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Bosnia-Herzegovina

Agricultural Situation

BiH and European Integration

2004

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Report Highlights:

The European Commission (EC) recently approved a feasibility study assessing the readiness of Bosnia and Herzegovina to begin negotiations for a Stabilization and Association Agreement (SAA) on the condition that BiH makes significant progress in 16 areas identified as priorities for action. The BiH needs to harmonize its veterinary and phytosanitary legislation to that of the EU before negotiations commence. BiH is making little progress in meeting the requirements, and it is unlikely that SAA negotiations will begin in 2004.

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Vienna [AU1]
[BK]

The European Commission (EC) recently approved a feasibility study assessing the readiness of Bosnia and Herzegovina to begin negotiations for a Stabilization and Association Agreement (SAA) in 2004 on the condition that BiH makes significant progress in 16 areas identified as priorities for action. The 16 areas include: compliance with existing conditionality and international obligations; more effective governance; more effective public administration; European integration; effective human rights provisions; effective judiciary; tackling crime, especially organized crime; managing asylum and migration; customs and taxation reform; budget legislation; budget practice; reliable statistics; consistent trade policy; integrated energy market; BiH single economic space and public broadcasting.

Regarding agriculture in BiH, the EC concluded that agricultural infrastructure is still weak, the quality of many BiH products is low, and marketing capacities are limited. In addition, the framework and system for implementing sanitary and phyto-sanitary standards is weak. BiH needs to harmonize its veterinary and phytosanitary legislation to that of the EU' before negotiations commence. Additionally, it needs to establish laboratories and certificate bodies (state-level certification) able to certify compliance of agricultural goods with the EU requirements. Since BiH is unable to comply with EC Food and Veterinary Office recommendations, it is unable to export animals or animal products to the EU. The establishment of a State Veterinary Office in 2000 should have eliminated these difficulties; but the Office is not yet fully operational. One problem that needs to be resolved immediately is the establishment of the state phyto-sanitary office. The legal framework exists, but the national government is delaying this decision for unknown reasons. Also, given ongoing WTO accession preparations, BiH must ensure that it can live with minimum duty levels on sensitive agricultural imports in line with WTO rules, while at the same time developing its own agricultural sector.

The negotiations for a SAA will depend on BiH's progress. If progress is insufficient, the EC will not recommend proceeding with negotiations. Taking into account BiH's present progress, the outlook for these negotiations is not good.

Background

The Feasibility Study is the latest stage of the EU's Stabilization and Association Process (SAP), designed to integrate BiH gradually into EU structures. BiH's first step in this process came in early 2000 when work began on a "Road Map" of 18 priority reform steps. The Road Map was "substantially completed" in September 2002, and at that stage the Commission initiated work on the Feasibility Study. In March 2003 a questionnaire covering all sectors relevant to a future SAA was given to the BiH Directorate for European Integration. BiH's answers were discussed with the Commission in a series of working groups between May and September 2003. The findings of the Study are based on BiH responses to the questionnaire and on the findings of the working groups, complemented by further Commission research. Success in the reforms outlined in the Feasibility Study would open the way to SAA negotiations. An SAA helps to prepare the countries of the Western Balkans in the same way as the Europe Agreements helped prepare the countries of Central and Eastern Europe for accession. Almost €2.5 billion of European Community funds have been committed to Bosnia and Herzegovina since 1991. More information can be found at http://europa.eu.int/comm/external_relations/see/bosnie_herze/index.htm