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“Towards European Union – Recommendations for Improving Social Inclusion in BiH”

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INTRODUCTION

The project “Build Up for Social Inclusion Platform in Bosnia and Herzegovina #BuildUp4SIAinBiH- Will You Stop and Listen” is implemented by the Social Inclusion Foundation in Bosnia and Herzegovina (hereinafter: SIF in BiH) and Initiative for Better and Humane Inclusion (hereinafter: IBHI) with the financial support of the European Union (hereinafter: EU) and UNICEF BiH. The project’s Component 1 is the ‘Strengthening of access to rights and of significance of marginalized groups through initiation and preparation of the entity and Brčko District social inclusion strategies’. The Component 1 includes preparation of two documents and a study.

The first of these documents, ‘Towards the European Union - Key Social Inclusion Issues in BiH’ was published in April 2019 (please see www.sif.ba/publikacije).

This is the second document, entitled: ‘Towards the European Union - Recommendations for Improving Social Inclusion in BiH’.

The study ‘Foundations and Instructions for Preparation of Entity and Brčko District Social Inclusion Strategies’ will be produced in 2019/20.

This is the second of the above mentioned documents which focuses on the European Union’s experiences and practices in the field of social inclusion. The document examines the genesis and development of social inclusion policies and their role in the comprehensive European Union strategies, such as Europe 2020 and Towards Sustainable EU 2030. Particular attention was paid to the open coordination method and its application in BiH. For the first time, the impact of natural disasters was examined in the context of social inclusion. Also, particular focus was placed on the European Union’s recommendations regarding the reforms in BiH, stated in the Opinion on Bosnia and Herzegovina's EU membership application (29th May 2019). It provides preliminary suggestions about the steps and the approach to the development of dedicated social inclusion strategies in the Federation of Bosnia and Herzegovina (hereinafter: FBiH), Republika Srpska (hereinafter: RS) and Brčko District of BiH (hereinafter: BDBiH).

Simultaneously, it noted the fact that the UNDP BiH has been working on its ‘2018 BiH Human Development Report – Social Inclusion’, which is expected to be finalized during the 2019. The situational analysis and recommendations of the HDR will be used in preparing the upcoming study.

I. EU - Development of social inclusion policies

1. EU Social Agenda – Lisbon Strategy

The European Union's Social Agenda was formally inaugurated at the European Council's session in Lisbon in 2000, by including the area of social inclusion into the domains for coordination of national policies, and by the adoption of the Lisbon Strategy. The Member States and the European Commission agreed to take steps to have 'a decisive impact on the eradication of poverty by 2010' and adopted the agreement on the common strategic goal for 2000-2010 decade, which aimed to *make EU the most competitive and the most dynamic knowledge-based economy in the world, capable of sustainable economic growth, with more and better jobs and greater social cohesion*.¹ This goal required a 'comprehensive strategy focused, among other issues, on combating social inclusion.

The Lisbon Strategy rested on three pillars:

1. Economic segment, which prepares the transition to competitive, dynamic and knowledge-based economy;
2. Social segment, focused on modernisation of the European social model; and
3. Environmental segment, which warns of the fact that economic growth should be balanced with rational utilization of natural resources.

2. Open Method of Coordination

The Lisbon Summit marked the beginning of the development and implementation of novel, mainly 'soft' instruments in the broadening of EU policy. The Open Method of Coordination (hereinafter: OMC²) was introduced as the instrument for implementation of the Lisbon Strategy.

The OMC is established as a cyclical standardisation procedure conducting coordination of national policies by providing European-level guidelines and assessments.

¹ According to the Lisbon Strategy, strengthening the Union's competitiveness relies on the following eight objectives:

1. wider and more effective utilisation of new information technologies;
2. creation of the European Research and Innovation Space;
3. completion of the creation of the European Union's Single Internal Market;
4. creation of effective and integrated financial markets;
5. strengthening entrepreneurship by enhancing and simplifying regulatory environment for businesses;
6. stronger social cohesion based on promotion of employment;
7. enhancing of skills and modernisation of the social protection systems; and
8. sustainable development, which would ensure long-term quality of life.

² Implementation of the Open Method of Coordination of national policy began in employment in 1997.

The OMC rests on the cooperation among Member States, whose national policies are guided towards common goals. Namely, the wide divergence of social security systems in the Member States has made the achievement of the consensus on solving the problems and challenges in this area very difficult. This engendered the need to develop a new coordination mechanism, while preserving national competences in the area of social policy, which would be different from the strict legislative procedure.

There are two types, or sets, of OMC:

- The first, stronger set, includes the Broad Economic Policy Guidelines and European Employment Guidelines, which envisage a more direct involvement of the European Commission, since this area is a subject of the Treaty.
- On the other hand, the OMC in the field of social security (pensions, social inclusion, and health care) belong to the second set, which lacks a treaty basis, where the Commission's role is less prominent and where national principles are observed.

The OMC is focused on 'dissemination of best practices and faster approximation to the main objectives of the European Union'. It was designed to aid Member States to develop their own policies simultaneously by 'taking a fully decentralised approach'. In effect, a feature of the OMC is that policy adoption and choices remain on the national level, with an agreement on common objectives and indicators for achievement of those objectives.

Social inclusion was included under the purview of the Open Model of Coordination in 2001, and its main goal played the central role in the so-called European Social Model. Offering guarantees that every citizen can count on fundamental rights and essential means for participation in society is one of the core 'common preoccupations' of all European Union Member States.

The key elements of the social OMC are:

1. Common guidelines, goals in the area of poverty and social exclusion;
2. National Action Plans on Social Inclusion (NAPs/Incl), Joint Inclusion Memoranda (JIMs);
3. Joint Social Inclusion Report;
4. Indicators of social inclusion in the EU (Laeken indicators);
5. Periodic monitoring, joint evaluation reports and recommendations as the process of mutual learning.

None of these instruments is obligatory in character and is not upheld by law. The elements of the OMC are organised in relatively structured 'processes' which recur periodically in accordance with an established schedule. Such processes develop trust and cooperative orientation between actors, and seek to stimulate the learning dynamic. It is exactly in this sense that the OMC offers extensive potential for influencing policy development.

The common objectives in the area of poverty and social exclusion, agreed at the EU Council's Summit in Nice in December 2000 (revised at the December 2002 session) were: To facilitate participation in employment and access to resources, rights, goods and services, prevent social exclusion, support the vulnerable and, fourth, to mobilise all relevant bodies. In this way, the 'fight against social inclusion' was included in the list of the areas in which the Community would 'support and complement the activities of the Member States'.

In the 2001-2005 period, the OMC focused only on social inclusion and it was developed around the above four objectives of the fight against poverty. With the application of the OMC in the area of poverty and social inclusion, the Commission explicitly defined these concepts in the 2004 Joint Social Inclusion Report.

3. Community programme, national and joint action plans and reporting

Preparation of national reports on social protection and social inclusion strategies, which transform the adopted objectives into national-level policies, is an important feature of the OMC. National action plans for social inclusion remain independent plans and constitute one segment in the integral European reports (joint reports by the Council and the Commission) which document the results of the process and highlight good practices and future key challenges.

In practice, the application of the OMC in the fight against poverty and social exclusion *happens in two stages*:

- *Stage One* comprises the process of adoption of national plans and their evaluation by the Commission and Committee for Security, which constitutes the Joint Report of the Council and the Commission, and
- *Stage Two*, multi-year action programmes aiming to encourage cooperation of Member States on social inclusion policies.

National plans adapt the Union's common objectives to specific circumstances in Member States. The plans are prepared in accordance with a recommended methodology, and they consist of five chapters, covering major challengers, strategic approach and main objectives, policy measures, objectives and examples of good practices.

National plans of social inclusion consider eight core challenges, although with varying scope and intensity, in different Member States:

- (1) Developing an inclusive labour market and promoting employment as a right and opportunity for all;
- (2) guaranteeing adequate income and resources to live in human dignity
- (3) tackling educational disadvantage by prevention and lifelong learning opportunities

- (4) preserving family solidarity while promoting gender equality and protecting the individual rights and benefits of family members and the rights of the child
- (5) ensuring good accommodation for all;
- (6) guaranteeing equal access to quality services (health, transportation, social protection, cultural, recreational and legal services);
- (7) improving delivery of services regenerating areas of multiple deprivation:

First national plans for social inclusion inclusion were prepared in June 2001, and adopted for a two-year period. On the basis of 15 national plans for social inclusion and a round of bilateral meetings with Member States, the Joint Social Inclusion Report was adopted at the meeting of the Employment and Social Policy Council.

