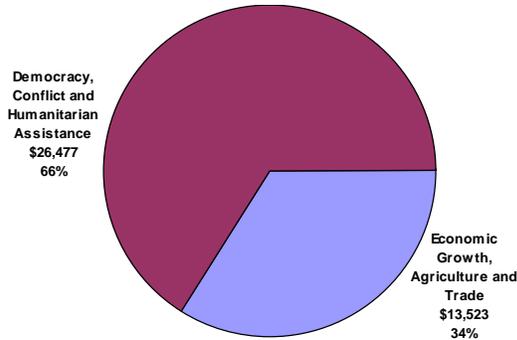
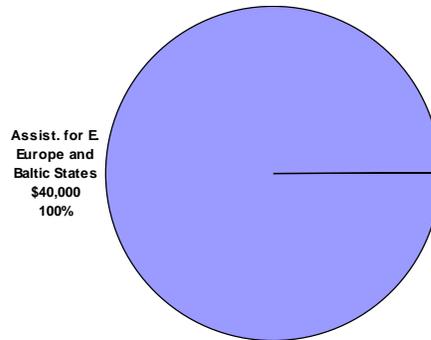


# Bosnia and Herzegovina

**FY 2006 Assistance by Sector**



**FY 2006 Assistance by Account**

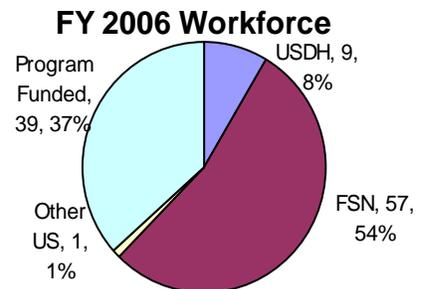


## Objectives and Budget

Objective	SO Number	FY 2004	FY 2005	FY 2006
Economic Restructuring	168-0130	7,826	6,726	7,117
Multi-Ethnic Democratic Society	168-0210	11,999	13,101	12,790
Minority Returns	168-0311	3,856	650	
Cross-Cutting Programs	168-0420	2,919	2,900	2,900
Transfers		18,135	17,623	17,193
<b>Total (in thousands of dollars)</b>		<b>44,735</b>	<b>41,000</b>	<b>40,000</b>

## Administrative Expenses and Workforce

Administrative Expenses	FY 2004	FY 2005	FY 2006
Mission Allocation	3,690	3,615	3,650
USDH Salaries & Benefits	1,406	1,295	1,323
Program Funds	2,927	3,027	2,534
<b>Total (in thousands of dollars)</b>	<b>8,023</b>	<b>7,937</b>	<b>7,507</b>



Mission Director: Howard Sumka

**The Development Challenge:** Bosnia and Herzegovina (BiH) has come a long way in the nine years since the end of the war. The economy has recovered substantially. Gross Domestic Product (GDP) growth is projected to be 5% in 2004, up from an estimated 2.7% GDP growth rate in 2003. More than one million refugees have returned to their pre-war homes. The banking sector has flourished, with numerous foreign banks entering the market, increasing the availability of credit. Bosnians have administered two free and fair elections. These achievements were made possible by the presence of NATO troops, adherence to the Dayton Peace Accords, and, in some cases, intervention by the Office of the High Representative (OHR).

Nevertheless, as the country strives toward European integration, it is becoming increasingly obvious that more responsible, effective, and efficient government in Bosnia is necessary for long term political stabilization and economic growth. Too many layers of government, especially in the 10 canton-Federation, have created poor definitions of responsibility and insufficient financing. Some improvements in the governance structure have been made. The Federation Constitution was amended prior to the municipal elections in October 2004 to enable the direct election of mayors.

On the economic front, while the country has achieved a remarkable degree of fiscal stability, the current account deficit (imports are three times exports) indicates that BiH has not yet managed to become competitive on the regional or the world market. Employee pension and social welfare contributions are too high and have contributed to the growth of the informal economy, a sector that may account for as much as three-fourths of the employment of young people. The dearth of foreign investment in BiH is also a significant factor in its slow development. Small market size with little spending power, weak rule of law, and poor or non-existent infrastructure all impede investment. BiH's main assets are its natural resources including hydro-electric power, which has the potential to make BiH the region's only electricity exporter.

