Activities for the Implementation of the European Partnership and the Interim Agreement.”¹²⁴

Implementation of obligations to be realized in order for BiH to become an EU member requires development of certain institutional capacities in the country. In addition to investment of own funds, Bosnia and Herzegovina may get additional financial resources for the purpose of European integration. It is important to mention the pre-accession assistance provided by European Union, i.e. its key financial instrument for the 2007-2013 period - the Instrument for Pre-Accession Assistance (IPA). As a potential candidate country, BiH is allowed to use the first two components of IPA: the support to transition and institution building and the support for participation in cross-border cooperation. Acquiring candidate country status would open opportunities to use the remaining three IPA components: regional development, human resources development and rural development.

Conclusion

In the period from 2000 to 2010, BiH created conditions for participation in the global partnership and thus made a significant step forward. Considering the consequences of the war that were ever present at the beginning of this period, this progress is considerable. The country's dependence on official development aid has been significantly decreased over the last period and a mechanism for coordination of development assistance was established providing for better management of development aid in accordance with national priorities and strategies.

It is expected that in 2015, the ratio of total debt to GDP, with an increase (22.5%) will remain moderate, the share of foreign direct investment in GDP will amount to 5% (a considerable increase compared to 2007), the share of exports in GDP will rise to 30% and the unemployment rate among young people will decrease to 29.5%. The number of internet users per 100 people will increase to 40%.

Recommendations

- to implement priorities and measures of the BiH Medium-Term Development Strategy, especially those concerning the external sector:
 - attracting foreign direct investments, especially by creating conditions for the development of “investment products” and PPP;
 - enhancing foreign trade by increasing exports of technologically competitive goods and substituting for imports of strategic products;
 - strengthening the integration of BiH in international trade, the accession of BiH into WTO membership and the strengthening of its position within CEFTA;
- to implement the anti-corruption strategy adopted and to strengthen judicial institutions;
- to implement obligations from the documents of the European Partnership and the SAA and the harmonization of legislation with the *acquis communautaire*;
- to develop a modern scientific, technological and business-oriented infrastructure;
 - to develop the intellectual capital, including the establishing of connections with highly educated personnel from diaspora;
 - to establish scientific research institutes and university research centres, centres for the transfer of know-how and technologies, innovation centres, business incubators, technological parks, business clusters and other types of business infrastructure, to develop and link into cooperation networks;
 - to increase the financial allocations from public funds as well as the participation of businesses in funding of research and innovation;
 - to support the application of modern information and communication technologies (accelerated development of the information society in BiH)
 - to improve the cooperation between research institutions and the business sector;
 - to support integration into world-wide scientific, research and technological flows;
 - to implement the priorities of the Strategy for the Development of Science in BiH 2010-2015.

¹²⁴ This Programme was adopted by BiH Council of Ministers at its 10th thematic session held on July 21, 2009.





10. Overall conclusion



In the period of 2000-2010, significant progress has been made towards the achievement of Millennium Development Goals in Bosnia and Herzegovina. The review of 68 MDG indicators used to monitor the progress in BiH in this report has clearly shown what areas would require special attention if BiH wants to fulfil all of the MDGs set forth, by 2015.



It is important to mention that Bosnia and Herzegovina is entering the period of 2010-2015 with defined and adopted strategic documents in the areas of employment, education and science and prepared mid-term development strategies expecting approval along with the relevant action plans - the BiH Development Strategy and the BiH Social Inclusion Strategy.



Progress towards MDG 1 - to eradicate extreme poverty and hunger



In the period under review BiH achieved significant progress towards the achievement of MDG 1. This progress is particularly important having in mind that BiH entered the first decade of the 21stst century with still rather noticeable consequences of the 1992-1995 war, primarily with immense human and material losses, the loss of GDP during the entire period of the war, as well as the drain on human capacities through the emigration of a large part of its qualified labour force. At the beginning of the century, the level of BiH's economic development was far below the level achieved during the years immediately before the war. It most certainly affected the state of MDG indicators in 2000/2001. In that period, BiH was going through a transition and a privatization process, primarily the introduction of market institutions, and was only just starting to create the foundations for a dynamic development.



Annual average GDP growth of 6% has led to a reduction of poverty by almost four percent and to an increase in the number of employed by 10 percent. Such a positive trend stopped due to the consequences of the global economic crisis from 2009. A high unemployment rate, higher than the average in the region, remains a problem. A relatively moderate decrease in GDP in 2009, compared to other countries and the stable financial system provides a basis for realistic estimates of positive GDP growth from 2010. Therefore estimates regarding the significant decrease of poverty and unemployment by 2015 can be considered to be realistic.



In the context of MDG1, particularly vulnerable groups are children, young people, people with disabilities, Roma, the elderly and refugees. In the labour market, along with the problem of unemployment it is important to note that the level of unemployment in the informal sector has dropped, mainly as a result of the introduction of VAT. For BiH, it is important to continue the reform in the social sector and the development of active labour market policies, especially in the context of the signed Stabilization and Association Agreement with the EU. Consistent implementation of the agreement will accelerate the BiH Euro-Atlantic integration process.