In the first joint report, long-term unemployment and low quality of jobs were recognized as social inclusion risk factors.

It is worth noting that, in their bilateral consultations with the European Commission, the statescandidates for the Union membership in 2003, were required to prepare a document entitled 'Joint Inclusion Memoranda which was a preparation for joining the process of coordination in its next cycle, which commenced in 2004 with their accession.

4. Lisbon Strategy reform

The Lisbon Strategy gradually evolved into a very complex programme, with numerous objectives and an unclear division of responsibilities between the European Union and Member States. The implementation of adopted objectives did not proceed as envisaged, in part due to the worsening global economic situation and an increasing competition among new economic powers, but also due to the slow progress of reforms in the European countries themselves. The weaknesses were particularly evident on the labour market. Mid through the implementation period, in 2005, the common objectives were modified and, in the framework of the Lisbon Strategy reform, the objectives in the area of poverty and social inclusion were more closely linked with activation in the labour market.

These common objectives (which replaced the Nice objectives) during the 2005-2010 period were:

- (1) guarantee access for all to the basic resources, rights and social services;
- (2) address extreme forms of exclusion;
- (3) inclusion in employment;
- (4) fight poverty and exclusion among the most marginalised groups; and
- (5) ensure good policy coordination and involvement of all relevant actors, including people experiencing poverty

After the incorporation of social inclusion into the 'Social OMC' in 2006, the common objectives became part of the integral strategy which, in addition to social inclusion, comprised of pension, health care and long-term care policies. The main objectives of the social OMC were concerned with social cohesion, equality of men and women and equal opportunities for all, through an effective social protection system; effective interaction of the Lisbon Strategy objectives related to growth, jobs and social cohesion; good governance and stakeholder involvement. One year later, the PROGRESS Programme was launched (it ran until 2013), with the aim to provide financial support to the implementation of the European Union objectives in the area of employment, social affairs and equal opportunities.

National strategic reports, in accordance with the Lisbon Strategy Reform, were developed every three years, and the Commission defined the key priority theme. The social inclusion theme for 2007 was child poverty, and in 2009 homelessness and housing exclusion. The last integral national strategic reports were prepared in 2008 for the 2008-2010 period.

The assessment of impact and quality of national action plans and national strategic reports on social security and social inclusion varied across the broad range, from quite positive to quite negative. There was criticism that these documents constituted nothing more than reports, situational descriptions, instead of national strategies, and that only a few states conducted assessments of their social inclusion policies. Inversely, there are views that these documents caused changes in national reactions to problems and perceptions of social inclusion.

During this period, extensive debates were conducted about the need to strengthen the OMC, particularly in connection with the comprehensive Lisbon Strategy for Employment and Growth. To overcome existing challenges, during 2008 the Commission reinforced the Open Method of Communication in its document 'A renewed commitment to social Europe: Reinforcing the Open Method of Coordination for Social Protection and Social Inclusion'.

Some of the OMCs achievements were:

- development of an entire range of comparable indicators and data;
- keeping poverty on the agenda in a difficult political and economic context;
- building consensus on the EU strategies on the priorities – child poverty and homelessness; and
- agreement on the Commission's Recommendation about active involvement – which promoted integrated approaches to supporting people who are most remote from labour markets, including appropriate income support (minimum income), inclusive labour market and access to services.

Although the primary objective of the Lisbon Strategy, to transform the EU into the most dynamic and most competitive world economy was not achieved, one might say that, with

regard to reaching quantitative objectives, outcomes varied, especially in the field of implementation. In terms of implementation of the Strategy, the problem was that the Open Method of Coordination was not legally binding. According to the document of the European Commission on the evaluation of the results of the Lisbon Strategy, the general assessment was positive, although two core objectives were not achieved (employment rate – 70% and investment in science and technology research of 3% of GDP). Unfortunately, the financial and economic crisis caused a considerable decline of economic activities, which almost negated most of the results that were closely linked to Lisbon objectives.

5. European Anti-Poverty Network

The European Anti-Poverty Network (EAPN) was established in 1989, and it consists of members representing their national networks.

The EAPN was essential in achieving the agreement in 2000 in Lisbon to establish the OMC for social protection and social inclusion. Advocating for a truly European strategy to combat poverty and social exclusion, the EAPN's main focus was on achieving real impact on poverty throughout the EU by promotion of better participation, partnerships and integration of social inclusion into all policies.

Participation of the EAPN in the OMC was, from its very beginning, on the both national and European level. On the European level, this meant contributing to various stages in creation of the initial social inclusion strategy, with a subsequent transition to a 'simplified' approach to the OMC on social protection and social inclusion.

The EAPN on the national level has particular influence on national action plans for social inclusion, provides information and opportunities for exchange of practices. Experience up to date shows that the OMC provided Member States with positive opportunity to exchange experiences and harmonise their policies with commonly agreed objectives across the European Union, giving the special attention to poverty and exclusion in the European agenda. The EAPN lobbied for the OMC to increase its effectiveness and influence, improve its participation and governance processes and achieve better integration into the core Lisbon Strategy.

The EAPN continues to lobby for fulfilment of these objectives within the framework of the Europe 2020 Strategy, holding a belief that a separate EU social inclusion strategy and reporting mechanisms are needed. The EAPN strongly supported and advocated for the social OMC in the context of the Europe 2020 Strategy, even though a new anti-poverty platform was adopted.

II. Europe 2020 Strategy

The Lisbon Strategy was succeeded by the Europe 2020 Strategy, adopted at the European Summit on 17th June 2010. It represents the European Union's strategic development plan for the 2010-2020 period. It was launched in order to create conditions for smart, sustainable and inclusive growth. The Europe 2020 Strategy represents a vision of a European social market economy in the 21st century. Europe 2020 is not relevant solely in the framework of the EU, but also for candidate countries and neighbouring countries, as a catalyst for their reforms.

The core elements of the Europe 2020 Strategy are: priority areas, main goals, flagship initiatives, guidelines, economic policy coordination, stronger instruments for monitoring the implementation of the Strategy, clear division of responsibilities and relevance for the countries seeking to join the EU.

1. Priorities, flagship initiatives and integrated guidelines

The Strategy focused on three interdependent priorities:

- (1) smart growth³ – developing an economy based on knowledge and innovation;
- (2) sustainable development⁴ – promoting a more resource efficient, greener and more competitive economy;
- (3) inclusive growth⁵ – fostering a high-employment economy achieving social and territorial cohesion.

Europe 2020 gives five main quantitative targets for the EU to achieve by the end of 2020, which include employment, research and development, climate change/energy, education, social inclusion and poverty reduction:

- (1) increase the employment rate of the population aged 20-64 from the current 69% to at least 75%;

³ Smart growth means: enhancing the effectiveness of the European Union in education, through encouraging citizens to learn and improve their skills, creation of new products and services that generate growth and jobs and help in identification of social challenges, application of information and communication technologies in the digital society.

⁴ Sustainable growth implies: building a competitive economy and sustainable utilization of resources, with low carbon emissions, protection of the environment and prevention of the loss of biodiversity, exploiting the European technological advantage in new green technologies and production methods, introduction of efficient smart power grids, exploiting European-scale networks for additional competitive advantages, improving business environment, particularly for small and medium entrepreneurs, and supporting consumers in making informed decisions in the market.

⁵ Inclusive growth encompasses: increasing employment rates, particularly of women, young and aging workers, assisting people of all ages in anticipating and managing change through investment in knowledge and skills, modernisation of the labour markets and social security systems, and spreading growth to all parts of the European Union.

- (2) increase the percentage of EU GDP invested in research and development from 1.9% to 3%;
- (3) meet the “20/20/20” climate-energy objectives⁶;
- (4) reduce the share of early school leavers to below 10% from the current 15%; and
- (5) reduce the number of people living below national poverty lines by 25%, lifting 20 million people out of poverty.

These targets provide a comprehensive overview of the status to be achieved in the European Union on these key parameters by 2020. These targets are to be translated into national targets, so that each EU Member State might measure its own progress toward each target.

