



European  
Commission  
Delegation  
to BiH

# EU Newsletter

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## Supporting Tourism - an economic opportunity for BiH

- New EC-funded project will result in a bilingual, interactive, online tourist guide to Bosnia and Herzegovina.
- One of seven projects funded to date, with a total value of €600,000, to support tourism.
- Further support for development of the tourism sector - €3 million Call for Proposals open till May 17.



## Handover of the Draft Law on Water in BiH

Harmonised entity laws developed over the past 14 months.

- Process of institutional reform in the Water Sector launched.
- Close co-operation of EC; Ministry of Foreign Trade and Economic Relations; the FBiH Ministries of Agriculture, Water Management & Forestry and Physical Planning & Environment; and RS Ministries of Agriculture, Forestry & Water Management and Urban Planning, Civil Engineering & Ecology.





## Tourism - an economic opportunity for BiH

### The interactive online tourist guide to BiH

On February 16, 2005, the Tourist Association of FBiH hosted a press conference to mark the beginning of a one-year EC-funded project which will result in a bilingual, interactive, online tourist guide to Bosnia and Herzegovina. This project is one of seven awarded following the second RED Fund Call for Proposals, which specifically addressed tourism. The EC Delegation provided €101,065 while the FBiH Tourist Association is financing €30,000 of the total project cost, which amounts to almost €132,000.

Ambassador Michael B. Humphreys said that BiH must seize economic opportunities, of which tourism is one, and not look to the past but to the future. He

spoke enthusiastically about the wide range of tourist attractions the country has to offer and explained that the EC wished to support projects which would upgrade the quality of available services, increase the quantity and quality of tourist attractions and improve the marketing and promotion of BiH tourism. He noted that an important challenge for the sector is to change the image of BiH abroad - this project will play a key role in this respect, as it will make all relevant information available on the internet to a vast audience.

Dr. Semsudin Dzeko, President of the FBiH Tourist Association, pointed out that tourism is the global industry which presents the greatest growth; it directly or indirectly employs 1 in every 13 workers. He explained that BiH has tremendous potential for development in this sector due to its natural beauty, ecological and

climatic diversity, abundant historical and cultural heritage and its proximity to the greatest tourist market. The Interactive online tourist guide will be country-wide, but will be developed based on the 5 Economic Regions established through EURED.

Mr. Enes Arifhodzic, Director of the FBiH Tourist Association, pointed out that potential and resources are not enough; without adequate promotion, one cannot reach target audiences. BiH has developed in recent years and tourism increased by 20% between 2002 and 2004. It was an important pre-war economic sector and tourist associations are again actively engaged in promoting it through activities with stakeholders, but it is also important to have mass channels of communication, such as the envisaged web portal, to have a greater impact. An important project component will be contracts with internet search engines, to ensure that the website is the first address listed for related queries.

The website will include information and contacts for a variety of headings, such as eco-tourism, accommodation, transport, etc. and will have links to service providers, who will be able to modify their individual information, such as prices, to ensure that all details are always up-to-date.

### Overall support for tourism

In November 2004 the EC Delegation launched a second call for proposals in the framework of the RED (Regional Economic Development) Fund, specifically dedicated to tourism. Seven projects, with a total value of €600,000, were selected for funding, of which four are implemented by Entity, Cantonal or Municipal Tourist Associations.

## Further support for tourism development

On February 17, 2005, the EC Delegation launched a third RED Fund call for proposals, specifically targeting tourism and SME development. A total of €3 million will be divided into two lots, each sub-divided into five regions.

Municipalities, education or research institutes, Chambers of Commerce, business associations, tourism associations and boards or other non-governmental organisations acting as direct promoters, or as project coordinators may apply.

Grants will range from €150,000 to €200,000, or €20,000 - €50,000 in the case of feasibility studies.

