

**Bosnia and Herzegovina
Study for Poverty Profile
in the European Region**

Final Report

October 2010

JAPAN INTERNATIONAL COOPERATION AGENCY

OPMAC Corporation

Poverty Indicators

Region (*)	Country	Basic data					
		Year	Population, total (millions)	Population growth (annual %)	GDP, PPP (constant 2007 international \$) (billions)	GDP per capita, PPP (constant 2007 international \$)	GDP growth (annual %)
ME	Bosnia and Herzegovina	2007	3.8	-0.1	29.3	7,764	11.2

(Source) United Nations Development Programme, "Human Development Report 2009" (2009)

(Note) * AF: Africa, Ap: Asia and Pacific, CLA: Central and Latin America, ME: Middle-east and Europe

Poverty							Inequality	
Poverty incidence (%)			Poverty Gap Index at \$1.25	Poverty Gap Index (National)	Source	Survey year	Gini index	Year
National	Rural	Urban						
14.4	17.78	8.23	<0.5*	4.9	Household Budget Survey 2007	2007	33.3**	2007

(Source) BIHAS, FBiH Federal Office of Statistics, RSIS, "HBS 2007 Poverty and living Conditions" (2007)

(Note) * Data of Poverty Gap Index at \$1.25 is for 2004. (World Bank, "World Development Indicator 2010" (2010))

** World Bank, "Protecting the Poor During the Global Crisis: 2009 Bosnia and Herzegovina Poverty Update" (2009)

Remarks (Areas, populations & social groups considered to be vulnerable and Gini index disadvantageous)
Not specified.

Map of Bosnia and Herzegovina



Map of Social Indicators

In Bosnia and Herzegovina, no reliable demographic data is available due to no recent population census conducted after 1991. Therefore, all the statistical analyses on socio-economic conditions of households by entity or by area in this report are based on estimations. More reliable statistical analyses require results of the next population census in future. Although maps of social indicators were developed for the countries for which poverty profiles were compiled in the fiscal year of 2009, it was not possible to develop such maps for Bosnia and Herzegovina due to difficulty to obtain digital maps with administrative borders.

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Abbreviations and Acronyms

AMFI	: Association of Microfinance Institutions
BD	: Brcko District of BiH
BHAS	: Bosnia and Herzegovina Agency for Statistics
BiH	: Bosnia and Herzegovina
CCA	: Common Country Assessment
CDS	: Country Development Strategy
CPI	: Consumer Price Index
CSW	: Centers for Social Work
DEP	: Directorate for Economic Planning
DFID	: Department for International Development, UK
EC	: European Commission
EPPU	: Unit for Economic Planning and Implementation
EU	: European Union
FBiH	: Federation of Bosnia and Herzegovina
FDI	: Foreign Direct Investment
FHH	: Female Household Head
GDP	: Gross Domestic Product
GPL	: General Poverty Line
HBS	: Household Budget Survey
HDI	: Human Development Index
HPI	: Human Poverty Index
HSEI	: Human Social Exclusion Index
IDP	: Internal Displaced Person
ILO	: International Labour Organization
IMF	: International Monetary Fund
ISCED	: International Standard Classification of Education
JICA	: Japan International Cooperation Agency
JNA	: Yugoslav Army
KM	: Konvertibilna Marka
LIP	: Local Initiative Project
LSMS	: Living Standard Measurement Survey
MDGs	: Millennium Development Goals
MHH	: Male Household Head
MICS	: Multiple Indicator Cluster Survey
MTDS	: Mid-Term Development Strategy
NHDR	: National Human Development Report
NGO	: Non-Governmental Organization
OECD	: Organization for Economic Cooperation and Development
OHR	: Office of the High Representative
OSCE	: The Organization for Security and Co-operation in Europe
PRSP	: Poverty Reduction Strategy Paper

RS	:	Republic of Srpska
RSIS	:	Republika Srpska Institute for Statistics
SAA	:	Stabilization and Association Agreement
SIDA	:	Swedish International Development Cooperation Agency
SIS	:	Social Inclusion Strategy
UK	:	United Kingdom
UN	:	United Nations
UNCT	:	United Nations Country Team
UNDP	:	United Nations Development Programme
UNICEF	:	United Nations Children's Fund
WB	:	World Bank
WDI	:	World Development Indicator

“What is Poverty?”

“The JICA Thematic Guidelines: Poverty Reduction”¹, which was revised in 2009, mentions concepts and definitions of poverty. From a practical point of view, international society has been attempting to measure poverty based on different concepts as below, which produce different measurements or analyses.

- Absolute Poverty: the income or consumption status of a household which cannot afford the minimum calorie intake for survival and other basic human needs,
- Relative Poverty: the income or consumption status of a household which is lower than the majority of the population in a country or region. People excluded from the general improvement in living standards taking into account social and cultural factors,
- Human Poverty: Those denied opportunities and choices for a decent standard of living and constraints against moving out of poverty,
- Social Exclusion: Those deprived of rights to solidarity and coexistence.

This poverty profile reviews the poverty situation in Kosovo, focusing on “income poverty” and “non-income poverty” and taking into account the concepts and definitions of poverty mentioned above.

¹ Please refer to Chapter 1, Section 1-2 of JICA’s Thematic Guideline for Poverty Reduction. As mentioned in Chapter 2, Section 2-2 in the Guidelines, JICA focuses on “capabilities” for self-fulfillment and “human security” and recognizes that poverty is closely linked to discrimination and social exclusion. JICA defines poverty as: “*a condition where the people are deprived of opportunities to manifest their capabilities to have the basic human life, and in addition, where the people excluded from the society or the development process*”.

Chapter 1 Income Poverty Analysis

Bosnia and Herzegovina (BiH) is a republican state which is composed of two highly decentralized entities, the Federation of Bosnia and Herzegovina (FBiH) and the Republic of Srpska (RS). In 2006, Brcko District (BD) was given equal status to the two entities². This chapter reviews the income poverty situation in not only overall in the entire BiH but also in the two entities and in Brcko District.

1.1 Measurement of Income Poverty

1.1.1 Main Data Source for Poverty

The poverty analyses of Bosnia and Herzegovina (BiH) are based on household data, including the Living Standard Measurement Surveys (LSMS)³ and the Household Budget Surveys (HBS). Under partnership with the Department for International Development, UK (DFID), LSMSs were implemented from 2001 to 2004, and HBSs in 2004 and 2007. In terms of LSMSs⁴, World Bank (WB) experts also gave support through technical advice and other contributions.

Since the LSMSs collected panel data from around 3,000 households for consecutive years from 2001 to 2004, the results of the series of surveys are highly comparable. On the other hand, the last two surveys of HBS 2004 and 2007 are not comparable. This is because of differences in sampling methodologies and questionnaire design between HBS 2004 and HBS 2007⁵. In addition, there is the issue of whether the sample frame reflects the current demographic situation and regional distribution of population since the latest Population Census in BiH was conducted in 1991.

The WB poverty assessment (2003)⁶ contains poverty analyses based on LSMS data from 2001 to 2003. The poverty assessment (2003) measured the level of income poverty in BiH using “the absolute poverty line”⁷ based on the minimum consumption level.

“HBS 2007 Poverty and Living Conditions” (hereinafter referred to as “HBS Poverty Analysis”) shows the results of poverty analyses on HBS conducted by the statistical authorities of BiH, the Agency for Statistics of Bosnia and Herzegovina (BHAS), the Federal Office of Statistics of FBiH and the Republika Srpska Institute for Statistics (RSIS). It was supported by DFID and the Government of Italy. In the report, the measurement of income poverty is based on different absolute poverty lines.

² Brcko District is an administrative district which was established to determine a boundary between the two entities in accordance with the Dayton Agreement, a peace agreement after the Bosnia and Herzegovina Conflict in December 1995. At that time, 48% of Brcko District belonged to RS and the remaining 52% belonged to FBiH. In 2006, a law on the boundary for Brcko District was abolished and an independent law for Brcko District, which gave the District the same constitutional status as the two entities of BiH, was established.

³ LSMS was established by the Development Economics Research Group (DECRG) of WB to explore ways of improving the type and quality of household data collected by statistical offices in developing countries. (WB website: <http://econ.worldbank.org/>, as of May 2010)

⁴ The United Nations Development Programme (UNDP) and the Government of Japan also supported LSMS 2001. In addition, the Swedish International Development Cooperation Agency (SIDA) and the European Commission (EC) provided assistance for the development of a master sample besides DFID and WB.

⁵ The Master Sample was updated in 2006 and the sample frame for HBS 2007 was selected by the updated Extended Master Sample.

⁶ World Bank, “Bosnia and Herzegovina Poverty Assessment” (2003)

⁷ Refer to Appendix 1.

The most recent poverty analysis is the WB poverty assessment (2009)⁸ is based on HBS data with the necessary adjustments. This made a comparison of poverty and inequality indicators between HBS 2004 and 2007 as well as the results of income poverty measurement based on the LSMS data and the HBS data.

This Chapter reviews the income poverty status of BiH based on the poverty analyses of the WB poverty assessment (2009) and partly refers to “the HBS Poverty Analysis 2007” and “the HBS Final Results 2007”⁹.

1.1.2 Poverty Line

In general, the “income (consumption) poverty”¹⁰ measurement is based on two major concepts. One is “relative poverty” which represents a relatively poor status compared with the income or consumption level of the majority of the population. The second is “absolute poverty” which defines the status of the poor in an absolute term based on the minimum income or consumption necessary to fulfill basic human needs.

In BiH, poverty measurements are based on the two kinds of poverty lines: the relative poverty line and the absolute poverty line. The relative poverty line is commonly used for the countries of the European Union (EU), and therefore BiH has been applying the EU standard poverty monitoring method. The absolute poverty line, which is generally used for poverty measurement in developing countries, is based on the minimum requirement of food consumption to meet the minimum calorie intake necessary for survival.

Table 1-1: Poverty Lines (per month)

Poverty Line	Methodology	2007
Official Relative Poverty Line (per adult equivalent)	60% of median consumption per adult equivalent	KM 386
Absolute poverty Line (per household)	Based on minimum consumption costs, including food and non-food items	GPL1: KM 3,154.18 GPL2: KM2,993.08 GPL3: KM2,857.31
2001 LSMS-based Poverty Line (per capita)	Based on minimum consumption costs including food and non-food items. The baseline data is LSMS 2001.	KM 205

(Source) World Bank, “Protecting the Poor During the Global Crisis: 2009 Bosnia and Herzegovina Poverty Update”, (2009), p. 11, Table 1.1 and BHAS, Federation of BiH (FBiH) Federal Office of Statistics, RSIS, “HBS 2007 Poverty and living Conditions” (2007), p.19

These different poverty lines, which were set by different organizations with different objectives and intentions, lead to different results in poverty measurement and analyses. This Poverty Profile does not intend to review the adequacy of these poverty measurements but presents the different results of poverty analyses and objectively compares them¹¹. However, it may be better to refer to the WB poverty assessment (2009) in order to review changes in poverty in BiH for the period from 2004 to 2007 as the poverty lines were adjusted to make them comparable between HBS 2004 and 2007.

⁸ World Bank, “Protecting the Poor During the Global Crisis: 2009 Bosnia and Herzegovina Poverty Update” (2009)

⁹ BHAS, FBiH Federal Office of Statistics, RSIS, “HBS 2007 Final Results” (2007)

¹⁰ Except for developed countries with a well-developed statistical data system, it is difficult to obtain reliable statistical data on income. Therefore, the income level is generally estimated using data on consumption which reflects living standard.

¹¹ These different poverty analyses can complement each other to explain some situations in BiH.

(1) Official Relative Poverty Lines

In BiH, the official relative poverty line is set at 60% of median consumption per adult equivalent, which is the common threshold of the governments of the EU and the United Kingdom (UK). The money value of the relative poverty lines in 2004 and 2007 based on HBS data are 311 KM¹² (159 EUR)¹³ per capita per month and 386 KM (197 EUR), respectively. The relative poverty lines increased 24% from 2004 to 2007.

(2) Absolute Poverty Lines from the BiH Statistical Authorities

The BiH statistical authorities calculate absolute poverty lines for each HBS. The practice, however, constrains the comparability of poverty trends based on HBS data for different years. According to the result of HBS 2007, three general poverty lines (GPL) were developed,¹⁴ anchored in the minimum food consumption bundle based on the minimum nutritional requirement of 2,100 kcal per person per day as well as the minimum non-food consumptions, including costs of cloths, housing, education and so on.

In the HBS 2007 poverty analysis report¹⁵, GPL3, which excludes health expenditure from non-food consumption, is mainly used for analyzing the poverty and living conditions of BiH since it tends to reflect the situation for lower income households. It is estimated as 2,857.31 KM (1,460 EUR) per household.

Absolute Poverty Line = The minimum requirement of food consumption (Food Poverty Line)
+ The minimum requirement of non-food consumption

(3) 2001 LSMS-based Poverty Line

In the WB poverty assessment (2009), different poverty lines are used for analyzing the HBS data of 2004 and 2007. The poverty line is based on the cost necessary to satisfy the minimum nutritional requirements, but the baseline is the data of LSMS 2001. In order to obtain poverty lines for 2004 and 2007, the base poverty line is adjusted by 2007 prices. Thus the estimated poverty lines for 2004 and 2007 were 185 KM (95 EUR) and 205 KM (105 EUR) per person month, respectively.

1.2 Income Poverty Indicators

1.2.1 Poverty Trends at National Level

(1) Relative Poverty

According to “the HBS Poverty Analysis 2007”, poverty incidence at individual level measured by the relative poverty line of the whole of BiH did not change: 18.3% in 2004 and 18.2% in 2007 (Table 1-2). In the FBiH, the poverty incidence slightly decreased from 18.8% to 17.0%. On the other hand, in the Republic of Srpska (RS), the poverty incidence increased from 17.8% to 20.1%. Brcko District experienced a considerable expansion in poverty incidence from 9.5% to 25.8%. The average monthly amount of consumption (food and non-food)¹⁶ increased in FBiH and RS, but decreased in Brcko District. For FBiH, this suggests that the increase in average consumption also raised the level of consumption of lower income

¹² The national currency of BiH is Konvertibilna Marka (KM) which means a convertible Mark.

¹³ The reference exchange rate is 1 KM = 1.9558 EUR (Central Bank of Bosnia and Herzegovina, as of September 2010)

¹⁴ Refer to the Appendix 2.

¹⁵ BHAS, FBiH Federal Office of Statistics, RSIS, “HBS 2007 Poverty and Living Conditions” (2007)

¹⁶ BHAS, FBiH Federal Office of Statistics, RSIS, “HBS 2007 Poverty and Living Conditions” (2007), p.69, Table7.16

households, and contributed to the decline in relative poverty incidence. However, in RS, the consumption level of lower income households may not have covered escalating prices with the relative poor increasing. In Brcko District, the decline in average consumption was caused by the stagnant local economy. In particular, such stagnation may particularly have affected lower income households, bringing about a large expansion in the relative poor.

Table 1-2: Poverty Incidence (Individual) by Relative Poverty Line by Entity

National (BiH)		FBiH		RS		Brcko District	
2004HBS	2007HBS	2004HBS	2007HBS	2004HBS	2007HBS	2004HBS	2007HBS
18.3	18.2	18.8	17.0	17.8	20.1	9.5	25.8

(Source) World Bank, "Protecting the Poor During the Global Crisis: 2009 BiH Poverty Update" (2009), p. 11, Table 1.1, and BHAS, FBiH Federal Office of Statistics, RSIS, "HBS 2007 Final Results" (2007), p.55, Table 6.1

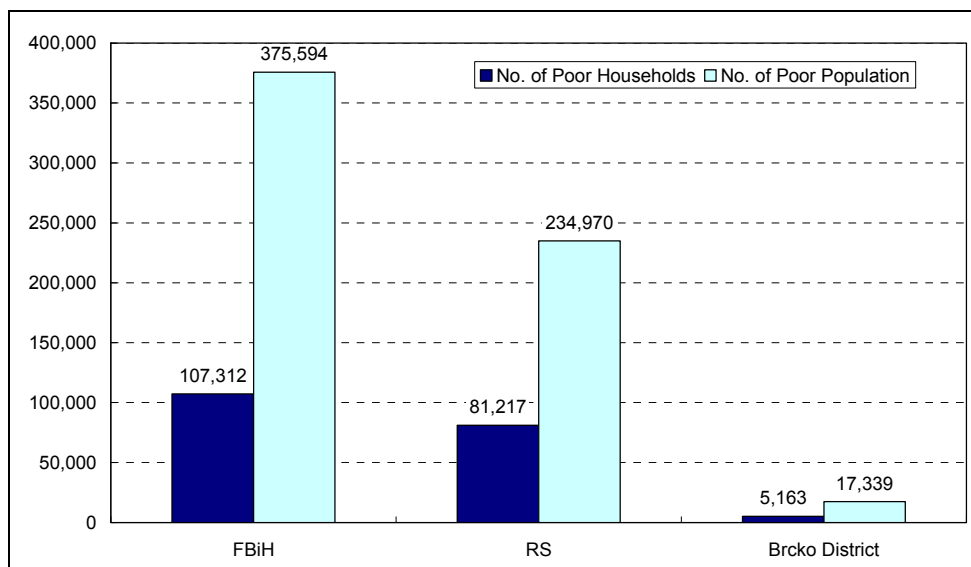
By entity (Table 1-3), in 2007, FBiH had the lowest relative poverty incidence by household at 17.0% while Brcko District had the highest at 23.6%. The poverty incidence of RS (20.1%) was between FBiH and Brcko District. The poverty gap ratio, which measures disparity in the average consumption of the poor from the relative poverty line, was 26.2% for BiH as a whole. This is larger than the poverty gap by the absolute poverty line. Differences in the relative poverty gap among the entities were limited: 25.2% for FBiH, 26.2% for Brcko District and 27.5% for RS.

Table 1-3: Relative Poverty Indicators (Household) by Entity (2007)

	National (BiH)	FBiH	RS	Brcko District
Poverty Incidence	18.2	17.0	20.1	23.6
Poverty Gap	26.2	25.2	27.5	26.2

(Source) BHAS, FBiH Federal Office of Statistics, RSIS, "HBS 2007 Final Results" (2007), p.55, Table 6.1

Figure 1-1 shows the size of the relative poor population and the number of relative poor households by entity in 2007. The poor population living below the relative poverty line was 627,000 people in BiH as a whole. The number of relative poor households was about 194,000. It is estimated that for FBiH there were 376,000 people, which accounts for about 60% of the relative poor population in BiH, and 55% of the total relative poor households in BiH. 37.4% of the relative poor population and 41.9% of the relative poor households inhabited RS. This was less than 3% of the relative poor population and households in Brcko District.



(Source) BHAS, FBiH Federal Office of Statistics, RSIS, "HBS 2007 Final Results" (2007), p.55, Table6.1

Figure 1-1: Relative Poor Population and Households (2007)

(2) Absolute Poverty by the LSMS Poverty Line

Table 1-4 shows the poverty measurement by the absolute poverty line set for the WB poverty assessment (2009). At national level, the absolute poverty headcount ratio (poverty incidence)¹⁷ decreased from 2004 to 2007 after the period from 2001 to 2004 when no changes took place. The poverty headcount ratio for BiH dropped to 14% from 17.7% by HBS 2004 or 17.8% by LSMS 2004.

For FBiH, it is difficult to say whether the poverty ratio declined or not. By comparing data from HBS 2004 and 2007, it seems that the poverty incidence decreased from 18.6% to 13.3% for the period between 2004 and 2007. The poverty incidence based on LSMS 2004, however, is 15.4%.

It is more difficult to explain poverty trends in RS. Between 2001 and 2004, the poverty incidence based on LSMS data remained at almost the same level of 20%. Also for the period between 2004 and 2007, the poverty headcount ratio did not change significantly from 16.5% to 15%, both of which are based on HBS data. However, since poverty incidence differs for the two surveys of HBS and LSMS, it is difficult to grasp the actual level and trends in poverty incidence.

Poverty incidence in Briko District increased sharply to 18.8% in 2007 from 10.1% in 2004. Although poverty incidence in Briko District in 2004 was the lowest in BiH, it was the highest in 2007. Considering the significant expansion of relative poverty from 2004 to 2007, the stagnant local economy may have induced the increase in absolute poverty.

Comparing levels of poverty incidence between FBiH and RS in 2007, FBiH had a lower poverty incidence than RS. However, for 2004, the answer is different depending on data source: LSMS 2004 indicated that RS had a higher poverty ratio but HBS 2004 showed that of FBiH as higher.

¹⁷ In this report, "the poverty incidence" or "the poor" means "the absolute poverty incidence" or "the poor population living below the absolute poverty line, unless otherwise stated.

Table 1-4: Absolute Poverty Incidence: LSMS and HBS

	2001	2004		2007
	LSMS	LSMS	HBS	HBS
National	17.5	17.8	17.7	14.0
FBiH	14.2	15.4	18.6	13.3
RS	21.8	20.8	16.5	15.0
Briko District	-	-	10.1	18.8

(Source) World Bank, "Protecting the Poor During the Global Crisis: 2009 BiH Poverty Update" (2009), p. 17, Figure 2.1, and p.18, Table 2.1

Table 1-5 shows the distribution of the poor population in BiH. More than 60% of the poor inhabit FBiH and one third live in RS. The fraction of the poor in the country did not change for the period from 2004 to 2007.

Table 1-5: Distribution of the Poor (HBS)

	2004		2007	
National	100.0		100.0	
FBiH	65.4		61.2	
RS	33.5		36.2	
Briko District	1.1		2.6	

(Source) World Bank, "Protecting the Poor During the Global Crisis: 2009 BiH Poverty Update" (2009), p.18, Table 2.1

(3) Absolute Poverty according to the BiH Statistic Authorities Poverty Line

The poverty incidences in 2004 and 2007 obtained by absolute poverty lines are not comparable due to a lack of consistency with the recalculation of the poverty line for each survey (Table 1-6) .

According to the absolute poverty lines of the BiH statistic authorities, the poverty incidence of the entire country was 18.5%. The poverty incidence in FBiH was 17.3%, which was the lowest level in the country. RS had the slightly higher poverty incidence of 20.2%. In Brcko District, one fourth of the population lived below the absolute poverty line, which was the highest level in the country.

In terms of the poverty gap and poverty severity, there is a similar tendency. The poverty gap shows the disparity in the average consumption by the poor from the poverty line. FBiH had the lowest poverty gap of 4.5% whereas Brcko District had the highest one at 7.1%.

In terms poverty severity (squared poverty gap), which shows the inequality in distribution of consumption among the poor, FBiH had the lowest poverty severity at 1.7% and Brcko District had the highest at 2.8%. RS also had a higher poverty severity than the national level (2.1%).

Table 1-6: Poverty Indicators by GPL 3 (HBS 2007)

	Poverty Headcount	Poverty Gap	Poverty Severity
National	18.5	4.9	1.9
FBiH	17.3	4.5	1.7
RS	20.2	5.4	2.1
BD	25.0	7.1	2.8

(Source) BHAS, FBiH Federal Office of Statistics, RSIS, "HBS 2007 Poverty and living Conditions" (2007), p.21-22, Table 6A, 6B and 6C

1.2.2 Poverty Trends in Urban and Rural Areas

According to the WB poverty assessment (2009), in BiH, the majority of the poor exist in rural areas with 77% of the poor in rural areas and 23% in urban areas in 2007. The rural poverty incidence of 18% is also higher than the urban poverty incidence of 8%. The poverty headcount ratio of urban areas is even lower than the national poverty ratio.

Table 1-7: Distribution of the Poor in Urban and Rural Areas

	2004	2007
Total	100.0	100.0
Urban	25.5	22.9
Rural	74.5	77.1

(Source) World Bank, "Protecting the Poor During the Global Crisis: 2009 BiH Poverty Update" (2009), p.20, Table 2.2

Poverty incidence dropped in both urban and rural areas in BiH. By decomposition of changes in poverty incidence (Table 1-8), the decrease in rural areas is larger than that in urban areas. In urban areas, the main attribution of the decline in poverty is the growth effect (-3.5 percent points) while unequal distribution (+ 0.42 percent points) reduced the growth effect. On the other hand, the effects both of growth (-2.02 percent points) and redistribution (-1.91 percent points) contributed an even reduction in rural poverty.

Table 1-8: Poverty Changes and Decomposition by Entity

Area	Poverty Rate		Decomposition of Changes			
	2004	2007	Actual Change	Growth	Redistribution	Interaction
Total	17.74	14.04	-3.70	-2.86	-0.57	-0.27
Urban	11.33	8.23	-3.10	-3.50	0.42	-0.03
Rural	22.00	17.78	-4.22	-2.02	-1.91	-0.28

(Source) World Bank, "Protecting the Poor During the Global Crisis: 2009 BiH Poverty Update" (2009), p. 12, Table 1.2

(Note) Calculations based on the 2001 LSMS-based Poverty Line and BHAS consumption aggregate.