To achieve the key priorities, the European Union launched seven flagship initiatives that elaborate on specific action to be taken, both on the EU level and on the level of the Member States. These initiatives are: Innovation Union, Youth on the move, A digital agenda for Europe, Resource efficient Europe, An industrial policy for the globalisation era, An agenda for new skills and jobs, and European platform against poverty.

In late 2010, the Council of the European Union adopted ten integrated guidelines⁷ intended to make it possible to attain the five strategic goals by 2020. The first six guidelines were related to economic policy problems, and remaining four focused on employment policies. It is important to highlight the inclusion of a separate guideline on promoting social inclusion and poverty reduction, which reinforces the Strategy’s focus on the fight against poverty.

The Europe 2020 Strategy is a framework of reference for the activities on the EU, national and regional levels. In April of every year, the governments of the EU Member States are required to submit two reports, the Stability/Convergence Programme and National Reform Programme, describing their approach and actions towards achieving national objectives of the Europe 2020 Strategy. Regional/local bodies, social partners and other stakeholders must be involved in the preparation of these reports.

⁶ This means: reduce greenhouse gas emissions by at least 20%, increase the share of renewable energy in final energy consumption to 20%, and achieve a 20% increase in energy efficiency.

⁷ Ensuring the quality and the sustainability of public finances; Addressing macroeconomic imbalances; Reducing imbalances in the euro area; Optimising support for R&D and innovation, strengthening the knowledge triangle and unleashing the potential of the digital economy; Improving resource efficiency and reducing greenhouse gases emissions; Improving the business and consumer environment and modernising the industrial base; Increasing labour market participation and reducing structural unemployment; Developing a skilled workforce responding to labour market needs, promoting job quality and lifelong learning; Improving the performance of education and training systems at all levels and increasing participation in tertiary education; and Promoting social inclusion and combating poverty

2. Social inclusion and poverty reduction in Europe 2020

The initiative “European Platform against Poverty and Social Exclusion: European Framework for Social and Territorial Cohesion”⁸ is an important component of the Europe 2020 Strategy. This initiative highlights that the fight against poverty and exclusion must rely on growth and employment, as well as on modern and effective social protection, a more adequate access to social services, including equitable access to pensions and healthcare. The strategy recommends combining innovative social protection measures with a large variety of social policies, including specific measures in education, housing, healthcare and family policies.

Other equally important pillars for strengthening social inclusion and poverty reduction are education and youth policy, migrant integration, fight against any form of discrimination, homelessness as an extreme form of poverty. Sectoral policies for increased access and utilisation of information and communication technologies, elimination of the risk of energy poverty and access to financial services for the most vulnerable, have also been formulated. The Europe 2020 also highlights the significance of greater and better targeted use of EU funds to support social inclusion.

The European Commission planned to transform the OMC in the areas of social exclusion and social protection into a platform for cooperation and exchange of good practices, as well as into an instrument that would encourage public and private entities, with the support of the European Social Fund, to take concrete steps towards increasing social inclusion in their own communities.

Faced with a constant increase in the number of people in Europe at risk of poverty, due to the consequences of the crisis, in 2013, the Commission adopted two additional initiatives:

- Towards social investment for growth and cohesion – a package of measures for social investment, and
- Proposal to strengthen the social dimension of governance of the Economic and Monetary Union.

In April 2017, the Commission created the European Pillar of Social Rights to support convergence towards creation of better living and working conditions in Europe. It defined 20 core principles and rights, which were organised in three key areas: equal opportunities and access to the labour market, fair working conditions and social protection and inclusion (for more details, see Annex I).

The European Pillar of Social Rights launched a series of legislative and political initiatives, a set of social indicators was defined to monitor the progress, as well as the new approach ensuring incorporation of social priorities in all policies.

⁸ https://mdomsp.gov.hr/UserDocsImages/arhiva/files/49211/European_Platform_against_Poverty_HR.pdf

3. European semester

Launching the “European Semester” – a new initiative to coordinate macroeconomic and fiscal policies was seen by many as a mini-revolution in European integrations. The European Semester starts in January, when the European Commission publishes its Annual Growth Survey, and this document is endorsed by the European Council in March-April. The document assesses the economic situation in the European Union and provides recommendations on budgetary and economic policies to Member States.

The European Semester is used to encourage and monitor progress in attaining the targets of the Europe 2020 Strategy. It is a framework for coordination of economic policies of the EU Member States. It allows the EU Member States to discuss their economic and budget plans and monitor progress at precisely defined times in the course of the year.

The European Semester’s core objectives are: ensure sound public finances (while avoiding excessive increase in public debt), prevent excessive macroeconomic imbalances in the EU, support structural reforms for more jobs and growth, and encourage investment.

4. Instruments for Strategy implementation

The Europe 2020 Strategy elaborated a set of new instruments for effective implementation of agreed measures. The institutions of the European Union monitor the Strategy implementation in three dimensions: analysis of macroeconomic factors, measures to stimulate growth, and public finances.

The Strategy implementation is monitored with the following instruments:

- Annual Growth Survey, published by the Commission in January annually, comprising of measures for macroeconomic stability of Member States;
- Spring Meeting of the European Council – reviews and adopts the Annual Growth Survey and a set of economic policy priorities;
- National reform programmes and stability and convergence programmes submitted by Member States every April, for the following year;
- Recommendations and/or opinions of the Commission separately for each Member State are provided every June on the basis of the assessment of national programmes;
- Alerts and ministerial meetings consider specific issues related to the policies under the Council’s purview.

All institutions of the European Union, Member States, and the civil society play a role in guiding and monitoring the implementation of the objectives of the Europe 2020 Strategy. All European Union policies, instruments and legal acts, as well as financial instruments,

serve to support the achievement of the Strategy objectives. In this context, the Commission's particular focus is on reinforcing core policies and instruments, such as the EU single market, budget and external economic agenda. The Member States are responsible for preparing their own programmes and for implementing Strategy-related policies on the regional and local levels.

III. Towards a sustainable EU 2030

1. EU Agenda 2030

The European Union had a considerable global role in defining the Agenda 2030 and Sustainable Development Goals through public consultations, a dialogue with the Member States and partners, and research and advocacy, and, jointly with the Member States, it undertook to be at the forefront of their implementation. The European Consensus on Development represents the foundations for harmonisation of the EU Development Policy with the Agenda 2030.

The EU supports sustainability policies in the Member States by determining a structure within the EU for implementation of the Agenda 2030. The European Commission's documents pertinent to this topic include:

- Next Steps for Sustainable European Future: European Action for Sustainability (November 2016),
- Key European Action Supporting the 2030 Agenda and Sustainable Development Goals (November 2016), as well as
- Annual monitoring reports on sustainable development in the European Union by Eurostat (published in November 2017 and September 2018).

EU policies on climate/energy, social inclusion, regional development and numerous sector areas also reflect the important elements of *acquis communautaire* - the joint framework of European legislation and policies vis-à-vis each candidate (and potential candidate) country, which must harmonise their policies during the pre-accession period.

In early 2019, the European Commission published the Reflection Paper: "Towards Sustainable Europe by 2030."⁹ Taking UN SDGs as guidelines, the document formulated the foundations of a sustainability policy:

- From linear to circular economy;
- Sustainability from farm to fork;
- Future-proof energy, buildings and mobility, i.e., clean energy essential for a sustainable future; and

⁹ Available at: https://ec.europa.eu/info/publications/towards-sustainable-europe-2030_en

- Ensuring a socially fair transition to sustainability, with the promotion of social rights and well-being of all contributing to social cohesion in the Member States and the whole of EU.

The document also defines the key factors for the transition to sustainability: education, science, technology, research, innovation and digitalisation; finance, pricing, taxation and competition; responsible business conduct, corporate social responsibility and new business models; open and rules-based trade; and governance and ensuring policy coherence on all levels.

It also presented three scenarios about the best way to move forward with SDGs, offering different options, but all of them starting from the premise that the European Union possesses considerable competitive advantages. The most likely scenario is to develop an overarching EU SDG strategy to guide actions of the EU and Member States.