Project proposals should be identified in existing regional development strategies and plans. In the case of tourism development, they should match the following priorities:

- Upgrading the quality of services available to tourists
- Increasing the number and quality of BiH tourist attractions
- Improving the tourism market and marketability of the tourism product

Project proposals must be submitted by May 17, 2005. For full details, Please visit [www.delbih.cec.eu.int](http://www.delbih.cec.eu.int)



- Tuzla Canton Tourist Association received €95,196 for the 15-month "Bread & Salt" project, which will introduce a sustainable development model based on evaluations of the Canton's natural and cultural heritage, with emphasis on the promotion of eco-tourism and organic food production.
- Herzegovina-Neretva Canton Tourist Association received €79,074 for a 12-month project which will prepare the concept for a marking system for tourist attractions.
- Trebinje Tourist Association received €95,000 for a 17-month project which will catalogue accommodation throughout Herzegovina and provide advisory services for such service providers.
- Travnik County Museum received €51,690 to implement an information and educational tourist centre in the reconstructed part of the Travnik fortress over the next 12 months.
- FELIX Association received €89,077 for a 10-month project which will support and promote the cultural and natural heritage in the village of Lukomir.
- Mozaik Foundation received €84,529 for a 15-month "Heritage Trail" project which will link the communities in four medieval towns in Central Bosnia, to create a sustainable tourist programme.



## New Phase of Reforms for Vocational Education and Training

The new EU VET II project was publicly presented on February 9, 2005. Mr. Andre Lys, Head of Operations of the EC Delegation to BiH, Mr. Gojko Savanovic, RS Minister of Education and Culture and Mr. Zijad Pasic, FBiH Minister of Education, Science, Culture and Sports addressed an audience of stakeholders who were actively involved in the first EU VET Programme (2002-2004) and the Phare VET and VET Bridging Programmes (1998-2002).

EU VET II is implemented by Aalborg Technical College, leading a consortium of similar colleges, including one from Slovenia. The total budget is € 2.2 million and includes € 1 million for the procurement of equipment for some 25 participating schools. During the next two years, the project will focus on:

- Policy development, to up-grade legislation in relation to VET.
- Development of curricula and teacher training for 4 occupational families: tourism, forestry, building/construction and administration/management.
- Reviewing BiH adult learning.

The number of occupations in the four target occupational families will be rationalised. Until recently there were 440 narrowly-defined occupations throughout BiH; during the first VET project, the agriculture and food-processing occupational families were rationalised and reduced to 5 occupations each, designed in such a way as to facilitate horizontal and vertical mobility (allowing students to transfer to a different occupation or pursue the same occupation at university level).

Mr. Lys emphasized that the new project will build on the results achieved in past projects, but moving from a piloting, piecemeal approach to a systemic reform of the VET system, which fully addresses the principles of the Copenhagen Declaration.

The support of relevant authorities was instrumental for the success of past VET projects, and there is a clear commitment to continue this co-operation. Minister Pasic stated that the first phase of VET resulted in the best understanding and co-operation he has seen in any project, while Minister Savanovic stressed that the RS education system is so committed to continuing the pilot reforms that 100 schools in that entity now use the new modular system, although only a fraction of them were actively involved in the past project.

## VET in the EU

The European Training Foundation, ETF, is an EU Agency based in Brussels. Although education and training is a soft "acquis" for which individual Member States have responsibility within their territory, there exists a will to co-ordinate, share expertise and strive for convergence and common benchmarking.

The 2002 Copenhagen process marked the first steps in EU-wide co-operation and is the VET equivalent of the Bologna Declaration. It aims to reach a Single European Framework and Quality Assurance Framework, as well as developing a European credit transfer system in VET.

The Lisbon Declaration established benchmarks for 2010, such as decreasing early school leavers to 10%, increasing the number of people holding medium qualifications to at least 85%, increasing the number of adults in Education & Training to at least 12.5%, etc.



## Sectoral Overview - Democracy and Human Rights

### Funding

Over the past nine years, the EU has supported projects addressing Democracy and Human Rights in BiH through a range of different funding mechanisms.

The European Initiative for Democracy and Human Rights (EIDHR) was created by the European Parliament in 1994, to promote democratic societies governed by the rule of law throughout the world. It operates in areas where there is no consensus, and hence no governmental counterparts; in BiH it has strived to foster reconciliation since 1996, supporting local NGOs and universities, which receive grants to implement micro-projects. The contracts are managed directly by the EC Delegation. Currently there are some forty on-going micro-projects, with a total value of €2.5 million and three Calls for Proposals are envisaged for this year, one of which is currently open, with a total value of €2.3 million.

Larger macro-projects are designed directly in Brussels; there are no fixed allocations per country for such projects, some of which are of regional dimension. In addition there are targeted projects for which there is no call for proposals as the Commission reaches a direct agreement with the relevant counterpart, usually international agencies such as the Red Cross or the International Committee for Missing Persons.