Table 1-9 shows the poverty indicators in urban and rural areas by entity. For all the entities of FBiH, RS and Brcko District, the poverty incidence for rural areas is higher than that for urban areas. However, urban and rural differences in poverty gaps and severity differ across the entities.

At the national level, rural areas have a slightly larger poverty gap and higher severity than urban areas. The rural poverty gap and severity were 5.1% and 2.0%, respectively while the urban poverty gap and severity were 4.7% and 1.8%, respectively. FBiH had the same tendency at the national level. In RS, there are no significant rural and urban differences in poverty gap and severity. On the other hand, in Brcko District, the poverty gap and severity in rural areas was much higher than in urban areas. In other words, in rural areas, the disparity of the level of consumption by the poor from the poverty line and inequality of consumption distribution among the poor was larger than in urban areas. This suggests that the rural poor face a severe situation and a wider gap in consumption among the poor in Brcko District.

Table 1-9: Poverty Indicators by Entity (HBS 2007)

	(%)		
	Poverty Headcount	Poverty Gap	Poverty Severity
National			
Rural	19.6	5.1	2.0
Urban	17.7	4.7	1.8
FBiH			
Rural	18.5	4.9	1.9
Urban	16.6	4.2	1.6
RS			
Rural	21.1	5.4	2.1
Urban	19.5	5.4	2.2
BD			
Rural	26.2	8.0	3.4
Urban	24.0	6.4	2.4

(Source) HBAS, FBiH Federal Office of Statistics, RSIS, "HBS 2007 Poverty and living Conditions" (2007), p.24-25, Table 7A and 7B

1.2.3 Poverty Trends by Socio-economic Characteristic

(1) Education

Table 1-10 shows the poverty incidence and the distribution of the poor by educational level of household head. The poverty incidence differs according to the educational level of the household head. In 2007, the highest poverty incidence of 21.2% was for the group of household heads with no degree and the lowest ratio, of 1.1%, was for the group of household heads with university or higher education. In other words, household heads with a higher educational level have a lower risk of poverty.

Approximately 70% of the heads of poor households have only primary education or no degree. Around one third of the heads of poor households have secondary education, though the poverty incidence for household heads with secondary education is less than 10%. This is because more than 40% of the population attains secondary education.

Although poverty incidence for all groups by educational level reduced, the share of household heads with no degree in the poor population expanded from 25.9% to 32.4% for the period between 2004 and 2007.

Table 1-10: Poverty Incidence and Distribution of the Poor by Educational Level

Educational Level of Household Head	Poverty Incidence		Distribution of the Poor		Distribution of Population	
	2004	2007	2004	2007	2004	2007
No degree	24.6	21.2	25.9	32.4	18.2	20.8
Primary	20.7	16.7	38.9	36.6	32.6	29.8
Secondary	13.9	9.6	33.5	29.7	41.9	42.1
Post Secondary	4.4	3.7	1.1	1.0	4.1	3.6
University or higher	3.5	1.1	0.7	0.3	3.2	3.6
Total	17.7	14.0	100.0	100.0	100.0	100.0

(Source) World Bank, "Protecting the Poor During the Global Crisis: 2009 BiH Poverty Update" (2009), p.21, Table 2.3

According to the HBS Poverty Analysis 2007, the degree of poverty risk by educational level of household differs according to region and gender (Table 1-11). In FBiH and RS as well as at national level, household heads with no degree have the highest risk of poverty, in particular for males. In RS, 53% of male household heads with no degree are below the poverty line while only 30% of female household heads with no degree suffer from poverty. On the other hand, in Brcko District, the group with the highest poverty risk is male household heads with primary education. The poverty ratio is 37.48% which is much higher than the poverty ratio of 25.7% for household heads with no degree.

At any educational level, male household heads have a higher risk of poverty than female household heads.

Table 1-11: Poverty Incidence by Educational Level by Geographical Area
(HBS 2007, using GLP3)

Educational Attainment	National				FBiH				RS				BD			
	2004		2007		2004		2007		2004		2007		2004		2007	
No Education	33.31	19.6	30.2	19.6	38.39	19.6	30.2	19.6	38.39	19.6	30.2	19.6	38.39	19.6	30.2	19.6
MHH	45.55	25.7	41.43	25.7	52.85	25.7	41.43	25.7	52.85	25.7	41.43	25.7	52.85	25.7	41.43	25.7
FHH	25.69	14.54	23.01	14.54	29.85	14.54	23.01	14.54	29.85	14.54	23.01	14.54	29.85	14.54	23.01	14.54
Primary Education	24.17	32.21	24.1	32.21	23.77	32.21	24.1	32.21	23.77	32.21	24.1	32.21	23.77	32.21	24.1	32.21
MHH	27.53	37.48	28.26	37.48	25.98	37.48	28.26	37.48	25.98	37.48	28.26	37.48	25.98	37.48	28.26	37.48
FHH	15.64	16.54	14.99	16.54	16.75	16.54	14.99	16.54	16.75	16.54	14.99	16.54	16.75	16.54	14.99	16.54
Secondary Education	15.45	23.33	14.74	23.33	16.44	23.33	14.74	23.33	16.44	23.33	14.74	23.33	16.44	23.33	14.74	23.33
MHH	16.39	25.44	15.7	25.44	17.28	25.44	15.7	25.44	17.28	25.44	15.7	25.44	17.28	25.44	15.7	25.44
FHH	7.72	7.31	6.46	7.31	10.71	7.31	6.46	7.31	10.71	7.31	6.46	7.31	10.71	7.31	6.46	7.31
Tertiary Education	3.23	4.09	3.14	4.09	3.33	4.09	3.14	4.09	3.33	4.09	3.14	4.09	3.33	4.09	3.14	4.09
MHH	3.23	4.09	3.14	4.09	3.33	4.09	3.14	4.09	3.33	4.09	3.14	4.09	3.33	4.09	3.14	4.09
FHH	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

(Source) HBAS, FBiH Federal Office of Statistics, RSIS, "HBS 2007 Poverty and living Conditions" (2007), p.37, Table 8M

(2) Employment Status of Household Heads

By employment status (Table 1-12), the unemployed have the highest poverty incidence, which declined 30.5% in 2004 to 20.2% in 2007. The self-employed have a high poverty ratio. This increased to 15.9% from 11.6% during the same period.

On the other hand, the majority of the poor are employees which account for 38% of the total population. The share of employees in the poor population is 30.2%, although their poverty incidence is only 11.1%.

Retired persons are also another large group within the poor. In 2007, their share of the poor population was 25% and their poverty incidence was 13.3%.

Table 1-12: Poverty Incidence and Distribution of the Poor by Employment

Employment Status of Household Head	Poverty Headcount Ratio		Distribution of the Poor		Distribution of Population	
	2004	2007	2004	2007	2004	2007
	Employee	16.2	11.1	35.4	30.2	38.9	38.1
Self-employed	11.6	15.9	9.1	15.5	13.9	13.6
Unemployed	30.5	20.2	19.1	16.5	11.1	11.5

Employment Status of Household Head	Poverty Headcount Ratio		Distribution of the Poor		Distribution of Population	
	2004	2007	2004	2007	2004	2007
Retired	17.3	13.3	28.8	25.1	29.6	26.4
Student	0.0	0.0	0.0	0.0	0.1	0.1
OLF	20.9	17.5	7.5	12.7	6.4	10.2
Total	17.7	14.0	100.0	100.0	100.0	100.0

(Source) World Bank, "Protecting the Poor During the Global Crisis: 2009 BiH Poverty Update" (2009), p.22, Table 2.4

In all regions and activity statuses, except the disabled working in RS, the poverty incidence was higher in rural areas than in urban areas (Table 1-13). The unemployed in rural areas in Brcko District had the highest risk of poverty with a poverty incidence of more than 40%. In other regions, the poverty incidence of the unemployed in rural areas was 30% while the unemployed in urban areas had a poverty incidence of around 18%. In FBiH, the poverty incidence of household heads disabled and unable to work in rural areas was more than 40%, which is the highest level in the entity. In RS, household heads with a disability and unable work had higher a poverty incidence in both urban and rural areas: 39.6% for urban areas and 42.2% for rural areas. In particular, the poverty incidences for male household heads with disability were around 45% in urban and rural areas, respectively.

Household heads with employment in urban areas of FBiH and RS had a lower risk of poverty: their poverty incidence was less than 10%. In BD, the poverty incidence of the employed in urban areas (17.5%) was higher than the unemployed in urban areas (14%).

Table 1-13: Poverty Incidence by Activity Status and by Gender of Household Head
(HBS 2007, using GPL3)

	National		FBiH		RS		BD	
	Rural	Urban	Rural	Urban	Rural	Urban	Rural	Urban
Employed	22.03	9.37	22.77	9.07	20.23	9.52	34.85	17.47
MHH	22.38	9.59	23.10	9.29	20.23	9.58	34.85	17.47
FHH	13.01	7.86	9.11	13.26	-	12.85	-	-
Unemployed	31.97	18.01	31.41	17.88	31.86	18.68	40.59	14.03
MHH	32.17	19.82	31.56	18.96	32.12	21.85	41.34	14.03
FHH	28.54	8.81	29.05	11.67	27.09	5.54	33.33	-
Retired	21.98	11.57	21.40	9.90	22.71	14.87	24.45	20.46
MHH	22.76	12.24	22.81	9.72	22.62	16.79	24.45	25.25
FHH	16.46	9.85	12.09	10.31	23.34	8.73	-	6.83
Disabled and unable to Work	37.74	24.04	36.07	11.73	39.58	42.23	29.16	13.50
MHH	42.39	24.03	40.65	13.44	45.86	44.68	29.91	13.50
FHH	32.43	24.05	27.48	9.40	34.83	40.20	27.04	-
Housewives	22.09	9.30	22.71	7.50	21.12	16.12	22.28	7.16
MHH	26.64	-	25.36	-	28.92	-	-	-
FHH	21.90	9.30	22.59	7.50	20.93	16.12	22.28	7.16
Others (inactive)	14.85	-	7.45	-	24.86	-	50.12	-
MHH	26.57	-	6.62	-	24.86	-	50.12	-
FHH	8.57	-	21.79	-	-	-	-	-

(Source) HBAS, FBiH Federal Office of Statistics, RSIS, "HBS 2007 Poverty and living Conditions" (2007), p.33, Table 81

(3) Industry

Table 1-14 shows the poverty incidence by sector of activity of household head. In FBiH and RS, households engaged in agriculture, industry and construction had a relatively higher poverty incidence of 20-27%. On the other hand, the poverty incidence of households engaged in trade/transport and other services had a lower poverty risk of around 10%.

Brcko District had a different tendency to FBiH and RS. The sectors with a high poverty risk for households in BD are agriculture and construction. The poverty incidences for those sectors were more than 40%. Households engaged in industry and trade/transport had a poverty incidence of around 25%. The service sector has a low risk of poverty: the poverty incidence here was 12%.

For any sector except agriculture, there is no significant difference in poverty incidence by gender of household head. For agriculture, the poverty incidence of male household heads is higher than that of female household heads¹⁸.

Table 1-14: Poverty Incidence by Sector of Activity and by Region (HBS 2007, using GPL3)

Sector of Activity	National	FBiH	RS	BD
Agriculture	25.26	26.58	24.07	40.32
MHH	25.69	26.58	24.46	40.32
FHH	15.45	0.00	15.45	-
Industry	20.95	20.24	22.25	23.31
MHH	20.99	20.14	22.38	23.31
FHH	20.43	21.60	20.17	0.00
Construction	26.48	26.86	24.34	45.61
MHH	26.58	26.82	24.47	45.61
FHH	25.34	34.07	0.00	11.19
Trade, Transport	11.40	10.95	11.17	24.56
MHH	11.76	11.19	11.79	25.2
FHH	8.01	8.43	6.28	19.9
Other services	10.36	9.72	11.61	12.33
MHH	11.02	10.39	12.18	12.33
FHH	7.05	6.36	8.79	0.00

(Source) HBAS, FBiH Federal Office of Statistics, RSIS, "HBS 2007 Poverty and living Conditions" (2007), p.37, Table 8L

1.3 Inequality Indicators

Inequality in BiH across the two years between 2004 and 2007 did not change. The Gini Coefficient¹⁹ shows the inequality of consumption distribution among the population. It can range from 0 to 1, with 0 indicating complete equality (every person receiving the same percentage of the total), and 1 indicating complete inequality. There is no significant change in the Gini Coefficient for the period from 2004 to 2007.

¹⁸ There has been no detailed analysis on gaps in poverty incidence by gender of household head. However, there are possible reasons why the poverty incidence of male household heads engaged in agriculture is higher than that of females. Households headed by females engaged in agriculture may have a migrant worker within their family, including the husband, and remittances from the migrant worker may complement the shortfall in household consumption.

¹⁹ Refer to Appendix 1.

Table 1-15: Inequality Indices of BiH (2004-2007)

Year	Gini Coefficient
2004	0.3465
2007	0.3334

(Source) World Bank, "Protecting the Poor During the Global Crisis: 2009 BiH Poverty Update" (2009), p. 73, Annex 2, Table 2.7

Table 1-16 shows inequality trends by region. Despite no significant change in inequality at national level, inequality in rural areas improved more than in urban areas. While the Gini coefficient of urban areas slightly decreased from 0.3284 in 2004 to 0.3382 in 2007, inequality in rural areas improved to 0.318 from 0.3418 for the same period.

In FBiH, the level of inequality is only a little lower than the national level. In 2004, inequality among the rural population was larger than inequality among the urban population: 0.3383 for urban areas and 0.3550 for rural areas. In 2007, due to a decrease in rural inequality, there was no difference in the level of inequality between rural and urban areas. The Gini coefficient is 0.3274 in both urban and rural areas.

In RS, inequality among the rural population was lower than inequality among the urban population in the years 2004 to 2007. Inequality in both urban and rural areas improved with the same magnitude. The Gini Coefficient for urban areas dropped from 0.3424 to 0.3231 for the same period. In rural areas, the Gini Coefficient declined to 0.3078 in 2007 from 0.3217.

Table 1-16: Inequality Trends by Region (2004-2007)

	Gini Coefficient	
	2004	2007
Urban	0.3382	0.3284
Sarajevo	0.3300	0.3140
Other Urban	0.3378	0.3243
Rural	0.3418	0.3180
FBiH	0.3550	0.3373
Urban	0.3383	0.3274
Rural	0.3551	0.3274
RS	0.3334	0.3211
Urban	0.3424	0.3231
Rural	0.3217	0.3078

(Source) World Bank, "Protecting the Poor During the Global Crisis: 2009 BiH Poverty Update" (2009), p. 73, Annex 2, Table 2.7

Chapter 2 Non-Income Poverty Analysis

2.1 Government designated Poor Areas and Socially Vulnerable Groups

In BiH, none of the governments of FBiH and RS designate any impoverished area either geographically or administratively.

However, due to the approaches made by BiH for membership of the EU, the Government needs to cope with social inclusion challenges. Since the social inclusion framework is the center of EU social policy making, the country must implement policies to reduce social exclusion rather than poverty in order to fulfill EU standards for general conditions for social inclusion.

According to the assessment of the Laeken indicators²⁰ in the United Nations Development Programme (UNDP) report 2007²¹, the following five groups were identified as vulnerable groups for social exclusion including income poverty.

- The elderly: 36.1% of two-member households, where at least one person is older than 65 years and where there are no dependent children, are in poverty, and 28.8% of single-member households with a person aged 65% or more are in poverty.
- Young people: households with more than two children are in the poorest category and young people aged between 15 to 25 years with no education are at high risk of joining the long-term inherited poverty cycle
- People with disabilities: persons with disabilities have a higher risk of becoming poor than others and face social exclusion in various ways, such as exclusion from education, limited access to medical and health services, limited access to employment, and social depression.
- Displaced persons: 37% of displaced persons are poor and there is a deteriorating poverty gap and severity among them
- The Roma: this ethnic minority traditionally face social exclusion on the grounds of racial discrimination, such as limited access to education, health services and income opportunities.

Although the governments provide social benefits to the poor and vulnerable people, according to the WB poverty assessment 2009, the targeting of those social benefit programs is very weak and leads to a considerable amount of leakage. The issues of coverage of social programs will be discussed in Chapter 4.

2.2 Vulnerability Analysis

2.2.1 Human Social Exclusion Index (HSEI)

UNDP developed a methodology for measuring social exclusion applying the same sort of approach as that used for the standard Human Development Indices (HDIs). Since social exclusion is a multi-dimensional problem, it is very difficult to measure quantitatively. UNDP

²⁰ The Laeken indicators form the mainstay of the EU social inclusion monitoring and evaluation framework after the commitment to a social inclusion agenda was renewed at the meeting of the European Council held in December 2000. The Laeken European Council endorsed an initial set of 18 common statistical indicators for social inclusion which allow comparable monitoring of the progress made by member states towards the EU objective. They cover the four key dimensions of social inclusion: financial poverty, employment, health and education.

²¹ UNDP, "NHDP2007: Social Inclusion in BiH" (2007)

therefore conducted research on social exclusion and made estimates within the context of human development and the EU framework.

In the “National Human Development Report 2007”, UNDP estimated HSEI, which covers five dimensions of social exclusion: living standards, health, education, participation in society and access to services (Table 2-1). For BiH as a whole, the estimated HSEI was 50.32. This implies that more than 50% of the population suffer from social exclusion.

UNDP also estimated HSEI by region, but there were no significant differences in the level of social exclusion measured by HSEI. The HSEI for urban and rural areas were 50.20 and 50.46, respectively. Although the degrees of HSEI were almost same, the contributors to social exclusion were different between urban and rural areas. While long-term unemployment and participation in society through voting at elections were slightly higher in urban areas than in rural areas, most indicators of all dimensions were relatively higher in rural areas.

The lowest HSEI, which means that the level of social exclusion in society is relatively lower than others, was 49.5 for RS. Although the indicators for living standards below the income poverty line and housing without a telephone in RS were higher than for others, most indicators were at a relatively lower level. Brcko District had the highest HSEI at 52.45. The high HSEI of Brcko District was attributed to the higher level of indicators measuring nonparticipation in society through participation in the work of social organizations, though most indicators were still at a much lower than the others. The HSEI of FBiH was 51.01 which was slightly higher than the national level.

Table 2-1: Estimation of HSEI (2007)

Dimension	Living Standards		Health	Education	Participation in Society		Access to services	Index
	Indicators/ Population (%)	Below income poverty line	Long-term unemploy- ment	Without health insurance	Without primary school	Did not vote at elections	Not participating in work of social organization	Housing without a telephone	HSEI
BiH	34.6	21.7	18.3	11.3	43.6	90.7	15.6	50.32
Urban	33.9	22.0	17.9	7.4	44.3	90.5	12.1	50.20
Rural	35.1	21.3	18.6	14.3	43.1	90.9	18.2	50.46
FBiH	31.7	20.8	17.0	12.6	45.0	92.4	11.4	51.01
RS	39.2	22.4	21.0	9.1	42.6	87.9	22.2	49.50
BD	28.4	25.8	3.6	17.7	25.5	98.2	8.4	52.45

(Source) UNDP, “National Human Development Report 2007: Social Inclusion in BiH” (2007), p.181, Table 38

2.2.2 Human Development Index (HDI) and the Human Poverty Index (HPI)²²

From the dimension of human development, the vulnerability of the population in the country gradually improved. HDI of the country increased 0.793 in 2003 to 0.814 in 2008 (Table 2-2). Most indicators for HDI improved, except adult literacy, which improved from 2003 to 2004, and slightly decreased in 2008. The improvement of the educational indicator and GDP per capita contributed to the overall HDI in the country.

By international comparison with 2007 data (Table 2-2), HDI of BiH was 0.812, with a rank of 76th among 182 countries. Comparing this with neighboring countries, Serbia and Albania had

²² Refer to Appendix 1.

HDI of 0.826 ranked at 67th and 0.818 ranked at 70th, respectively. The level and ranking of HDI for BiH was slightly lower than those two countries. However, in BiH, some data is questionable on reference indicators for HDI, such as life expectancy at birth, due to the lack of recent population censuses reflecting the current demographic situation. Even still, there may not be considerable gaps in HDI among the three countries.

Table 2-2: HDI 2003-2008

Indicator	BiH			Albania	Serbia
	NHDR 2003	NHDR 2004	NHDR 2008	2007	2007
Life expectancy at birth (year)	74.1	74.3	74.43	76.5	73.9
Adult literacy (%)	96.70	97.10	96.70	99.0	96.4
Combined all education level enrollment rate (%)	68.00	69.0	74.78	67.8	74.5
GDP per capita (PPP*USD)	6,250	7,230	7,611	7,041	10,248
Life Expectancy Index	0.818	0.822	0.824	0.858	0.816
Education Index	0.871	0.877	0.894	0.886	0.891
GDP Index	0.690	0.714	0.723	0.710	0.773
HDI	0.793	0.804	0.814	0.818	0.826

(Source) UNDP, “National Human Development Report 2009: Social Capital in BiH” (2007), p.108, Table A2.5 and “Human Development Report 2009” (2009)

(Note) * PPP: Purchasing Power Parity

On the other hand, the Human Poverty Index (HPI) of the country increased from 2003 to 2008 (Table 2-3): it was 13.86 in 2003 and 16.12 in 2008. This indicates that the fraction of the population with human poverty increased over the five years. This is mainly because of an increase in long-term unemployment. The income poverty rate, and the adult illiteracy ratio remained at almost the same level and the probability of not surviving above the age of 60 improved from 13.6% to 12.68%. However, the long-term unemployment rate significantly deteriorated from 12.3% to 20.22%. Therefore, in BiH, long-term unemployment can be said to be a major risk for the population in bringing human poverty.

Table 2-3: HPI-2

Indicator	NHDR 2003	NHDR 2004	NHDR 2008
Probably of not surviving above the age of 60	13.60	13.50	12.68
Adult illiteracy rate	3.30	2.90	3.30
People living below the income poverty line	18.4	17.8	18.6
Long-term unemployment	12.3	13.7	20.22
HPI-2	13.86	13.88	16.12

(Source) UNDP, “National Human Development Report 2009: Social Capital in BiH” (2009), p.108, Table A2.5

2.2.3 Vulnerability and Network Poverty

The NHDR 2009²³ pointed out that “network poverty” can be or can become a major risk factor for, and in some cases perhaps a even principal cause of, poverty, unemployment, homelessness, ill-health and other forms of misery, which are linked with vulnerability and social exclusion. The network poverty is defined as follows:

²³UNDP, “National Human Development Report 2009: The Tines That Bind: Social Capital in BiH” (2009)

“the network poor are individuals who do not have the kind of social network configuration that is most appropriate for the stage of the life course they have reached to enable them to thrive - where thriving can be a matter of securing good health, securing emotional support and development or maturity, securing work and income and status and a high level of consumption, or simply prolonging a life in reasonable comfort.”

Namely, to be network poor means to be unable to draw on one’s social ties and networks when in need of help and assistance. Such inability can lead to vulnerability for individuals towards fall into poverty as well as social exclusion.

The assessment by the NHDR 2009 indicated that network poverty is closely linked to material deprivation: the population with network poverty had a higher proportion of material deprivation with less affordability of the consumption needed than others.

Table 2-4 shows the impact of network poverty on material deprivation by ethnicity. In comparison between the majority and minority ethnic groups, the latter suffer from material deprivation with a lack of sufficient consumption compared to the former. The minority group has less social ties and more network poverty causing material deprivation.

Based on the assessment, the NHDR 2009 also identified high risk groups of network poverty and social exclusion: residents of collective centers for Internal Displaced Persons (IDPs); minority returnees²⁴; isolated elderly.

Table 2-4: Standard of Living: % of those who cannot afford the following

	To keep their home adequately warm	A week’s annual holiday away from home	To replace any worn-out furniture	A meal with meat, chicken or fish every second day	New rather than second-hand clothes	To have friends or family for a drink or meal at least once a month
All BiH	13.6	61.7	60.8	31.3	38.4	21.9
Of local ethnic majority	12.3	59.6	59.5	30.2	35.9	19.5
Of local ethnic minority	19.1	74.8	68.2	43.2	50.0	37.4

(Source) UNDP, “National Human Development Report 2009: Social Capital in BiH” (2009), p.52, Table 4.2

²⁴ By the definition of UNHCR (United Nations High Commissioner for Refugees), “Minority returnees” in BiH are those who were displaced during the war and have returned to the place from which they were displaced, where they are now in a numerical minority in terms of their ethnic minority.