Progress towards MDG 2 - to reach universal primary education

In the context of further progress towards achieving not only MDG 2, but other MDGs as well, primarily MDGs 1 and 3, BiH has to strengthen its efforts in developing and reforming the education system. Universal primary education is, naturally, a priority, since this is the basis upon which all possible progress in higher levels of education stands. At the same time, it is necessary to improve higher levels of education, thus these processes are complementary. While the chances of reaching the goal of universal primary education in 2015 are high, it will be important to focus on higher levels of education with special focus on quality and links with the labour market. Some serious efforts to raise the share of expenditure on education in GDP and reform of the education system in accordance with the EU standards (the Bologna Process) are also needed.

Progress towards MDG 3 - to promote gender equality and empower women

In 2000-2010, significant progress was made in the development of the legal and institutional framework needed to improve gender equality and empower women. On the other hand, in real life, positive changes in employment practices, income generation opportunities and political participation are modest.

The legal and institutional framework provides a good foundation for strengthening efforts for implementation and making real changes towards gender equality. Therefore it is necessary to follow and enforce the Law on Gender Equality, and to implement the Gender Action Plan (GAP) in BiH in a way that government institutions at all levels and other stakeholders fulfil their obligations and responsibilities as defined by GAP. Equally important is the implementation of the UN CEDAW Committee recommendations for BiH (from 2006) and other applicable international standards.

Progress towards MDG 4 - to reduce child mortality

Bosnia and Herzegovina has demonstrated steady progress in reducing child mortality and improving child health during the past 10 years. As shown by the level of the under-five mortality rate (U5MR), infant mortality rate (IMR), and the proportion of children primo-immunised against measles, BiH still needs to strengthen the health information system (collection of data), secure implementation of evidence-based and integrated child health programmes, and strengthen BiH health systems to adequately respond to population health needs, if the target set for 2015 is to be reached.

Progress towards MDG 5 - to improve maternal health

While undoubtedly achieving results when it comes to implementation of MDG 5, i.e. improving maternal health, BiH faces serious demographic and population problems primarily the decrease in the birth rate. Therefore, activities concerning population policy and social protection of families with children should be intensified. The Social Inclusion Strategy as well as a range of other current activities by local communities for the protection of families with children and the improvement of maternal health will surely contribute to progress towards achieving MDG 5 and resolving BiH's population problems.

Progress towards MDG 6 - to combat HIV/AIDS, malaria and other diseases

BiH has made significant progress in the struggle against HIV/AIDS and tuberculosis. HIV prevalence has been maintained at a low level and the prevalence of tuberculosis (TB) has decreased compared to the 2000/2001 baseline. However, progress needs to continue to achieve MDG 6. The struggle against HIV/AIDS and tuberculosis should be integrated into a broad reform of the healthcare system in order to provide quality preventive care and treatment services to all.

Progress towards MDG 7 - to ensure environmental stability

Progress has been made towards environmental sustainability and the achievement of MDG 7. The 2015 targets of increased access to drinking water and sewage systems are mostly achieved but further efforts are needed to ensure access for all. Strengthening capacities of national institutions and better integration of environmental concerns into sectoral policies would greatly contribute to the efficient use of energy and natural resources, as well as to reaching the targets of reducing of carbon dioxide emissions.

Progress towards MDG 8 - to develop a global partnership for development

In 2000-2010, BiH laid down conditions for further development of a global partnership and made a significant step forward in that regard. The country's dependence on official development aid has been significantly decreased over the last period and a mechanism for coordination of development assistance was established providing for better management of development aid in accordance with national priorities and strategies. As a small and open country, still undergoing transition, BiH has a sizeable trade deficit, which it managed to decrease quite significantly. Foreign debt in BiH and its increase in 2009 due to IMF arrangements is far lower (a percentage of GDP) than the level of debt existing in neighbouring countries. Along with progress made in the development of institutional and legislative anti-corruption frameworks, corruption still remains a serious problem in BiH. Progress in the area of the use of information technologies is constrained by the low levels of investments in new technologies and of innovation.