With the Dayton and Paris Peace Agreements, BiH adopted the European Convention for the Protection of Human Rights and Fundamental Freedoms. The Convention dates from 1950 and includes five protocols drafted between 1952 and 1966. The Council of Europe is responsible for overseeing its implementation in BiH and the Assembly judged that: "In its first two years as a member of the Council of Europe, Bosnia and Herzegovina made slow but steady progress towards becoming a functioning pluralist democracy governed by the rule of law and a state where human rights are respected. However, the country's leadership needed to demonstrate a higher degree of political maturity".

Up till 2001 the CARDS Programme included funds for civil society initiatives and return and reconstruction projects typically included some reconciliation and reintegration measures for returnee beneficiaries. CARDS 2004 was the last contribution to return & reconstruction, but an additional €1 million will still be available to continue with related reintegration initiatives.

### Micro-projects

The guiding principle for Democracy and Human Rights micro-projects is to empower civil society and enable non-governmental organisations to monitor progress or violations in these fields.

Certain funded projects are countrywide, such as the Corruption Perception Study and Corruption Hotline implemented by Transparency International in 2004. The study included sociological, psychological and economic analyses on the subject

and resulted in the creation of the first dedicated countrywide database. This vehicle allowed citizens not only to assess the extent to which corruption has taken root in society but also to propose effective measures to fight it. Other projects are community-based, such as BOSPO Tuzla's efforts to promote the inclusion of Roma citizens in six specific municipalities in the Northeast.

The dissemination of key Democracy and Human Rights messages has often been supported. Current actions include the advocacy videos against racism produced by the Foundation for Creative Development, Sarajevo.

Many NGO partners have implemented various EC-funded projects, going back as far as 1996, and have seen their capacities steadily increase; others have gone on to receive funding from other donors or foundations. The dedication and enthusiasm of their staff and volunteers are driving factors for their projects' success and are a constant source of motivation for the EC Delegation team.

An outstanding example is ICVA, Initiative and Civil Action, which originated as an international NGO co-ordination body but evolved into a 100% national organisation. In 2004 ICVA developed a series of indicators to monitor implementation of the Poverty Reduction



The team (left to right):

**Gordana Suvalija**, Project Officer

**Paolo Scialla**, Team Co-ordinator

**Michael Docherty**, Head of Democratic Stabilisation and Social Development Section

**Edita Kabasaj**, Secretary to Democratic Stabilisation and Social Development sector

**Vladimir Pandurevic**, Project Officer

Strategy Paper (PRSP) in education, environmental protection and social protection. The proposal met with widespread approval and received funding from both the EU and the Swiss Agency for Development and Co-operation. On February 24, 2005, ICVA hosted a conference to present the issues of concern identified in each sector and launch a process of dialogue with governmental representatives. ICVA is considered as having the potential to become an important counterpart for high-level policy, such as the development of a country strategy paper.

## Sectoral priorities

An important priority is to maximise networking and donor co-ordination with relevant counterparts such as CIDA and USAID. A donor co-ordination group is

envisaged to meet on a bi-monthly basis for this purpose. In addition, the OHR has recently initiated a process of gathering key players in civil society in BiH, with the aim of discussing policies and sectoral trends.

Among on-going projects, one that will have particular impact is the Mapping project, which is being implemented between February and May 2005. The project is worth €200,000 and will map sectors where the Commission is active, to identify potential future, national-level, counterparts among non-governmental actors.

The development of a national strategy, which is currently lacking, is also under consideration. The ongoing dialogue with important stakeholders such as the Ministry of Human Rights and Refugees, and the DEI will be particularly relevant in this context.

## Current and upcoming funding

The current Call for Proposals, worth €435,000, is open till April 4, 2005. Grants between €10,000 and €70,000 will fund between 50% and 90% of projects addressing:

- Human Rights education
- Fight against torture and impunity
- Fight against racism and protection of minorities

Another call worth €1 million will be launched during the summer while the 3rd Call for 2005, worth €860,000, should be published towards the end of the year.

## Commitment and creativity make a small grant go a long way to protect the environment!



The ecological association “Zeljeznica” was founded in 1999 by a group of dedicated individuals which includes a forestry engineer and a doctor of agronomy. Their aim was to promote environmental awareness, initiate protective actions and promote the important role of NGOs in this sector. They implemented numerous small projects and received their first larger grant from the Japanese for a waste wood recycling project.

