



## COUNTRY PROFILE

OCTOBER 2008



A visitor at the World Tourism Market in London walks inside the "tourism wheel" at the USAID-supported BiH stand which won the award for the best stand feature

### OVERVIEW

Twelve years since the signing of the Dayton Peace Accords that brought an end to the hostilities and started the transition to peace and stability in Bosnia and Herzegovina, the Balkans remains a critical region



Sarajevo

for U.S. foreign policy and security interests. Bosnia and Herzegovina (BiH) is still struggling to overcome the effects of war. Physically, the country is largely rebuilt and shows signs of economic growth. Defense reform resulted in joining NATO's Partnership for Peace. However, ethnic tensions and a largely dysfunctional, multi-layered governance structure geared toward safeguarding the rights of the various ethnic groups still hinder Bosnia's development. Reforms necessary for eventual Euro-Atlantic integration require continued effort.

To date, the U.S. Government, through USAID, has provided over \$1 billion in assistance to support economic, democratic and social progress in Bosnia and Herzegovina.

### PROGRAMS

#### ACCELERATING PRIVATE SECTOR GROWTH

With GDP at just 70 percent of its pre-war levels, BiH remains one of the poorest countries in the region. Thirteen percent of the population lives below the poverty line. Privatization has been slow, with unemployment remaining around 30 percent. USAID's programs to accelerate the development of the private sector include activities that strengthen the competitiveness of small and medium enterprises (SMEs) in agribusiness, wood processing, and tourism, and systematically remove business impediments through legal, regulatory and administrative reforms. Successful application of the cluster model allowed wood processing companies as a group to respond better to market trends toward increased sales to high volume buyers and wholesalers, consolidated supply chains, and preferred supplier arrangements. This resulted in increased exports which grew by 33 percent in the first six months of 2007. In the tourism sector, the joint promotion of BiH tourism packages led to a 19 percent increase in foreign tourist arrivals. USAID's efforts to link BiH agricultural producers with markets resulted in 267 contracts valued at \$13.3 million. USAID is working to implement a transparent tax ad-

#### BIH SNAPSHOT

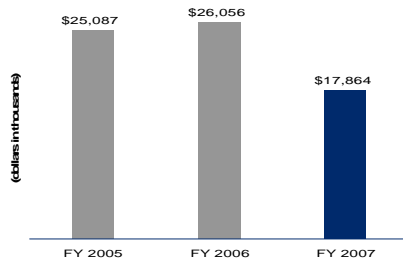
Date of independence:  
April 6, 1992  
Capital: Sarajevo  
Population: 4 million  
GDP per capita: \$2,995

For more information,  
see [www.usaid.gov](http://www.usaid.gov)  
Keyword: Bosnia

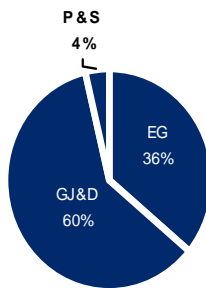


## COUNTRY PROFILE CONTINUED

### USAID ASSISTANCE TO BOSNIA AND HERZEGOVINA



FY 2007 Funding by Program Area



Governing Justly and Democratically (GJ&D): \$10,772  
 Economic Growth (EG): \$6,415  
 Peace and Security (P&S): \$677

ministration that will eliminate nuisance taxes, increase labor mobility and flexibility, and strengthen the electrical power sector through privatization and the establishment of regulatory bodies.

### STRENGTHENING DEMOCRATIC GOVERNANCE

USAID's democratic reform assistance focuses on strengthening transparent, accountable, and efficient governance through work with local governments, legislatures, and political parties. The USAID assistance program also works to increase citizen participation in political and social decision-making, and to strengthen legal systems to expand transparent access to justice for all citizens. USAID-supported reforms help BiH courts to track the progress of cases and store relevant data in a more efficient manner. Local government support concentrates on delivering more effective services to citizens, as well as drafting and helping pass legislation to improve the enabling environment. As result of these efforts, modernly equipped citizen service centers in 41 municipalities throughout BiH have been opened for users, benefiting some 1.5 million citizens and reducing the time needed to obtain various certificates by 74 percent. In addition, USAID provided assistance to political parties and legislatures to enable them to improve their accountability to their constituents. Civil society programs funded local efforts to influence policy making and increase local nongovernmental organizations' (NGOs) capacity to advocate for their constituencies as well as increase their sustainability through improved techniques for fund raising.

### SUPPORTING LASTING PEACE AND SECURITY

BiH is a country of origin, transit, and destination for women and girls trafficked internationally and internally for the purpose of commercial sexual exploitation. USAID-supported anti-trafficking efforts helped empower governmental institutions and NGOs to become sustainable and accountable, and to take ownership of anti-trafficking actions in BiH. The anti-trafficking program provided direct assistance to seventy victims of trafficking and empowered 1,000 vulnerable individuals by providing them with professional orientation and vocational training.

### CONTACT INFORMATION

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