The Juncker Commission, inaugurated in 2014, provided a particularly important contribution to this document, and all of their priorities were incorporated fully into the aspects of sustainable development. The Juncker Commission's priorities are: employment, growth and investment; a digital single market; making energy more secure, affordable and sustainable; a deeper and fairer internal market; open and fair trade; justice and fundamental rights; migration, a stronger global actor; and a union of democratic change. With its instruments for better regulation, the Commission included sustainable development in core intersectoral programmes, sector policies and initiatives.

The Juncker Commission set the foundations for the next generation policies that would create a sustainable European future – from the European Pillar of Social Rights and European Consensus on Development, the Global Strategy on Foreign and Security Policy to “Trade for All” value-based strategy, Strategic Engagement for Gender Equality and European Education Space; from the circular economy, mobility and clean energy packages to blue growth strategy; from the Investment Plan for Europe and the Sustainable Financing Action Plan to the EU Plan for the Cities and Nature Action Plan.

For the social inclusion perspective, the implementation of the principles and rights established by the European Pillar of Social Rights has been of particular significance, as it gives a considerable contribution to a sustainable Europe, it actively supports secure employment and fair wages that ensure decent living standard, and help citizens acquire skills necessary for the 21st century, so they can get quality jobs, which would simultaneously reduce the consequences of demographic aging on the labour market and social protection system. With the support of competitiveness and innovation, the European Pillar of Social Rights will promote social equity, equal opportunities, social dialogue and access to quality

care, including accessible and quality healthcare for all, child protection and long-term care, housing assistance, and other key services which constitute key social inclusion factors.

Therefore, the EU committed fully to the implementation and achieving the goals of the United Nations Sustainable Development Programme by 2030. European Union and United Nations are natural partners in the building of a more secure and better world for all. The EU 2020 Strategy expires at the end of next year, and the EU is turning towards the next European planning period from 2021-2027, which will lead towards a sustainable EU 2030 and implementation of SDGs on the European level.

IV. Implementation of the Open Method of coordination in BiH

1. Strategies in BiH

Bosnia and Herzegovina embarked on the introduction of the process of modular strategic development planning, which adheres to the EU Open Method of Coordination (OMC), to ensure incorporation of European standards in the BiH approach from the start, which would at the same time provide for synchronized involvement of all relevant development stakeholders in BiH in the process of strategic planning, as well as in the implementation of policies and activities for their realisation.

Following the recommendations of international technical assistance experts, in 2007 the BiH Council of Ministers adopted the Decision on implementing the methodology of modular (integrative) planning of the economic and social development of BiH. The key operating principle was to adhere to the EU's Open Method of Coordination, which is based on a participative approach. The modular principle means that, during the document drafting process, starting from the existing development documents for individual modules, the common goals, objectives, priorities, measures and activities for the entire BiH are defined, meaning both the entire modules and specific measures and activities for individual modules. Introduction of the OMC for all development stakeholders in BiH is a multi-year challenge, a long and demanding process, in view of the country's complex administrative system, but also of the institutions capacity deficiencies.

The administrative levels of government, namely the BiH Council of Ministers, Federation of BiH, Republika Srpska and Brčko Distrikt (BD), and the cantons within the FBiH, represent the modules. The Modules may create their own strategic development frameworks, and they need to be involved in the strategic process by developing their own action plans, in which they will define key activities to contribute to the implementation of the common strategic development goals of BiH according to their competences, responsibilities, key problems and available resources. All modules set up monitoring and reporting systems and introduce good governance principles, and the BiH level prepares a summary annual BiH Development Report for the country's own needs.

In RS module, as well as FBiH, municipalities were gradually included and started building their own "bottom-up" strategic planning capacities for local development, with the assistance of the UNDP's Integrated Local Development Project (ILDP). For nearly eight years, ILDP worked on systematizing strategic development planning and management of the lower levels of government in the country, which created a path for a comprehensive integrated system of strategic development planning and management in BiH. Support to the creation of a standardised methodological approach to the development of local-level planning resulted in the preparation of strategies in 40 municipalities and cities in BiH, which served

as key platforms for drafting budgets and planning investments. These planning processes were guided by the principles of sustainable development and social inclusion.

Having in mind the competences of the cantons in FBiH, the approach to development planning and management on local level was successfully transplanted to the cantonal level in FBiH as well. All ten cantons adopted their development strategies, which were developed in an inclusive and participatory manner, which also included units of local self-governance in the respective cantons.

ILDLP opened the path for adoption of new regulatory frameworks for development planning and management in both entities. In FBiH, the project supported partners in a participatory drafting of the Law on Development Planning and Development Management, which was adopted in 2017, and which established an integrated system of strategic development planning and management.

In the Article 3, the Law on Development Planning and Development Management ("FBiH Official Gazette", no. 32/17) defines the methodology for implementation of the Open Method of Coordination: "On the basis of consultations and agreement of all levels of government, the Open Method of Coordination in development planning and development management represents, based on consultation and compliance of all levels of government, defining and implementation of the common objectives in the Federation, selection of common indicators to monitor the achievement of objectives and preparation of development reports." Besides, in the Ordinance on preparing strategic documents (in the process of adoption in the FBiH), Article 3 established the key principles for drafting of strategic documents in the Federation of BiH, including the Open Method of Coordination. In this way in FBiH, taking into account the cantons and their role in the development process, the OMC became legally binding approach in the process of drafting of strategic documents and development management on all levels in the Federation.

V. Foundations of the development of social inclusion in BiH

1. BiH 2030 - sustainable and inclusive development

1.1. An analysis of the genesis of this new development concept, from humandevelopment and millenium goals to SDGs and the significance of social inclusion was provided in the first report „Towards the European Union - Key Social Inclusion Issues in BiH’ “. The preceeding chapters of this document analysed the operationalisation of this context: Agenda 2030 and EU Agenda 2030.

In September 2016, Bosnia and Herzegovina (together with other UN Member States) adopted the document “Transforming our World: the 2030 Agenda for Sustainable Development and the sustainable development goals (SDGs) as the monitoring framework”¹⁰. The Agenda 2030 and SDGs rest on five principles:

- Universality – the Agenda is applicable to all countries
- Integration – sustainable development demands politics and programming which contain social, environmental and economic components side-by-side
- Leaving no one behind– aspects of generation and inter-generational solidarity ought to support the transition to sustainable development.¹¹
- Inclusiveness - participation of all segments of society—irrespective of their race, gender, ethnicity, and identity—to contribute to its implementation.
- Multi-Stakeholder Partnerships - establishing multistakeholder partnerships for mobilising and sharing knowledge, expertise, technology and financial resources, to support the achievement of SDGs in all countries.

Although the Agenda 2030 itself, with the exception of the link to the Paris Climate Treaty, is not a legally binding document, it can be considered a kind of ‘soft law’, since all UN Member States assumed the political commitment to implement the Agenda 2030.

1.2. Implementation of SDG policies is in the initial stage in all UN Member States.¹²

¹⁰ <https://undg.org/2030-agenda/> The full text of Agenda 2030, in Croatian, is available at: http://www.expeditio.org/images/2014_new_documents/AGENDA%20za%20odrzivi%20razvoj%20do%202030.%20UN%2025%2009%202015%20CG%20verzija.pdf

¹¹ UNDP BiH; „BiH SDG Framework“ (working material, Sarajevo, June 2019, p 3); <http://www.zamisli2030.ba/>)

¹² SDGs are:

1. End poverty in all its forms everywhere
2. End hunger, achieve food security and improved nutrition and promote sustainable agriculture
3. Ensure healthy lives and promote well-being for all at all ages
4. Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all
5. Achieve gender equality and empower all women and girls
6. Ensure availability and sustainable management of water and sanitation for all
7. Ensure access to affordable, reliable, sustainable and modern energy for all
8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

The Sustainable Development Goals (SDGs) encompass not only the measurable changes in human well-being, economic development of countries and improved environment on the planet, but also the manner to achieve these changes. SDGs encompass the questions about deep-rooted causes of poverty and inequality, such as weak rule of law, corruption and traditions and norms that are discriminatory by gender, cultural identity or social status. In essence, SDGs focus on the people who are 'left behind' and on their inclusion. No one is left behind or excluded, because "the governments, international organisations, business sector and other nongovernmental stakeholders and individuals must contribute to the implementation of the goals."