Bosnia and Herzegovina's growth as a state is further stymied by a lack of consensus on a shared vision. The Serb entity is fiercely protective of its separate status and resists attempts to consolidate governance at the State level. Nonetheless, progress has been made in establishing a State-level Ministry of Defense, intelligence service, indirect tax administration. In addition, steps have been taken to establish a value added tax. Hard-line nationalist parties are still in power and often lack the political will to effect change, while opposition parties, especially in the Federation, remain weak and unfocused. BiH still functions as an international protectorate with the OHR acting as the ultimate governing authority. While OHR has certainly driven the reform process, their continuing international presence has also stifled political maturation by allowing politicians to avoid responsibility for taking tough decisions. This lack of ownership has delayed a thorough implementation of certain reforms.

U.S. anti-trafficking efforts helped BiH move from a Tier Three country to Tier Two and are ensuring BiH does not become a country-of-origin for trafficking. USAID assistance in creating new laws and robust institutions will help prevent terrorists from using BiH to threaten U.S. citizens and interests, a high priority goal. The overriding U.S. interest in BiH remains the conversion of this multi-ethnic country from a source of regional instability to a peaceful, viable state on the road to European integration.

**The USAID Program:** USAID is addressing BiH's challenges through a program targeted at economic transformation, democratic reform and the reestablishment of a multi-ethnic society. USAID's economic programs focus on supporting small and medium-size enterprise development, implementing a tax administration system, and formulating a prioritized, transparent, and efficient government budget. USAID supports commercial court reform, assists in the strengthening of the banking regulatory sector, and helps to develop and implement a national energy strategy. These efforts contribute to creating an environment that encourages long-term investment in BiH.

The mission's democracy programs are focused on reforming political parties, promoting greater transparency and efficiency in government, improving the quality of and citizens' access to justice, strengthening local governance, and increasing citizen participation through support to non-governmental organizations (NGOs) and independent media. Cross-cutting programs support USAID's strategic objectives with a wide range of participant training activities, also addressing such issues as trafficking in

persons. In the area of refugee returns, USAID provides income-generation grants and loans, promoting economic self-sufficiency in minority-return areas.

**Other Program Elements:** In addition to the resources managed by USAID/BiH, USAID's Europe and Eurasia Bureau's Office of Economic Growth is managing a program to promote, develop and support approaches to the resolution of commercial dispute. Also, the USAID Regional Services Center (RSC) in Budapest manages several programs in the BiH. These include support for: 1) the Balkan Children and Youth Foundation (BCYF) to strengthen the capacity of youth-serving NGOs in the Balkan region through sub-grants, technical assistance, exchange programs and networking, and promoting public-private alliances; 2) the Center for Democracy and Reconciliation in Southeast Europe (CDRSEE) to promote increased mutual understanding and the reconciliation process in Southeast Europe; 3) the Balkan Trust for Democracy which provides small grants to promote democracy and good governance in Southeast Europe; 4) the Cross-Border Cooperation and Reconciliation project that advances inter-ethnic reconciliation and local democracy in targeted border areas of Southeastern Europe; 5) the Stability Pact Anti-Corruption Initiative (SPAI) which fosters more effective implementation of anti-corruption reforms including anti-corruption training and public awareness campaigns; 6) the Fiscal Decentralization Initiative (FDI) to improve accountability and effective intergovernmental relations in transition countries. FDI supports debate and consensus-building among central and local governments, facilitates regional transfer of experience and exchange of best practices, and provides opportunities for local government reform advocacy; 7) the Europe Regional HIV/AIDS Initiative: Southeast Europe reduce HIV/AIDS and Sexually Transmitted Infections (STI) among high-risk groups.

