



THE EU AND BOSNIA AND HERZEGOVINA

#WesternBalkans #EUEnlargement

October 2024



Bosnia and Herzegovina is an **EU candidate country** since 2022.



Growth Plan for the Western Balkans

In 2023, the EU announced a landmark **Growth Plan** to accelerate Western Balkans partners' socio-economic development and EU integration.

The Plan aims to boost **socio-economic convergence** through enhanced economic integration with the **EU's single market**, regional integration within the **Common Regional Market**, accelerating fundamental reforms.

As part of this Growth Plan, Bosnia and Herzegovina was invited to prepare a **Reform Agenda** focusing on reforms to **unlock national and regional growth potential** and related to the fundamentals of the enlargement process, including the **rule of law, democracy, the respect of human rights and fundamental freedoms**.

A €6 billion **Reform and Growth Facility** for the Western Balkans will support implementation of the Growth Plan. For Bosnia and Herzegovina, **€1.085 billion in non-repayable grants and favourable loans** will be available **when** it meets the conditions it has committed to in its own Reform Agenda.



The EU is Bosnia and Herzegovina's

- ✓ largest trade partner
- ✓ largest investor
- ✓ largest provider of financial assistance



Ongoing EU support for Bosnia and Herzegovina

The **EU** is the **largest provider of financial assistance** to Bosnia and Herzegovina. It offers a variety of programmes and instruments to support its development and EU accession process.

Instrument for Pre-Accession (IPA)

Between **2021-2024** the EU has allocated **over €309 million** of financial and technical assistance to Bosnia and Herzegovina under IPA III. Assistance is provided in the form of **non-repayable grants**. This includes:

- **€70 million Energy Support Package** to support vulnerable families and SMEs against rising energy prices.
- **€23 million EU4people programme** for employment and social inclusion.
- **€13 million EU4 Rule of Law and Equality** programme to improve the quality of justice and support gender equality and inclusion of the Roma.

Economic & Investment Plan (EIP)

The EU's **EIP for the Western Balkans** identifies 10 flagship investments in sustainable transport, clean energy, environment and climate, digital future, human capital and the private sector, to support a green and digital transition and bring the region closer to **the EU's single market**.

For projects in **Bosnia and Herzegovina**, since 2020 the EU has mobilised **€2.9 billion in investments thanks to €1 billion in EU grants**. Funds are raised through tools such as the Western Balkans Investment Framework (WBIF). This includes:

- Constructing **212 km of new motorways** along Corridor Vc, connecting the country to the Adriatic Sea & to Central Europe which should increase travel speed to 130 km/h and **improve mobility for 1.5 million people**.
- **Rehabilitation and modernisation of the Čapljina pump storage hydropower plant**, with an expected **20% increased production of 575 GWh per year**.
- Building a regional sanitary landfill for Živinice, Banovici and Kladanj, providing efficient **waste collection and disposal services for over 151 300 people**, with 16 140 tonnes of waste per year disposed of in compliance with EU standards.



What we are achieving together



152 km of motorways built



1 inland port and **40 km** of waterways



182 MW renewable energy generation capacity installed



Improved water and sanitation services for **770 000 people**

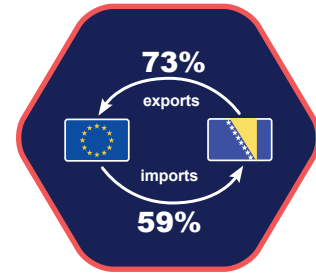




Close trade & investment links

The EU is Bosnia and Herzegovina's main trading partner. In 2023, the EU accounted for 64.2% of its trade in goods (73% of total exports and 59% of total imports). Total EU Foreign Direct Investment reached €754.3 million in 2022*.

Under the **Stabilisation and Association Agreement (SAA)** and its Interim Agreement there has been progressive **trade** liberalisation and mutual duty-free access for most goods since 2008.



Foreign & security policy cooperation

Bosnia and Herzegovina has continued to fully align on EU's **Common Foreign and Security Policy** positions and declarations.

In addition:

- Bosnia and Herzegovina continued to participate in EU crisis management missions and operations under the Common Security and Defence Policy (CSDP).
- The Armed Forces of Bosnia and Herzegovina benefit from €20 million in assistance from the **European Peace Facility**, which increases their capacity to participate in Common Security and Defence Policy military missions and operations.
- The EU provides support to strengthen Bosnia and Herzegovina's **resilience to hybrid threats, including cyber threats and foreign information manipulation and interference**.



People to people contacts

- Since 2010, Bosnia and Herzegovina benefits from **visa-free travel** to the EU.
- The EU has funded over **11 500 exchanges** between EU and Bosnia and Herzegovina citizens in the areas of education, training, youth, and sport under ERASMUS+ (2014-2020).

* Source: DG Trade

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