Objective/Target/Indicator	Baseline 2000/2001	2007		2009 or latest available data	2015 Targets MDGs (unless otherwise indicated)*	Sources	Comments	Progress towards 2015 Targets**
		Targets as in PRSP	Achieved					
a	b	c	d	e	f	g	h	i
GOAL 1: To eliminate extreme poverty and hunger								
1.A Target: To halve, between 1990 and 2015, the proportion of people whose income is less than \$1 a day								
1.1. Percentage of population living below absolute poverty line	19.5	16.0	14.0	14.0 (2007)	9.0	b) WB, Poverty Assessment 2003. data from LSMS 2000/2001. d) HBS 2007, WB calculation e) Ibid.	WB methodology; absolute poverty line according to the LSMS 2001 poverty line; 205 KM per months, prices from 2007. The 2015 target was mentioned in the graph, page 21; MDG Report 2004.	likely
1.2. Relative poverty rate (%)	18.3 (2004)	n/a	18.2	18.2 (2007)	14.0	a) HBS 2004, Agency for Statistics of BiH (BHAS) publication. b) HBS 2007, BHAS publication. e) Ibid.	This indicator is used by EU to monitor the risk of poverty and social exclusion, therefore included for BiH. Relative poverty line is set at 60 percent of median consumption per adult equivalent. Such a line was defined as 386KM per month per adult equivalent in 2007 and 3111KM in 2004. Relative poverty rate was not calculated for 2000/2001. The missing 2015 target is suggested taking into consideration other targets and data trend.	likely
1.3. Share of poorest quintile in national consumption %	9.5	n/a	7.2	7.2 (2007)	>10	b) LSMS 2000/2001 d) HBS 2007. BHAS publication. e) Ibid.	The missing 2015 target is suggested taking into consideration other targets and recent data.	potentially
1.B Target : To achieve full and productive employment and decent work for all, including women and young people								
1.4. Employment ratio compared to population of working age - %	36.1	n/a	31.2	33.1 (2009) 32.5 (2010)	37.3	b) Living in BiH, Panel Study Wave 4 Report, 2004 d) Calculation based on data from LFS 2007 e) Calculation based on data from Labour Force Surveys 2009. 2010	Although not in the previous BiH MDG indicators, this indicator is in the (Global) Official List of MDG Indicators 2008, therefore, it is included in this table. The missing 2015 target is suggested taking into consideration other targets and recent data. According to the ILO methodology	potentially
1.C Target: To halve, between 1990 and 2015, the proportion of people who suffer from hunger								
1.5. Undernourishment among the children below 5 - %	4.2 (2000)	n/a	1.5 (2006)	1.5 (2006)	0	b) UN Statistics Division, UNICEF d) MICS 2006 e) Ibid.		likely
1.6. Proportion of population below minimum level of dietary energy consumption %	Less than 5 (2002)	n/a	d1) 0.52 (2007) d2) less than 5 (2004-2006)	e1) 0.52 (2007) e2) Less than 5 (2004-2006)	Close to zero	b) FAOSTAT d1) HBS 2007. d2) FAOSTAT e) Ibid.	d1) Percentage of the population with total consumption expenditures, food and non-food included falling below the food poverty line.	likely
Additional indicators for BiH								
1.7. Gini index	26.0	25.0	33.3	33.3 (2007)	20.0	b) DataWorldBank d) WB, Updated Report on Poverty in BiH for 2009 e) Ibid.	28.02 for 2001 and 36.3 for 2007 according to WB's WDI 2010. Gini coefficient - a measure of inequality, is a number between 0 and 1. The Gini index is the Gini coefficient expressed in percentage form, and is equal to Gini coefficient multiplied by 100.	unlikely

Objective/Target/Indicator		Baseline 2000/2001	2007		2009 or latest available data	2015 Targets MDGs (unless otherwise indicated)*	Sources	Comments	Progress towards 2015 Targets**
			Targets as in PRSP	Achieved					
a		b	c	d	e	f	g	h	i
1.8. Unemployment rate in %	ILO definition	22.9	22	29.0	24.1 (2009); 29.9 (2010)	22.0	b) Living in BiH, Panel Study Wave 4 Report, 2004 d) Labour Force Survey 2009, 2010 e) Ibid.	Registered unemployment, according to official statistical records, i.e. the records of employment bureaus. Targets for 2015 remain the same as in PRSP. BiH Employment Strategy 2010-2014's target of increasing employment rate by 2% per year.	unlikely
	Registered	43.4	30	44.1	42.7	30.0	b) BHAS employment statistics d) Ibid e) Ibid		unlikely
1.9. Participation of informal sector in overall employment expressed in %		b1) 33.3 b2) 36.5	n/a	d1) 21.4 d2) 33.6 (2006)	e1) 20.1 e2) 33.6 (2006)	f1) 16.0 f2) 25	b1) Living in BiH 2004. BHAS employment statistics b2) ILO & Council of Europe, 2007/08 "BiH Employment Policy Review", calculation based on LMSM 2000/2001. d1 and e1) Labour Force Survey 2009 d2 and e2) ILO & Council of Europe, 2007/08 "BiH Employment Policy Review", calculation based on Labour Force Survey 2006	d1) 36.2 according to the LSMS in 2001; Calculation based on a difference between the number of registered employed persons and the number of employed persons according to ILO f1) The missing target for 2015 is suggested here, taking into consideration other targets and data trend. f2) Missing target for 2015 proposed according to ILO-Council of Europe calculation.	potentially
1.10. Inter-quintile ratio (richest/ poorest 20%)		35.8:9.5=3.8	n/a	41.45:7.22=5.7	41.45:7.22=5.7 (2007)		b) LSMS 2000/2001 d) HBS 2007 e) Ibid.	Deciles shares of expenditure distribution were used to calculate this ratio.	no data
1.11. Real annual GDP growth rate in %		4.1	5.5	6.2	-3.2	5.0	b) CBBH, Bulletin 4/2002 d) CBBH, Bulletin 4/2009 e) CBBH, Annual Report 2009	According to earlier results from BHAS, GDP growth rate in 2009 was -2.87%. The missing target for 2015 is suggested here, taking into consideration other targets and data trend.	potentially
1.12. Unemployment rate of the 15-24 age group - %		34.8 (Age group 19-24)	30	58.4	47.5	12	b) LSMS 2000/2001 d) Labour Force Survey 2007 e) BHAS Labour Force Survey 2009	ILO methodology The target set for 2015 was unrealistic. The BiH Employment Strategy 2010-2014's target is to reduce youth unemployment rate to 30%.	unlikely
1.13. Average annual inflation rate - %		3.1	2.2	1.5	-0.4	Less than 4	b) CBBH, Annual Report 2007 d) CBBH, Annual Report 2009 e) Ibid.	Inflation measured by consumer price indices (CPI)	achieved
GOAL 2: To achieve universal primary education									
2.A Target: To ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling									
2.1. Primary school enrolment rate, net %		b1) 97 b2) 95 b3) 92.8 b4) 98.9	95	98.4 (2005/6) 98.3 (m) 98.6 (f)	96	100	b1) BiH HDR 2002 b2) WB BiH Poverty Assessment 2003 b3) BiH from From Aid Dependency to Fiscal Self-Reliance ESCSPE, 2002 b4) LSMS d) MICS 2006 e) Education statistics FBHISI, RSSI and BD;	d) 97.9 refers to net attendance-according to MICS 2006, page 104. indicator 54 shows net enrolment rate of 90.7% for 2006. Net at- tendance rate at page 105/indicator 55 is 98.4%. e) Enrolment rate for 2009 was calculated base on number of those enrolled to primary schools and population age structure according to 2009 Labour Force Survey Progress towards target marked in orange (potentially to be achieved) due to inconsistency in indicator data (attendance vs. enrolment data).	Potentially/ likely