According to the SDG Index, which measures countries' starting points for meeting the 17 goals, BiH is in 71st place of a total of 149 countries, with the index value of 67.3, which is the lowest index both in Europe and in the Western Balkans.¹³ This means that BiH is at 67.3% of achievement of all 17 SDG goals.

In 2016, the UN Sustainable Development Group introduced the 'MAPS' Platform for Mainstreaming, Acceleration and Policy Support which is used in some 50 countries, including BiH, for support in the implementation of the 2030 Agenda and SDGs. The MAPS processes in the Western Balkans promote policy coherence of sustainable development with EU accession policies.

In the course of 2018, the MAPS missions to BiH formulated working definitions of the guiding principles of sustainable development in BiH:

- All levels of government committed to achieving SDGs in accordance with their respective constitutional competences;
- A holistic approach to development;
- EU accession and Agenda 2030 are complementary and mutually reinforcing processes;
- The SDG framework guides the future strategic planning processes on the level of BiH, FBiH, RS and BDBiH;

9. Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

10. Reduce inequality within and among countries

11. Make cities and human settlements inclusive, safe, resilient and sustainable

12. Ensure sustainable consumption and production patterns

13. Take urgent action to combat climate change and its impacts*

14. Conserve and sustainably use the oceans, seas and marine resources for sustainable development

15. Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss

16. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels

17. Strengthen the means of implementation and revitalize the global partnership for sustainable development

¹³ SDSN (Sustainable Development Solution Network) Secretariat, Bertelsmann Foundation; SDG Index and Dashboards, July 2016.

- All levels of government in BiH will strive to further strengthen their strategic development planning and management systems;
- Encourage participatory approach;
- On all levels of government, channel funding to implement the priorities set in their strategic documents, which are harmonised with SDGs;
- Launching a functional system for long-term coordination of the Agenda 2030 implementation.¹⁴

In December 2018, four broad SDG directions for sustainable development (development accelerators) in BiH were defined through the MAPS process. These directions, with their multiple important interconnections, reflect the development situation and priorities in the country and key drivers of sustainable development. These directions are:

- **Good governance and public sector management**, to build a responsible, transparent, efficient and effective public sector, which could enforce the rule of law. Specific priorities include reorganisation of policy development and coordination, provision of better services for citizens and the business community, improved management of financial resources, reform of public enterprises, reduction of corruption and ensuring a functional judiciary;
- The purpose of **smart growth** is to ensure transformation of innovative and productive ideas into products and services that may help create well-paid jobs and high growth, in combination with the preservation of natural capital and reduction of inequality in the society;
- **Investing in a new social contract**, to implement the principle that 'no one is excluded'. In addition to the administration reform and faster growth of revenues and employment, this implies closing the gaps in the social protection systems in BiH, to better protect those faced with the greater risk of poverty and vulnerability (e.g., the elderly, people with disabilities, residents of remote rural areas, migrants, ethnic minorities and some groups of women and children), strengthen social cohesion and restore citizens' trust into the BiH institutions; and
- **Human capital for 21st century**, with a special focus on quality education, active labour market policies and lifelong learning, to prepare the citizens for the digital economy of the future, better align the offer on the labour market with a shifting demand and attract accumulated human capital from diaspora.¹⁵

The BiH Voluntary Report on Implementation of the Agenda 2030 and SDGs¹⁶ places a special emphasis on the concept “leaving no one behind”, whose purpose is to eliminate multidimensional causes of poverty, inequality and discrimination and attenuate interlocking/multiple vulnerabilities of the most vulnerable, including women, children,

¹⁴ See UNDP BiH, *ibidem*, pp. 6-7.

¹⁵ See UNDP BiH, p. 27.

¹⁶ UNBiH, „BiH Voluntary Report on Implementation of the Agenda 2030 and SDGs“, April 2019.

refugees, internally displaced persons, migrants, minorities, stateless persons, persons with disabilities, the elderly and populations affected by conflict, natural disasters and public health emergencies. In BiH, the concept “leaving no one behind” was previously studied from the perspective of social inclusion and social protection. However, this concept penetrates deeper than previous approaches and requires novel perspectives and interventions to empower persons left behind to lift themselves from their plight. In all strategic documents being prepared or that will be prepared for the coming planning period, this concept will have a special weight among concrete objectives and activities. With the support of international and domestic partners, the authorities in BiH will work on following the development directions and drivers by, among other ways, performing SDG-adapted monitoring. Monitoring by means of indicators is useful for tracking activities and might also promote the coherence of sustainable development policies within the framework of SDGs/Agenda 2030 and of the plans for accession of BiH to the European Union. The EU accession process and implementation of the Agenda 2030 and of SDGs are complementary and mutually reinforcing processes.

The finalisation of the Sustainable Development Framework in BiH is expected by the end of 2019, which would permit its mainstreaming into the strategic planning processes initiated by various levels of government in 2019. The governments of the FBiH, RS and BD are planning to prepare sustainable development strategies for the coming period, while the BiH Council of Ministers is preparing the Strategic Framework of the Institutions of Bosnia and Herzegovina, which will be aligned with the SDGs and with other sustainable development priorities in BiH recognized in the SDG Framework in BiH, and will be further elaborated through public consultations for appropriate levels of government or local government. Also, sustainable development strategies will be adopted on the basis of the specific development needs on the level of cantons, cities and municipalities and aligned with the SDGs and with the additional specific sustainable development priorities.

1.3. Social inclusion is the essential tool for the implementation of the new development concept based on the SDG Strategy and on their concrete formulation through the Agenda 2030, which at the same time makes it an important aspect of the EU integration, mainly because human capital and its development and strengthening are the foundations of overall development. In this regard, inclusion of socially excluded into the future and current development is of great importance.

This is well aligned with the social inclusion strategy priorities presented in the report „Towards the European Union – Key Social Inclusion Issues in BiH.“

As regards the core 'philosophy' of the new developmental concept, one must perceive social inclusion expenditures as investment in human capital, as a driver of development, and not as a cost of keeping social peace. This is affirmed in the documents of the Council of Europe and European Parliament.

„In a globalised economy, all countries, particularly those in the stage of macroeconomic stability, are under pressure to cut social protection. While social protection ought to be economically sustainable, we must not forget that social expenditures, while laying foundations for a stable and sustainable society, are a rational investment in the future economic sustainability, and not a burden on society“.¹⁷

The European Parliament, recalling the fundamental principles of the programme until 2030, „Leave no one behind“ also demands prioritisation of „the poorest and most marginalised“.¹⁸

2. Climate change and disaster risks

2.1. The SDGs directly address the need for sustainable environment, particularly SDG 6, 7, 11, 13, 14, and 15. These goals also relate to the areas that are directly affected by natural or human-induced disasters, particularly SDG 1, 2, 12, and 17.

The Paris Treaty contains a direct link¹⁹ between the SDGs and climate change. The Paris Treaty as signed by 196 countries in April 2016, and BiH ratified it in 2017.

The „Sendai Framework for Disaster Risk Reduction 2015-2030“, adopted at the Third UN World Convention, which is included in the Agenda 2030 as well, is also significant in this regard.²⁰

The UN set the objective of „considerable reduction of risks of catastrophes and loss of life, livelihoods and health, as well as of economic, physical, social, cultural and environmental assets of persons, business entities, communities and countries. Achieving these goals requires implementation of mainstreamed and inclusive economic, structural, legal, social, healthcare, cultural, educational, environmental, technological, political and institutional measures“. It underscores that each Member State has primary responsibility for disaster risk prevention and reduction, with necessary international cooperation. The following priorities were set:

- understanding disaster risk;
- strengthening disaster risk management;
- investment in disaster risk reduction;
- strengthening disaster preparations for effective response and for accelerating rebuilding during recovery, rehabilitation and reconstruction.

¹⁷ Revised Social Cohesion Strategy of the Council of Europe, March 31st, 2004 (<https://hrcak.srce.hr/30193>)

¹⁸ http://www.europarl.europa.eu/doceo/document/TA-8-2017-0315_EN.html

¹⁹ See: Paris Treaty with the Framework UN Convention on Climate Change, „BiH Official Gazette, MU1/17 (http://www.mvteo.gov.ba/data/Home/Документи/Водни%20ресурси/Konvencije%20okoliš/Pariški_sporaz_uHrv.pdf)

²⁰ The Agenda 2030 includes, in addition to the UN Sendai Framework for Disaster Risk Reduction 2015-2030, also the Action Plan of the Third United Nations Conference on Development Financing, of July 2015, and the Paris Climate Treaty of April 2016.