Chapter 3 Explanatory Factors of Poverty in BiH

3.1 Domestic Factors

3.1.1 Government Finance

There are two main issues of government finance in BiH: no valid national strategy and cumbersome and excessively decentralized public administration structures. Because of no valid national strategy, the relationship between strategic priorities and budget allocation or expenditure is not clear. Although the Government of BiH is now in the development process of new strategies, the Country Development Strategy (CDS) and the Social Inclusion Strategy (SIS), for the period 2008-2013, these have not yet been officially approved.

According to the UN Common Country Assessment (CCA) 2008 for BiH, the proposed goals of CDS are as followed:

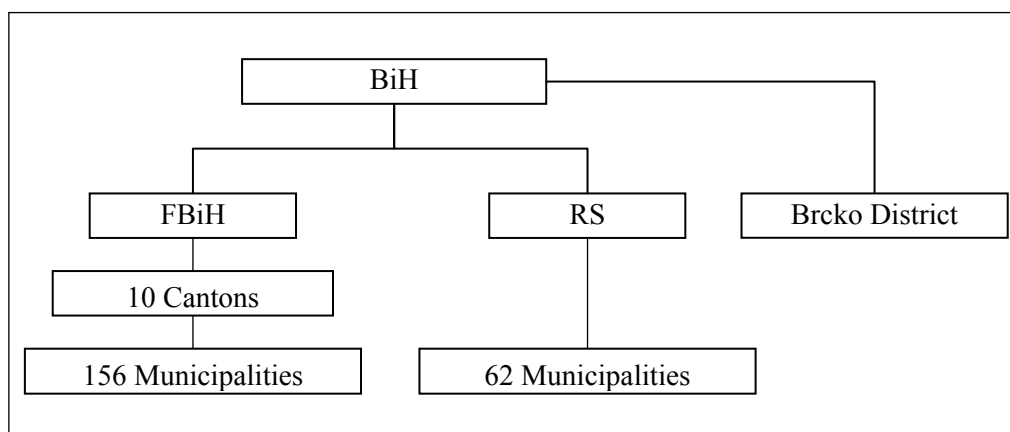
- Strengthening of macroeconomic stability;
- Sustainable development;
- Competitiveness;
- Employment;
- EU integration; and
- Social inclusion.

The final goal of the CDS, Social Inclusion, will form the basis of the SIS, for which five key goals have been identified:

- Improvement of pension policy;
- Improved protection of families with children;
- Improvement of the health care system;
- Improvement of the education system;
- Employment and social policies.

As mentioned at the beginning of chapter 1, in terms of public administration structures, there are three levels in BiH. In addition to the central government, the two entities FBiH and RS each have their own government structures, and additionally the Autonomous District of Brcko has its own government. In addition to this, within FBiH, there are 10 Cantons, each again with its own government structure. Each of the 10 Cantons has 10-12 Ministries. The RS has a centralised administration, while 62 municipalities govern local affairs. This causes large general government expenditures. According to the WB analysis moreover, the bulk of spending seems inefficiently distributed across government functions, resulting in a dearth of funds for targeted social welfare and child protection and insufficient resources for maintenance of existing capital projects²⁵.

²⁵ World Bank, "BiH: Addressing Fiscal Challenges and Enhancing Growth Prospects – A Public Expenditure and Institutional Review" (2006)



(Source) Study Team

Figure 3-1: Administration structure in BiH

According to the EC report (“Social Protection and Social Inclusion in BiH” (2008)), social insurance systems such as social protection, unemployment, pension and health insurance function separately in terms of financing, administration and benefit provision. The key differences in public expenditure for social insurance between the two entity sub-systems are as follows:

- General differences in types of social insurance benefits provided and eligibility
- In FBiH, there is a generally higher level of spending and a higher level of both revenue (social insurance contributions) and expenditure (benefits provided)
- Within pension insurance, the key difference is budgetary subsidies provided for pension expenditure in RS (around 35% of the expenditure), while the pension system in GBH is almost fully financed by contributions and there is almost no budgetary financing
- Within health insurance, a key difference in terms of revenue and expenditure is the financing of health insurance for pensioners – the contribution rate and revenue for health insurance for pensioners in FBiH is significantly lower than in RS.

Regarding social public expenditure, the EC report on social protection pointed out that BiH spent a higher proportion of GDP compared to the average proportion spent by the EU-8 countries. From these statistics, the quality of public services cannot be evaluated, but the EC report states that it can be estimated that the social and other public expenditure in BiH is too high.

Table 3-1: Public Expenditure in BiH (% of GDP, 2006)

As a % of 2006 GDP	Consolidated government expenditure		Public services	Defense and security		Education	Health	Social protection		Economic affairs
	Total	Primary		Total	Defense			Total	Pensions	
	BiH	52.6	51.9	7.7	7.2	2.4	6.2	7.0	15.1	8.4	4.3
EU-8	40.8	38.9	6.1	3.5	1.7	5.1	4.7	15.9	8.8	4.5

(Source) European Commission, “Social Protection and Social Inclusion in BiH” (2008)

Moreover, the WB points out inefficiency in the current social security system in BiH²⁶. According to the WB, although it has been necessary for BiH to make the social security system more sustainable and targeted at the most vulnerable, the new veteran pension system, which is a right-based benefit, does not target the most vulnerable group. For example, medal holder veterans who are usually richer people are included amongst the beneficiaries. The labour market has to employ demobilized soldiers who were registered as unemployed which excludes others from the labour market.

As the BiH economy was hit by the global economic crisis and government revenue decreased, the government of BiH requested International Monetary Fund (IMF) assistance. However, the reform of social benefits is one of the conditions for the IMF Stand-by Agreement²⁷. Therefore, the stand-by loan cannot be disbursed as scheduled unless reform does progress.

3.1.2 Industrial Structure and Employment

According to labour force statistics, the employment rate in BiH is extremely low (33.1% in 2009). The employment rate in RS (37.2%) is better than that in FBiH (30.9%) and DB (27%).

Table 3-2: Labour Market Trends by Entities

	BiH (state)			FBiH			RS			DB		
	2007	2008	2009	2007	2008	2009	2007	2008	2009	2007	2008	2009
Activity rate* (%)	43.9	43.9	43.6	42.3	42.4	41.6	47.0	47.0	47.4	39.0	36.8	38.1
Employment rate (%)	31.2	33.6	33.1	29.2	31.8	30.9	35.1	37.3	37.2	23.4	25.1	27.0
Unemployment rate (%)	29.0	23.4	24.1	31.1	25.0	25.7	25.2	20.5	21.4	40.0	31.9	29.2
Total population (000)	3315	3211	3129	2101	2043	1974	1155	1109	1096	59	59	59
Labour force (000)	1196	1162	1132	722	703	674	455	441	439	19	18	19

(Source) HBAS, "Labour Force Survey 2009" (2009), p.24-25

(Note) * % of economically active population (labor force) excluding students, the retired, etc, in the total working age population

By economic activity, the largest fraction is employed in the service sector (47.3% in 2009). The agriculture sector contributed to 21.2% of total employment while the industry sector share of total employment was 31.5% in 2009. Regarding the gender segregation in employment, significant differences are observed in industry and service sectors: in the industry sector, men accounted for around 40% while women accounted for only 16.4% in 2009. Women accounted for 57.9% in the service sector, however, while men accounted for 41.1%.

²⁶ By an interview with a WB staff on June 10. For detailed information, please refer to WB, "Protecting the Poor during the Global Crisis: 2009 BiH Poverty Update" (2009), p.42-48

²⁷ Prior actions include the necessity to enact laws to eliminate special unemployment benefits granted to demobilized soldiers (Federation) and by Entity Parliaments to enact framework legislation in preparation for the transition to a means-tested system of rights-based benefits (Federation, RS). (IMF, "Staff Report on First Review Under the Stand-by Arrangement" (2010), p.15)

Table 3-3: Employment by Economic Activity and by Gender (BiH)

(thousand)

	Total			Male			Female		
	2007	2008	2009	2007	2008	2009	2007	2008	2009
Agriculture	168	183	182	106	113	100	62	71	82
Industry	277	289	270	224	230	218	53	59	52
Services	404	418	406	227	230	222	177	188	184
Total	850	890	859	557	573	541	292	317	318
Structure (%)									
Agriculture	19.8	20.6	21.2	19.0	19.6	18.6	21.3	22.3	25.8
Industry	32.6	32.5	31.5	40.2	40.2	40.4	18.1	18.5	16.4
Services	47.6	47.0	47.3	40.8	40.2	41.1	60.6	59.2	57.9
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

(Source) BHAS, "Labour Force Survey 2009" (2009), p.38-39

According to the EC report (2008), the economic structure of BiH had changed dramatically in comparison with 1991. In the period 1991 to 2007, more than 200,000 jobs were lost in the manufacturing sector. At the same time, the number of people working in the agriculture sector increased almost five times. Employment in the service sector in 2007 was close to the pre-war (Bosnia and Herzegovina Conflict) level²⁸.

Before the conflict, each worker was the owner of production properties in the former Yugoslavia²⁹. Now a lot of employees remain at bankrupt companies without a job and salary, as they would lose the right to social benefits if they quite their job. People above 50 are also vulnerable. They have no money or working place. Social policy in BiH does not deal with this situation. The government does not focus on healthy people. Although these bankrupt companies need to be activated through privatization, one of the conditions in taking over a company is to preserve workers' employment and secure their social benefits including unpaid wages and taxes as well as the cost of social benefits, all of which acts as one of the impediments to private investment.

3.1.3 Post-conflict Society

A recent survey conducted by Oxford Research International³⁰, as shown below, shows that BiH is a highly divided society which is a negative legacy affecting governance and development in BiH:

- People in BiH do not trust each other very much. With only around 7.2% of respondents saying you can trust other people, there appears to be a virtual breakdown in social trust.
- International comparisons relegate BiH to the bottom of the global transformation country league.
- In fairness scores, BiH is close to the bottom of international league tables. Only two in ten expect fair treatment from others.

²⁸ European Commission, "Social Protection and Social Inclusion in BiH" (2008), p.17

²⁹ In socialist countries, including the former Soviet republics, enterprises are owned by the state.

³⁰ Oxford Research International and UNDP, "The Silent Majority Speaks: Snapshots of Today and Visions of the Future in BiH" (2007)

Table 3-4: International Comparisons of Social trust and Fairness

(%)

Social Trust: Others can be trusted in		Fairness: Others will be fair in	
China	54.5	China	79.6
Viet Nam	41.1	Viet Nam	72.6
Montenegro	33.7	Serbia	48.4
Albania	24.4	Montenegro	15.0
Serbia	18.8	Kyrgyzstan	44.6
Kyrgyzstan	16.7	Albania	42.5
Moldova	14.6	Macedonia	30.6
Macedonia	13.7	BiH	19.2
BiH	7.2	Moldova	16.8
Other		Other	
Germany (East)	43.4	Sweden	87.4
Germany (West)	31.9	United States	61.7

(Source) Oxford Research International and UNDP, The Silent Majority Speaks: Snapshots of Today and Visions of the Future in BiH (2007), p.14

People have a powerful demand for general and constitutional change. Their views on change, however, are divisive. A coherent view of nation building is missing in society, although a large majority aspires to a new political structure, preferably a centralized system. People do not want the status quo the division of BiH, a second Yugoslavia and the three Entities³¹.

Under these circumstances, donors have provided various assistances for reconciliation among ethnic groups and formation building. It has been pointed out that some assistance has focused on Muslim society which was heavily damaged by the 1995-98 conflict³².

3.2 Geopolitical Factors

3.2.1 Refugees and IDPs

According to the United Nations High Commissioner for Refugees (UNHCR), it is estimated that 2.2 million persons were forcibly displaced during the war³³. From 1995 to 2008, over one million refugees and IDPs were returned to their pre-war homes and municipalities in BiH. During recent years, the number of returnees will converge (Table 3-5).

Table 3-5: Return of Refugees and Displaced Persons in BiH (1996-2008)

	Refugees					Displaced Persons				
	BiH	Croatia	Serbia	Other c.	Total	BiH	Croatia	Serbia	Other c.	Total
1996	76,385	3,144	8,477	33	88,039	101,402	505	62,792	42	164,741
1997	74,756	33,568	11,136	820	120,280	39,447	10,191	8,452	205	58,295
1998	78,589	23,187	6,765	1,459	110,000	15,806	4,325	9,139	300	29,570

³¹ Oxford Research International and UNDP, "The Silent Majority Speaks: Snapshots of Today and Visions of the Future in BiH" (2007)

³² Some indicate that assistance comes particularly from the Middle East and is biased towards the Muslim society. It is further said that some assistance is by radical Islamic movements providing help such as social protection for the young unemployed.

³³ UNHCR, "Update on Conditions for Return to BiH" (2005)

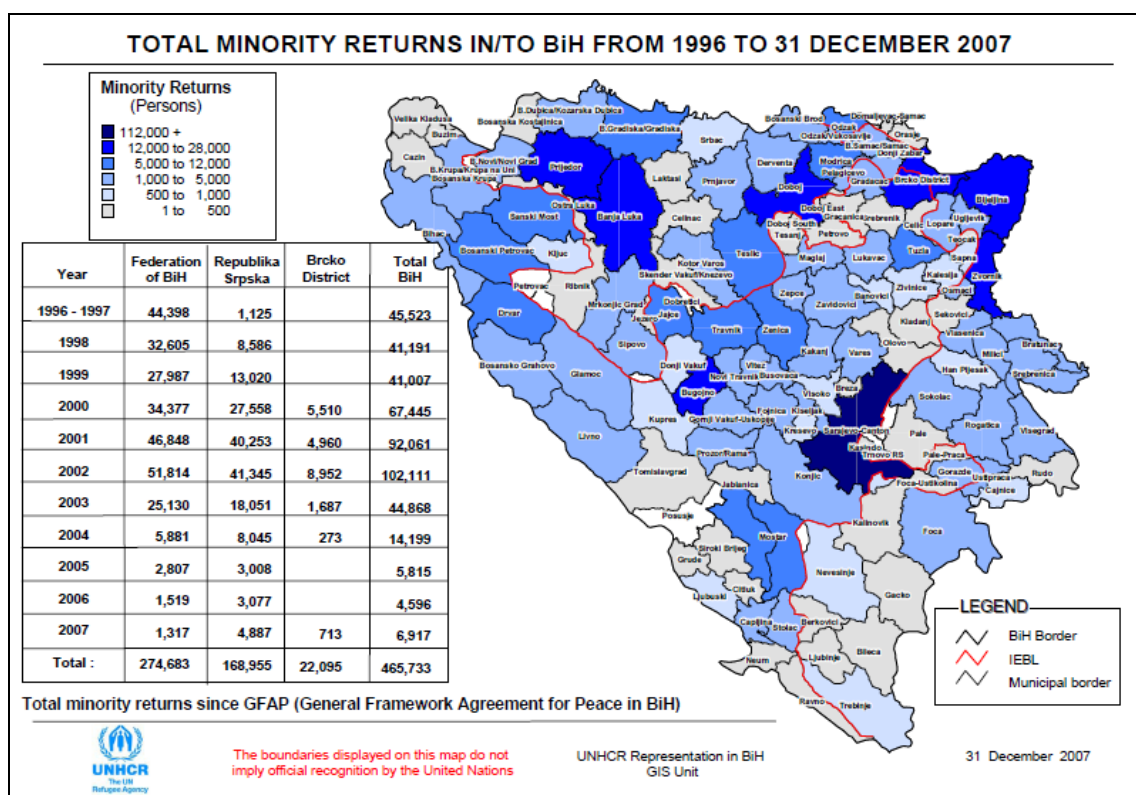
	Refugees					Displaced Persons				
	BiH	Croatia	Serbia	Other c.	Total	BiH	Croatia	Serbia	Other c.	Total
1999	18,440	6,299	6,332	579	31,650	24,907	6,760	11,315	403	43,385
2000	7,633	4,834	5,303	837	18,607	36,944	7,779	14,175	449	59,347
2001	4,642	4,244	9,155	652	18,693	48,042	5,960	25,734	436	80,172
2002	12,592	5,933	18,220	389	37,134	41,511	5,319	23,215	730	70,775
2003	5,257	2,852	5,482	421	14,012	21,861	2,267	16,023	152	40,303
2004	976	450	942	74	2,442	12,976	1,028	3,888	56	17,948
2005	805	151	314	3	1,273	3,540	437	1,177	10	5,164
2006	1,098	146	158	17	1,419	3,121	233	826	4	4,184
2007	1,359	1,579	121	3	3,063	3,002	618	895	1	4,516
2008	880	23	55	8	966	509	12	183	11	715
Total	283,412	86,410	72,460	5,295	447,577	353,068	45,434	177,814	2799	579,115

(Source) UNHCR, "Statistics Package" (2008)

(Note) Data quoted from the source may be miscalculated.

Looking at the regional distribution of minority returnees, the great majority has returned to Sarajevo Canton, followed by major cities or areas such as Benja Luka, Mostar and Brcko District (Figure 3-2).

Regarding returnees, there are the problems of unemployment and social protection for people living in the Collective Centers. This point will be mentioned again in 4.1.4.



(Source) UNHCR, "Statistics Package" (2007)

Figure 3-2: Total Minority Returns in/to BiH from 1996 to December 2007

3.3 Factors related to Globalization

3.3.1 Impact of the Global Economic Crisis

BiH achieved strong economic growth at around 6% from 2005 to 2008. Thanks to this economic growth, poverty decreased from 17.1% in 2004 to 14% in 2007. However, economic activity in BiH began to decelerate in late 2008 due to the global stagnant economy. The downturn spread quickly across all sectors in 2009, with the exception of refined petroleum and electricity production in RS³⁴. The impact spread to a drop in demand for BiH exports and foreign direct investment (FDI). It also affected the financial sector in banks' reluctance to lend.

Real GDP growth for 2009 was projected at minus 3.4%. However, it has already been recovering at 0.5% in 2010 (Table 3-6).

Table 3-6: Key Macroeconomic Indicators (2005-2010)

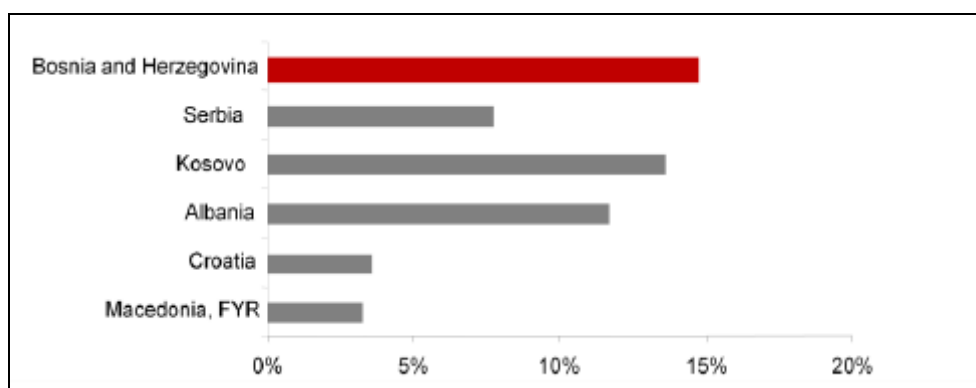
	2005	2006	2007	2008	2009	2010
					Proj.	Proj.
Real GDP growth (%)	3.9	6.9	6.8	5.4	-3.4	0.5
Consumer Price Index (change in %, average)	3.6	6.1	1.5	7.4	-0.4	1.6
Current account balance	-18.0	-8.4	-12.7	-14.9	-7.5	-7.3
General government balance	0.8	2.2	-0.1	-4.8	-5.3	-4.5
Reserve cover (months of imports)*	4.0	4.3	4.7	5.7	5.3	5.4
Gross external debt	51.3	47.9	47.5	48.9	53.0	58.3
Public debt	25.6	22.0	29.8	30.8	33.4	38.1

(Source) International Monetary Fund, "Request for Stand-By Arrangement and IMF, 2010, Staff Report of the First Review Under the Stand-By Arrangement" (2009)

(Note) * Foreign reserve divided by imports. The indicator show how many months the foreign reserve can cover imports.

3.3.2 Labor Migration and Remittances

Remittances in BiH have the highest share of GDP in the Western Balkans. These were estimated around 15% in 2008.



(Source) World Bank, "Protecting the Poor during the Global Crisis: 2009 BiH Poverty Update" (2009), p.37, Figure 3.10

Figure 3-3: Remittances as a share of GDP in the Western Balkans

³⁴ International Monetary Fund, "Staff Report of the First Review Under the Stand-By Arrangement" (2010), p.4

According to the EC report (2008)³⁵, a significant amount of a remittance is transferred directly in cash without official procedures so that the figure which has been grasped by the Central Bank of BiH (between 2.2 and 2.4 billion KM, or 1.1 and 1.2 billion EUR in 2008) is probably only a part of a huge amount of remittances. However, the WB Poverty Assessment (2009) pointed out underestimation of the total amount of remittances in the HBS data. According to the HBS data, only about 8% of households receive remittances and the remittances received are only 6% of consumption, which was about half of the share of remittances in GDP.

Table 3-7: Main Sources of remittances from abroad

Sources	Description
Supporting family members (first generation of migrants, non-BiH residents)	Those people retain strong relationships with their families in BiH. However, these links are expected to weaken with the second and third generation of migrants, and this cannot be expected to be sustained as a long-term solution for certain categories of the population and less developed regions of BiH.
Temporary economic migrants (temporary and seasonal workers) who are registered as residents of BiH	Purpose of migration is income generation to provide for their families. These workers are often registered as unemployed in BiH and sometimes are even entitled for various social system benefits.
Foreign pensions that are transferred directly to pension beneficiaries' individual bank accounts in BiH or abroad	The majority of these pensions are transferred directly to individual pension accounts. This is especially the case for pensions from Germany, Austria and Switzerland, where pension beneficiaries are often still registered as residents of foreign. Some foreign pensions transferred through the BiH pension system are pensions earned in ex-Yugoslav republics, although these are significantly lower.

(Source) European Commission, "Social Protection and Social Inclusion in BiH" (2008)

As shown in Table 3-7, the main sources of remittances are 1) families who are not registered as BiH residents, 2) temporary economic migrants, and 3) foreign pensions. However, in the first case, family ties are weakening from generation to generation. The second case also reveals vulnerability to external factors such as the world economic crisis. The third case is not a sustained system for families receiving transferred money.

Table 3-8: Remittance from Abroad

Consumption Quintile	Coverage		Distribution of Beneficiaries		Generosity*	
	2004	2007	2004	2007	2004	2007
1 st quintile (the bottom 20%)	6.2	8.8	19.6	24.3	254.0	195.2
2nd quintile (the lower 40%)	6.2	6.9	19.5	19.0	144.4	193.9
3rd quintile (the lower 60%)	5.7	6.8	18.0	18.6	172.0	170.5
4th quintile (the upper 40%)	6.1	7.3	19.1	20.0	71.6	78.2
5 th quintile (the top 20%)	7.6	6.6	23.8	18.1	39.3	41.4

(Source) World Bank, "Protecting the Poor During the Global Crisis: 2009 BiH Poverty Update" (2009), p.70, Table Annex2.3

(Note) Generosity is the mean value of the share transfer amount received by all beneficiaries in a group as a share of the total welfare aggregate of the beneficiaries in that group. Generosity is calculated set as an expansion factor, the household expansion factor multiplied y household size.

³⁵ European Commission, "Social Protection and Social Inclusion in BiH" (2008), p.30-31

According to the WB poverty assessment 2009, there were smaller gaps in coverage of remittance and distribution of beneficiaries among the consumption quintiles, but there were considerable differences in generosity of remittance across the quintile groups. In terms of coverage, in 2007, the fractions of households with remittance among the 5th quintile (the top 20%) and among the 1st quintile (the bottom 20%) were 6.6% and 8.8%, respectively. The largest proportion of beneficiaries was 24.3% for the 1st quintile while the proportion of the 5th quintile accounted for 18.1%. However, generosity for the 5th quintile was only 41.4 which accounted for only around 20% of generosity of the 1st quintile. It suggested that the low income group use remittances to maintain their living standards.

3.3.3 EU Integration

BiH is a potential candidate for EU membership. The Stabilisation and Association Agreement (SAA) between BiH and the EU was concluded in June 2008³⁶. However, the EC assessed the status of BiH with some severity in the EC progress report 2009³⁷ as follows³⁸:

Constitutional elements established by the Dayton/Paris peace agreement have continued to be challenged by key political leaders in both Entities, and EU related reforms have seen limited progress. There has been little consensus on the main reform priorities, and there have been attempts to reverse previously agreed reforms. A shared vision on the direction of the country remains necessary for the smooth operation of institutions, for creating more functional and efficient State structures, and for speaking with one voice on EU and international matters.