**Other Donors:** The World Bank and European Union (EU) are the two largest donor institutions in BiH, with the U.S. being the largest bilateral donor. Other significant contributors include the governments of Germany, Sweden, the Netherlands and Japan as well as the European Bank for Reconstruction and Development (ERBD). USAID works closely with the German, Swedish, and Dutch governments who support minority returns through housing reconstruction in areas when USAID funds infrastructure. USAID has worked closely with the World Bank in the water sector, and the EU has played a major role in reforming water laws and policies on the entity level. USAID also has close collaboration with other major donors in the World Bank Power III project. Partners in this project include Spain, Italy, Norway, Japan, Canada, and the EBRD. On the economic front, USAID works closely with the European Commission, the World Bank, German SME bank (KfW), Japan International Cooperation Agency, EBRD, and GTZ (German Development Agency) in carrying out its activities. Rule of Law activities are coordinated closely with the Office of the High Representative. USAID and the Swedish International Development Cooperation Agency are each contributing \$10 million to support the Governance Accountability Project, which will improve customer service and management in 40 municipalities throughout the country.

## Bosnia and Herzegovina PROGRAM SUMMARY

(in thousands of dollars)

Accounts	FY 2003 Actual	FY 2004 Actual	FY 2005 Current	FY 2006 Request
Asst. for E. Europe and the Baltic States	50,139	44,735	41,000	40,000
<b>Total Program Funds</b>	<b>50,139</b>	<b>44,735</b>	<b>41,000</b>	<b>40,000</b>

STRATEGIC OBJECTIVE SUMMARY				
168-0130 Economic Restructuring				
AEEB	10,359	7,826	6,726	7,117
168-0210 Multi-Ethnic Democratic Society				
AEEB	12,223	11,999	13,101	12,790
168-0311 Minority Returns				
AEEB	8,962	3,856	650	0
168-0420 Cross-Cutting Programs				
AEEB	0	2,919	2,900	2,900
TRANSFER				
AEEB	18,595	18,135	17,623	17,193

Mission Director,  
Howard Sumka

### Data Sheet

<b>USAID Mission:</b>	Bosnia and Herzegovina
<b>Program Title:</b>	Economic Restructuring
<b>Pillar:</b>	Economic Growth, Agriculture and Trade
<b>Strategic Objective:</b>	168-0130
<b>Status:</b>	Continuing
<b>Planned FY 2005 Obligation:</b>	\$6,726,000 AEEB
<b>Prior Year Unobligated:</b>	\$1,354,000 AEEB
<b>Proposed FY 2006 Obligation:</b>	\$7,117,000 AEEB
<b>Year of Initial Obligation:</b>	2001
<b>Estimated Year of Final Obligation:</b>	2010

**Summary:** USAID's work to accelerate private sector growth falls under four categories: Improve Economic Policy and Governance; Increase Private Sector Growth; Strengthen the Financial Sector's Contribution to Economic Growth; and Expand and Improve Access to Economic and Social Infrastructure. Under this objective, USAID works to strengthen the productivity and competitiveness of small and medium enterprises (SMEs). USAID works to: reduce the legal, regulatory, and administrative hurdles of starting and expanding a business; create an environment conducive to creditors and investors; provide SMEs with firm-level technical assistance; and increase their access to financing.

**Inputs, Outputs, Activities:**

**FY 2005 Program:** Improve Economic Policy and Governance (\$1,400,000 AEEB, \$694,000 AEEB carryover). To encourage long-term investment and lending, USAID will continue supporting the commercial courts. Such support includes training for judges, trustees, and lawyers on the implementation of bankruptcy and collateral laws. In addition, USAID will install an integrated case management software system in two pilot courts. This system will improve efficiency in the courts and reduce case backlogs. As part of its efforts to improve economic policy and governance, USAID will continue work to improve tax administration and management. In FY 2005, USAID will expand current tax related activities to the policy arena with an aim towards: harmonizing income and profit tax rates and practices between both entities; strengthening the analytical capacity within the country; and supporting the passage of omnibus tax reform legislation, including profit, individual income, and real estate legislation. Principal contractors are: Chemonics International (prime) and Development Alternatives International (prime).

Increase Private Sector Growth (\$3,426,000 AEEB, \$400,000 AEEB carryover). USAID will work to streamline procedures to start and operate businesses. USAID will link government institutions to enable the electronic transfer of data, and encourage, through technical assistance, business development advocacy. Principal contractor: a new implementer yet to be determined.

Strengthen the Financial Sector's Contribution to Economic Growth (\$900,000 AEEB). In FY 2005, USAID will continue efforts to strengthen the banking regulatory sector by offering technical assistance to consolidate the Entity banking supervision agencies into a State-level agency within the Central Bank, shielding the agency from undue political influence. This effort will be a culmination of USAID's successful eight-year engagement in banking supervision. Principal contractor is: Bearing Point (prime).