In 2003 they applied for a “Strengthening of Civil Society” grant in partnership with the NGOs “Ars” and “Verden”. This was their first application to the EC and they were successful, Zeljeznica received €149,700 to implement a 14-month micro-project with the following components:

- Strengthening the NGO sector by increasing the capacities of civil society and its role in the environmental decision-making process.
- Screening the ecological situation in two Eastern Sarajevo municipalities, to identify pollution levels and types, the main polluters, erosion sites, etc.
- Producing an ecological map and study of the area based on field work, experts' findings and inputs from citizens and local authorities.
- Ecological awareness courses and activities in primary and secondary schools in RS and FBiH.
- Delivery of garbage containers and placing of signs to indicate legal disposal sites and promote recycling.
- Support recycling through the procurement of a glass melting machine and aluminium press, with a truck and loader.
- Establishment of a network of ecological NGOs.

The Association members say that the hardest thing has been to initiate a change of mentality in society with regard to the environment, and that much remains to be done in this respect. Continuity is needed to ensure that the impact of projects is long-lasting. An important challenge is to change the perception on NGOs, as many politicians still equate non-government with anti-government, when their real role is that of partners to protect natural resources and heritage.



## Handover of the Draft Law on Water in BiH

On February 28, 2005, Ambassador Michael B. Humphreys handed over the Draft Law on Water in BiH, launching the process of institutional reform in the Water Sector.

EC Consultants, working closely with the Ministry of Foreign Trade and Economic Relations; the FBiH Ministries of Agriculture, Water Management & Forestry and Physical Planning & Environment; as well as the RS Ministries of Agriculture, Forestry & Water Management and Urban Planning, Civil Engineering & Ecology, developed the harmonised entity laws over the past 14 months. Ambassador Humphreys stressed the important consultative process held at all levels of government, and applauded the local ownership of this law, which was not imposed from the outside but rather agreed from the inside. The law, which meets the requirements of the European Water Directive, will be forwarded to the Parliaments and, as agreed by all the Ministries, should be adopted by June 2005.

The five Ministers and ministerial representatives coincided in underlining the importance of the law's integral approach, which addresses not only water management but also the protection of this vital resource.

The proposed institutional reform includes the establishment of four Agencies for Water - one in each entity for the Sava river basin and the Adriatic river basin. It puts forward a new way of financing the water sector and redefined competencies of Entity, Cantonal and Municipal authorities. An integral component of the three-phase planning process, which should culminate in a draft plan due in 2012, is public consultation, to ensure that the people support it.

Environmental issues will become increasingly important as BiH progresses towards European integration, and the adoption of this law will be an important milestone in this process.



## The EU Water Framework Directive

The WFD is a summary of environmental legislation for EU member states which came into force in 2000. Key WFD concepts include:

- The acknowledgement that water is not a commercial product like any other but, rather, a heritage which must be protected, defended and treated as such;
- Surface waters and groundwaters are in principle renewable resources, but to ensure good status, in particular of groundwater, early actions and stable long term planning of protective measures are required;
- The application of economic principles (e.g. the polluter pays principle);
- The use of economic approaches and tools (e.g. cost-effectiveness analysis) and
- The consideration of economic instruments (e.g. water pricing).



## Consultative Task Force holds 5th meeting in Sarajevo

On March 10-11, 2005, the Consultative Task Force (CTF) held its fifth meeting, in Sarajevo. Mr. Reinhard Priebe, Director for the Western Balkans in the EC's Directorate General for Enlargement, co-chaired the meeting together with the Director of the BiH Directorate for European Integration, Mr Osman Topcagic. The meeting brought together representatives of the BiH institutions responsible for fulfilling the Feasibility Study recommendations. The meeting concluded that BiH has made progress in fulfilling certain conditions from the Feasibility Study's sixteen priority areas, such as customs and tax reforms; reforming public administration; human rights; asylum and migration; budgetary practice and judiciary reform.

However, some key areas could be identified as possible stumbling blocks for opening of the negotiations towards a Stabilisation and Association agreement (SAA) with the

EU. The first is co-operation with the International Criminal Tribunal for the former Yugoslavia in the Hague. Mr. Priebe stated that BiH authorities must take their international obligations seriously and demonstrate their willingness to extradite individuals indicted for war crimes. Another essential step will be police reform. Concrete steps on these as well as other Feasibility Study recommendations must be taken in the coming weeks to address these shortcomings.

For the first time, part of the meeting included discussions on the possibility of visa facilitation. Progress has been made on certain important issues, though it is not possible to develop a road map for full liberalisation of the visa regime.

It was concluded that the next CTF meeting will take place in Sarajevo in mid-May.