As mentioned in the previous section, the fragmented nature of the country is a big obstacle. On the other hand, the CCA pointed out the benefit from the integration process of having a shared common vision³⁹.

The integration process has the potential to provide an occasion for state integration. Moreover, it is expected that a better society for vulnerable groups will be made by the tackling of the social inclusion issues needed for EU integration, as mentioned in the beginning of this chapter. However, the lack of a common vision is still delaying the development of SIS and necessary reforms and as yet the vulnerable do not enjoy the benefits of the integration process.

³⁶ European Commission, "BiH 2009 Progress Report" (2009)

³⁷ European Commission, "BiH 2009 Progress Report" (2009)

³⁸ European Commission, "BiH 2009 Progress Report" (2009), p. 4-5

³⁹ United Nations Country Team, "Country Common Assessment BiH 2008" (2008)

Chapter 4 Mechanism of Social Protection

4.1 Formal Public Social Security System

As mentioned in the previous chapter, BiH has a complicated governmental and administrative structure which was established by the Dayton Agreement at the end of a three-year civil war in 1995. In 2003, a Ministry for Civil Affairs was established at state level with the competence for coordination of civil affairs, for the international relations aspects of the social protection system, for refugee returns (although the main responsibility is devolved to the Entities), and for social security agreements with other countries. The Ministry has a weak administrative capacity, and is unable to take action without the prior approval of the Entities. The Ministry of Human Rights and Refugees also has a coordinating role at national level for the social welfare of refugees and IDPs.

The social security system in BiH encompasses social insurance (socijalno osiguranje), social assistance (socijalna pomoć), family and child assistance (porodičnai dječija zaštita), and veterans' protection (boračka zaštita). Within the social insurance scheme there are: pension and invalidity insurance (penzijsko i invalidskoosiguranje), health insurance and health protection (zdravstveno osiguranje i zdravstvena zaštita), and unemployment insurance (osiguranje za slučaj nezaposlenosti).

The central government is responsible for legislation and planning, and sets the criteria for social protection. The Framework Law on Social Protection, the Law on the Protection of Civilian War Victims, and the Law on the Protection of Families with Children are the relevant laws regulating the social protection system. However, the administration of social protection is the sole responsibility of the Entity governments. The social protection system is further devolved within each Entity to local level; in RS via the Government and the Municipalities, and in FBiH via the Government and the Cantons.

In FBiH the Ministry of Labour and Social Policy is responsible for the provision of social welfare services, while the main powers of implementation are based at Canton level. FBiH Framework Laws establish minimum levels of social support, which the Cantons adapt within the parameters of the Framework Laws, varying the amounts of social transfers within a set range. This results in a wide range of social protection benefits across the Cantons.

In RS, the main legislation is the Law on Social Protection, the Law on Child Protection, and the Family Law. Local municipalities are the implementing bodies which administer the social protection services. The main local institutions are the Centres for Social Work (CSW). In RS there are 44 CSWs under the control of the municipalities, and there are 17 local government departments for social welfare in those municipalities which do not have CSWs. The protection of invalids from the war, and the veterans is the responsibility of the Ministry of Labour and Veteran protection, which covers their social protection and health protection.

In RS, social contributions are paid by the employer; in FBiH they are paid by both the employer and the employee. There is no maternity pay in FBiH, while in RS maternity pay is paid at the rate of the full salary. There are two separate Pay-As-You-Go Pension Funds in each Entity. This lack of harmonization of Entity laws creates major problems in all fields of social protection.

A major issue facing the social protection system in BiH is that social benefits are heavily dominated by rights-based programs designed to protect war veterans and their dependents, which are paid by fiscal transfer by the governments. Veteran-related benefits absorb about three-quarters of total spending on non-insurance social protection cash transfers. The

consequence is that BiH spends 4 percent of its gross domestic product (GDP) on non-insurance cash transfers for social protection, more than any other country in Europe apart from Croatia. In the canton of Sarajevo, about 20% of the population receives some sort of social benefit. This level of spending on non-insurance social protection cash transfers is fiscally unsustainable, particularly given the impacts of the global financial and economic crisis on public revenues.

The targeting accuracy of social protection benefits in BiH is weak. It has been estimated by the WB that the overall distribution of benefits is actually regressive. People in the bottom 20% consumption quintile (the 1st quintile) receive only 16.9% of the total non-insurance social protection cash transfers. The situation is slightly better in RS than in FBiH. In RS those in the lower income group of the bottom 20% quintile receive 26% of the non-contributory social benefits, compared to just 14% received by the bottom 20% quintile in FBiH (WB 2009). The coverage of these benefits is also low, meaning that only a small proportion of the poorest quintile receives any benefits.

The IMF attached conditions to the Stand-by Arrangement of June 2009 which require improved targeting of social benefits and overall reduced expenditure on social protection. The Social Inclusion Strategy that is being developed by the government is therefore designed to ensure better targeting and to create a fiscal space for active employment policy and job generation.

4.1.1 Pension and Disability Pension

Target/Eligibility	<ul style="list-style-type: none"> ■ In FBiH: 65 years old or 40 years service; early pension 60 years old or 35 years service for men and 55 years old or 30 years of service for women
Scheme	<ul style="list-style-type: none"> ■ Social insurance
Responsible Organization	<ul style="list-style-type: none"> ■ Supervising: FBiH, Ministry of Labour and Social Welfare; RS, Ministry of Health and Social Welfare ■ Implementing Agency: Pension Funds
Source of Fund	<ul style="list-style-type: none"> ■ Contributions of insured persons, employers, budget of RS, cantonal budgets in FBiH
Coverage	<ul style="list-style-type: none"> ■ Beneficiary: FBiH: 362,000 (20.3%), RS: over 209,000 (22.5%)

In BiH, the pay-as-you-go pensions are the responsibility of the Entity governments⁴⁰. The Law on Pension and Disability Insurance in FBiH took effect on July 30th 1998. In the RS, the Law on Pension and Disability Insurance was adopted in 2000. It establishes mandatory pension and disability insurance, as well as the option for persons who are not covered by mandatory insurance to get voluntary insurance. In Brčko District both laws apply depending on the employee's choice of location for contributions (either RS or FBiH). All are based on the same Pay-As-You-Go system.

In FBiH the pension system covers old age, disability and survivors pensions, while there is a separate law on veterans' pensions. The Pension Fund is financed by contributions, although any deficits are covered by the government. There are 362,000 pensioners, of which 180,000 receive only the minimum amount of 296 KM (151 EUR) per month. This is close to the poverty line. The pension amount fluctuates according to the amount of money available in the Pension Fund, so payments can vary monthly by +/- 1%. The Pension Fund is

⁴⁰ However, this has not been very successful and an agreement on the transfer of acquired pension rights has not been observed, with the consequence that in 2004 RS was paying the pensions of 20,000 people who acquired their pension rights in FBiH.

supplemented by 14 million KM (7.2 million EUR) from the state budget to pay for war veterans' benefits and the pensions of former JNA officers (Yugoslav Army officers). A parametric reform of the pension system that was carried out in 2008 increased the eligibility conditions for drawing a full pension to 65 years of age or 40 years of work experience. In the case of an early pension, the legal retirement age is 60 years of age for men and 35 years of work experience, while for women it is 55 years of age and 30 years of work experience.

The calculation of the value of an old-age pension is based on the average monthly salary during the consecutive 15 years since January 1970 which are most favourable for the insured person. The salary achieved in the year in which the person acquires the right to the old-age pension is not taken into account for determining pension base. The old-age pension is determined as a percentage of the pension base according to the length of the service period: for 20 years of the service it is equal to 45% of the pension base, for each additional completed year, it is increased by 2% of the pension base, but cannot exceed 85% of the pension base. The old-age pension may not exceed twice the average wage paid in December of the previous year. A further pension reform, one of the conditions of the IMF Stand-by Arrangement, is expected introduce a privately funded second pillar, complemented by a basic social pension to reduce poverty among those who are not eligible for a regular pension.

In RS, the eligibility conditions for drawing a full pension are 65 years of age for men, 60 years for women and 40 years of work experience for both. The legal retirement age for a standard pension is 65 years of age for men and 60 years for women. In case of an early pension there must be a minimum of 20 years of work experience. In RS, there were just over 209,000 pensioners in 2008, of which 97,000 were old age pensioners.

Table 4-1: Pensioners in RS

Indicator	2002	2003	2004	2005	2006	2007	2008
Total pensions	182,818	183,885	188,748	191,807	197,595	202,564	209,321
Old age pensions	83,144	83,510	85,085	86,125	89,473	92,319	97,222
Disability pensions	35,899	34,508	34,837	34,807	35,869	36,856	38,532
Survivors pensions	63,775	65,867	70,875	70,875	72,253	73,389	73,567

(Source) RS Institute of Statistics "Statistical Yearbook" (2009), p. 24

The factors in determining the level of the pension are years of work, and the amount of previous earnings. The calculation is based on the average net salary starting from January 1970 until the day of starting the pension (salaries from 1992 to 1993 are not taken into consideration when determining the pension basis). The ratio of the average pension to the average salary (replacement rate) is 39%, while for those with a full work history, the ratio is 56%. The contribution rate for pension insurance is 24% of net income. Pensions have not been adjusted in accordance with wage increases since 2007, as the law says that the adjustment should only take place when it can be afforded. The average pension is 320 KM (163 EUR) per month. This compares to the relative poverty line from the HBS 2007 of 350 KM (180 EUR) per month, and the absolute poverty line of 201 KM (103 EUR) per month.

(1) Coverage by group, by geographical region

Only 21% of the population over 65, excluding the veteran pensioners, is covered by the old-age pension scheme in BiH. The majority of the elderly populations, including rural residents, subsistence farmers, the self-employed, those on the waiting list for redundant workers from closed state enterprises, and ethnically excluded groups such as the Roma population, are excluded from the old-age pension scheme.

The coverage ratios in FBiH and RS are 20.3% and 22.5%, respectively. By consumption quintile, there are no significant differences in the coverage ratio across the quintiles except the 5th quintile of the top 20%. The coverage ratios are around 20% for the 1st to 4th quintile while it is less than 20% for the 5th quintile.

Table 4-2: Amount, coverage and targeting of pensions, by quintiles of consumption and Entity

	Total	1st quintile (Bottom 20%)	2nd quintile	3rd quintile	4th quintile	5th quintile (Top 20%)
Average transfer value	1,930.7	1,442.9	1,625.4	1,956.7	2,269.1	2,556.8
Coverage *	21.0	22.2	22.6	22.7	20.6	16.9
- in FBiH	20.3	19.8	21.8	22.4	21.1	16.5
- in RS	22.5	25.6	23.4	25.9	20.2	17.4
Targeting **	100.0	15.5	18.3	21.6	23.0	21.7
- in FBiH ***	100.0	19.5	21.5	22.0	20.7	16.3
- in RS ***	100.0	22.7	20.9	23.0	18.0	15.5

(Source) World Bank, "Protecting the poor during the global crisis: 2009 BiH poverty update" (2009), Annex tables.

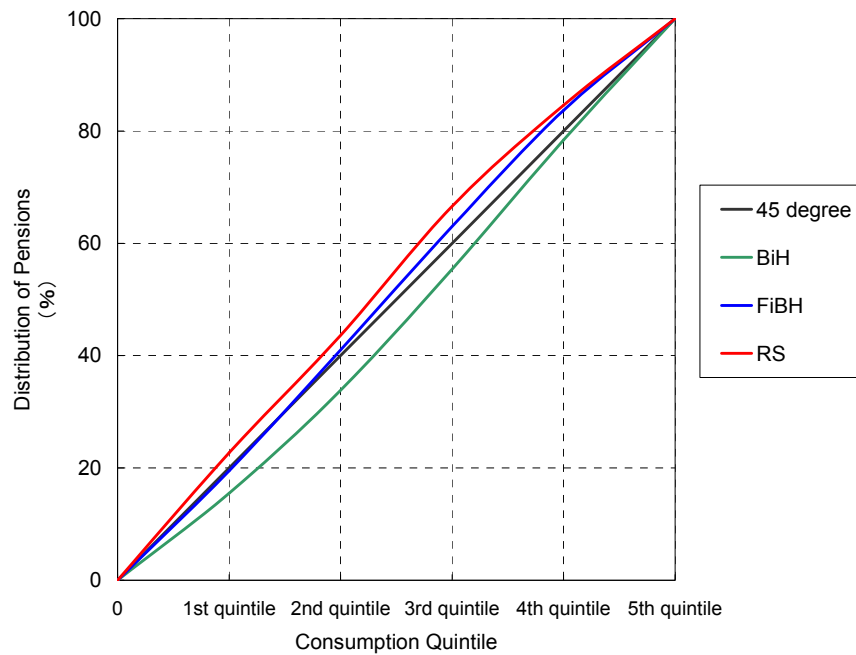
(Note) * Coverage is proportion in group receiving transfer

** Targeting accuracy is amount received by group as a percent of total transfers received by population

*** distribution of beneficiaries.

Looking at the share of received pensions by consumption quintile in BiH, the 1st quintile of the bottom 20%, which is considered to be the lowest consumption group including the poor, received only 15.5% of the total amount of pensions provided. This means that the pension system in the country is not well-targeted to the lowest income group. By entity, the share of received pensions by the 5th quintile of the top 20% was limited to 16.3% in FBiH and 15.5% in RS. However, while the share of the 1st quintile in RS was 22.7% which was higher than the other quintiles, the 1st quintile of FBiH received a smaller portion of 19.5% which was lower than the other quintiles.

Figure 4-1 shows the effectiveness of the targeting of the pension system in BiH and each entity. The effectiveness of targeting is presented by the distribution curve of the received pensions by consumption quintile. The line of 45 degrees means "perfect equality" in distribution of pensions among the consumption quintiles. The distribution curve for BiH is lower than the 45 degree line. This means that pensions were provided more to the upper consumption groups rather than to the lower consumption group. For FBiH and RS, the distribution curves are over the 45 degree line. In other words, the lower consumption groups received more than the upper consumption groups in these two entities. In particular, the targeting of the old-age pension scheme in RS is more effective than in FBiH.



(Source) World Bank, “Protecting the poor during the global crisis: 2009 BiH poverty update” (2009), Annex tables.

Figure 4-1: Benefit Incidence of Old-Age Pension by Consumption Quintile

(2) Issues to be addressed from the viewpoint of poverty reduction

In BiH, the impact of pension payments on poverty is substantial. According to the WB (2009) without pensions, poverty would increase to 25.8% of the population, from the level of 18% calculated from the HBS 2007.

Some companies avoid paying pension contributions on behalf of their employees. In an attempt to resolve the situation, the Office of the High Representative (OHR) passed a regulation that pensions should be calculated in accordance with the financial capacity of the Pension Funds, rather than by established entitlements. Pensions are therefore often paid at a reduced rate. Pension Funds have been criticised for inefficient practices including the construction of luxurious offices and the padding of employees’ remuneration. As yet however, the pension system has not been the focus of serious reform efforts.

The eligibility criterion for receiving a disability pensions in both Entities is the inability to perform *one’s last* job. This is a relatively generous definition of disability by international standards, since in other countries disability is often defined as the inability to perform *any* job. Moreover, the system for assessing disability is inconsistent across the various administrative units (Entities and Cantons) and is open to abuse, including the practice of making informal payments to doctors to register healthy individuals as disabled⁴¹.

⁴¹ About 10% of the working population suffers from a disability.

4.1.2 Unemployment benefit

Target/Eligibility	<ul style="list-style-type: none"> ■ Length of prior social insurance contribution
Scheme	<ul style="list-style-type: none"> ■ Cash transfer
Responsible Organization	<ul style="list-style-type: none"> ■ Supervising: In FBiH: Ministry of Labor and Social Policy; In RS: Ministry of Labor and War Veterans ■ Implementing Agency: Federal Employment Bureau; RS Employment Bureau
Source of Fund	<ul style="list-style-type: none"> ■ Social insurance contributions
Coverage	<ul style="list-style-type: none"> ■ 1.8% of total registered unemployed (December, 2008)

Labour ministries in both Entities established guidelines for the responsibilities of the Employment Agencies. The Entity-level Employment Agencies provide cash payments to insured individuals in the form of unemployment benefits, as well as payments to cover their healthcare and pension insurance contributions. The main eligibility conditions for unemployment benefits in both Entities and in Brčko District, are being involuntarily unemployed, capable of working, actively seeking employment, registered as a person seeking employment, not performing any independent professional and economic activity, not a full-time student or a pensioner, and being 15 years of age or older.

In April 2010 there were 357,000 registered unemployed in FBiH, giving an unemployment rate of 45%. Survey data show an International Labour Organization (ILO)-defined unemployment rate of 22% (i.e. those who are actively seeking work). The difference is due to the fact that in order to be eligible for health insurance, if not employed, one has to register as unemployed at the Employment Office. Only 10,500 unemployed people receive unemployment benefits (3% of the total number of registered unemployed).

The insurance contributions in FBiH are 0.5% of salary from employers and 2% of salary from employees. In RS and Brčko District, the contributions from employees are 1% of salary.

In FBiH, unemployment benefit is payable to those who have been previously employed and who have paid insurance contributions for at least 8 months continually in the preceding 12 months or for a minimum 8 months with interruptions in the preceding 18 months prior to becoming unemployed. Unemployed people who meet these conditions are entitled to 3-24 months of unemployment benefit, depending on their length of work experience. The amount of unemployment benefit is 40% of the average salary. On average it is 320 KM (164 EUR) per month. This provides little incentive for the unemployed to find a job, as the minimum wage is also 320 KM. The law is being changed to relate the amount received to the contribution actually paid, and to reduce the length of benefit from 2 years to 1 year. The law is currently in Parliament, but has been heavily criticized, so it will not be easily passed. This is one of the conditions of receiving a 11million KM (5.6 million EUR) loan from the WB.

In FBiH, benefit is paid 60 days after termination of employment, while in the RS it is paid 30 days after termination of employment. Cash benefits are determined by the number of insured years in employment and by the average salary in the previous quarter as published by the Statistics Bureau. In FBiH, unemployment benefits are linked to the average monthly salary for the previous three months. In RS the benefit is 35% of average salary earned in the preceding three months for an unemployed person who has up to 10 years of insured employment, while those with more than 10 years of insured employment receive 40% of average salary earned in the preceding three months. The cash benefits may not be less than 20% of average salary or higher than average salary. The minimum duration of the payment in RS is 3 months, in FBiH it is 6 months. The maximum duration of the payment is 12 months. In RS workers who are

dismissed through privatisation or the bankruptcy of a company are entitled to between 3 and 12 months' salary in compensation.

(1) Coverage by group, by geographical region

Many employers fail to pay social insurance contributions and so many people are not eligible for unemployment benefit. Due to the tight eligibility conditions, only a relatively small proportion of the registered unemployed are eligible to receive unemployment benefits. Unemployment benefit coverage is therefore lower in BiH than in some neighbouring countries. In December 2008, unemployment benefits were paid to 8,812 persons (5,488 in FBiH and 3,164 persons in RS). In BiH as a whole this represents just 1.8% of the 480,000 registered unemployed. In December 2009, only 14,102 beneficiaries were in receipt of unemployment benefit out of a total of 510,580 unemployed persons⁴².

Table 4-3: Unemployment benefit recipients (March 2008 to December 2008)

	XII 2007	III 2008	VI 2008	IX 2008	XII 2008	Index XII2008/ XII 2007
BiH:	8,359	8,929	7,828	8,181	8,812	105.41
FBiH	5,521	6,214	5,176	5,342	5,488	99.40
RS	2,704	2,602	2,530	2,657	3,164	117.01
BD	71	113	122	182	160	225.35

(Source) Labour and Employment Agency of BiH, "Bulletin No. 3" (2008) and "Bulletin No. 4" (2009)

(2) Issues to be addressed from the viewpoint of poverty reduction, such as limitation of coverage

The low level of coverage of the unemployment benefit consigns many of the unemployed into poverty.

Labor market activation is seen as a way forward. A WB Labor Redeployment Project for the reintegration of demobilized soldiers began in 2004. It is an employment support project providing services for 7,000 vulnerable people. It involves active labor market measures such as employment subsidies and vocational training. The success of the project shows that vulnerable people can be assisted into work.

4.1.3 Health insurance

Target/Eligibility	<ul style="list-style-type: none"> ■ Contributors to health insurance
Scheme	<ul style="list-style-type: none"> ■ Social insurance
Responsible Organization	<ul style="list-style-type: none"> ■ Supervising Agencies: in RS, Ministry of Health and Social Welfare; in FBiH, the Ministry of Health of FBiH has a coordinating role, while supervision and management of the health system is decentralized to 10 Cantonal Ministries of Health ■ Implementing Agencies: Health care institutions such as medical centers, polyclinics and hospitals
Source of Fund	<ul style="list-style-type: none"> ■ Health Insurance Funds: in RS there is one Health Insurance Fund; in FBiH each Canton has a Health Insurance Fund. The Funds collect their revenue from health insurance contributions on wages and salaries. A Solidarity Fund was established in 2002 which is financed from 8% of insurance contributions and a matching amount from government budgets to provide equalization funds across Cantons.

⁴² BiH Employment Agency, "Statisticki Informator, IV/2009"

The health care system is based within each Entity, and there are three separate Health Insurance Funds (including Brcko District). In FBiH the Health Insurance Funds are further subdivided at Canton level. There are different approaches across the Cantons to providing health care.

The primary health care system is provided through local family doctors. The main institution is the Dom Zdravlja (Health Centre). These are half financed through the Health insurance Fund, and half through the municipalities.

(1) Coverage by group, by geographical region

Health insurance is paid for employees, pensioners and for registered unemployed by the employment bureaus, for veterans and the war disabled and civilian victims of war. However, it is estimated that 37% of the population in RS and 15% of the population FBiH are not covered by health insurance. This is a significant change from the pre-war situation when health services were available to the entire public free of charge at the point of delivery. Among those not covered by health insurance are employees working in the grey economy, and farmers and self-employed persons who have the right to make voluntary health insurance payments but fail to do so. For those who are not covered by health insurance, the health care system provides free emergency treatment, but makes a charge for the provision of elective non-emergency care. In RS, uninsured individuals are presented with the choice of either paying the cost of the service upfront or else paying their unpaid health insurance contributions, whichever is the more favorable option for them.

Most Roma are not covered by the health insurance scheme.

(2) Issues to be addressed from the viewpoint of poverty reduction, such as limitation of coverage

Employers in financial difficulty often fail to fulfill their obligations to pay the insurance contributions on behalf of their employees. In fact many insolvent employers do not even pay wages to their employees who are laid off but still registered with the company as regular employees, and placed on a “waiting list” to return to work within their company. In addition, in RS, the health care contributions of pensioners have not been paid on a regular basis by employers. Overall, the failure of the system to collect the health care contributions effectively has undermined the health care system by starving it of funds.

In FBiH, the collection of health contributions and health expenditure takes place at canton level. However, despite the very poor quality of services in public hospitals, patients typically must make side payments to doctors to secure treatment.

A major issue is that a significant proportion of the population is not covered by health insurance. Before the war there was almost universal coverage, as health insurance contributions were paid by employers or by the employment bureau in case of unemployment, and by the pension fund for retired workers. Although health insurance contributions cover the entire family of the contributor, the insured population is only a limited part of the entire population of the country.

In addition, there is little control or planning of the allocation of resources in the health sector. Inefficiently duplicated resource allocation is a common feature of the health sector in the country. Decentralization of provision to canton level has led to a duplication of services in some parts of the health sector for the two main ethnic groups. Also, there are two specialist cardiac centers that have sophisticated equipment while many doctors have neither appropriate equipment nor sufficient support.

There has been no remapping of the institutions inherited from the former Yugoslav system. In

FBiH the cantons have responsibility for “their” hospitals. Some cantons have inherited large hospitals previously designed to serve a wider area and these now run at below full capacity. Other cantons have insufficient hospital capacity, but there is no mechanism to shift resources from one canton to another. In some places, wartime hospitals were set up which were not closed down after the war, even though they were close to other pre-existing hospital facilities. In Travnik, for example, there are 22 Health Centers whereas 11 would be enough to meet the local demand for health services. Overall there are too many large hospitals and too many clinics.

On the other hand, for example in Travnik, there is a plan to merge the two hospitals and maintain the current staffing levels. Services are now gradually being transferred to the primary care sector in which family doctors act as gatekeeper to secondary care in the hospitals. The development of family medicine is expected to be a more cost-effective system of health care provision and is at the same time expected to improve the quality of the services provided.

There is a major problem of corruption in the health sector in BiH covering both procurement and the supply of everyday health care. This issue was identified within the Poverty Reduction Strategy Paper (PRSP) as a significant issue for the health care sector in BiH.