Objective/Target/Indicator	Baseline 2000/2001	2007		2009 or latest available data	2015 Targets MDGs (unless otherwise indicated)*	Sources	Comments	Progress towards 2015 Targets**
		Targets as in PRSP	Achieved					
a	b	c	d	e	f	g	h	i
2.2. Percentage of the number of students enrolled into 1st grade reaching the 5th grade	total	99.0	99.8	99.8	100.0	b) MICS 2000 d) MICS 2006 e) Ibid.	Data in 2007 column refer to 2005-2006 period; indicator 57 according to MICS The missing target for 2015 is suggested here, taking into consideration other targets and data trend.	likely
	men	99.2	99.6	99.6				
	women	98.8	100.0	100.0				
2.3. Literacy rate of the 15 – 24 age group - %	total	99.6	n/a	99.2	100.0	b) BH Common Country Study Development Indicators, Final Draft 2002 d) MICS 2006 e) UN Official MDGs Indicators database for 2008	Data in 2007 column refer to 2005-2006 period; indicator 60 according to MICS The missing target for 2015 is suggested here, taking into consideration other targets and data trend	likely
	male	99.6	n/a	99.7				
	female	99.7	99.6	98.7				
Additional indicators for BiH								
2.4. Secondary school enrolment rate %	b1) 56.8 b2) 72.6 b3) 68.3	75	79.3 (2005/06) 77.9 (m) 81.1 (f)	77	85	b1) BiH NHDR 2002 b2) WB's Poverty Assessment 2003 data based on LSMS 2000/2001. b3) LSMS 2000/2001. d) Net secondary school attendance Rate, MICS 2006 e) Education statistics from FBIHISI, RSSI and BD and LFS 2009 calculation.	d1) 79.3% refers to net attendance rate - MICS indicator 56, page 106. Net primary school completion rate is 86.6% while the primary/secondary school transfer rate is 92.7%. e) Enrolment rate for 2009 has been calculated based on a number of persons that enrolled secondary school and the population age structure according to the 2009 Labour Force Survey.	potentially
2.5. Higher education enrolment rate	b1) 19.8 b2) 24.2 b3) 23.0	25	d1) 25 (2004) d2) 33.5 (2007)	e1) 34 (2008) e2) 50 (2009)	35	b1) BiH NHDR 2002 b2) WB's Poverty Assessment 2003. data based on LSMS 2000/2001 b3) LSMS 2000/2001 d1) BiH Ministry of Civil Affairs, 2004. national report "Education Development in BiH" d2 and e1) Data World Bank (gross rate) estimate e2) Education statistics from FBIHISI, RSSI and BD and LFS 2009 calculation.	e2) Revised estimate based on change in trends compared to MRC 2003. Enrolment rate for 2009 has been calculated based on a number of persons that enrolled 1 st year of higher education and the population age structure according to the 2009 Labour Force Survey.	likely
2.6. Children attending pre-school facilities rate - %	4.3	12	6.4 8.0 (ž) 4.7 (m)	9.9	25.0	b) WB's Poverty Assessment 2003 data based on LSMS 2000/2001. d) MICS 2006 e) Calculation based on education statistics from FBIHISI, RSSI and BD.	Data in 2007 column refer to 2005-2006 period, Indicator 52 according to MICS 2009 enrolment rate has been calculated based on number of children enrolled into pre-school facilities and the population age structure according to 2009 Labour Force Survey	unlikely