Expand and Improve Access to Economic and Social Infrastructure (\$1,000,000 AEEB, \$10,000 carryover, \$250,000 prior year recoveries). During FY 2005, USAID will continue to work with the newly established Department of Energy assisting in the development and implementation of a new national energy strategy. USAID's primary focus will be on the restructuring of the three electricity companies. USAID will also give assistance to the provisional joint power coordination center as it transitions into the Independent Systems Operator. USAID will continue its training for the three regulatory commissions as they develop, for the first time, new tariffs to be implemented in 2006. Principal contractors are: Pierce Atwood Attorneys (prime) and PA Government Services (prime).

**FY 2006 Program:** Improve Economic Policy and Governance (\$1,450,000 AEEB). In FY 2006, USAID will complete the training for and implementation of the integrated case management software system in 17 courts. USAID will also expand its taxation policy activities by addressing the excess number of taxes imposed by municipalities. USAID intends to work with local municipalities to implement a system that will provide a reliable stream of revenues for municipal governments and simultaneously reduce the burdensome fees imposed on businesses. Principal contractors are: Chemonics International (prime) and a new implementer yet to be determined.

Increase Private Sector Growth (\$3,667,000 AEEB). In FY 2006, USAID will also continue addressing the burdensome permits and inspections regime by streamlining the construction permits process. USAID will connect different levels of BiH governments to enable them to communicate electronically. Depending on the results of a FY 2005 performance review of USAID's activity to strengthen market linkages, in FY 2006, USAID will continue direct technical assistance to SMEs in the wood processing and tourism sectors. Principal contractors are: Emerging Markets Group Ltd (prime) and a new implementer yet to be determined.

Strengthen the Financial Sector's Contribution to Economic Growth (\$1,000,000 AEEB). In an effort to provide SMEs with long-term financing, USAID anticipates transferring \$1 million to the Development Credit Authority facility. Using this facility, USAID will guarantee 50% of the principal on loans issued by partner banks with their own funds to SMEs. Principal contractor is: Not applicable.

Expand and Improve Access to Economic and Social Infrastructure (\$1,000,000 AEEB). During FY 2006,

USAID will help in the development of plans for the eventual privatization of the distribution and generation companies and complete work to unify the three regulatory commissions into one State Commission. USAID will help in preparing the sector for eventual acceptance into the European Union. Principal contractors are: Pierce Atwood Attorneys (prime) and PA Government Services (prime).

**Performance and Results:** USAID's activities achieved important results in accelerating the development of the private sector. USAID increased the cumulative value of loans secured by USAID-assisted SMEs to \$171 million; created more than 15,000 jobs and protected 30,000 existing jobs; and created a uniform budget execution system which saw a \$20 million surplus in government budget. USAID's work with the Banking Supervision Agencies forged the confidence of the banking sector as a whole, resulting in the growth of customer deposits from \$3.5 billion in 2003 to \$4.5 billion in 2004 and total loans outstanding from \$2.8 billion in 2003 to \$3.7 billion in 2004. The successful result of this program will be productive and efficient SMEs contributing to increased job generation and exports.

U.S. technical assistance in the energy sector helped in the passage of State laws establishing a unified State transmission company, an independent systems operator, and the creation of the three regulatory bodies that will control the generation, transmission, and distribution of electricity throughout BiH. As a result, the World Bank disbursed a \$30 million credit and the European Bank for Reconstruction and Development released a loan of nearly 40 million Euros. In addition, progress was made in the resynchronization of two Union for Coordination of Transmission of Electricity zones that were split in 1991. This will have a Europe-wide positive impact, as it will physically integrate regional electricity markets in southeast Europe into the EU internal electricity markets.