The Framework itself „defined essential, concrete actions on the state, regional and local levels, with the emphasis on inclusivity.²¹

The „White Book on the Future of Europe: Drivers of Europe's Future (2017) listed climate change among eight greatest challenges.²²

2.2. Natural disaster risk in BiH is very high.

Estimated consequences of potential earthquakes in BiH would affect 16% of the population and 26% of GDP, while potential flooding would impact 29% of the population and 11% of GDP. These risks increase rapidly, which is illustrated by the following comparison. In the Western Balkans, there were three floods with fatal consequences, which affected 193,384 persons and caused losses of 148.1 million USD. In the 2014-2015, period there were 81 fatal floods (27 times more), 2.85 million people were affected (15 times more), and economic losses were USD 4.63 billion (31 times more).

It was estimated that 2014 floods in BiH and Serbia annulled five years of development, i.e., set economic and social development five years back. This primarily relates to the Human Development Index in the areas of reduced output and income, reduced access to healthcare, reduced access to education for children and increased poverty.²³

The poor, women, children and the elderly, persons with disabilities, minorities, migrants, displaced persons, and farmers are the most vulnerable groups. In the context of the analysis of the key social inclusion issues, vulnerability of children is of particular importance. Children are certainly most vulnerable due to a high degree of dependence on those older than them and on social and healthcare services.

Global experience shows that the consequences of natural risk-induced disasters have incomparably greater impact on children and other vulnerable groups, regions and locations affected by poverty and inequality, and that their impact reverses development progress. Investments in infrastructure, social systems (social protection, education, healthcare), human capital and economic development are undermined by irretrievable losses, particularly in countries characterised by high poverty rates and high inequality, shortage of financial reserves for disaster recovery, inefficient systems of social services and overall shortfall of investment in prevention and preparedness systems.

Through the UN Convention on the Rights of the Child, the Member States undertook to ensure realisation of the rights for children regardless of circumstances, which implies facing

²¹ See “Sendai Framework for Disaster Risk Reduction 2015-2030 Sendai, Japan, March 18th 2015 (<http://www.platformabh.ba/wp-content/uploads/2016/11/Okvir-za-smanjenje-rizika-od-katastrofa-iz-Sendaija-za-period-2015.-2030..pdf>)

²² https://ec.europa.eu/commission/priorities/democratic-change/future-europe/white-paper-future-europe/white-paper-future-europe-drivers-europes-future_hr

²³ UNDP Human Development Report 2016 „Risk-Profiling the Western Balkans. Empowering People to Prevent Disasters“, Sarajevo 2016, pp. 41-47 and 85

disasters and other circumstances that increase children's vulnerability and need for protection. For this reason, the child-focused approach in situations of disasters and other risks is very important for humanitarian and development planning, for the following reasons:

- child vulnerability is a good indicator of wider problems, it is causally linked to the social and economic conditions in which children live. If children live in socially and economically stable, secure and prosperous circumstances, the risk of deepening poverty and other disaster-induced deprivations is lower;
- children are an important demographic group, with special needs, vulnerabilities and capacities;
- children are entitled to participate in the processes of creating policies and making decisions related to disaster risk reduction.²⁴

2.3. The disaster risk reduction strategies in BiH are therefore of great importance and ought to be an element of all development strategies. The following considerations are vital for disaster risk reduction strategies:

- Development should be safeguarded against risks;
- Strategies should highlight the central role of people, not only as disaster victims, but also as agents of change;
- Interventions in development and in disaster risk reduction strategies should be carried out both for the people and by the people;
- Having new data and knowledge, as well as using evidence for planning, is important;
- Vulnerable groups need to have affordable solutions and better opportunities to protect themselves from risks;
- Appropriate governance structures and mechanisms have to be in place to support risk-informed development.²⁵

The following considerations also need to be a part of disaster risk reduction strategies:

- Risk and vulnerability assessment, with the focus on vulnerable populations, economic and social aspects of risk, and on the capacities of social systems for disaster response and recovery;
- Risk-informed planning
- Risk insurance
- Social protection and adapted social services
- Early warning systems²⁶
- Investment in disaster risk protection and rescue systems adapted to the needs and particular characteristics of most vulnerable groups.

²⁴ UNICEF, Summary Guidance on Risk, Resilience and Linking Humanitarian and Development Programming, <https://unicef.sharepoint.com/teams/PD-RRFP>, p. 24

²⁵ UNDP, *ibidem*, pp. 14-15

²⁶ UNDP, *ibidem*, p. 97

VI. European Commission's reform recommendations for BiH

The European Union officially views enlargement as a form of „financial and technical cooperation on accession“. The EU framework for policy and programme support for candidate and pre-candidate countries still needs to be adopted. The status will be fully aligned with the requirements of the Agenda 2030. The relevance of the Agenda 2030 and SDGs for the accession prospects of BiH is confirmed by the fact that the instruments for pre-accession financial assistance (hereinafter: IPA) are the official instruments supporting the implementation of the Agenda 2030 and SDGs.

For the most part, this is also related to social inclusion, which is evident from the Commission's Opinion on Bosnia and Herzegovina's EU membership application..

The Commission's overall assessment is very concrete. „There is no policy area where the country has a good level of preparation or is well advanced regarding its capacity to undertake the obligations stemming from EU membership“. ²⁷

Reviewing 33 chapters of the questionnaire, the Commission assessed that 15 were in the early stage of preparations (including social policy and employment), 16 have some level of preparation, and only 2 were moderately prepared.

Social policy was in the category of most poorly prepared areas.

In the Analytical Report enclosed with the Commission's Opinion, the assessment of social policy area was more concretely described: „the preparations of BiH to access the European Social Fund have not yet begun... with regard to social inclusion, there is no state-level strategy for poverty reduction and social inclusion and protection, nor is there a system for monitoring country-wide policy implementation“. ²⁸

The criticism is focused on the situation of the following groups:

- Children („nearly one-third (31.6%) of children aged 5-15 are at risk of poverty“);
- Persons with disabilities („institutional care is prevalent, and services in the community are not adequately supported“);
- Social protection system („is underdeveloped, while the effectiveness of social transfers is limited... social assistance is not well targeted, nor is it need-based... which is why the poverty reduction effects are very limited“);

²⁷ See the Communication from the Commission to the European Parliament and the Council: Commission Opinion on Bosnia and Herzegovina's application for membership of the European Union, Brussels, May 29th, 2019, pp 11-12.

The Opinion was provided on the basis of the response of the BiH authorities to a questionnaire containing 3242-questions in 33 chapters that are the basis for future preaccession negotiations. Alongside the BiH authorities, the CSOs also provided responses, at the initiative of the EU and DEI. The alternative responses of the CSOs through the activities of the Alliance for EU Integrations (responses prepared by 135 participants), relative to the official responses analysed the actual situation and were much more realistic than the responses of the authorities, which focused exclusively on regulations.

²⁸ See at: <https://www.adsfbih.gov.ba/Content/DownloadAttachment?id=e2584195-6a32-4b6c-9b2e-1ac9fe8fe48e>, p. 134

- Women („implementation of the regulations against discrimination is on a very low level in practice“);
- Elderly („there are no systemic measures to improve the status of the elderly persons“);
- Entity strategies for social inclusion and protection („are not implemented due to the lack of funding, inadequate procedures and standards, and general lack of coordination“).²⁹

It would be appropriate to view these critical assessments of the status of marginalised groups and policy areas as key priorities for improvement of social conditions. The key problems from the Opinion of the European Commission are the same as the key issues identified in the document „Towards the European Union - Key Social Inclusion Issues in BiH“ from April 2019.

The need to prepare the social inclusion strategies (aligned with constitutional competences in the FBiH, RS and BDBiH) is confirmed by one of 14 key priorities stated in the Opinion of the European Commission for thorough improvement of the legislative and institutional framework, which is a condition for opening negotiations for accession of BiH to the European Union. Key Priority 13 is to „Improve the protection and inclusion of vulnerable groups, in particular persons with disabilities, children, LGBTI persons, members of the Roma community, detainees, migrants and asylum seekers, as well as displaced persons and refugees“.