Objective/Target/Indicator	Baseline 2000/2001	2007		2009 or latest available data	2015 Targets MDGs (unless otherwise indicated)*	Sources	Comments	Progress towards 2015 Targets**	
		Targets as in PRSP	Achieved						
a	b	c	d	e	f	g	h	i	
2.7. Percentage of GDP allocated to education	b1) 5.2 b2) 6.0 b3) 6.8 (FBiH) 3.6 (RS)	5.6 FBiH) 4.5 (RS)	4.14	4.51 (2008)	7.5	b1) Estimate, NHDR MDG 2003 b2) BiH from From Aid Dependency to Fiscal Self-Reliance ESCSPE, 2002 b3) WB. Poverty Assessment 2003 d and e) BHAS Bulletin 10/09	According to revised MTDS/PRSP allocations for education in 2007 accounted for 4.5% of GDP, page 103. This indicator measures educational investment as share of GDP which includes both public and private sources of funds. The target set for 2015 is unclear and not in line with the Government expenditure reduction plans as indicated in the target for 2007. Some developing countries aim to increase GDP expenditure for education. The OECD average was 5.6% in 1998. and 6.1% in 2006 (OECD Education at A Glance). The 2015 target of 7.5% is still high in comparison with OECD countries.	Potentially (target needs revision)	
2.8. Adult literacy rate (literacy rate of the population aged 15+) %	b1) 85.9 b2) 88.9	90	98	97.6	99.0	b1) BH NHDR 2002 b2) LSMS 2001 d) WDI 2010 e) HDR 2009	N/A	likely	
GOAL 3: To promote gender equality and empower women									
3A Target: To eliminate gender disparity in primary and secondary education, preferably by 2005, and in all levels of education no later than 2015									
3.1. Girls/boys ratio in education (no. of girls per 100 boys)	primary	94.7	n/a	94.9	95.0	b) BHAS, Women and Men in BiH, 2009; BHAS, Women in BiH, 2005 (data for school year 2000/01). d) BHAS, Women and Men in BiH, 2009 and Education Statistics 2009 (data for school year 2007/08). e) BHAS; Release – Educational Statistics number 1/2010 (data for school year 2009/10).	This indicator is revised – comparing to NHDR MDG BiH 2003 where it was calculated as an enrolment rate ration with regard to all three education levels. Now, a gender parity index is given – a ration between the number of girls and boys within all three education levels.	likely	
	secondary	99.4	n/a	99.0	99.2			100	likely
	higher	122.2	n/a	126.6	127.4			100	likely
3.2. Ratio of literate women to men, 15-24 age group - %	1.01	n/a	0.99 (2008)	0.99 (2008)	1	b) BH Common Country Study Development Indicators, F Draft 2002 d and e) World Bank, Global Data Monitoring Information System	Errors were identified within the final MDG 2003 report, a misprint with regard to this indicator (page127.)	likely	
3.3. Share of women in wage employment in the non-agricultural sector %	39.2	40.0	33.8	34.9	45	b) FBiHSI, RSSI, status from March 2001 1, 2003 NHDR MDGs calculation d) Labour Force Survey 2007, calculation based on sectoral and gender employment structure e) Labour Force Survey 2009, calculation based on sectoral and gender employment structure	Non-agricultural sector according to ISIC (International Standard Industrial Classification) including industrial activities and services	unlikely	
3.4. Percentage of women representatives in BiH Parliament at the state level	14.3	16	10.5 (2008)	10.5 (2008)	25	b) CEDAW, Article 7, participation of women in political and public life d) and e) BHAS "Women and Men in BiH", 2009	d) At the House of Representatives- 9.5 % At the House of Peoples - 13.3%	potentially	



Objective/Target/Indicator	Baseline 2000/2001	2007		2009 or latest available data	2015 Targets MDGs (unless otherwise indicated)*	Sources	Comments	Progress towards 2015 Targets**
		Targets as in PRSP	Achieved					
a	b	c	d	e	f	g	h	i
Additional indicators for BiH								
3.5. Registered women's unemployment - in %	49.4	n/a	49.2	48.1	40.0	b) FBiHSI, RSSI, status from March 2001, 2003 NHDR MDGs d and e) BHAS "Women and Men in BiH", 2009; labour statistic FBiHSI, RSSI and BD	Data for 2001 is a revised data compared to 2003 NHDR MDGs which was an estimate.	potentially
3.6. Women's unemployment (ratio of employed women within the overall female population) in %	17	13	20.7	23.7	20	b) Calculation based on number of women employed in March 2001 BHAS "Women in BiH, 2005" and working age population from 1991 census. d) BHAS "Women and Men in BiH", 2009; labour statistic FBiHSI, RSSI and BD	Data for 2001 was revised compared to 2003 NHDR MDGs which was an estimate.	achieved
3.7. Share of women in the employed population %	37.2	38.0	34.4	37.1	40.0	b) BH NHDR 2002 d) Labour Force Survey 2009 e) Ibid		potentially
3.8. Women's participation in the executive branch of government %	2.38	4	15	10 (2008)	10	b) CEDAW, Art. 7 - participation of women in political and public life d) BHAS "Women and Men in BiH", 2009; e) Ibid	This indicator measures the percentage of women in minister and vice-minister posts in the Council of Ministers of BiH.	achieved
GOAL 4: To reduce child mortality								
4A Target: To reduce by two thirds, between 1990 and 2015, the under-five mortality rate								
4.1. Under-five mortality rate, per 1000 live births	b1) 17 b2) 10.3 b3) 11.2	9.3	d1) 14 d2) 7.9	15 (2008)	7.0	b1) WHO and UN Official MDG Indicators database b2) FBiH PHI, RS PHI, FBiH SI b3) BH Common Country Study Development Indicators, Final Draft 2002 d1) WHO statistics d2) BHAS, Bulletin no. 02/2009 on Demography. e) BHAS Bulletin no. 02/2009 on Demography	Noted differences in WHO and official statistics sources/methodologies.	potentially
4.2. Infant mortality (under one year of age) per 1000 live births	b1) 14 b2) 8.5 b3) 7.6	7.0	d1) 13 d2) 6.6	e1) 12.7 e2) 6.9 (2008)	5.0	b1) UN Official MDG Indicators database b2) FBiH PHI, RS HP Fund, FBiH SI, b3) BHAS, Bulletin 2/2003. d1) UN Official MDG Indicators database, d2) BHAS Bulletin no. 02/2009 on Demography, calculation, e1), e2) Respective sources of d1. d2.	Official MDG Indicators database (unstats.un.org) Noted differences in WHO and official statistics sources/methodologies.	likely
4.3. Percentage of children vaccinated against measles by the age of 1 - %	b1) 83 b2) 80.7 - 95.1	98	d1) 75 (2006) d2) 96.2 (FBiH) 92 (RS)	d1) 75 (2006) d2) 96.2 (FBiH) 92 (RS)	100	b1) UN Statistics Division, UNICEF b2) FBiH PHI, RS HP Fund, FBiH SI d1) MICS 2006 d2) FBiH PHI, RS PHI, administrative data	92% in 2001 and 96% in 2007 according to the Official MDGs Indicators database (unstats.un.org) There was a translation error in previous 2003 and 2004 reports – smallpox instead of measles	likely