4.1.4 Social Assistance

We now turn from insurance based social protection to non-insurance benefits of which there are several in BiH, in particular the benefits associated with participants in the war of 1993-1995. The category of non-insurance benefits can be further subdivided into means-tested benefits, and categorical benefits which are unrelated to income. First, in this section, we consider the ‘civilian’ means tested social assistance benefits.

Target/Eligibility	<ul style="list-style-type: none"> ■ No ability to work, no other source of income
Scheme	<ul style="list-style-type: none"> ■ Means tested cash transfer
Responsible Organization	<ul style="list-style-type: none"> ■ Supervising: In FBiH: Ministry of Labor and Social Policy In RS: Ministry of Health and Social Welfare ■ Implementing Agency: Centers for Social Work (CSW)
Source of Fund	<ul style="list-style-type: none"> ■ State budget

In BiH as a whole, the system of social assistance is managed by CSW. In FBiH, the Cantons pay the costs and salaries of the 178 CSWs. In RS, the municipalities provide financial support to the CSWs, but at a minimal level. The CSWs are understaffed and do not have sufficient expertise, and so targeting of benefits is fairly random. Nor do they monitor the beneficiaries, as they lack the capacity to monitor claims effectively. The Organization for Security and Co-operation in Europe (OSCE) is supporting capacity building within the CSWs.

In RS, under the Law on Social Welfare, all social assistance benefits are financed through the municipalities, which are in turn mainly financed through grants and fiscal transfers from the central government, supplemented by some of their own resources. For the purpose of fiscal transfers, there are five categories of municipalities ranging from the most developed to the least developed. The eligibility condition for a cash benefit is that a person has no other source of income, no family support network, and no ability to work. These benefits are means tested. The basic social assistance benefit is 41 KM (21 EUR) per month per person, but varies according to family size and income. It is supplemented by many other benefits such as

subsidies for electricity, and so the risk of absolute poverty is low.

In FBiH, the amounts and criteria for regular social assistance are established by separate Canton social protection laws. Groups eligible for social assistance include families whose income is less than 10% of the average income of the Canton; elderly persons; disabled persons; unemployed persons; persons with no family members who could support them; women on maternity leave; and people in institutions. About 180,000 people receive social assistance which ranges from between 50 KM (26 EUR) and 140 KM (72 EUR) per month. The upper limit of this range is only available in the Canton of Sarajevo. There are wide canton disparities in these payments. Expenditure on social assistance has been reduced from 250 million KM (128 million EUR) to 108 million KM (55 million EUR).

In FBiH, the Cantons only pay social assistance benefits for disabled civilian victims of war at 30% of the level of entitlement. The number of beneficiaries has recently been reduced by an amendment to the law introduced in 2009, to just 40,000, and the level of benefits has been increased in order to protect those who are most in need. Disabled people with a lower level of disability are excluded from receiving social assistance. The law distinguished between those who became disabled during the 1993-1995 war, and other disabled people. Civilian ‘non-war’ invalids receive between 220 KM (112 EUR) and 409 KM (209 EUR) depending on the level of disability. The amount of benefit received by the 11,000 civilian ‘war’ invalids is higher than for the civilian ‘non-war’ disabled. In 2009, disability benefits for ‘non-war’ disabled accounted for over half of spending on civilian social assistance benefits.

(1) Coverage by group, by geographical region

Coverage and targeting of social assistance benefits provided by the CSWs is weak. The overall coverage ratio in BiH is only 2.2%. Only 3.8% of the first quintile of the bottom 20%, which is considered to be the lowest consumption group, including “the poor”, received social assistance benefits. Although the amount of social assistance benefits provided to the first quintile accounted for the largest share of 30.2%, only a very limited number of the lowest consumption group could receive social assistance benefits. In RS, targeting to the lowest consumption group was better than in BiH as a whole: the coverage for the first quintile was 4.0% and the share of the first quintile in the total amount of social assistance benefit was 47.7%.

Table 4-4: Amount, coverage and targeting of CSW Social Assistance Benefits, including Non-War Invalids Benefit and Civilian Victims of War Benefit

	Total	1 st quintile (Bottom 20%)	2 nd quintile	3 rd quintile	4 th quintile	5 th quintile (Top 20%)
Average transfer value	603.2	475.2	499.2	891.5	520.7	850.9
Coverage *	2.2	3.8	2.5	2.3	1.5	0.8
-in FBiH	2.4	3.7	3.4	2.9	1.2	0.8
-in RS	1.8	4.0	1.9	1.0	0.9	0.8
Targeting **	100.0	30.2	17.9	29.5	11.6	10.7
-in FBiH	100.0	25.1	25.9	29.2	8.6	11.2
-in RS	100.0	47.7	7.5	16.8	16.9	11.2

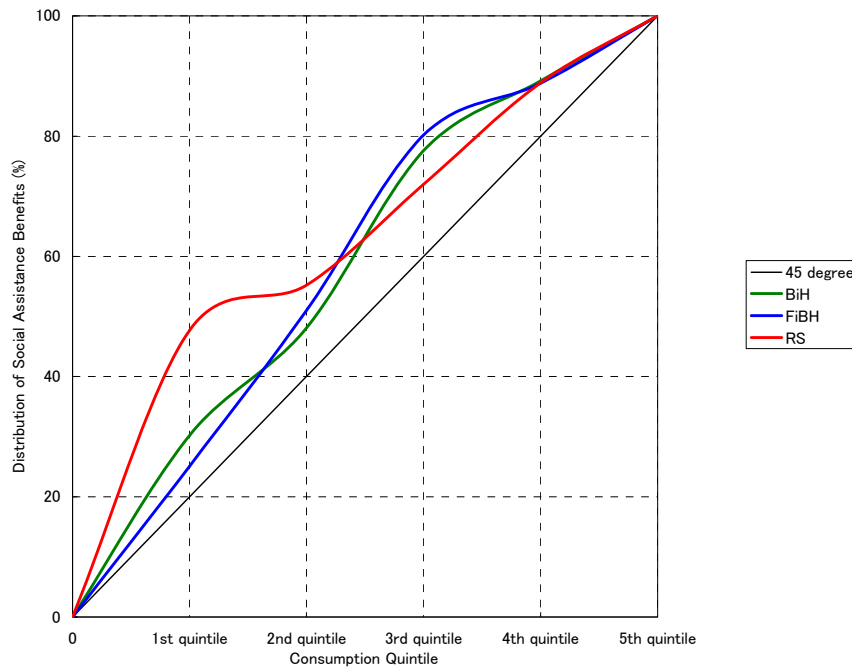
(Source) World Bank, “Protecting the poor during the global crisis: 2009 BiH poverty update” (2009), Annex tables.

(Note) * Coverage is proportion in group receiving transfer

** Targeting accuracy is amount received by group as a percent of total transfers received by population

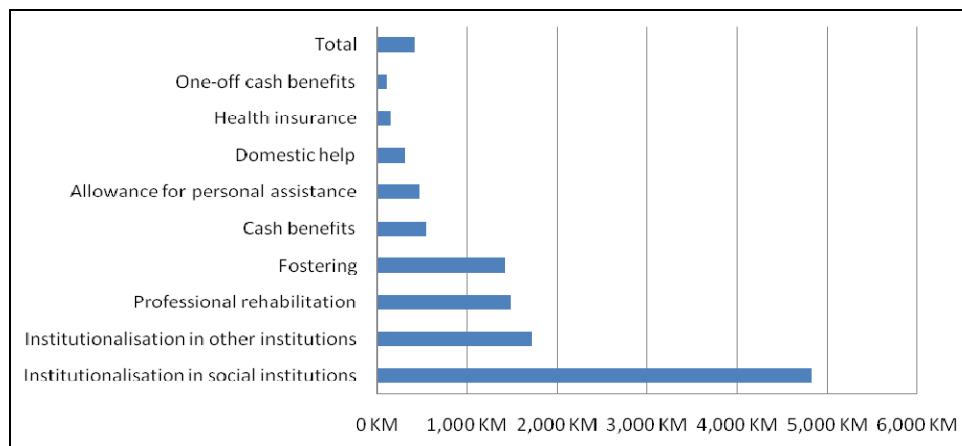
Figure 4-2 shows the benefit incidence of social assistance benefits by consumption quintile, which is presented by the distribution curve. All the distribution curves for BiH, FBiH and RS,

are over the 45 degree line which represents “perfect equality” in the distribution of social assistance benefits among the consumption quintiles. This suggests that the social assistance benefits were provided more to the lower consumption groups than to the upper consumption groups. In particular, in RS, 47.7% of the first quintile of the bottom 20% received social assistance benefits despite of the limited coverage. Although the social assistance programs benefit the lower consumption groups in a limited way, the allocation of social assistance benefits was focused more on the lower consumption groups, including the poor.



(Source) World Bank, “Protecting the poor during the global crisis: 2009 BiH poverty update” (2009), Annex tables.

Figure 4-2: Benefit Incidence of Social Assistance Programmes by Consumption Quintile



(Source) Ministry of Health and Social Welfare of RS, “Information on the current state and development prospects of the social welfare system in RS” (2008)

(Note) The ‘allowance for personal subsistence’ is support for permanently seriously disabled people.

Figure 4-3: Average Expenditure per Beneficiary of Social assistance Programmes in RS (2006)

Average expenditure per beneficiary varies across beneficiary groups, being largest for those institutionalised in social institutions and smallest for those in receipt of cash benefits (Figure 4-3).

Croatian people living in Herzegovina receive social assistance from the Croatian government, especially war veterans – but this support is being reduced and the support will in future be channelled through the FBiH government.

(2) Issues to be addressed from the viewpoint of poverty reduction, such as limitation of coverage

The social assistance system is not able to address the problem of poverty in BiH. The main reasons for this are the poor coverage and the poor targeting of the benefits, as well as the weak organizational framework and the lack of professional capacity of social workers. Moreover, some cantons in FBiH have not adopted a Social Security Law, or have not harmonised their laws with the State Laws, and consequently even people with entitlements are unable to claim social assistance. Furthermore, due to fragmentation of the system in FBiH and the small budgets of some of the cantons, even where social security laws exist, there may not be adequate budget resources available to implement them in full.

In addition, the poverty impacts of non-contributory social benefits in BiH are small, accounting for just a 6% reduction in the poverty headcount. In contrast, the removal of pensions would increase poverty dramatically, to 20.1% of the population⁴³. Furthermore, there are many examples of vulnerable categories of population which are not covered by social assistance due to deficiencies in the legal framework. For example, people with mental illness are often discriminated against since the existing legal framework does not provide them with the status of persons with special needs, thus excluding them from the system of social assistance.

The system also limits access to social assistance for some social groups including ethnic minorities, Roma, IDPs and returnees. Entitlements to social assistance are assessed by social workers employed within local CSW. Their assessments are subjective, and this provides opportunities for discrimination on a local level against persons from minority ethnic groups.

Refugees and internally displaced persons (IDPs) face special problems in relation to poverty and social assistance. In RS there are 63,000 internally displaced persons (IDPs), many of whom are elderly, sick, and unemployed, and are not covered by social insurance.

There are also 9,000 refugee families from Croatia. The main outstanding problem is the rehousing of IDPs who were evicted through the process of property claims resolution, and those who have been unable to return to FBiH because their houses there have been destroyed. Rehousing these groups is now the biggest problem facing the Ministry of Refugees and Returns in RS. Currently, 4,532 families are living in temporary accommodation. The most difficult problems are faced by the 390 families who are still living in collective centers, of which there are 31 spread around 19 municipalities. Most are unemployed, without qualifications, and come from rural areas. The Ministry has a small project (1 million Euros per annum) to support sustainable agriculture for the refugees, IDPs and returnees. It provides some greenhouses and machinery for earning a living in agriculture. Three types of grants are provided through the program: (i) the return of Bosniaks and Croats to RS, (ii) the return of Serbs to FBiH, and (iii) the internal return of IDPs.

Social assistance is only provided to cover the rents of those who are living in alternative

⁴³ World Bank, “Protecting the poor during the global crisis: 2009 BiH poverty update” (2009), p. 45

accommodation whose houses in FBiH have been destroyed. The amount varies from 250 KM (128 EUR) in Banja Luka to 100 KM (51 EUR) elsewhere. According to the law, the Ministry of Refugees and Returns should provide more assistance including health insurance, employment support and so on, but there is no money available for this purpose. The Ministry considers that the problems of the IDPs should be taken over by the system of social welfare. However, since basic social assistance is only 40 KM (20 EUR) per month they would not be better off if they were declassified from IDP status. In addition, in order to receive assistance for reconstruction of their houses registration as refugees or IDPs is necessary. This provides an incentive for them to remain registered as such.

There are also hidden barriers in returning to FBiH. In order to receive social assistance in FBiH one must be resident in the canton for 6-12 months, which is an insuperable obstacle to returns in some cases.

4.1.5 Child protection allowance

Target/Eligibility	■ Means tested child protection allowance
Scheme	■ Cash transfer
Responsible Organization	■ Supervising: In FBiH: Ministry of Labor and Social Policy In RS: Ministry of Health and Social Welfare ■ Implementing Agency: Centers for Social Work
Source of Fund	■ State budgets
Coverage	■ Just under one twentieth of the population

Entity legislation prescribes means-tested benefits in cash and in kind for mother and child. These benefits are subject to a means test.

In RS, the child protection system is centralised and under the Republic Fund for Child Protection which, although mainly designed to support the social inclusion of children, also has a pro-natal purpose. Child benefit is 45 KM –50 KM (23 - 26 EUR) per month, while for the third and fourth child it is 100 KM (51 EUR) per month. Additional benefits are provided for children with special needs. The Fund also pays maternity benefits and salaries for parents of children with special needs at the level of 50% of the previous wage. The system is implemented through the CSWs, who are responsible for the care of families with children and for the delivery of family welfare services.

In FBiH the basic amount of child benefit is regulated on Cantonal level depending on the number of children, the amount therefore varies between cantons. The same applies to birth and adoption grants.

(1) Coverage by group, by geographical region

Just under one twentieth of the population is in receipt of child allowances (Table 4-5). Coverage is more than twice as high in the bottom 20% quintile (7.0%) compared to the top 20% quintile (3.3%). The allowances are targeted to the poor to some extent compared to their programs, yet even so only 25.9% of the total transfers are received by the bottom 20% quintile, while 17.6% is received by the top 20% quintile. Coverage is better in RS than in FBiH, since 12.5% of the bottom 20% quintile in RS receive child allowance compared to just 3.1% in FBiH.

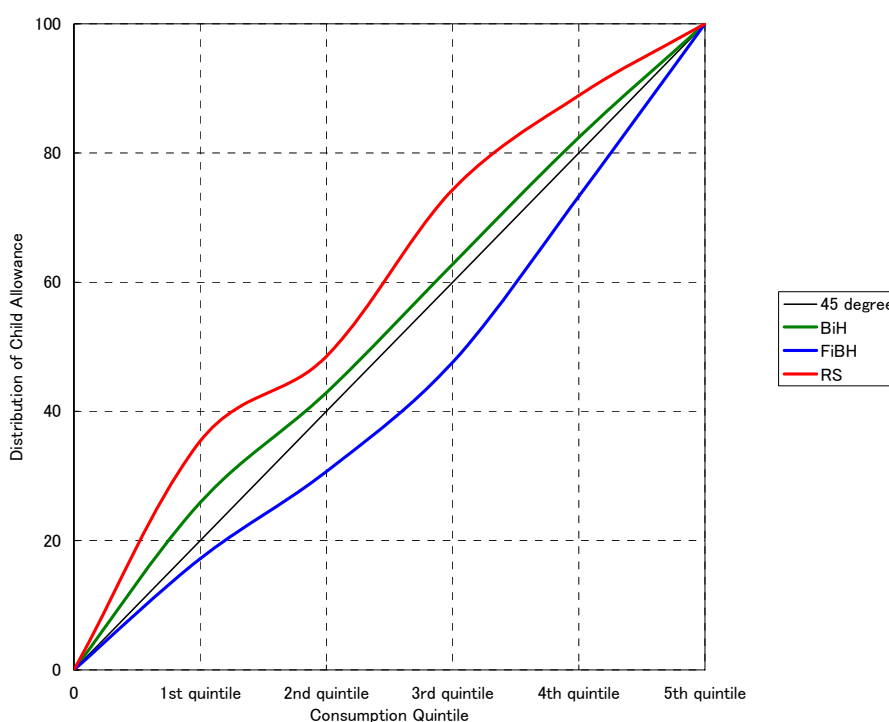
Table 4-5: Amount, coverage and targeting of child protection allowance by consumption quintile (averaged over households in receipt of benefit)

	Total	1 st quintile (Bottom 20%)	2 nd quintile	3 rd quintile	4 th quintile	5 th quintile (Top 20%)
Average transfer value	385.0	347.6	357.5	381.3	405.6	479.6
Coverage *	4.7	7.0	4.3	4.6	4.2	3.3
-in FBiH	2.9	3.1	2.7	2.9	3.2	2.9
-in RS	6.3	12.5	4.6	6.5	4.2	3.8
Targeting **	100.0	25.9	17.0	19.9	19.6	17.6
-in FBiH	100.0	17.2	13.5	16.9	25.7	26.6
-in RS	100.0	35.4	13.1	25.8	14.6	11.2

(Source) World Bank, “Protecting the poor during the global crisis: 2009 BiH poverty update” (2009), Annex tables.

(Note) * Coverage is proportion in group receiving transfer

** Targeting accuracy is amount received by group as a percent of total transfers received by population



(Source) World Bank, “Protecting the poor during the global crisis: 2009 BiH poverty update” (2009), Annex tables.

Figure 4-4: Benefit Incidence of Child Allowance by Consumption Quintile

Figure 4-4 shows the benefit incidence of child allowance by consumption quintile. The distribution curve for RS is over the 45 degree line. Despite the smaller share of the 2nd quintile, the allocation of child allowance focused more on the lower consumption quintiles below the 3rd quintile. In particular, the amount of child allowance provided to the 1st quintile accounted for the largest share of 35.4%. On the other hand, in FBiH, while the 1st quintile received only 17.2% of the total amount of child allowance, more than 50% of the total amount of child allowance was provided to the upper consumption quintiles of the 4th and 5th quintiles. This suggests that child allowance is not an effective alternative to benefits for the lower consumption groups due to low coverage and limited allocation to the lower consumption groups.

(2) Issues to be addressed from the viewpoint of poverty reduction

The targeting of the child benefit system is stronger than that of other non-contributory benefits such as old-age pension, but still does not focus on the poorest groups. According to the WB poverty assessment (2009), in BiH, child protection allowance, which is means-tested, is somewhat better targeted than other social transfers such as old-age pensions or unemployment benefits, with about a quarter of such benefits going to the bottom 20% quintile, although this is not a very good outcome compared to other countries. Means-tested benefits are better targeted in the RS, than in FBiH.

4.1.6 Veterans' benefits

Target/Eligibility	■ Categorical benefit: participants in Bosnian war 1992-1995
Scheme	■ Cash transfer
Responsible Organization	■ Supervising: In FBiH: Ministry for Issues of the Veterans and Disabled Veterans of the Defensive - Liberation War; in RS: Ministry for Veterans and War Victims ■ Implementing Agency: the Ministries
Source of Fund	■ State budgets

While civilian social assistance is based on needs, the war veterans' benefits are categorical benefits unrelated to needs, but based on rights. In 2007, the FBiH government extended the rights of war veterans, and expenditure on social protection increased sharply.

In both Entities, veterans and their survivors benefit from a number of special benefits including:

- Military Invalids' Benefit (Veterans); Eligibility on the basis of individuals' physical disability, regardless of financial means or employment status.
- Survivor Dependents' Benefit (Survivors); Eligibility for benefits based on individuals' relationship to the deceased person, who could be classified as a fallen soldier or deceased military invalid (veteran), regardless of financial means or employment status.
- Demobilized Soldiers' Allowance; Eligibility on the basis of wartime involvement, regardless of financial means. This benefit is particular to FBiH.
- Medal Holders' Allowance: Legislation mandates the right to benefits on the basis of individuals' receipt of the highest military decorations.

In FBiH, 580,000 people participated in the war. Of these, 47,787 are family members of soldiers killed in the war, and 54,000 are war invalids. These people are supported by a budget of 150 million Euros. About 27,000 disabled veterans in the range between 20% - 50% receive 20-55 EUR per month. About 600 paraplegics receive 900 EUR per month. These benefits should be considered as compensation, not as a social assistance. Even so, these amounts are not enough to live on.

About 11,000 healthy veterans under 45 years of age are retired on 300 KM (153 EUR) per month⁴⁴. About 80,000 veterans are registered at Employment Agencies as unemployed persons. The budget for the unemployed is 40 million EUR annually, providing 250 KM (128

⁴⁴ An amount which has been reduced by 10% under IMF conditionality

EUR) per month unemployment benefits. These payments are close to the minimum wage, and so the beneficiaries are not motivated to find a job. An active labour market programme to train unemployed veterans and return them to the labour market provides subsidised interest rates for business start-up loans and job subsidies for employers. A law has been passed to employ disabled war veterans and less seriously injured veterans, so as to release funds for the support of the most seriously injured veterans.

(1) Coverage by group, by geographical region

Social assistance benefits are targeted predominantly to veterans of the 1990s civil war in BiH. Amounting to a total of 4% of GDP, these expenditures are high by international standards. The proportion of veterans' non-insurance benefits in GDP has however fallen over time, while the proportion of civilian non-insurance benefits has increased (Table 4-6).

Table 4-6: Expenditures on non-insurance social protection cash transfers, as % of GDP

Indicator	2002	2003	2004	2005	2006	2007	2008
Civilian Benefits	0.9	1.0	1.0	0.8	1.5	1.4	1.4
Veterans benefits	3.1	3.0	2.8	2.6	2.6	2.6	2.5
Total as % of GDP	4.0	4.0	3.8	3.4	4.1	4.0	3.9

(Source) World Bank, "Bosnia and Herzegovina: Social Assistance Transfers in Bosnia and Herzegovina - Moving Toward a More Sustainable and Better-Targeted Safety Net" (2009), p2.

The coverage and targeting of veterans benefits is shown in Table 4-7. The benefits are highly regressive with higher coverage in the upper quintile than the lowest quintile, and with targeting also skewed to the higher income groups. Coverage and targeting are slightly more favourable to the lower quintile in RS compared to FBiH.

Table 4-7: Amount, coverage and targeting of veterans' social benefits, by quintiles of consumption and Entity

	Total	1 st quintile (Bottom 20%)	2 nd quintile	3 rd quintile	4 th quintile	5 th quintile (Top 20%)
Average transfer value	1,213.6	1,026.6	1,185.3	976.3	1,296.7	1,623.8
Coverage *	6.5	5.7	5.8	8.0	6.6	6.3
-in FBiH	5.8	4.4	5.4	8.1	5.8	5.5
-in RS	7.8	8.4	5.8	7.9	7.4	9.4
Targeting **	100.0	14.7	16.6	19.7	22.4	26.7
-in FBiH	100.0	11.5	15.9	23.0	23.1	26.5
-in RS	100.0	21.4	15.4	19.6	15.9	27.8

(Source) World Bank "Protecting the poor during the global crisis: 2009 BiH poverty update" (2009), Annex tables.

(Note) * Coverage is proportion in group receiving transfer

** Targeting accuracy is amount received by group as a percent of total transfers received by population

(2) Issues to be addressed from the viewpoint of poverty reduction

Veteran-related benefits are unequally and regressively allocated among the consumption quintiles. While 26.7% of veteran-related benefits went to people in the top 20% quintile of the population, those in the bottom 20% quintile receive less than 14.7% of the benefits (Table 4-7). Moreover, due to their high level as a proportion of GDP, they are unlikely to be fiscally sustainable without pushing out other social programs.

4.1.7 Coverage and targeting of all non-insurance social assistance schemes

Despite the high expenditure on non-contributory transfers, which amounts to about 4% of GDP, the coverage of these benefits is low. The share of the poor receiving non-contributory social assistance transfers is 15.1% among the poorest quintile, compared to 9.7% among the richest quintile⁴⁵. This is mainly because the coverage of categorical war veterans' benefits is higher than that of means-tested civilian benefits, and the coverage of the former is higher among the richer quintiles than among the poorer quintiles.

In addition, the targeting accuracy is weak with a high share of benefits going to people in the richer quintiles, and only 20% of benefits going to those in the bottom quintile. Means-tested social assistance benefits are better targeted in RS than in FBiH, with those in the poorest quintile in RS receiving 25.7% of all non-contributory social benefits, while in FBiH those in the poorest quintile receive only 14.1% of the benefits. Furthermore, in RS those in the poorest quintile receive 48% of Social Assistance Benefit and 35.4% of child protection allowances. In contrast, some programs in the New Member States of the EU have targeting accuracy ranging between 70% and 80%.