In previous chapters, we analysed EU social inclusion policies as part of the EU Agenda 2030. The key issues related to the status of vulnerable groups in the Opinion of the European Commission (Analytical Annex) are *de facto* the priorities of social inclusion in BiH. Naturally, specific circumstances in the FBiH, RS and BDBiH may modify these future priorities and introduce new ones.

It is also important that the Opinion of the European Commission analyses social inclusion issues as the status of marginalised groups, rather than by sectors.

From the perspective of experiences of some EU Member States in the broader region (Croatia, Hungary, Greece), it appears that, at this stage of initiating and planning social inclusion strategies, the focus should be on operationalisation of the recommendations on the basis of a situational analysis of the actual status of legislation and policies in the areas identified as key problems. Namely, the strategies of above mentioned countries were more studies of sectors relevant for social inclusion with a shortage of operationalisation of policy recommendations.

²⁹ Analytical Report Accompanying the document Communication from the Commission to the European Parliament and the Council, EC, Brussels, May 29th, 2019, pp 134-135, available at: <https://www.adsfbih.gov.ba/Content/DownloadAttachment?id=e2584195-6a32-4b6c-9b2e-1ac9fe8fe48e>

1. Taking into account the EC Opinion, as well as identical findings of a previous analysis of key social inclusion problems, as well as the experience and practices of EU Member States, we can identify the following priorities for the strategies of social inclusion in the FBiH, RS and BDBiH:

- Improving social position of children and young people;
- Fight against poverty;
- Reform and development of the social protection systems;
- Social inclusion of persons with disabilities;
- Social inclusion of the elderly;
- Gender equality;
- Overcoming ethnic causes of social exclusion.

In the separate strategies in the FBiH, RS and BDBiH, these priorities may change or be amended in accordance with their particular characteristics.

2. Initial basic concepts for the preparation of strategies may include:

- 2.1. Social inclusion is not a simple opposition of absence of social exclusion. Social inclusion is an active process of enhancing the wellbeing and quality of life of all members of society, and it requires more than mere overcoming exclusion.
- 2.2. Social inclusion is not just a problem of social policies – all policies should be inclusive, not only at the point of their formulation, but also by their outcomes.
- 2.3. Policy analysis and objectives need to be structured in alignment of the above priorities, i.e., the vulnerable, most excluded groups, and it is necessary to formulate crucial policies and sector actions from their perspective.
- 2.4. The SDGs and EU Agenda 2030 are at the foundations of all inclusive policies and strategies.
- 2.5. Allocations for social inclusion, and budget transfers in particular, are not a cost, but an investment in human capital, smart and sustainable growth, particularly when intended for children and young people.
- 2.6. The foundation of all essential reforms of the social protection system (together with better targeting and setting of social security minimum) is a transition from passive social protection towards active social inclusion policies. Active labour market measures need to be refocused from the general employment support to the excluded categories of the population, which should be included in the labour market.
- 2.7. Social entrepreneurship is an important tool of social inclusion in the labour market, and of the overall inclusion of vulnerable groups in „life worth living“.
- 2.8. Demographic pronatalist policies, particularly in the domain for support to mothers, child protection and empowering of young people are crucial.

- 2.9. Develop awareness and preventive actions and programmes for disaster risk reduction, and for rehabilitation of their negative impact on socially vulnerable population.
- 2.10. Policy recommendations will vary, in view of particular circumstances of the FBiH and RS, but coordination between the government institutions should be the starting point, as well as between the government and CSOs representing particularly vulnerable groups.
- 2.11. Regional cohesion and a balanced regional economic and social development in the FBiH and RS, with a focus on rural areas, are the preconditions for social inclusion as a whole.
- 2.12. In the approach to the elaboration of objectives and priorities for each of the defined general priorities, EU practices should be used with full understanding and appreciation of our local particular characteristics.³⁰
- 2.13. Using the Open Method of Coordination (particularly in the FBiH, in view of the shared competences of the cantons and FBiH) would be very useful, because it is inclusive for all levels of government in the Federation.
- 2.14. It is important to align indicators and statistical indicators in the strategies of social inclusion in the FBiH, RS and BDBiH. New indicators should be developed for monitoring social inclusion/exclusion.
- 2.15. The strategies in the entities and BDBiH will be developed for the 2021-2027 period to be aligned with the period for which the key European documents are prepared.

3. Participatory approach to preparation and implementation of social inclusion strategies

One of the most important common tools in all above priorities is strengthening the role of civil society (CSO, media, citizen activism) in their implementation. For this to work, it is important to define favourable conditions and policies, above all for CSOs.

- 3.1. Provide a stimulating environment for civil society, „with particular respect for European standards on freedom of association and freedom of assembly“.³¹
- 3.2. Develop transparent mechanisms for funding CSOs domestically (budgets, social enterprises, philanthropy), and in strategies of foreign support to BiH emphasize the importance of the CSOs' role in social inclusion.

³⁰ As an example, we mention the Council of Europe's Strategy for the Rights of the Child (2016-2020), which offered the following concrete priorities:

1. Equal opportunities for all children
2. Participation of all children
3. Violence-free life for all children
4. Judiciary adapted to the child and all children
5. Rights of the child in the digital environment.

See: <http://www.coe.int/cm>

³¹ The Commission's Opinion on the Application of Bosnia and Herzegovina for Membership of the European Union; Recommendation 11

- 3.3. Develop the mechanism of partnership between the governments on all levels, CSOs and citizens.
- 3.4. Through legal amendments, encourage philanthropy by means of tax breaks for companies that by their own volition and donate to CSOs of their choice, thereby reducing their dependence on the budgets and on foreign donors.
- 3.5. Ensure full support for the freedom of media and their independence from any influences.
- 3.6. Civil society, particularly CSOs representing marginalised groups, may have an important role in furthering inter-ethnic reconciliation. Social inclusion will therefore build needed confidence with broader social significance.

VII. How to reach social inclusion strategies in FBiH, RS and BDBiH?

Within the framework of the project „Build up for Social Inclusion Advocacy Platform in Bosnia and Herzegovina” “, implemented by the SIF in BiH and IBHI with the financial support of the EU and UNICEF BiH in the period of 2018-2021, the work is under way on initiation and preparation of the social inclusion strategies in the FBiH, RS and BDBiH.

The reports „Towards the European Union - Key Social Inclusion Issues in BiH” (April 2019), as well as this report „Towards the European Union – Recommendations for Advancement of Social Inclusion in BiH”, represent the starting point for the document “The Foundations and Instructions for Preparation of Inclusion Strategies in the FBiH, RS and BDBiH”.

Phase 1 – initiation and preparation of the strategies would be achieved by the above mentioned document/study, which would be developed during 2020. Its purpose is to initiate, develop instructions and suggestions for the preparation of these strategies. It would consist of three parts: working drafts of the separate social inclusion strategies for the FBiH, RS and BDBiH. The report will be prepared in full cooperation with the competent FBiH, RS and BDBiH ministries. Each separate entity/BDBiH strategy would take as the starting point their particular characteristics practices and situation.

- 1.1. A situational analysis will be conducted for each strategy and the real situation will be examined, and not solely the regulatory environment. In this regard, it will be important to analyse the results of the implementation of the existing strategic documents, particularly for persons with disabilities in the FBiH and RS, social inclusion strategies 2010-2013 in the FBiH and RS, RS Economic Reform Programme 2019-2021 (particularly its segments on social protection, education, healthcare and labour market).
- 1.2. The working drafts in the social inclusion strategy in all three cases will start from already identified key priorities for improving social inclusion, with necessary modifications or introduction of additional priorities.

- 1.3. The contents of the strategies should include initiation of the preparation of the action plans, approximate projections of budgetary outlays required for their implementation and a proposal of the system for monitoring and evaluation of their implementation.
- 1.4. We will propose to access IPA funds, and to prepare the administrative structure that would allow access to the funding of the European Social fund for the purposes of implementation of the strategies for the FBiH, RS and BDBiH. A mechanism will be proposed for coordination of all levels of government on the basis of the Open Method of Coordination, for the purposes of preparation and implementation of strategies, while taking into account the differences in the administrative organisation and other particular characteristics of the FBiH, RS and BDBiH.

