



COUNTRY PROFILE

MAY 2009



Dušan Cigoja is one of more than 40 new entrepreneurs in his municipality who have launched a business using fast-track registration, which was introduced with USAID assistance.

"I was really surprised to see that there are no long lines and days of waiting required", said Dušan, who registered his business, the only dry-cleaning service in Mrkonjić Grad, in a single day. "If only everything could be as easy as this," he said.

BIH SNAPSHOT

Date of independence:
March 1, 1992
Capital: Sarajevo
Population: 4.5 million
GDP per capita: \$2,995

**For more information,
see www.usaid.gov
Keyword: Bosnia**

OVERVIEW

Fourteen years since the signing of the Dayton Peace Accords which brought an end to the hostilities and began the transition to peace and stability in Bosnia and Herzegovina (BiH), the Balkans remains a critical region for U.S. foreign policy and security interests. BiH is still struggling to overcome the effects of war. Physically, the country is largely rebuilt and shows signs of economic growth. After extensive negotiations, the European Union (EU) signed a Stabilization and Association agreement with BiH in 2008, the first step in the process of becoming a candidate for EU membership. However, ethnic tensions and a largely dysfunctional, multi-layered governance structure geared toward safeguard-



Sarajevo

ing the rights of the various ethnic groups still hinder development. Reforms, such as establishing strong state-level institutions, privatizing state-owned industry, fighting corruption, and making meaningful progress in the rule of law, require continued effort. To date, the U.S. Government, through USAID, has provided over \$1 billion in assistance to support economic, democratic, and social progress in BiH.

PROGRAMS

ACCELERATING PRIVATE SECTOR GROWTH

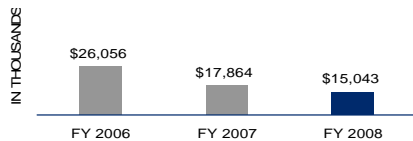
USAID activities follow two separate and interrelated tracks working on policy reform and government capacity development, and providing direct support to targeted sectors in the economy as part of our private sector competitiveness efforts.

On the policy side, USAID focuses on economic reforms and institution building to improve fiscal coordination among all levels of government, concentrating on transforming the system of tax administration into a modern tax system for commercial, private, and real estate taxes through our TARA project. Additionally, USAID works to promote a business-friendly environment to encourage entrepreneurship and is attractive to both domestic and foreign investment by reducing or eliminating barriers to entry, streamlining the process for registration, compliance, and enforcement, and establishing a more transparent system of taxation and social benefits through SPIRA and ELMO.

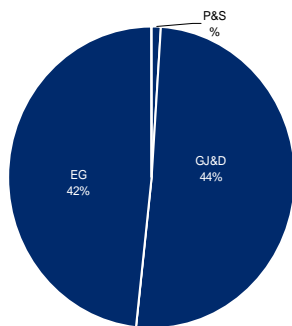


COUNTRY PROFILE CONTINUED

USAID ASSISTANCE TO BOSNIA AND HERZEGOVINA



FY 2008 Budget Allocation by Objective



Peace & Security: \$150,000
 Governing Justly & Democratically: \$6,673,000
 Economic Growth: \$6,380,000

Based on FY 2008 Assistance for Eastern Europe and the Baltic States funding.

Through its FIRMA and FARMA programs, USAID supports increasing private sector competitiveness by helping connect producers to markets and introducing new technologies along the value chain in the following areas: wood processing, tourism, agriculture, and light industry. USAID is also supports the use of IT applications to improve small and medium-sized enterprise efficiency and productivity through its EI and Digital Cities Initiatives.

STRENGTHENING DEMOCRATIC GOVERNANCE

USAID focuses on strengthening transparent, accountable, and efficient governance through work with local governments, legislatures, and government agencies. The USAID assistance program also works to increase citizen participation in political and social decision-making, and to strengthen legal systems to expand transparent access to justice for all citizens. USAID-supported reforms help BiH courts to track the progress of cases and store relevant data in a more efficient manner. Local government support concentrates on delivering more effective services to citizens, as well as drafting and helping pass legislation to improve the enabling environment. As result of these efforts, modernly equipped citizen service centers in 50 municipalities throughout BiH have reduced the time needed to obtain documents by 74 percent. In addition, USAID provided assistance to elected representatives in legislatures to enable them to improve their accountability to their constituents. Civil society programs fund local efforts to influence policy making and increase non-governmental organizations' capacity to advocate for their constituencies and increase sustainability through improved fundraising techniques.

SUPPORTING LASTING PEACE AND SECURITY

BiH is a country of origin, transit, and destination for women and girls trafficked internationally and internally for the purpose of commercial sexual exploitation. A recently initiated anti-trafficking program will provide trafficking prevention education, improve the quality of victim assistance, and establish a monitoring and evaluation system that supports improved implementation of the National Referral Mechanism and the National Action Plan. The U.S. Government continues to be actively engaged in supporting the continued revitalization of the municipality of Srebrenica—the site of the 1995 genocide. Here, USAID has initiated a program to provide unemployed youth with an opportunity to gain practical work experience through work with local employers. The program aims to create an attractive workforce for potential investors, as well as deter youth from seeking employment outside the region.

CONTACT INFORMATION

Diana Swain
 Acting Mission Director
 USAID/Bosnia-Herzegovina
 Hamdije Cemerlica 39
 71000 Sarajevo
 Bosnia and Herzegovina
 Tel: +387-33-702-300

Sandra Stajka
 Desk Officer for Albania and
 Bosnia-Herzegovina
 Tel: 202-712-5954
 Email: sstajka@usaid.gov