In RS, the Ministry of Health and Social protection considers that donor support is needed for creating a Fund for Social Welfare for the development of the system of social assistance and for the development of new services, as well as for improving the effectiveness of the CSWs through the creation of a professional institution (Institute) for social welfare which would develop the professional competence of social workers through professional training and education. The development of day care centers is also needed together with support for social care at home.

4.2 Quasi-formal Social Security

The Non-Governmental Organization (NGO) sector has been active in providing non-formal social protection for children, women, and in providing education. The Cantons of Tuzla and Sarajevo are integrating some NGO providers into the social welfare system. These developments are going at a slower pace in RS.

The microcredit sector in BiH had a significant role during the post-war period in poverty reduction and support to the small and medium entrepreneurship development among poor people who are unable to obtain financial resources from traditional banks. In 1996, microfinance institutions were initiated through the state Local Initiatives Project (LIP) supported by the WB and through the support of the international NGO. It is estimated by the Association of Microfinance Institutions (AMFI) in BiH that, 12 organizations, which cover 97% of microfinance market in BiH, disbursed 1 billion KM (0.5 million EUR) of credit in 2008, an increase of 9.2% comparing to 2007. The number of active clients increased by 35% between 2007 and 2008, showing the large impact on social security and on generating incomes for the poor.

4.3 Informal Social Security System

The society is very family oriented, and remittances are an important source of social support for the elderly. Pensioners may be poor by income but not by expenditure. There is a

⁴⁵ World Bank, "Protecting the poor during the global crisis: 2009 BiH poverty update" (2009), p. 42

tradition in BiH that young people support their older relatives, thus reducing poverty among the elderly. Families in BiH receive substantial remittances from emigrants, and BiH is one of the highest remittance receiving countries in the whole region of Central and South East Europe. Official remittances constitute over 20% of GDP, while actual remittances are even larger (according to the WB). In 2004, remittance inflows amounted to 1,824 million US dollars, which increased to 2,530 million US dollars in 2007, while average remittances per person were over 6,000 US dollars. However, in 2008 the inflow of remittances fell and this has reduced the incomes of families dependent on remittance income for maintaining their living standards.

Chapter 5 Poverty Monitoring

5.1 Millennium Development Goals (MDGs) Progress

The most recent progress of MDGs in BiH was reported on by “MDG Update Report for BiH – PRSP, Europe and Beyond” (hereinafter referred to as “MDG Update Report”) in 2004. The Government of BiH placed priority on EU Inclusion. Therefore, in the National Human Development MDG Report published in June 2003, UNDP tried to link MDGs with the National Development Strategy and the EU Social Inclusion Agenda required to prepare for EU membership. Some targets and indicators are modified in compliance with Laeken Indicators or European Standards. As the United Nations Country Team (hereinafter referred to as “UNCT”) pointed out in the UN Common Country Assessment (CCA) 2008, significant progress has been made with regard to the MDGs in BiH so that now it is not utilized as a main framework for monitoring but UN agencies and the government adopt a social inclusion framework to assess the country situation⁴⁶. However, a monitoring system in the government has not yet been put into operation. In this section, the progress of MDGs in BiH is reviewed, mainly according the MDG Update Report and relative statistical data from the UN statistic Division, CCA 2008, and HBS 2004 and 2007.

5.1.1 MDG 1: Eradicate extreme poverty and hunger

Two general targets for MDG-1 are set for BiH: Target 1) reducing the numbers living in poverty and Target 2) halving, by 2015, the proportion of people who suffer from hunger. According to CCA, Target 1 is evaluated to be very likely to be achieved and the goal of Target 2 has been already achieved.

According to the WB poverty assessment (2009), however, poverty statistics in BiH cannot easily be compared and trends analyzed. Therefore, it is difficult to evaluate the progress of poverty reduction. The poverty headcount ratio which WB recalculated for comparison declined by 4 percentage points or a 20 percent reduction between 2004 and 2007 as mentioned in Chapter 1. In CCA 2008, UNCT evaluated the progress as insufficient: “Despite the steady rate of economic growth, significant poverty persists in BiH”. The unemployment rate remained high, at 20% in 2001⁴⁷ and 23.4% in 2007⁴⁸. Moreover, regarding unemployment, disparities among ethnicities and between males and females are observed to be severe. Recently, youth unemployment has also become one of the key issues. In 2008 the youth unemployment rate in BiH was 47.5% despite its dropping from 58.4% in 2007⁴⁹.

5.1.2 MDG 2: Achieve universal primary education

In CCA, MDG-2, Achieving Universal Primary Education is evaluated as possible to achieve if some changes such as policy changes are made, with approximately 25% to 49% progress so far. CCA pointed out the absence of reliable official statistics on the education sector.

According to the Multiple Indicator Cluster Survey (hereinafter referred to as MICS) conducted by The United Nations Children’s Fund (UNICEF) sponsored by DFID in 2006, the net

⁴⁶ UNCT in BiH, “Common Country Assessment 2008” (2008), p.20

⁴⁷ UNDP, “MDG Update Report” (2004)

⁴⁸ BHAS, “Labour Force Survey 2007” (2007)

⁴⁹ UNCT in BiH, “Common Country Assessment 2008” (2008), p.30

attendance ratio was 98.4% (97.9% by ISCED⁵⁰) in 2006. The Primary school completion rate was 86.6%. In total, the ratio of girls to boys attending primary education was not so different, at 98.6% (68.3% by ISCED) for girls and 98.3% for boys. On the other hand, CCA pointed out that the level of discrimination against minorities remains high: 76% of Roma aged 15-24 are illiterate, and at least 64% of Roma children do not attend primary school.

5.1.3 MDG 3: Promote gender equality and empower women

Although the proportion of gender equality in the education system in BiH is roughly equal, gender disparities in political participation, labor force participation and gender-based violence are all serious issues.

Regarding political participation, only 9% of government positions are held by women at the leadership, ministerial and deputy levels. Of the 64 ministerial positions at the State and Entity levels only six are held by women⁵¹.

The female labor force share in 2007 was only 36.5% against 63.5% for that of males⁵². This figure shows that BiH has the lowest female share of the labor market in South East Europe⁵³.

Several reports⁵⁴ have pointed out that gender-based violence is an issue of concern in BiH. NHDR 2007 reported that gender-based violence directed against women and children was five times more common than that against men⁵⁵.

According to CCA, MDG-3 was very likely to be achieved in BiH.

5.1.4 MDG 4: Reduce child mortality

According to CCA, the child mortality rate (under five years of age) is 15 per thousand in 2006. According to the WB Development Indicators, the rate in 2008 was 15 per thousand which deteriorated from the base data, 10.3 in 2001. On the other hand, CCA reported the infant mortality rate (under one year of age) of 7.5 per thousand in 2006 which improved from 8.5 in 2001. However, this figure is worse than the target of 2007 PRSP, which was 7.0 per thousand⁵⁶. Achievement of MDG-4 by 2015 seems to be very difficult.

5.1.5 MDG 5: Improve maternal health

In terms of targets and indicators for MDG-5, some targets have not yet been defined. Because of insufficient data, moreover, the progress toward targets cannot be evaluated at this point.

5.1.6 MDG 6: Combat HIV/AIDS, malaria, and other diseases

According to CCA, BiH has a high rate of Tuberculosis with 54 suffers per 100,000. On the

⁵⁰ ISCED stands for International Standard Classification of Education.

⁵¹ UNCT in BiH, "Common Country Assessment 2008" (2008) p.37

⁵² BHAS, "Labour Force Survey 2007" (2007)

⁵³ UNDP, "MDG Update Report" (2004), p.28

⁵⁴ UNCT (2008), UNDP (2004), UNDP, "National Human Development Report 2007 -Social Inclusion in BiH" (2007) etc.

⁵⁵ UNDP, "NHDP 2007 -Social Inclusion in Bosnia and Herzegovina", (2007) p.43

⁵⁶ UNDP, "MDG Update Report" (2004), p.35

other hand, there is a low prevalence of HIV/AIDS with 33 people living with HIV/AIDS on antiretroviral therapy.

MDG-4 was very likely to be achieved in BiH.

5.1.7 MDG 7: Ensure environmental sustainability

In terms of targets and indicators for MDG-7, some targets have not yet been defined. Because of insufficient data, moreover, the progress toward targets cannot be evaluated at this point.

CCA evaluated that achievement would be possible in BiH if some changes such as policy changes were made, with approximately 25% to 49% progress as of 2007.

5.1.8 MDG 8: Develop a Global Partnership for Development

In terms of targets and indicators for MDG-8, some targets have not yet been defined. Because of insufficient data except for data on internet users, moreover, the progress toward targets cannot be evaluated at this point. The target on the indicator of internet users per 100 people was achieved in 2004.

Table 5-1: MDGs Progress in BiH

MDGs Indicator	2000	2005	2006	2007	2008	Target 2015 (National)	Progress (National)
Goal 1: Eradicate extreme poverty and hunger							
1.1	Employment to population ratio, 15+, total (%)	41	41		31.2 [^]	42 33.6 [^]	no target
1.2	Employment to population ratio, ages 15-24, total (%)	15	14		13.9 [^]	18 17.4 [^]	no target
1.3	GDP per person employed (annual % growth)	..	..	..	..	..	no target
1.4	Income share held by lowest 20%	9	7	..	..	7	not defined
1.5	Malnutrition prevalence, weight for age (% of children under 5)	4 4.1"	2 1.5"	..	..	2	0 on track
1.6	Poverty gap at \$1.25 a day (PPP) (%)	1	1	..	..	1	no target
1.7	Poverty headcount ratio at \$1.25 a day (PPP) (% of population)	2	2	..	..	2	no target
1.8	Vulnerable employment, total (% of total employment)	..	..	..	..	..	no target
1.9	(N) [UN] People living below the poverty line (%)	..	..	..	..	..	EU of 15 average
1.10	(N) [UN] Poverty gap ratio	..	..	..	..	..	4.6
1.11	(N) [EU] Inter-quintile ratio (richest: poorest income)	..	..	..	..	..	not defined
1.12	(N) [EU] Earning less than 60 % of median income (%)	..	..	..	..	..	not defined
1.13	(N) Real Annual GDP growth rate	..	5.8*	..	6.0**	5.5+	5.0 on track
1.14	(N) [EU] [UN] Gini Index/quotient	..	..	..	..	..	not defined
1.15	(N) [UN] Unemployment rate to population ration, ages 15-24, total (%)	..	..	..	58.4 [^]	47.5 [^]	12
1.16	(N) [EU] School leavers not in Education or Training	..	..	..	..	..	not defined
1.17	(N) Unemployment rate	..	..	..	29.0 [^]	23.4**	not defined
1.18	(N) [EU] Long term unemployment rate	..	..	..	..	..	not defined
1.19	(N) [EU] Persons living in jobless households	..	..	..	..	..	not defined
1.20	(N) Informal sector Share in GDP	..	..	..	..	..	not defined
1.21	(N) Inflation rate	..	2.9*	..	..	3.5**	Up to ECB 2.2 rate plus 2 % on track
1.22	(N) [UN] People receiving less than daily energy needs (malnourishment) (no.N)	..	..	..	..	..	close to 0
1.23	(N) Food price inflation	..	..	..	..	..	<2.0
1.24	(N) Share of employment accounted for by informal sector	..	..	..	..	..	not defined
Goal 2: Achieve universal primary education							
2.1	Literacy rate, youth female (% of females ages 15-24)	100 99.8"	..	..	..	99	not defined
2.2	Literacy rate, youth male (% of males ages 15-24)	100 99.7"	..	..	..	100	not defined
2.3	Persistence to last grade of primary, total (% of cohort)	..	..	99.8^{^^}	..	..	not defined
2.4	Primary completion rate, total (% of relevant age group)	..	..	86.6^{^^}	..	..	no target
2.5	Total enrollment, primary (% net)	..	..	98.4^{^^}	..	..	100
2.6	(N) Total enrollment, secondary (%)	..	..	79.3^{^^}	..	..	85
2.7	(N) Total enrollment, tertiary (%)	..	..	..	..	..	35
2.8	(N) Literacy rate, 15+, total (%)	..	..	..	..	..	99
2.9	(N) Low adult educational attainment i.e. below ISCED2	..	..	..	..	..	not defined
2.10	(N) Children attending pre-schooling (%)	..	..	..	..	..	25
2.11	(N) Share of GDP devoted to education (%)	..	..	..	..	..	7.5
2.12	(N) Per pupil expenditure for secondary schools	..	..	..	..	..	not defined
Goal 3: Promote gender equality and empower women							
3.1	Proportion of seats held by women in national parliaments (%)	29 28.6"	17 16.7"	16.7"	14.3"	12 11.9"	25 off track
3.2	Ratio of female to male enrollments in tertiary education	..	..	..	..	..	100
3.3	Ratio of female to male primary enrollment	..	94	..	93"	94	100 on track
3.4	Ratio of female to male secondary enrollment	..	104	..	103"	104	100 on track satisfactory
3.5	Share of women employed in the nonagricultural sector (% of total nonagricultural employment)	..	35.2	35.2"	34.7"	34.7	45 off track
3.6	(N) Literacy ratio for men and women aged 15-24 (%)	..	..	..	..	..	not defined
3.7	(N) Women in executive authority (%)	..	..	..	..	..	10
3.8	(N) Share of women among employed population (%)	..	..	..	..	..	40
Goal 4: Reduce child mortality							
4.1	Immunization, measles (% of children ages 12-23 months)	80	90	90" 75**	96"	84	no target
4.2	Mortality rate, infant (per 1,000 live births)	14	13	7.5**	13"	13	5 off track

MDGs Indicator		2000	2005	2006	2007	2008	Target 2015 (National)	Progress (National)
4.3	Mortality rate, under-5 (per 1,000)	17	16 15"	15**	14"	15	7	off track
4.4	(N) Immunization, smallpox (% of children under -1 year old)	..	..	..	..	..	100	
4.5	(N) Percentage of new born children weighing 2,500 grams or less	..	..	..	..	..	1	
4.6	(N) Percentage of breastfeeding children under 6 months	..	..	..	..	..	15	
Goal 5: Improve maternal health								
5.1	Adolescent fertility rate (births per 1,000 women ages 15-19)	24 20.1"	18 15.5"	15.7"	..	16	no target	
5.2	Births attended by skilled health staff (% of total)	100 99.6"	100	99.6"	..	100	not defined	
5.3	Contraceptive prevalence (% of women ages 15-49)	48 47.5"	36	35.7"	..	36	no target	
5.4	Maternal mortality ratio (modeled estimate, per 100,000 live births)	..	3	..	..	..	2.5	on track
5.5	Pregnant women receiving prenatal care (%)	99 99.2"	99	98.9"	..	99	no target	
5.6	Unmet need for contraception (% of married women ages 15-49)	..	23	..	..	23	no target	
5.6	(N) Number of Gynecologists and Qualified Midwifery staff per 1000 women	..	..	..	..	..	not defined	
5.7	(N) Number of women attending pre-natal examinations (no.)	..	..	..	..	..	not defined	
Goal 6: Combat HIV/AIDS, malaria, and other diseases								
6.1	Children with fever receiving anti-malaria drugs (% of children under age 5 with fever)	..	..	..	..	..	no target	
6.2	Condom use, population ages 15-24, female (% of females ages 15-24)	..	..	..	71"	..	no target	
6.3	Condom use, population ages 15-24, male (% of males ages 15-24)	..	..	..	..	..	no target	
6.4	Incidence of tuberculosis (per 100,000 people)	63 62.8"	52 52.2"	51.7"	51.1"	51	20 cases, 0 death	off track
6.5	Prevalence of HIV, female (% ages 15-24)	..	..	..	..	..	no target	
6.6	Prevalence of HIV, male (% ages 15-24)	..	..	..	..	..	no target	
6.7	Prevalence of HIV, total (% of population ages 15-49)	..	0.1	..	..	0.1	no target	
6.8	Tuberculosis cases detection rate (all forms) (%)	84	84	..	..	69	no target	
6.9	(N) Adults with AIDS, number of (new AIDS cases)	..	..	..	..	..	50-55	on track
6.10	(N) Prevalence of HIV, total (% of population at all ages)	..	..	..	..	..	0.004	on track
6.11	(N) Financial support to NGOs working on sexual and health education	..	..	..	..	..	not defined	
6.12	(N) Percentage of population with access to HIV testing	..	..	..	..	..	not defined	
6.13	(N) 【UN】 Tuberculosis cases detected and treated under DOTS (per 1000,000)	..	..	..	..	..	not defined	
6.14	(N) Deaths due to suicides and high risk behaviours (misadventure)	..	..	..	..	..	not defined	
6.15	(N) 【EU】 Life Expectancy at Birth (2001)	..	..	..	..	..	not defined	
6.16	(N) 【EU】 Perceived ill-health	..	..	..	..	..	not defined	
6.17	(N) 【UN】 Percentage of population with regular access to essential affordable medication	50'	..	..	..	..	95	
6.18	(N) Percentage of GDP devoted to health expenditure (%)	..	..	..	..	..	8	
6.19	(N) Percentage of insured citizens	..	..	..	..	..	not defined	
6.20	(N) Number of physicians (per 1,000 population)	1.3'	..	..	..	..	not defined	
6.21	(N) Average response time to accidents in minutes	..	..	..	..	..	not defined	
Goal 7: Ensure environmental sustainability								
7.1	CO2 emissions (kg per PPP \$ of GDP)	1 1.2"	1 1.1"	1.1"	..	1	no target	
7.2	CO2 emissions (metric tons per capita)	6	7 6.5"	7"	..	7	3	off track
7.3	Forest area (% of land area)	42.7 43.1"	42.7 43.1"	..	..	42.7	60	off track
7.4	Improved sanitation facilities (% of population with access)	96	95	95" 93.0^^	..	95	no target	
7.5	Improved water source (% of population with access)	97	99	99" 98.7^^	..	99	no target	
7.6	Marine protected areas, (% of surface area)	0"	0"	0"	0"	0	no target	
7.7	Terrestrial protected areas (% of total surface area)	0.8"	0.8"	0.8"	0.8"	1 0.8"	no target	
7.8	(N) 【UN】 Output (GDP) by unit of energy (kg of oil) consumed in 1995 PPP US\$	..	..	..	..	..	4.9	
7.9	(N) Electricity consumption/ per capita (kwh/per capita)	..	..	..	..	..	SEE Average	
7.10	(N) 【UN】 Percentage of land protected to maintain biodiversity	..	..	..	..	..	6.0	
7.11	(N) Taxes on non-renewable energy sources (% of total taxes)	..	..	..	..	..	not defined	

MDGs Indicator	2000	2005	2006	2007	2008	Target 2015 (National)	Progress (National)
7.12 (N) Percentage of population connected to main water supply system	..	..	..	..	..	67	
7.13 (N) Percentage of population with sewerage disposal	..	..	..	..	..	40	
7.14 (N) Capital investment in the water supply system (KM 000s)	..	..	..	..	..	not defined	
7.15 (N) Percentage of de-mined fields	..	..	..	..	..	80	
7.16 (N) ODA and Government Resource devoted to mine clearance KM 000s	..	..	..	..	..	not defined	
Goal 8: Develop a global partnership for development							
8.1 Aid per capita (current US\$)	199	141	..	..	128	no target	
8.2 Debt service (PPG and IMF only, % of exports, excluding workers' remittances)	13 12.6"	4 3.6"	4.5"	3.5"	2	no target	
8.3 Internet users (per 100 people)	1.1 1"	21.3 20.6"	24.3"	26.8" 20.3**	34.7	15	on track satisfactory
8.4 Mobile cellular subscriptions (per 100 people)	3 2.4"	42 40.8"	48.3"	62.3"	84		
8.5 Telephone lines (per 100 people)	21 20.3"	26 24.8"	25.3"	27.1"	27	no target	
8.6 (N) Perception of presence of corruption (%)	..	..	..	..	..	Below 50	
8.7 (N) Perception of corruption as being widespread (%)	..	..	..	..	..	Below 25	
8.8 (N) GRICS-Governance Research Indicator Country Snapshot:- Political Stability index	..	..	..	..	..	not defined	
8.9 (N) Export as a share of Imports	..	..	..	..	..	80	
8.10 (N) FDI as a % GDP	..	..	..	13.8**	..	7	
8.11 (N) 【UN】 Share of total ODA in GDP	..	..	..	..	..	1	
8.12 (N) Number of EU compliance measures to be undertaken each year	..	..	..	..	..	not defined	
8.13 (N) Status of WTO accession negotiations	..	..	..	..	..	Fully compliant	
8.14 (N) Share of GDP occupied by public consumption (%)	..	..	..	..	..	not defined	
8.15 (N) Total debt per GDP (%)	..	..	..	..	..	not defined	
8.16 (N) Debt Service Ratio, service payments in % of exports	..	..	..	..	..	11	
8.17 (N) Exports per GDP (%)	..	..	..	..	..	43	
8.18 (N) Manufactures as a % of exports	..	..	..	..	..	not defined	
8.19 (N) 【UN】 Telephone lines (per 1000 people)	..	..	..	..	..	260	
8.20 (N) 【UN】 PCs (per 1000 people)	..	..	..	..	..	120	
8.21 (N) Expenditure for research and development as % of GDP	..	..	..	..	..	1.0	
8.22 (N) Number of academic papers published in reference journals (per 100,000 population )	..	..	..	..	..	not defined	
Other							
9.1 Fertility rate, total (births per woman)	1	1	..	..	1		
9.2 GNI per capita, Atlas method (current US\$)	1,500	3,000	..	..	4,520		
9.3 GNI, Atlas method (current US\$) (billions)	5.5	11.3	..	..	17.1		
9.4 Gross capital formation (% of GDP)	21.2	22.0	..	..	24.4		
9.5 Life expectancy at birth, total (years)	74	75	..	..	75		
9.6 Literacy rate, adult total (% of people ages 15 and above)	97	..	..	..	98		
9.7 Population, total (millions)	0.0	0.0	..	..	0.0		
9.8 Trade (% of GDP)	107.5	107.7	..	..	73.6		

(Source) World Development Indicators database, the World Bank Group

... ' : MDG Update Report for Bosnia and Herzegovina 2004: PRSP, Europe and Beyond

... " : MDG Info 2009, United Nations Statistic Division. <http://mdgs.un.org/unsd/mdg/Data.aspx>

... * : PRSP Bosnia and Herzegovina 2007

... ** : Common country Assessment 2008, UN Country team in BiH

... ^ : Labour Force Survey 2009, Agency for Statistics of Bosnia and Herzegovina

... ^^ : Multiple Indicator Cluster Survey 2006, UNICEF BiH

... + : Annual Report 2008, Central Bank of Bosnia and Herzegovina

(Note) (N) = National goals

【EU】 = Similarly those which are common to EU social inclusion framework

【UN】 = Those indicators and targets which are common to both local and global data sets

5.2 Poverty Monitoring System

5.2.1 MDG Monitoring

There is no established MDG monitoring system in BiH. UNDP made recommendations on MDG monitoring as follows:

Of specific importance, is the strengthening and coordination (if not unification) of national statistical institutions⁵⁷ to create a reliable and coherent system for data collection. A further priority is the holding of a comprehensive national population census.

A Unit for Economic Planning and Implementation (EPPU) Office for monitoring and implementation of Mid-Term Development Strategy (MTDS), namely PRSP for BiH, has been established. The EPPU Office was reorganized as the Directorate for Economic Planning (DEP) under the Council of Ministers. Now DEP is mandated for the planning of the National Strategy and the Social Inclusion Strategy. It is expected to be responsible for their monitoring and implementation.

5.2.2 Data Collection System

As mentioned in chapter 1, in BiH, sample surveys at household level have been conducted and data on living standards have been collected since 2001 with donors' assistance. The Living Standard Measurement Survey (LSMS) in partnership with DFID was conducted every year between 2001 and 2004. The Statistical Agency of BiH has relied on the Household Budget Survey (HBS) with support from DFID and the government of Italy to monitor poverty outcomes⁵⁸. However, the methodologies and indicators of LSMS and HBS are different, so these data sets are not comparable.

Moreover, there are three statistical agencies in BiH, and some of the data has not been collected in a unified way. This issue is improving but still there are some other issues of statistics to be solved for monitoring. Both LSMS and HBS are conducted with donor funds, together with some of their own funds. Without donor funding, these surveys could not be continued. In fact, the next HBS was planned to be conducted in 2010, but it will be postponed in 2011 because of a delay in the allocation of the donor's fund. For the effective monitoring of progress of the strategies and MDGs, the capacity of the government, including that for funds, technical abilities, management abilities etc. must be strengthened.