Objective/Target/Indicator	Baseline 2000/2001	2007		2009 or latest available data	2015 Targets MDGs (unless otherwise indicated)*	Sources	Comments	Progress towards 2015 Targets**
		Targets as in PRSP	Achieved					
a	b	c	d	e	f	g	h	i
Additional indicators for BiH								
4.4. Percentage of children weighing 2,500 grams or less at birth - %	4	3	4.5 (2006)	4.5 (2006)	1	b) FBiH PHI, RS HP Fund, FBiH SI d) MICS 2006 e) Ibid	MICS 2006 report mentioned that 99.0 percent of children were weighed immediately after the birth.	potentially
4.5. Children under 6 months exclusively breastfed, %	2.1	5	17.6 (2006)	17.6 (2006)	15	b) FBiH PHI, RS HP Fund, FBiH SI d and e) MICS 2006		achieved
GOAL 5: To improve maternal health								
5A Target: To reduce, between 1990 and 2015 by three quarters the maternal mortality ratio								
5.1. Maternal deaths (per 100,000 live births)	5.05	4.0	3 (2006) 1 (2007)	1 (2007)	2.5	b) BH Common Country Study Development Indicators, Final Draft 2002 d) e) TransMonee 2009	According to BHAS, Bulletin no. 02/2009 on Demography, number of deaths caused by pregnancy, childbirth and the puerperium in 2008 was 4 in total of 34 176 live births..	achieved
5.2. Percentage of assisted childbirths - %	b1) 99 b2) 99.6	100	99.5	99.9	100.0	b1) FBiH PHI, RS HP Fund, FBiH SI. b2) BH Common Country Study Development Indicators, Final Draft 2002. d) TransMonee 2009 e) Social Inclusion Strategy; Health Sector Development Strategy		achieved
5B Target: To achieve, by 2015, universal access to reproductive health								
5.3. Contraception prevalence rate	49 (2001)	55	35.7 (2006)	35.7 (2006)	65	b) BH Common Country Study Development Indicators, Final Draft 2002. d and e) MICS 2006. percentage of women aged 15-49 years married or in union who are using (or whose partner is using) a contraceptive method		potentially
Additional indicators for BiH								
5.4. Fertility rate (total number of live births per woman)	1.4	1.5	1.17	1.19 (2008)	1.7	b) BHAS Bulletin no. 03/2003 on Demography d and e) BHAS Bulletin no. 02/2009 on Demography		potentially
5.5. Birth-rate (Natavity or childbirths per 1000 people per year)	9.9	11.5	8.8	8.9 (2008)	13.5	b) BHAS Bulletin no. 03/2003 on Demography d and e) BHAS Bulletin no. 02/2009 on Demography		unlikely
5.6. Population natural growth rate (%)	1.9	3.7	-0.3	0.0	7.0	b) BHAS Bulletin no. 03/2003 on Dem. D and e) BHAS Bulletin no. 02/2009 on Demo.		unlikely
5.7. Life expectancy at birth (years)	total	73	73.5	75	75.2 (2008)	b) WB's WDI 2002 d) DataWorldBank e) BH Monee 2009 statistical template, UNICEF		achieved
	male	71	n/a	72.4	72.1 (2008)			
	female	76	n/a	77.7	77.5 (2008)			