Phase 2 – it is the preparation and adoption of the strategies, which would be the responsibility of the governments and of the appropriate ministries, as well as of other institutions in the FBiH, RS and BDBiH, with possible expert support of the EU, UNICEF and other international organisations.

The preparation of the strategies will be based on:

- The Open Method of Coordination between all levels of government and institutions in the entities and BD, with addition of CSOs;
- Vertical and horizontal coordination;
- Partnership, openness and transparency.

For all strategic documents, and consequently for the social inclusion strategies in the entities and BD, it would be necessary to:

- Develop an effective system of planning for coordination of the preparation of all strategic documents³²;
- Develop institutional mechanisms and tools for monitoring and evaluation, to assess practical results of the strategic documents;
- Shift from cost budgeting to result-based budgeting;
- Statistical agencies should expand the existing indicators by introduction of new ones, pertinent to the analysis of social inclusion and poverty.

Appropriate working bodies should be established and activities organised for the strategy preparation phase:

1. Coordination boards for strategy preparation, with participation of all institutional stakeholders important for coordination, as well as of select CSOs;
2. An executive operational body for preparation of the strategies;

³² UN; „Implementing 2030 Sustainable Development Goals in Bosnia and Herzegovina- Rapid integrated Assessment of Key Strategic Documents“, July 2018, p. 33.

3. Thematic groups by strategic priorities, with expert participation;
4. SWOT and PEST workshops during the strategy development phase and by priorities, with participation of CSOs, particularly those representing vulnerable groups, centers for social work, healthcare and education institutions;
5. Public debate on drafting social inclusion strategies in the FBiH, RS and BDBiH, and finalisation of the reports on the basis of its conclusions;
6. The government of the FBiH, RS and BDBiH adopt the social inclusion strategies for the entities and BD.

The activities mentioned in this section are proposed only for orientation purposes, they are open to modification and elaboration in accordance with the needs and particular characteristics of the FBiH, RS and BDBiH. Their purpose is to initiate the preparation of the three social inclusion strategies, which would be one of the conditions of the European Union for BiH and for gaining the candidate status for the membership of the European Union.

On the other hand, it is not necessary to wait for the candidate status to implement the reforms required in Chapter 19 „Employment and Social Policy“. Completing tasks in advance of deadlines means saving time in the negotiations on individual chapters and moving closer to the desired membership of the European Union. At the same time, the reforms and introduction of EU standards in policies and practice are of greater importance for BiH citizens than the status itself. Thus, it is the purpose of this report, as well as the previous one and the upcoming study.

Annex I

European Pillar of Social Rights and its 20 principles³³

Chapter I: Equal opportunities and access to the labour market

1. Education, training and life-long learning

Everyone has the right to quality and inclusive education, training and life-long learning in order to maintain and acquire skills that enable them to participate fully in society and manage successfully transitions in the labour market.

2. Gender equality

Equality of treatment and opportunities between women and men must be ensured and fostered in all areas, including regarding participation in the labour market, terms and conditions of employment and career progression.

Women and men have the right to equal pay for work of equal value.

3. Equal opportunities

Regardless of gender, racial or ethnic origin, religion or belief, disability, age or sexual orientation, everyone has the right to equal treatment and opportunities regarding employment, social protection, education, and access to goods and services available to the public.

Equal opportunities of under-represented groups shall be fostered.

4. Active support to employment

Everyone has the right to timely and tailor-made assistance to improve employment or self-employment prospects. This includes the right to receive support for job search, training and re-qualification. Everyone has the right to transfer social protection and training entitlements during professional transitions.

Young people have the right to continued education, apprenticeship, traineeship or a job offer of good standing within 4 months of becoming unemployed or leaving education.

People unemployed have the right to personalised, continuous and consistent support. The long-term unemployed have the right to an in-depth individual assessment at the latest at 18 months of unemployment.

³³ <https://ec.europa.eu/commission/priorities/deeper-and-fairer-economic-and-monetary-union/european-pillar-social-rights/european-pillar-social-rights...>

1. Secure and adaptable employment

Regardless of the type and duration of the employment relationship, workers have the right to fair and equal treatment regarding working conditions, access to social protection and training. The transition towards open-ended forms of employment shall be fostered.

In accordance with legislation and collective agreements, the necessary flexibility for employers to adapt swiftly to changes in the economic context shall be ensured.

Innovative forms of work that ensure quality working conditions shall be fostered. Entrepreneurship and self-employment shall be encouraged. Occupational mobility shall be facilitated.

Employment relationships that lead to precarious working conditions shall be prevented, including by prohibiting abuse of atypical contracts. Any probation period should be of reasonable duration.

2. Wages

Workers have the right to fair wages that provide for a decent standard of living.

Adequate minimum wages shall be ensured, in a way that provide for the satisfaction of the needs of the worker and his / her family in the light of national economic and social conditions, whilst safeguarding access to employment and incentives to seek work. In-work poverty shall be prevented.

All wages shall be set in a transparent and predictable way according to national practices and respecting the autonomy of the social partners.

3. Information about employment conditions and protection in case of dismissals

Workers have the right to be informed in writing at the start of employment about their rights and obligations resulting from the employment relationship, including on probation period.

Prior to any dismissal, workers have the right to be informed of the reasons and be granted a reasonable period of notice. They have the right to access to effective and impartial dispute resolution and, in case of unjustified dismissal, a right to redress, including adequate compensation.

4. Social dialogue and involvement of workers

The social partners shall be consulted on the design and implementation of economic, employment and social policies according to national practices. They shall be encouraged to negotiate and conclude collective agreements in matters relevant to them, while respecting their autonomy and the right to collective action. Where appropriate, agreements concluded

between the social partners shall be implemented at the level of the Union and its Member States.

Workers or their representatives have the right to be informed and consulted in good time on matters relevant to them, in particular on the transfer, restructuring and merger of undertakings and on collective redundancies.

Support for increased capacity of social partners to promote social dialogue shall be encouraged.

5. Work-life balance

Parents and people with caring responsibilities have the right to suitable leave, flexible working arrangements and access to care services. Women and men shall have equal access to special leaves of absence in order to fulfil their caring responsibilities and be encouraged to use them in a balanced way.

6. Healthy, safe and well-adapted work environment and data protection

Workers have the right to a high level of protection of their health and safety at work.

Workers have the right to a working environment adapted to their professional needs and which enables them to prolong their participation in the labour market.

Workers have the right to have their personal data protected in the employment context.

Chapter III: Social protection and inclusion

1. Childcare and support to children

Children have the right to affordable early childhood education and care of good quality.

Children have the right to protection from poverty. Children from disadvantaged backgrounds have the right to specific measures to enhance equal opportunities.

2. Social protection

Regardless of the type and duration of their employment relationship, workers, and, under comparable conditions, the self-employed, have the right to adequate social protection.

3. Unemployment benefits

The unemployed have the right to adequate activation support from public employment services to (re)integrate in the labour market and adequate unemployment benefits of reasonable duration, in line with their contributions and national eligibility rules. Such benefits shall not constitute a disincentive for a quick return to employment.

4. Minimum income

Everyone lacking sufficient resources has the right to adequate minimum income benefits ensuring a life in dignity at all stages of life, and effective access to enabling goods and services. For those who can work, minimum income benefits should be combined with incentives to (re)integrate into the labour market.

5. Old age income and pensions

Workers and the self-employed in retirement have the right to a pension commensurate to their contributions and ensuring an adequate income. Women and men shall have equal opportunities to acquire pension rights.

Everyone in old age has the right to resources that ensure living in dignity.

6. Health care

Everyone has the right to timely access to affordable, preventive and curative health care of good quality.

7. Inclusion of people with disabilities

People with disabilities have the right to income support that ensures living in dignity, services that enable them to participate in the labour market and in society, and a work environment adapted to their needs.

8. Long-term care

Everyone has the right to affordable long-term care services of good quality, in particular home-care and community-based services.

9. Housing and assistance for the homeless

- a. Access to social housing or housing assistance of good quality shall be provided for those in need.
- b. Vulnerable people have the right to appropriate assistance and protection against forced eviction.
- c. Adequate shelter and services shall be provided to the homeless in order to promote their social inclusion.

10. Access to essential services

Everyone has the right to access essential services of good quality, including water, sanitation, energy, transport, financial services and digital communications. Support for access to such services shall be available for those in need.