Table 5-2: Data collection surveys for poverty monitoring

Kind of survey	Agency	Frequency	Last survey
Census	Agency for Statistics of BiH Federani zavod za statistiku	once a decade	1991 (next survey: 2010)
LSMS	Agency for Statistics of BiH Federani zavod za statistiku Republika Srpska Institute of Statistics	Annually: 2001-2004	2004
HBS	Agency for Statistics of BiH Federani zavod za statistiku Republika Srpska Institute of Statistics	Triennial Since 2004	2007 (Next Survey: 2011)
Labor force survey	Agency for Statistics of BiH Federani zavod za statistiku Republika Srpska Institute of Statistics		2007

⁵⁷ There are three statistical agencies at national level and both entities in BiH.

⁵⁸ World Bank, "Protecting the Poor during the Global Crisis: 2009 Poverty Update" (2009), p.9

Appendices

Appendix 1: Poverty and Inequality Indicators

(1) Poverty Indicators

Term	Explanation
Poverty Lines	<ul style="list-style-type: none"> ■ Relative poverty lines These are defined in relation to the overall distribution of income or consumption in a country. Relative poverty indicates people who are relatively poor compared to the majority of the population. The relative poverty lines, for example, could be set at 60% of the country's mean income by the EU standard. Then, people who have income or consumption below the relative poverty line can be classified as "the relative poor". In Bosnia and Herzegovina, the relative poverty line is 60% of median consumption per adult equivalent. ■ Absolute poverty lines These are anchored in an absolute standard of what households should be able to count on in order to meet their basic needs. For monetary measures, the absolute poverty lines are often based on estimates of the cost of basic food needs, that is the cost of a nutritional basket considered minimal for the health of a typical family, to which a provision is added for nonfood needs. The minimal requirement of caloric intake is adjusted by age, gender, weight and temperature.
P0: Poverty Headcount Index/ Poverty Incidence	<p>Proportion of the population living below the poverty line. The most widely used measure to show the size of poverty. It is simple to construct and easy to understand but it does not take into account the living standards of the poor population and the intensity of poverty.</p> $HCI = \frac{q}{N}$ <p style="margin-left: 40px;">q: Number of Poor N: Total Population</p>
P1: Poverty Gap Index/ Poverty Depth	<p>The average income or consumption shortfall compared to the poverty line across the whole population. This is obtained by adding up all the shortfalls of the poor (assuming that the non-poor have a shortfall of zero) and dividing by the total population. In the case where the poverty line is constant, the increase in the shortfall of the poor leads to a higher poverty gap index. The index can be considered as the minimum cost of eliminating poverty because it shows how much would have to be transferred to the poor to bring their income or expenditure to the poverty line.</p> $PGI = \frac{1}{N} \sum_{i=1}^q \left(\frac{z - y_i}{z} \right)$ <p style="margin-left: 40px;">N: Total Population z: Poverty Line y_i: Individual Income or Consumption</p>
P2: Squared Poverty Gap Index/ Poverty Severity)	<p>A weighted sum of poverty gaps (as a proportion of the poverty line), where the weights are the proportionate poverty gaps themselves. The index shows poverty severity which is inequality among the poor as a higher weight is placed on those households further away from the poverty line. In the case that the poverty line is constant, a more unequal income or consumption distribution among the poor leads</p> $SPI = \frac{1}{N} \sum_{i=1}^q \left(\frac{z - y_i}{z} \right)^2$ <p>to higher poverty severity. N: Total Population z: Poverty Line y_i: Individual Income or Consumption</p>

(Reference) World Bank, "Poverty Reduction Strategy Paper (PRSP) Sourcebook" (2004)
World Bank, "Handbook on Poverty + Inequality" (2009)

(2) Inequality Indicator

Term	Explanation
Gini coefficient and Lorenz Curve	Gini Coefficient shows the disparity of income or consumption distribution from the completely equal distribution in an economy. It is based on the Lorenz curve, a cumulative frequency curve that compares the distribution of a specific variable (for example, income) with the uniform distribution that represents equality. Gini Coefficient varies between 0, which reflects complete equality, and 1, which indicates complete inequality (one person or one household has all the income or consumption; all the others have none)
Theil index	<p>The index is obtained by the proportion of the individual income to the mean income per person and the proportion of the individual income to the total income. The index varies between 0, which represents an equal distribution among the total population, and 1, which represents completely unequal distribution among the total population.</p> $Z(1) = \frac{1}{n} \sum_{i=1}^n \frac{y_i}{\bar{y}} \log \frac{y_i}{\bar{y}}$ <p>n: Total Population y_i: Individual Income \bar{y}: The Mean Income per capita</p> <p>The Theil Index has the advantage of being additive across different subgroups or regions in the country, this enables to understanding of the attribution of each subgroup to the total inequality in the country.</p> $I \text{ (Total Inequality)} = I_w \text{ (Inequality within subgroup)} + I_b \text{ (Inequality among the subgroups)}$

(Reference) World Bank, "Poverty Reduction Strategy Paper (PRSP) Sourcebook" (2004)
World Bank, "Handbook on Poverty + Inequality" (2009)

(3) Human Development Index and Human Poverty Index

Term	Explanation
Human Development Index (HDI)	<p>A composite index measuring average achievement in three basic dimensions of human development: a long and healthy life, access to knowledge and a decent standard of living. HDI are constructed by the following indicators:</p> <ul style="list-style-type: none"> ■ A long and health life: Life expectancy at birth ■ Access to knowledge: Adult literacy rate and Gross enrollment rate ■ A decent standard of living: GDP per capita (PPP USD)
Human Poverty Index (HPI)	<p>A composite index measuring deprivations in the three basic dimensions captured in the human development index: a long and healthy life, access to knowledge and a decent standard of living. There are two types of HPIs: HPI-1 is for developing countries and HPI-2 is for OECD countries. HPI-2 includes not only the above three dimensions but also the capturing of social exclusion.</p> <p>【HPI-1 for developing countries】</p> <ul style="list-style-type: none"> ■ A long and healthy life: Probability at birth of not surviving to age 40 ■ Access to knowledge: Adult literacy ■ A decent standard of living: % of population not using an improved water source and % of under 5 children who are underweight-for-age <p>【HPI-2 for OCED countries】</p> <ul style="list-style-type: none"> ■ A long and healthy life: Probability at birth of not surviving to age 60 ■ Access to knowledge: % of adults lacking functional literacy skills ■ A decent standard of living: % of people living below the poverty line ■ Social exclusion: Long-term unemployment rate

(Reference) UNDP, “Human Development Report”

Appendix 2: Poverty Lines of BiH Statistical Authority

The FPL is based on the minimum nutritional requirement of 2,100kcal. The cost of a minimum calorie food bundle, as FPL for 2007, is equal to KM 1,005.68 per household. Based on FPL, three different GPLs were calculated by the different estimated average food shares in the total household consumptions.

a. GPL1 of KM 3,154.18 per household

For households with a food consumption expenditure that is $\pm 5\%$ the food poverty line, the average food share is 31.88% (and the median is 30.0%). Then GPL1 is equal to:

$$\text{GPL1} = \text{FPL}/0.3188 = 1,005.68/0.3188 = 3,154.18 \text{ (KM)}$$

b. GPL 2 of KM 2,993.08 per household

Considering food consumption expenditure on meals outside the home, noted by the WB poverty assessment (2003)¹, the overall share of spending on food can increase to 35.8% of the total household expenditure. Therefore, GPL2 can be calculated as:

$$\text{GPL2} = \text{FPL}/0.336 = 1,005.68/0.336 = 2,993.08 \text{ (KM)}$$

c. GPL3 of KM 2,857.31 per household

According to the suggestion of the WB poverty assessment (2003) that health expenditure is taken out by total consumption, since the health care expenses tend to be concentrated in the highest deciles, the share of food expenses can be 35.2% by excluding health care expenditure and including the cost of meals outside the home. In this case, GPL3 can be estimated as:

$$\text{GPL3} = \text{FPL}/0.3519 = 1,005.68/0.3519 = 2,857.31 \text{ (KM)}$$

¹ World Bank, "BiH Poverty Assessment" (2003)

Annex

(1) List of Major Policy Documents

File No.	Name of Document	Publisher	Year	Source
1	Bosnia and Herzegovina Poverty Reduction Strategy Progress Report (PRSP) and joint IDA-IMF Staff Advisory Note	The World Bank	2007	http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2007/06/27/000090341_20070627105208/Rendered/PDF/40052.pdf
2	Public Administration Reform Strategy	Council of Ministers BiH	-	PDF file
3	Strateski Plan Razvoja Zdravstva u Federaciji Bosne i Hercegovine u Periodu Od 2008.do 2018.Godine (Strategic development plan for health care in FBiH for the period of 2008-2018) (IN BOSNIAN)	Federal Ministry of Health	2008	Word file
4	Social Inclusion Strategy of Bosnia and Herzegovina (Draft Document)	Council of Ministers/ Directorate for Economic Planning	2009/09	PDF file

(2) List of Major Statistical Surveys and Reports

File No.	Name of Survey	Publisher	Year	Survey Cycle	Source
1	Living Standard Measurement Survey in BiH 2001	Agency for Statistics of Bosnia and Herzegovina	2001	Yearly basis	http://www.fzs.ba/lsmspdfb.htm
2	Living Standards Measurement Study Survey 2001 (Basic Information Document)	World Bank/ Agency for Statistics of Bosnia and Herzegovina	2001	Yearly basis	http://siteresources.worldbank.org/INTLSMS/Resources/3358986-1181743055198/3877319-1190300029638/bihbinfoe.pdf
3	Welfare in Bosnia and Herzegovina, 2001: Measurement and Findings *Report based on LSMS 2001	State Agency for Statistics/ Republika Srpska Institute of Statistics/ Federation of BiH Institute of Statistics	2002/12	-	http://siteresources.worldbank.org/INTLSMS/Resources/3358986-1181743055198/3877319-1190300029638/BiH_ANNX_poverty10a_updated.pdf
4	Labour and Social Policy in Bosnia and Herzegovina: The development of policies and measures for social mitigation Panel Study first Draft WAVE 2 Report	Birks Sinclair & Associates Ltd. Mountjoy Research Centre/ Independent Bureau for Humanitarian Issues/Institute for Social and Economic Research, University of Essex	2003/08	Yearly basis	http://siteresources.worldbank.org/INTLSMS/Resources/3358986-1181743055198/3877319-1190299568614/LiBiH_W2_Report.pdf
5	Labour and Social Policy in Bosnia and Herzegovina: The development of policies and measures for social mitigation Panel Study Final Report	Birks Sinclair & Associates Ltd. Mountjoy Research Centre/ Independent Bureau for Humanitarian Issues/Institute for Social and Economic Research, University of Essex	2004/11	Yearly basis	PDF File
6	Labour and Social Policy in Bosnia and Herzegovina: The development of policies and measures for social mitigation Panel Study Wave 4 Report	Birks Sinclair & Associates Ltd. Mountjoy Research Centre/ Independent Bureau for Humanitarian Issues/Institute for Social and Economic Research, University of Essex	2005/05	Yearly basis	http://siteresources.worldbank.org/INTLSMS/Resources/3358986-1181743055198/3877319-1190298527311/LiBiH_W4Report.pdf
7	HBS 2004 final results The BiH Household Budget Survey 2004	Agency for Statistics of Bosnia and Herzegovina/ Federal Office of Statistics/ Republika Srpska Institute for Statistics	2004	series, For the First time	PDF File
8	HBS 2007 final results The BiH Household Budget Survey 2007	Agency for Statistics of Bosnia and Herzegovina/ Federal Office of Statistics/ Republika Srpska Institute for Statistics	2007	series, The second HBS after 2004.	http://www.bhas.ba/ANKETE/hbs_07/hbs_07_000-en.pdf

File No.	Name of Survey	Publisher	Year	Survey Cycle	Source
9	HBS 2007 poverty and living conditions The BiH Household Budget Survey 2007	Agency for Statistics of Bosnia and Herzegovina/ Federal Office of Statistics/ Republika Srpska Institute for Statistics	2007	The second HBS after 2004.	http://www.bhas.ba/ANKETE/hbs_07/hbs_07_001-en.pdf
10	Labour Force Survey 2007	Agency for Statistics of Bosnia and Herzegovina/ Federal Office of Statistics/ Republika Srpska Institute for Statistics	2007	For the second time / Yearly basis	http://www.bhas.ba/ANKETE/LFS%202007/ARS-07-bh.pdf
11	Labour Force Survey 2008	Agency for Statistics of Bosnia and Herzegovina/ Federal Office of Statistics/ Republika Srpska Institute for Statistics	2008	Yearly basis	http://www.bhas.ba/RHIVA/2008/TB/lfs/lfs-bh.pdf
12	Labour Force Survey 2009	Agency for Statistics of Bosnia and Herzegovina/ Federal Office of Statistics/ Republika Srpska Institute for Statistics	2009	Yearly basis	http://www.bhas.ba/RHIVA/2009/ankete/ars_2009_001_001-bh.pdf
13	Cartography Group Study on Technology for production of cartographic documentation for 2011 Census	Agency for Statistics of Bosnia and Herzegovina/ Federal Office of Statistics/ Republika Srpska Institute for Statistics/ UNFPA	2007/07	ad-hoc	Hard Copy
14	Multiple Indicator Cluster Survey 2006	Directorate for Economic Planning Bosnia and Herzegovina/ Ministry of Health and Social Welfare Republika Srpska/ Ministry of Health of the Federation of Bosnia and Herzegovina / DFID / UNICEF	2007/09	ad-hoc	http://www.childinfo.org/mics3_surveys.html
15	Population of the Federation Bosnia and Herzegovina 1996-2006	Federal Office of Statistics	2008/05	ad-hoc	http://www.fzs.ba/Dem/stanovnistvo-bilten110.pdf
16	Women and men in Federation of Bosnia and Herzegovina 2004	Federal Office of Statistics	2004	every other year *This is the second one after 2001	http://www.fzs.ba/Eng/gendere.htm
17	Women and men in Federation of Bosnia and Herzegovina 2006	Federal Office of Statistics	2006	every other year	http://www.fzs.ba/Eng/gendere.htm
18	Women and men in Federation of Bosnia and Herzegovina 2008	Federal Office of Statistics	2008	every other year	http://www.fzs.ba/Eng/gendere.htm

File No.	Name of Survey	Publisher	Year	Survey Cycle	Source
19	Statistical Yearbook 2006	Federal Office of Statistics	2006/12	Yearly basis	http://www.fzs.ba/Podaci/godisnjak2006.pdf
20	Statistical Yearbook 2007	Federal Office of Statistics	2007	Yearly basis	http://www.fzs.ba/Sve%20G-2007.pdf
21	Statistical Yearbook 2008	Federal Office of Statistics	2008	Yearly basis	http://www.fzs.ba/god2008/GODISNJAK%202008.pdf
22	Statistical Yearbook 2009	Federal Office of Statistics	2009	Yearly basis	http://www.fzs.ba/Statisticki%20godisnjak%202009.pdf
23	Federation of Bosnia and Herzegovina in Figures	Federal Office of Statistics	2009	ad-hoc	http://www.fzs.ba/Podaci/Federacijaubrojka2008.pdf
24	Household Budget Survey Release 2007	Republika Srpska Institute of Statistics	2008/12	ad-hoc	http://www.rzs.rs.ba/Ankete/HBS/PotrDom2007.pdf http://www.rzs.rs.ba/Ankete/HBS/PotrDom2007Prilog.xls
25	Household Budget Survey and Poverty in Repblika Srpska in 2007	Republika Srpska Institute of Statistics	2009	ad-hoc	http://www.rzs.rs.ba/AnketePotrosnjaDomacinstavaENG.htm
26	Labour Force Survey Release 2007	Republika Srpska Institute of Statistics	2007/08	Yearly basis	http://www.rzs.rs.ba/Saopstenja/RadnaSnaga/ARS-07.pdf
27	Labour Force Survey Release 2008	Republika Srpska Institute of Statistics	2008	Yearly basis	http://www.rzs.rs.ba/Saopstenja/RadnaSnaga/ARS-08.pdf http://www.rzs.rs.ba/Saopstenja/RadnaSnaga/ARS-08.xls
28	Labour Force Survey 2009 Annual Release	Republika Srpska Institute of Statistics	2009/07	Yearly basis	http://www.rzs.rs.ba/Saopstenja/RadnaSnaga/ARS-09.pdf http://www.rzs.rs.ba/Saopstenja/RadnaSnaga/ARS-09.xls
29	Republika Srpska in Figures 2008	Republika Srpska Institute of Statistics	2008	For the first time / Yearly basis	http://www.rzs.rs.ba/PublikRSUBrojkaENG.htm
30	Republika Srpska in Figures 2009	Republika Srpska Institute of Statistics	2009	Yearly basis	http://www.rzs.rs.ba/PublikRSUBrojkaENG.htm
31	Women and men in Republika Srpska 2009	Republika Srpska Institute of Statistics	2009	series, The fifth publication	http://www.rzs.rs.ba/Publikacije/Gender/GenderBiltenBr5.pdf
32	Transport Statistics 2009	Republika Srpska Institute of Statistics	2009	ad-hoc	http://www.rzs.rs.ba/Saopstenja/Saobracaj/Godisnja/RegistrovanaVozila_2009.pdf
33	Transport and Communications 2009	Republika Srpska Institute of Statistics	2009	ad-hoc	http://www.rzs.rs.ba/PublikSaobracajENG.htm
34	Statistics of wages, employment and unemployment	Republika Srpska Institute of Statistics	2009	ad-hoc	http://www.rzs.rs.ba/PublikRadENG.htm
35	Education Statistics Higher Education 2009	Republika Srpska Institute of Statistics	2009	ad-hoc	http://www.rzs.rs.ba/PublikObrazENG.htm#високе

File No.	Name of Survey	Publisher	Year	Survey Cycle	Source
36	Education Statistics Secondary Education end of 2007/2008 and beginning of 2008/2009	Republika Srpska Institute of Statistics	2009	ad-hoc	http://www.rzs.rs.ba/PublikObrazENG.htm#средање
37	Education Statistics Basic Education end of 2007/2008 and beginning of 2008/2009	Republika Srpska Institute of Statistics	2009	ad-hoc	http://www.rzs.rs.ba/PublikObrazENG.htm#основне
38	Social Welfare Statistics Beneficiaries, Forms, Measures, Services and Institutions	Republika Srpska Institute of Statistics	2009	ad-hoc	http://www.rzs.rs.ba/PublikSocZastiteENG.htm
39	Demographic Statistics 2009	Republika Srpska Institute of Statistics	2009	ad-hoc	http://www.rzs.rs.ba/PublikDemENG.htm
40	Statistics Package 2001	UNHCR	2001/12	monthly basis	http://www.unhcr.ba/index.php?option=com_content&view=category&id=138:statistics-2001&Itemid=139&layout=default
41	Statistics Package 2002	UNHCR	2002/12	monthly basis	http://www.unhcr.ba/index.php?option=com_content&view=category&id=137:statistics-2002&Itemid=139&layout=default
42	Statistics Package 2003	UNHCR	2003/12	monthly basis	http://www.unhcr.ba/index.php?option=com_content&view=category&id=136:statistics-2003&Itemid=139&layout=default
43	Statistics Package 2004	UNHCR	2004/12	monthly basis	http://www.unhcr.ba/index.php?option=com_content&view=category&id=135:statistics-2004&Itemid=139&layout=default
44	Statistics Package 2005	UNHCR	2005/12	monthly basis	http://www.unhcr.ba/index.php?option=com_content&view=category&id=134:statistics-2005&Itemid=139&layout=default
45	Statistics Package 2006	UNHCR	2006/12	monthly basis (except Oct-Dec)	http://www.unhcr.ba/index.php?option=com_content&view=category&id=133:statistics-2006&Itemid=139&layout=default
46	Statistics Package 2007	UNHCR	2007	quarterly basis	http://www.unhcr.ba/index.php?option=com_content&view=category&id=114:stat2007&Itemid=139&layout=default

File No.	Name of Survey	Publisher	Year	Survey Cycle	Source
47	Statistics Package 2008	UNHCR	2008	quaterly basis	http://www.unhcr.ba/index.php?option=com_content&view=category&id=108:stat2008&Itemid=139&layout=default
48	Returns of refugees in FBiH 1996-2008		2008	ad-hoc	http://www.fzs.ba/Dem/ProcPrist/Ukupan%20broj%20pov_izbjeg_raselj%20osoba%201996_2008_bez0.pdf
49	Executive Summary of Main Findings Report on Returnees/Displaced persons	Oxford Research International	2007	ad-hoc	http://europeandcis.unep.org/cpr/show/161BE7CD-F203-1EE9-BD4C1FDAE001EFBC

(3) List of Major Microfinance Institutions

No.	Name of MFI	Address	Contact Number	Contact Person	Email Address	Homepage	Activity summary	Remarks
1	AMFI (Association of Microfinance Institutions in Bosnia and Herzegovina)	Branilaca Sarajeva 20 Sarajevo 71000	+387 33 205 133	None	amfi@bih.net	http://www.amfi.ba/	The aim is to decrease poverty and support socially vulnerable people who have no possibilities of obtaining financial resources from traditional banks to develop small and medium enterprises.	*The website has English page, but currently not available.
2	EKI	Zvornicka 9 71000 Sarajevo	+387 33 651-112 +387 33 651-113	Sadina Bina (Director)	wvimikro@bih.net	http://www.mkoeki.com	Microcredit foundation EKI was created from the microcrediting programme of World Vision International (WVI). It aims to reduce economic causes of poverty through loans and services aiming to start up and improve small businesses, crafts, services and agriculture.	
3	LOK Micro	Skenderija 13 71000 Sarajevo	+387 33 442 931 +387 33 442 932	Nusret Čaušević (Director)	central.office@lok.ba info@lok.ba	http://www.lok.ba/?jezik=bos	The basic business activity is provision of microloans in accordance with the Law on Microcredit Organizations with the aim of improving the material status of the microloan users, as well as increasing employment and supporting entrepreneurship development.	
4	MI-BOSPO	Bosne srebrene bb 75 000 Tuzla	+387 35 270 283	Nejira Nalić (Director)	mi-bospo@mi-bospo.org	http://www.mi-bospo.org/	The aim is to provide loans to women in BiH to increase their income at home in order for them to be able to have a higher quality of family lives, to fund their children for education as well as to have better housing.	
5	MIKRA	Marka Marulića 2/VI Poslovna zgrada «UNIPROMET» 71 000 Sarajevo	+387 33 616-162	Sanin Campara (Director)	mikra@mikra.ba	http://www.mikra.ba/	MIKRA, which was founded by Catholic Relief Services (CRS), offers loans intended to support small business, with a primary goal of providing support to economically active women, particularly focusing on those with lowest income levels.	
6	MIKRO ALDI	Panorama bb 73 000 Goražde	+387 38 226 456	Ferida Softić (Director)	mka.aldi@bih.net	http://www.mikroaldi.org/	MIKRO ALDI provides suitable financial services to economically active population with low-income rate, in order to improve living conditions within local economies.	
7	MIKROFIN	Save Kovačevića 23 78 000 Banja Luka	+387 51 301 535	Aleksandar Kremenovic (Director)	mfbf@inecco.net	http://www.mikrofin.com/	Microfin tailors their products according to customer needs and market demands. The credits includes (1) Loans for renovation, reconstruction, expansion (2) Credit for entrepreneurs, (3)Fast non-purpose loan, (4) Credit for agriculture, (5) Shopping credit.	