Objective/Target/Indicator	Baseline 2000/2001	2007		2009 or latest available data	2015 Targets MDGs (unless otherwise indicated)*	Sources	Comments	Progress towards 2015 Targets**
		Targets as in PRSP	Achieved					
a	b	c	d	e	f	g	h	i
GOAL 6: To combat HIV/AIDS, malaria and other diseases								
6A Target: To have halted by 2015 and begun to reverse the spread of HIV/AIDS								
6.1. Adults with AIDS, number of new AIDS cases / no. of deaths	51/3	n/a	33/4	43	50	b) WB's WDI 2002 d) BH-FMoH-MoHSWRS e) Ibid	39 persons with AIDS in 2009 and 8 newcases. 2015 target is target R9 in the Global Fund to Fight AIDS, Tuberculosis and Malaria	likely
6.2. HIV prevalence in adults %	0.004		< 1	< 1	0.004	b) WB's WDI 2002 d) BH-FMoH-MoHSWRS e) Ibid.		likely
6.B. Target: To have halted by 2015 and begun to reverse the incidence of malaria and other major diseases								
6.3. Tuberculosis prevalence and mortality rate /100,000	cases	50	30	55	30	b) WHO d) BH-FMoH-MoHSWRS e) Ibid		likely
	mortality rate	4	0	8	<6			
6.4. Proportion of TBC cases discovered and treated under DOTS treatment/100,000	90	n/a	100	n/a		b) WHO d) BH-FMoH-MoHSWRS		no data
Additional indicators for BiH								
6.5. Registered drug addicts	n.a.	n/a	3499	4900	<7500	d) BH-FMoH-MoHSWRS e) Ibid, estimate	2015 target is to limit the number of (registered) drug users below 7500.	likely
6.6. GDP percentage allocated for healthcare	b1) 4.8 b2) 7.3 b3) 7.7	6.7 F BiH 5.9 RS	9.8	n/a	8	b1) NHDR MDG 2003. estimate b2) BiH from From Aid Dependency to Fiscal Self-Reliance, ECSPE, 2002 b3) WB, Poverty Assessment 2003 d) WB's WDI 2010	The indicator measures public expenditure on healthcare as percentage of GDP.	achieved
6.7. Percentage of population covered by health insurance %	78	100	83.65 (F BiH), 70 (RS), 90.26 (BD)	83.65 (F BiH), 70 (RS), 90.26 (BD)	100	b) F BiH PHI, RS PHI	The Social Inclusion Strategy provides the following statistics: During 2006. 650,553 employed persons financed 3.132,487 insured persons. The number of population covered by health insurance in the Federation B&H in 2007 remained on the same level as in 2006. amounting 83.65%. Around 70% of the RS population is covered by health insurance. According to data from the Health Insurance Fund at the territory of Brčko District, rights from the compulsory health insurance are being exercised by 90.26% of the population.	likely
6.8. Number of physicians per 1000 inhabitants	1.5	1.5	1.4	1.5	1.7	b) F BiH PHI, RS PHI d) WB's WDI 2010 e) Federal Development Planning Institute, Socio-Economic Indicators by Municipalities in the F BiH for 2008. RS-Public Health Institute - Publication on Population Health for 2008	Number for 2008 is calculated based on number of physicians and the population number	likely
6.9. Number of hospital beds per 1000 inhabitants	3.2	3.2	n/a	3.5 (2008)	3.2	b) F BiH PHI, RS PHI; e) Federal Development Planning Institute, Socio-Economic Indicators by Municipalities in the F BiH for 2008. RS - Public Health Institute - Publication on Population Health for 2008	Number for 2008 is calculated based on number of physicians and the population number	achieved

Objective/Target/Indicator	Baseline 2000/2001	2007		2009 or latest available data	2015 Targets MDGs (unless otherwise indicated)*	Sources	Comments	Progress towards 2015 Targets**
		Targets as in PRSP	Achieved					
a	b	c	d	e	f	g	h	i
GOAL 7: To ensure environmental sustainability								
7A Target: To integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources								
7.1. Percentage of forest area (% of land area)	b1) 44.6 b2) 55.6	52	42.7	53	60	b1) WB'sWDI 2002 b2) NHDR MDG 2003 d) WB's WDI 2009 e) BiH's Initial National Communication under the UN Framework Convention on Climate Change (UNFCCC), 2009		potentially
7.2. Percentage of terrestrial protected areas for the biodiversity maintenance - %	0.5	1.5	0.8	<2 (2009)	6	b) WDI 2002. WRI Unstats d) WDI 2009 e) BiH National Communication under UNFCCC, 2009		potentially
7.3. GDP per unit of energy used (constant 2005 PPP \$ per kg of oil equivalent)	4.0	n/a	4.7	4.7 (2007)	4.9	b) DataWorldBank d) WB's WDI 2009 e) WB's WDI 2010	Printing error in NHDR MDG 2003 and Update MDG 2004. Missing 2015 target is suggested here.	likely
7.4. CO2 emissions	metric ton per capita	6.1 (2000) 5.4 (2001)	3.5	6.8 (2005)	7.3 (2006)	b) DataWorldBank d) WB's WDI 2009 e) DataWorldBank	Data for 2001 revised in accordance with DataWorldBank, estimate within the report was 3.2.	unlikely
	Kg per 2005 PPP \$ of GDP	1.3	n/a	1.2 (2005)	1.2 (2006)	b) d) e) DataWorldBank		no data
7B Target: To halve, by 2015, the proportion of the population without sustainable access to safe drinking water and basic sanitation 2015								
7.5. Percentage of population having access to water supply systems	53	58	65 (2008)	65 (2008)	67	b) NHDR MDG 2003. estimate d and e) WB, From Stability to Performance, Local Governance and Service Delivery in BiH, 2009,	This indicator is different from the Global MDG indicator „Proportion of population using an improved drinking water source“. In 2005 98%, of the population have been using an improved drinking water sources, and 99% in 2008. Source: UN Official MDGs Indicators database (unstats.un.org)	achieved
7.6 . Percentage of population having access to water sewage system	33	36	36 (2008)	36 (2008)	40	b) NHDR MDG 2003. estimated d) d), e) WB, From Stability to Performance, Local Governance and Service Delivery in BiH, 2009,	This indicator is different from the Global MDG indicator „Proportion of population using an improved sanitation utility“. In 2005, 95% of population was using improved sanitation facility (sewage system), the same goes for 2008. Source: UN Official MDGs Indicators database (unstats.un.org)	likely
Additional indicators for BiH								
7.7. Electric power consumption/pc (kwh/pc)	540	1,050	2,381	2,381 (2007)	2,500	b) WB'sWDI 2002 d) WB'sWDI 2009 e) Ibid.		likely
7.8. Percentage of surface cleared of mines	b1) 5 b2) 6.12	20	n/a	64	80	b1) NHDR MDG 2003 b2) BH Common Country Study Development Indicators, Final Draft 2002 e) BHMIC		likely