## Commissioner Rehn congratulates Prime Minister Terzic



## Police Reform one of conditions for starting negotiations with EU

On February 22, 2005, the EU Commissioner for Enlargement, Olli Rehn, sent a letter to Prime Minister Terzic congratulating him on continuing reform and undoubted progress towards an even closer relationship with the European Union. The letter was also copied to Republika Srpska Prime Minister Pero Bukejlovic and Federation BiH Prime Minister Ahmet Hadzipasic.

In his letter, Commissioner Rehn emphasised that there are still challenges that BiH authorities must address, including police reform. The European Commission Feasibility Study requires "structural police reform with a view to rationalising police services". This is important not least because the citizens of BiH deserve a rational and a well-functioning police. In order to fulfil this condition, all legislative and budgetary competencies must be vested at state level and applied in functional areas so as to achieve technically efficient policing. Commissioner Rehn

emphasised that there must be no political interference in operating police.

He also underlined that the conclusions of the Police Restructuring Commission are a good basis for further discussion. He encouraged BiH politicians to seize this opportunity to move forward and agree on a solution that serves the citizens of the country and provides the EU with effective law enforcement counterparts in Bosnia and Herzegovina.

In the context of the Feasibility Study Commissioner Rehn said that significant progress on fulfilling the Feasibility Study requirements is a pre-condition for recommending opening negotiations on a Stabilisation and Association Agreement. He expressed his hope to be able to make such a recommendation this spring but that it all depend on Bosnia and Herzegovina and its authorities' capacity to deliver.

## Regional Perspectives

## The Neighbourhood Programme

Neighbourhood Programmes are cross-border and transnational co-operation programmes involving EU Member States and their neighbours. They are aimed at helping authorities and organisations inside and outside the Union to work together to improve the economic and social conditions of the areas concerned and to address common challenges and opportunities for development.

Cross-border programmes focus on the local level on either side of a border, helping the population address issues of common interest. Transnational programmes cover much



larger geographic areas (e.g. the regions around the Baltic Sea) and concentrate on more strategic issues, such as transport and environmental matters.

For the first time, it has been possible to fully integrate the application, selection and implementation procedures governing co-operation programmes that straddle the external border of the Union. Although contracting remains separate, with one contract for the internal part of each project and one for the

external part, the Neighbourhood Programmes offer genuinely joint possibilities to build effective co-operation across the Union's external borders. The objectives and scope of each programme are jointly defined by the participating countries.

The priorities of Neighbourhood Programmes will be in conformity with one of the four objectives set out in the "Wider Europe Communication" of 2003, namely:

- Promoting sustainable economic and social development in the border regions;
- Working together to address common challenges in fields such as the environment, public health and the prevention of, and fight against, organised crime;
- Ensuring efficient and secure borders;
- Promoting local "people-to-people" type actions.

The Neighbourhood Programme follows on from INTERREG, which also focused on regional, cross-border interventions. There are 24 Neighbourhood programme strands and BiH is eligible for two of them:

- 1) CADSES (Transnational) - which also includes Albania, FYROM, Croatia and Serbia and Montenegro
- 2) Italy/Balkans (cross-border) - which also includes Albania, Croatia and Serbia and Montenegro

The total allocation for these two strands is € 3.6 million, to be shared between the participating countries.

An International Seminar on Neighbourhood Programmes was held recently in Warsaw, Poland. Commissioner Danuta Hübner and high-level policy makers shared their views on cross-border co-operation with 250 participants, including DEI staff representing BiH at the event.

The first ever Neighbourhood call for projects was launched by the Slovenia/Hungary/Croatia programme on 17 December, 2004. The Commission is planning a series of seminars in the Western Balkans in early 2005, to publicise the Programmes and provide networking opportunities for potential project partners.

## A new EICC in the making

The EC Delegation has launched the process to open a new Euro Information Correspondence Centre (EICC) in Sarajevo. The project is expected to last 18 months, with possibilities of a future extension. The deadline for submitting proposals is March 29, 2005, and, following the evaluation process, up to €200,000 will be awarded for the best proposal, to finance the necessary location, equipment and staff.

The EICC will disseminate all the necessary information on EU policies, actions and programmes and will also be able to advise businesses on their internationalisation strategies and on how to position themselves in the EU market. It will also provide advice to SMEs from the EU desiring to extend their activities to the BiH market. It will organise training sessions or events, such as conferences and seminars, in order to enhance the impact of the information activities.