No.	Name of MFI	Address	Contact Number	Contact Person	Email Address	Homepage	Activity summary	Remarks
8	Partner Mikrokreditna Organizacija	Ulica 15 Maja (Trzni centar Sjenjak) 75 000 Tuzla	+387 35 245-780 +387 35 245-781	Senad Sinanovic (Director)	partner@partner.ba	http://www.partner.ba/	Partner provides financial services to economically active people who have difficult or do not have access to commercial sources of funding, for starting and improving business and improving quality of life. Main activities are supporting micro entrepreneurs.	
9	Prizma	Ulica 15 Maja (Trzni centar Sjenjak) 75 000 Tuzla	+387 33 552-000 +387 33 552-001	Kenan Crnkic (Director)	hq@prizma.ba	http://www.prizma.ba/	PRIZMA offers enterprise loans for start-up and improvement of small business, trade, services, agriculture, livestock raising, reconstruction and repair of housing and office facilities, loans for basic needs (fuel, food supplies, school supplies, etc.).	
10	Sinergija plus	Mladena Stojanovića 111 78 000 Banja Luka	+387 51 332-600	Zeljko Bogdanic (Director)	info@mkosinergijaplus.org	www.mkosinergijaplus.org	"Sinergija plus" offers variety of financial services with intention to existing private micro, small and medium enterprises, self-employment business, agriculture households and entrepreneurs in production, services, agriculture and trade sectors.	
11	Sunrise	Envera Šehovića 16A 71 000 Sarajevo	+387 33 278-020	Mirsad Milavic (Director)	sunrise@bih.net sunrise@microsunrise.ba	http://www.microsunrise.ba/	Micro "Sunrise" works long term and efficiently to deliver services to the targeted clients and offer a significant contribution to increase employment and decrease poverty as well as aid in the transition of social ownership in the post-conflict era.	
12	Women for Women international (Zena za Zene)	Dzemala Bijedića 130 71 000 Sarajevo	+387 33 469-970 +387 33 469-971	Seida Saric (Director)	zene@bih.net	http://www.womenforwomen.org/	As a part of their activities, "Women for Women" provides critical job skills training to help women transform their new skills into financial independence and sustainability as well as business development and management education, and microfinance.	
13	Lider	Kundurđiluk 3 71 000 Sarajevo	+387 33 475-395 +387 33 233-180	Zijad Hasovic (Director)	zijadh@lider.ba	http://www.lider.ba	The aim is to contribute to improvement of economic and living conditions of business people and citizens through providing high quality credit services to citizens and businesses in rural and urban areas of BiH.	
14	Prva Islamska	Islamska Mikrokreditna Fondacija Jukiceva 75 71 000 Sarajevo	+387 33 666 233 +387 33 666 234	Hamad Mohammad (Director)	info@islamic-relief.ba	http://www.mfi.ba/	The Foundation operates under the principles of Islamic banking and its aim is to improve the economic and social conditions of the program users, their families and communities through the provision of micro finance services in order to create income.	

References:

Name	Link	Memo
Member lists of AMFI (Association of Microfinance Institutions in Bosnia and Herzegovina)	http://www.amfi.ba/index.php?option=com_content&task=view&id=26&Itemid=44	Only Bosnian page is available. 13 organizations (No.2 -No.14) : Members of AMFI (Association of Microfinance Institutions in Bosnia and Herzegovina)

(4) List of Major NGOs (international and national) and CSOs

No.	Name of NGO / CSO	Address	Contact Number	Contact Person	Email Address	Activitiy summary	Remarks
1	Helsinki Committee for Human Rights in Bosnia and Herzegovina	Ante Fijamenga 14b, 71000 Sarajevo	+387-33-660-809	None	info@bh-hchr.org	*The aim of the Committee is to protect and promote the human rights in BiH. *Main activities are promoting human rights and systematic follow-up of the state of human rights in BiH, reaching against violation of human rights, providing professional legal supports.	The area of focus is human right
2	STAR Network	Sarajevo	+ 387-33-558-471	Selma Hadžihalilovic	ramp@zonta-star.worldlearning.ba	*To plan practical actions to bring long-term solutions for tough issues that affect women's lives. *To educate and empower local women to teach and inspire each other. *To educate the public and policymakers about needs for political and economic change.	The area of focus is human right and women.
3	BiH Youth network	ORC Tuzla Hadži Bakirbega Tuzlica 1, 75000 TUZLA	+387-35-258-077	Miralem Tursinovic (Director of hCa Tuzla) Emir Sejranic (Project Co-ordinator) Delalic Emir Zeko (Technical assistant)	ortuzla@bih.net.ba	*The aim of the organisation is to help in work to youth organisations and individuals, especially to those who act in smaller and "closed" local areas in Bosnia and Herzegovina. *Main activities are organising meetings with youth organisations representatives.	The area of focus is youth.
4	Centres for Civil Initiatives (Centri Civilnih Inicijativa)	Zmaja od Bosne 40 71000 Sarajevo *There are offices in Tuzla, Banja Luka, Mostar and Doboј as well.	+387-33-715-986	None	not available	*Ecology, "Clean Up Trash" campaign: To manage packaging waste (particularly PET) and reduce pollution in BiH where there is no recycling rule at the moment. *Anticorruption in health and education: To have an impact on increasing the responsibility of the public organizaions	The areas of focus are Ecology, Anticorruption and employment. *The website is only IN BOSNIAN .
5	Women to Women (Zena Zenama)	Sarajevo	-	-	not available	*It plays very important role in development of civil society in BiH in area of understanding of the concept of democracy and human rights.	The areas of focus are women. *The website is currently not available. Information refers to the following website. http://www.womenngo.org.rs/english/index.php?option=com_weblinks&catid=39&Itemid=23

No.	Name of NGO / CSO	Address	Contact Number	Contact Person	Email Address	Activity summary	Remarks
6	The United Women (Udružene Zene)	Kalemegdanska 18, 78000 Banja Luka	+387-51-463-143	None	office@unitedwomenbl.org	*The aim or the organisation is to improve social position of woman and her right to life without violence in family and public life as well as to realise more women to be at the positions of decision-making in official institutions at all levels of governments.	The area of focus is women
7	Organization Q (Udružnje Q)	PP 304 71000 Sarajevo	+387-61-340-638	None	info@queer.ba	*This organization works on the promotion and protection of the culture, identity, human rights and support to the LGBTIQ persons; elimination of all forms of discrimination and inequality based on sex, gender, sexual orientation, sexual identity.	The area of focus is gender equality.
8	Helsinki Citizens' Assembly(HCA) Banja Luka	Krfska 84 78000 Banja Luka	+387-51-432-750 +387-51-432-753 +387-65-615-535	None	hcabl@blic.net	*The aim of the organization is to support and encourage autonomy and freedom of all citizens, especially women and youth. *To achieve the vision, it involves in three program areas; (1) strengthening civil society and the transformation of public authorities.	The area of focus is women and youth. *The website is only IN BOSNIAN .
9	Women's forum "Alternative" Kakanj	Ulica 309. Brdske brigade P+4, 72240 Kakanj	+387-32-556-288	Maksuma Topalović	alternative@bih.net.ba	The aim of the organization is to present and protect human rights, build tolerance and confidence in the community and build up the role of the youth and women in the society through creating good-quality workshops.	The area of focus is women and youth.
10	Center for Legal Assistance for Women Zenica (Centar za pravnu pomoc zenama)	Mejdandžik 9 Zenica ZE-DO 72000	+387-32-402-049	None	not available	The aim is to promote and advance women's human rights through raising awareness, strengthening women and advocacy process for the Gender Law implementation.	The area of focus is women.
11	CURE	Ante Fijamenga 14b (Kuca ljudskih prava) 71 000 Sarajevo	+387-33-713-610	None	not available	The aim is to change the attitudes of BiH society in relation to violence against women focusing on economic social and psychological assistance to women as victims. The long term vision is to open Multimedia Educational Resource Center for girls and women.	The area of focus is women.
12	AMICA Educa	Klosterska 13; Tuzla 75 000	+387-35-248-912	Suada Selimovic/ Selma Alicic	educa@bih.net.ba festival@inet.ba	As a center of Education and Counselling for trauma afflicted women and children, AMICA Educa offers SOS Helpline (telephone line) available to everyone, trains (female) doctors, social workers and teachers in modern methods of trauma processing by therapists.	The area of focus in women and children.

No.	Name of NGO / CSO	Address	Contact Number	Contact Person	Email Address	Activity summary	Remarks
13	Association Education Builds B-H	Dobojska 4, 71000 Sarajevo	+387 33 710 580 +387 33 710 581	None	ogbh@open.net.ba	The main activities are to help children of victims of the 1992-95 war in Bosnia-Herzegovina, as well as disabled and talented children as well as to successfully complete their schooling and become productive members of society.	The area of focus is children.
14	The Association Bosnian Family (BOSFAM)	Ul Stjepana Matijeveca 11, 75000 Tuzla,	+387 35 257 533 +387 61 732 027	None	bosfam.tz@bih.net.ba office@bosfam.ba	The goal is to support women in BiH through training, so that they would be qualified and trained to make their own decisions for themselves and their family, to be informed, to study, to make money. The main activities are providing economic support to women.	The area of focus is women.
15	International Forum Bosnia	Sime Milutinovića 10 Sarajevo 71000	+387 33 217-665 +387 33 217-670 +387 33 217-680	None	if_bosna@bih.net.ba www.ifbosna.org.ba	It brings together individuals and institutions from BiH and abroad committed to the creation of a future for BiH as a harmonious and united society, based on dialogue, trust, and respect, and on best practice in the fields of human rights protection.	The area of focus is culture.
16	Mozaik – Community Development Foundation (Mozaik – Fondacija za razvoj zajednica)	Soukbunar 42, Sarajevo 71000	+387 33 266 480	Zoran Puljić	info@mozaik.ba http://www.mozaik.ba/	Mozaik is a community development foundation that provides grants and advisory support for local initiatives of common interest throughout Bosnia and Herzegovina. The Foundation focuses on local resource mobilization and sustainability of social and economic development through implementing a range of programs that support initiatives in rural communities.	The area of focus is community development.
17	Association to Protect Cultural Historical Heritage of Konjic Udruženje za zaštitu kulturno-historijskog nasljeđa Konjica)	Maršala Tita 65, 88 400 Konjic	+387 36 730 460	Dženan Kovačić	not available	The website is not available	The area of focus is culture.
18	Ecology – Ethnology movement "Dimitor" of Prevlaka (Ekološko-etnološki pokret "Dimitor", Prevlaka)	Donja Prevlaka bb, 79287 Prevlaka (kod Ribnika, RS)	+387 50 461 332	Kosana Todorović	kosanat@spinter.net	The website is not available	The area of focus is culture.

No.	Name of NGO / CSO	Address	Contact Number	Contact Person	Email Address	Activity summary	Remarks
19	Association to Protect Cultural, Historical and Natural Values of Kreševo (Društvo za zaštitu kulturno-povijesnih i prirodnih vrijednosti, Kreševo)	Kreševo	-	Anto Buzuk	not available	The website is not available	The area of focus is culture.
20	Association for Promotion of Kupres and to Protect Natural, Historical and Cultural Heritage of Kupreška Visoravan Organization "Kupreška visoravan" (Organizacija "Kupreška visoravan")	-	+387 34 274 048	Blanka Magaš	hdk.kupres@tel.net.ba	The website is not available	The area of focus is culture.
21	UG "Merjem"	Muhići 43, Sanski Most	387 37 686 444	Soko Cerić	not available	The website is not available	The area of focus is culture.
22	CHwB – Kulturno nasljeđe bez granica / Cultural Heritage without Borders	Address: Alipašina 7, Sarajevo 71000	+387 33 55 23 76	Lejla Hadžić	lejla.hadzic@chw.org	CHwB is a Swedish NGO whose aim is to lend international support to cultural heritage at risk of being destroyed whether as a result of natural disasters, war or neglect because of poverty or political and social conditions.	The area of focus is culture.
23	Forum of Tuzla Citizens (FTC) (Forum Gradjana Tuzle)	Street Hadži Bakirbega Tuzlića br.1, Tuzla	+387 35 258 075	Vehid Šehić (president)	forum_tz@bih.net.ba	FTC is aiming to preserve BiH as a whole, independent and decentralised sovereign state, regulated upon parliamentary democratic principles, within its historical and geo-political borders, recognised by the international community.	The area of focus is human right.
24	ICVA	Radićeva 1/II 71000 Sarajevo	+ 387 33 210 201 D28	Vesna Vukmanić (Director)	icva@bih.net.ba	ICVA's aim is strengthening the non-governmental sector in BiH through providing support to NGOs in: - Information-sharing and production of information sources; - Developing policies on issues relevant to NGO sector in BiH; - Advocacy towards government.	The area of focus is NGOs networking

No.	Name of NGO / CSO	Address	Contact Number	Contact Person	Email Address	Activity summary	Remarks
25	Research and Documentation Centre Sarajevo (Istraživačko dokumentacioni centar)	Kupreška 17, 71000 Sarajevo, BiH	033/725-350	<u>Bakir Junuzović</u>	centar@idc.org.ba www.idc.org.ba	It collects info about the 1992-95 war with the purpose to prevent dana manipulations.	The area of focus is war crimes
26	Nansen Dialogue Centre (Nansen Dijalog Centar)	Hadžidamjanova 1 71000 Sarajevo	033/273-461	Ljuljeta Goranci Brkić	www.ndcsarajevo.org	It contributes to high levels of ethnic reconciliation and tolerance in BiH and the Region, and to higher participation of citizens in democratic process and institutions.	The area of focus is ethnic reconciliation
27	Solidarity for the South (Solidarnost za jug)	Kninska 1 98101 Trebinje	059/274-000	Stanko Buha (executive director)	solidarnost@paleo1.net	The website is not available.	web site is not functional
28	Youth Cultural Centre <i>Abrašević</i> (Omladinski kulturni centar <i>Abrašević</i>)	A. Starčevića bb 78000 Mostar	36 561 107	Meri Musa	info@okcabrasevic.org www.okcabrasevic.org	It promotes tolerance in cultural, economic and political life among citizens.	The area of focus is youth culture
29	Blue Sphere (Plava Sfera)	Srđe Zlopoglede 55/150 78000 Banja Luka	051/430 820	Ljubo Janjić (executive director)	info@plavasfera.org www.plavasfera.org	It strengthens civil society by education, democracy promotion, enforcing civil society, promoting partnership among social partners, consumers protection and supporting active citizens' status.	The area of focus is politics
30	Association of municipalities and cities of Federation of BiH (Savez općina i gradova Federacije BiH, Sarajevo)	Musala 5/1.	033/216-502, 552-810	Amir Kupusija	www.sogfbih.ba	The Association of Cities and Municipalities of the Federation of Bosnia and Herzegovina is an independent organization whose main goal is development of local self government. The Association aims to provide professional services to local governments.	The area of focus is local self government
31	Transparency International BiH, Banja Luka	Gajevo 2 78000 Banja Luka	051/224-521	Srdan Blagovčanin	info(a)ti-bih.org	The Association's activities include: securing the application of standards of conduct designed to promote transparency and accountability in international transactions; informing the general public about corruption; providing assistance and expertise.	The area of focus is anti-corruption

No.	Name of NGO / CSO	Address	Contact Number	Contact Person	Email Address	Activity summary	Remarks
32	Udruženje nezaposlenih u Brčko distriktu, Brčko	Bulevar Mira 18 76100 Brčko distrikt BiH	049/217-493	Nada Grujić	not available	not available	The area of focus is unemployment
33	The Association "PRONI" Center for youth development (Udruženje "PRONI" Centar za omladinski razvoj)	Bosne srebrene 16 76100 Brčko distrikt BiH	+ 387 49 217 695 J37	Jasmin Jašarević (Manager General)	pronibr@teol.net	a local youth organization founded in 1998, working to develop a democratic society through: protection and promotion of human rights, community youth work, social education, peace-building, cross-sectoral cooperation and support of youth initiatives.	The area of focus is youth development
34	Legal Aid Network (Udruženje Vaša prava BiH) Sarajevo	Ramiza Salčina 45 71000 Sarajevo	033 789 105	Una Bejtović Mehmedović	not available	Association Your Rights BiH was established in 1996 as a network of information centres and legal aid under the auspices of the United Nations High Commissioner for Refugees (UNHCR), whose mandate is to provide return of refugees and displaced persons with assistance.	The area of focus is legal aid for refugees and displaced persons.
35	Association for Entrepreneurship and job LINK (Udruženje za poduzetništvo i posao LiNK)	Bulevar narodne revolucije 55a 88000 Mostar	036/580-151	Tomislav Majić	info@linkmostar.org	LINK, an association of entrepreneurs and service centre, tending to be a driver of local economic development, by gathering and representing the interests of enterprises and entrepreneurs, as well as supplying qualified expertise.	The area of focus is local development
36	Caritas of Bishop Conference of BiH (Caritas Biskupske konferencije BiH, Sarajevo)	M. B. K. Ljubušaka 6 71000 Sarajevo	033/206-442	Bosiljko Rajić (Director) b.rajic@carbkbih.com.ba	carbkbih@bih.net.ba www.carbkbih.com.ba	Caritas is the Catholic Church's pastoral institution founded to promote charitable activities. Caritas is a legal person in the church and civilian areas in accordance with the Code of Canon Law and the laws of BiH.	The area of focus is humanitarian aid

References:

	Name	Link	Memo
A	The Gender Equality Agency of Bosnia and Herzegovina	http://www.arsbih.gov.ba/en/	Established by the Council of Ministers.
B	Gender Centre of the Federation of Bosnia and Herzegovina	http://www.fgenderc.com.ba/en/linkovi.html	Established by The Government of the Federation of Bosnia and Herzegovina.
C	Autonomous Women Center	http://www.womenngo.org.rs/english/index.php?option=com_weblinks&catid=39&Itemid=23	Search by "Similar Organizations in Bosnia and Herzegovina "

	Name	Link	Memo
D	Worldwide NGO Directory (WANGO connecting and serving NGOs beyond borders)	http://www.wango.org/resources.aspx?section=ngodir#tab2	Total Search Results: 17
E	South East European Heritage Non-governmental organizations active in the field of cultural heritage in BiH	http://www.seeheritage.org/bosnia-and-herzegovina/ngo-s.html	Cultural related NGOs only. Total Search Results: 7
F	*Helsinki Committee for Human Rights in Bosnia and Herzegovina 'NGOs in Bosnia and Herzegovina'	http://www.bh-hchr.org/links.htm	The Website of the NGO listed as No.1 in this sheet.
G	*NGO Directory of South Eastern Europe (2006) A Directory of West Balkan Environmental Civil Society Organisations	http://archive.rec.org/REC/Databases/NGO_Directory_SEE/Find.html	Environmental NGOs only. Total Search results:88
H	Portal of NGO of BiH	http://www.ngo.ba/index.php?option=com_comprofiler&task=usersList&Itemid=51	381 NGOs are listed.
I	ICVA	http://www.icva-bh.org/eng/default.wbsp	It is a network of NGOs; it has prepared of Directory of BiH NGOs for 2005 (please find it attached)
J	Register of Citizens' Association of Brčko District BiH) (Registrovana Udruženja građana Brčko distrikta BiH)	http://www.bdcentral.net/Members/administracija/mzngo/registrovana-udruzenja-gra111ana-brcko-distrikta-bih?set_language=bs	319 NGOs are listed

(5) List of Major Socio-economic Research Institutions

No.	Name of Research Institutions	Address	Contact Number	Contact Person	Email Address	Activity summary	Remarks
1	Economic Institute (Ekonomski institut) Sarajevo	Branilaca Sarajeva 47 Sarajevo Bosna i Hercegovina 71000	not available	Anto Domazet	ekonomski.institut@efsa.unsa.ba	The business orientation of the EI is to continually develop the capacity to provide research and consulting services for the commercial and public sector.	It is the public owned but fully commercially oriented without budget subventions. It is a project oriented, flexible organisation attached to the Faculty of Economics in Sarajevo.
2	Economic Institute (Ekonomski institut) Banja Luka	Ulica Kralja Alfonsa XIII 18 78000 Banja Luka	387 51 304 113	Dusko Jakšić	http://www.ekinst.org	Macroeconomic Development, Regional Development and Local Communities, Technological development and investments, Marketing, Organization and management of enterprises, Valuation of enterprises, Development of management information systems, Improving management.	EI has carried out more than a thousand of scientific research projects, expert analysis, investment programs, feasibility studies and many other economic projects and consultancy services.
3	The Independent Bureau for Humanitarian Issues (IBHI) (Nezavisni biro za humanitarna pitanja, IBHI)	Branilaca Sarajeva 47 Sarajevo Bosna i Hercegovina 71000	+ 387 33 473 214	Žarko Papić	ibhi@bih.net.ba	IBHI-BiH has focused its activities towards fulfilling the following aims: Strengthening and capacity building of institutions within the governmental and non-governmental sector; Supporting municipalities in capacity building for planning and policy development.	
4	PRISM RESEARCH (Prizma istraživanja) Sarajevo	Maršala Tita 6/III 71000 Sarajevo	387 33 251 230	Dino Đipa	info@prismresearch.ba	Prism Research is one of the first, and now the largest and leading full service marketing, media and social research company in BiH. It offers both quantitative and qualitative research services in ad-hoc, continuous and syndicated research projects.	
5	Djikić Consultants	Isevic sokak 11 71000 Sarajevo	387 (33) 268 660	Emir Djikić General Manager	info@dcs.ba	It provides professional expertise in the consulting field. In addition, it provides training, counseling and coordination in preparation and implementation of projects.	

(6) List of Other References

File No.	Name of Document	Publisher	Year
1	Bosnia and Herzegovina; Addressing Fiscal Challenges and Enhancing Growth Prospects A Public Expenditure and Institutional Review	The World Bank	2006/09
2	CBBH Annual Report 2008	Central Bank of Bosnia and Herzegovina (CBBH)	2008
3	UNDP Early Warning System Jobs and...More Jobs	UNDP	2006
4	UNDP Early Warning System Annual Report 2008	UNDP	2008
5	Employment Policy Review Bosnia and Herzegovina	ILO/Council of Europe	2009
6	Progress Report 2009 Enlargement Strategy and Main Challenges 2009-2010	Commission of the European Communities	2009
7	Public Expenditure Management System Assessment May 2009	OECD/ EU	2009/05
8	Bosnia and Herzegovina: Staff Report for the First Review Under the Stand-By Arrangement	IMF	2010/04
9	Common Country Assessment 2008	United Nations Country Team in Bosnia and Herzegovina	2008/10
10	United Nations Development Assistance Framework 2010-2014	United Nations Country Team in Bosnia and Herzegovina	2008/10
11	Bosnia and Herzegovina Pension System Note	The World Bank	2007
12	Social Transfers in Bosnia and Herzegovina: Moving Towards a more sustainable and better targeted safety net Policy Note	The World Bank	2009/04
13	Pension Reform and Social Protection Systems in Bosnia and Herzegovina	UNDP	2007
14	Health Care Systems in Transition	The European Observatory on Health Care Systems/ WHO Regional Office for Europe/ Government of Greece, Norway, Spain/ European Investment Bank/ World Bank/ LSE/ LSHTM	2002
15	Social protection and social inclusion in Bosnia and Herzegovina	European Commission	2008/07
16	Joint Monitoring Programme for Water Supply and Sanitation Improved Drinking Water Source and Improved Sanitation Facilities	WHO/UNICEF	2010/03
18	Nutrition Profile B&H	UNICEF	2010/03
19	Country profile Maternal, Newborn & Child Survival	UNICEF	2010/04
20	An Impact Analysis of Microfinance in Bosnia and Herzegovina	Valentina Hartarska, Auburn University	2007/12
21	Microcredit in post conflict societies: The Bosnia-Herzegovinian example	Dr.Dijana Tiplić, Stanford University & Prof.Anne Welle-Strand, Norwegian School of Management BI	2008
22	The Local Initiatives Project II LIP II Annual report microfinance project	FBiH, Foundation for Sustainable Development (Financed by the World Bank)	2005

File No.	Name of Document	Publisher	Year
23	Imp-Act Role of Microfinance in the Household reconstruction Process in Bosnia and Herzegovina	Micro Finance Center for Central and Eastern Europe and the New Independent States	2004/01
24	Protecting the poor during the global crisis: 2009 Bosnia and Herzegovina Poverty Update	The World Bank	2009/12
25	Bosnia and Herzegovina Poverty Assessment (Volume 1, 1of 2) Main Report	The World Bank	2003/11
26	Bosnia and Herzegovina Poverty Assessment (Volume 1, 2of 2) Data on Poverty	The World Bank	2003/11
27	Maximising the Development Impact of Migration-related Financial Flows and Investment from Austria to Bosnia and Herzegovina	OeEB/ International Agency for Source Country Information(IASCI)/ IOM Vienna Mission	2009/09
28	Poverty, Deprivation and Social Exclusion in Bosnia and Herzegovina	LSE/DFID	2008/05
29	Labour Market and Employment Analysis in the Federation of Bosnia and Herzegovina	Federal Employment Service, Federation of Bosnia and Herzegovina	2007/09
30	Human Development Report Bosnia and Herzegovina 2000 Youth	UNDP	2000
31	Human Development Report Bosnia and Herzegovina 2002	UNDP	2002
32	Human Development Report 2003 Millennium Development Goals	UNDP	2003/06
33	Human Development Report 2005 Better Local Governance in Bosnia and Herzegovina	UNDP	2005
34	Human Development Report 2007 Social Inclusion in Bosnia and Herzegovina	UNDP	2007
35	Human Development Report 2009 The ties that bind Social Capital in Bosnia and Herzegovina	UNDP	2009
36	MDG update report for Bosnia and Herzegovina PRSP, Europe and beyond	UNDP	2004
37	Update on Conditions for Return to Bosnia and Herzegovina	UNHCR	2005/01
38	Assessment of the Ministry for Human Rights and Refugees of Bosnia and Herzegovina	UNDP	2004
39	Human Development Report 2009	UNDP	2010