Objective/Target/Indicator	Baseline 2000/2001	2007		2009 or latest available data	2015 Targets MDGs (unless otherwise indicated)*	Sources	Comments	Progress towards 2015 Targets**
		Targets as in PRSP	Achieved					
a	b	c	d	e	f	g	h	i
GOAL 8: To develop a global partnership for development								
8A Target: To develop further an open, rule-based, predictable, non-discriminatory trading and financial system								
8.1. Corruption Perceptions Index	n/a	n/a	3.3	3.2 (2008)	4	d) Transparency International BiH, Corruption in BiH, 2009. e) Ibid	The Corruption Perceptions Index (CPI), studied by Transparency International, measures the perceived level of public-sector corruption. A composite index, the CPI is based on 13 different expert and business surveys. The CPI is not intended to measure a country's progress over time, but a snapshot of perceptions of corruption. CPI scores on a scale from 0 (perceived to be highly corrupt) to 10 (perceived to have low levels of corruption). This indicator has been revised. It was impossible to provide comparable data in 2003	likely
8.2. Export expressed as a percentage of imports %	30.8	n/a	42.7	44.8	80.0	b) CBBH, Annual Report 2007 d) CBBH, Annual Report 2009 e) Ibid.		potentially
8.3. Foreign direct investments – as a percentage of GDP %	2.1	n/a	13.5	2.9	7.0	b) CBBH, Annual Report 2007 d) CBBH, Annual Report 2009 e) Ibid.		potentially
8.4. Official assistance for development (ODA) – as a percentage of GDP %	11.1	n/a	2.97	2.6	1.0	b) GDP CBBH Bulletin no. 4/2004; ODA DataWorldBank b) GDP Bulletin no. 4/2004; ODA DataWorldBank e) Ibid.	Calculation based on gross domestic product and the official assistance for development	likely
8B Target: To deal comprehensively with developing countries' debt using measures at the national and international level to make the debt sustainable and comparable on a long-term basis								
8.5. Total debt/GDP ratio %	35.2	n/a	18.2	21.8	25	b) CBBH Bulletin no. 4/2009 d) Ibid. e) Ibid.	Data for 2001 revised based of final CBBH data. The missing target for 2015 is suggested here, taking into consideration other targets and data trend.	likely
8.6. Export/GDP ratio %	17.9	n/a	27.3	23.2 (2009)	43	b) CBBH Bulletin no. 4/2004 d) CBBH Bulletin no. 4/2009 e) Ibid	Data for 2001 revised based of final CBBH data.	potentially
8C Target: In cooperation with the private sector, to make available benefits of new technologies, especially information and communications								
8.7 Personal computers per 100 population	3.9 (2000)	4.0	6.4	6.4 (2008)	12.0	b) DataWorldBank d) Ibid. e) Ibid.	Data for 2001 revised based on DataWorldBank	potentially
8.8 Phone lines per 100 population	22.6	15.0	28.2	27 (2008)	26.0	b) DataWorldBank d) Ibid. e) Ibid.	Data for 2001 revised based on DataWorldBank	achieved
8.9. Mobile phone subscribers per 100 population	11.9	n/a	64.9	84 (2008)	90.0	b) DataWorldBank d) Ibid. e) Ibid.	This indicator was not included in previous reports. It is added for the purpose of this report since it is now listed at the Global Official List of MDG Indicators 2008.	likely
8.10. Internet users per 100 population	1.11	4.0	27.9	34.7 (2008)	15.0	b) UN Statistics d) DataWorldBank e) Ibid.		achieved

*Column (f) contains data provided within the 2003 NHDR MDG or in the Update MDG Report 2004.

If the goals have not been listed in these reports, the team in charge of preparations of this report provided an estimate.

**Explanation concerning column (i)

Note: In order to calculate enrolment rates, unemployment rates, the Report uses the estimated figure for total population published in Labour Force Survey Reports, and the figures for specific age group or gender population published in the BHAS publication “The BiH Household Budget Survey 2007 - Final Results”.

Progress description	Meaning
Goal achieved	more than 90% progress
Likely to achieve	approximately 50%-90% progress so far
Potentially to achieve	possible to achieve if some changes are made; approximately 25% - 49% progress so far
Unlikely to achieve	less than 25% of progress so far



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