## US Financing in Thousands of Dollars

Bosnia and Herzegovina

168-0130 Economic Restructuring	AEEB	DCA
<b>Through September 30, 2003</b>		
Obligations	34,782	1,079
Expenditures	14,580	0
Unliquidated	20,202	1,079
<b>Fiscal Year 2004</b>		
Obligations	10,680	0
Expenditures	14,682	133
<b>Through September 30, 2004</b>		
Obligations	45,462	1,079
Expenditures	29,262	133
Unliquidated	16,200	946
<b>Prior Year Unobligated Funds</b>		
Obligations	1,354	0
<b>Planned Fiscal Year 2005 NOA</b>		
Obligations	6,726	0
<b>Total Planned Fiscal Year 2005</b>		
Obligations	8,080	0
<b>Proposed Fiscal Year 2006 NOA</b>		
Obligations	7,117	0
Future Obligations	0	0
Est. Total Cost	60,659	1,079

## Data Sheet

<b>USAID Mission:</b>	Bosnia and Herzegovina
<b>Program Title:</b>	Multi-Ethnic Democratic Society
<b>Pillar:</b>	Democracy, Conflict and Humanitarian Assistance
<b>Strategic Objective:</b>	168-0210
<b>Status:</b>	Continuing
<b>Planned FY 2005 Obligation:</b>	\$13,101,000 AEEB
<b>Prior Year Unobligated:</b>	\$3,012,000 AEEB
<b>Proposed FY 2006 Obligation:</b>	\$12,790,000 AEEB
<b>Year of Initial Obligation:</b>	2001
<b>Estimated Year of Final Obligation:</b>	2010

**Summary:** USAID's program to develop a more participatory, inclusive democratic society includes training and technical assistance to Improve the Justice Sector/Legal Framework, Strengthening of Democratic Local Government and Decentralization, Democratic National Governance Institutions, Civil Society and Support for Democratic Political Parties, and Media Freedom and Freedom of Information.

### Inputs, Outputs, Activities:

**FY 2005 Program:** Improve Justice Sector/Legal Framework (\$3,400,000 AEEB, \$908,000 AEEB carryover). USAID will increase the knowledge and professionalism of law students, lawyers, prosecutors, and judges; strengthen the management and administrative capacities of key government entities; and improve citizens' access to justice. USAID will assist in reform of court administration, criminal legal defense, administrative law, and legal education. Principal contractors and grantees are: American Bar Association - Central European and Eurasian Law Initiative (prime), East-West Management Institute (prime), Center for Institutional Reform and the Informal Sector (prime), Vasa Prava (sub), Public Interest Law Initiative (sub), and National Judicial College (sub).

Support Democratic Local Government and Decentralization (\$3,900,000 AEEB, \$20,000 AEEB carryover). USAID is promoting efficient and transparent local governance through its Governance Accountability Project, co-financed by the Swedish International Cooperation Development Authority. Through technical assistance, USAID will introduce One-Stop Shops into 40 municipalities, making it easier for citizens and businesses to expedite the business registration process. This project will also undertake work on creating equitable and efficient revenue sharing systems. Principal contractor is: Development Alternatives Inc. (prime).

Strengthen Democratic National Governance Institutions (\$1,200,000 AEEB prior year recoveries). USAID will provide technical assistance to improve parliamentary capabilities and legislative drafting abilities, develop policy formation skills, strengthen budgeting and forecasting procedures, and incorporate citizen input into legislation. Principal contractors or grantees are: to be determined (TBD).

Strengthen Democratic Political Parties (\$1,300,000 AEEB, \$440,000 AEEB carryover). USAID will assist with coalition building, the development of party caucuses, promotion of issue-based politics, development of policy analysis organizations, and support for ministries in developing communication strategies. USAID will design a new political party and parliamentary development activity in 2005. Principal grantees are: Association of Election Officials in Bosnia and Herzegovina (BiH) (prime), International Republican Institute (prime), National Democratic Institute (prime), and TBD.

Strengthen Civil Society (\$3,260,000 AEEB, \$394,000 AEEB carryover, \$50,000 AEEB prior year recoveries). USAID will award a grant to an indigenous organization for civic advocacy, coalition building, grass-roots community development, domestic philanthropy, and development of public-private partnerships. USAID will also support a local non-governmental organization (NGO) to develop conduct and service provision standards for NGOs. USAID continues to support efforts to improve the legislative and tax framework to allow the non-profit sector to develop. Furthermore, USAID supports the development of indigenous policy analysis and is building the capacity of BiH trade unions. Principal

contractors and grantees are: International Center for Not-for-Profit Law (prime), Urban Institute (prime), Center for Civil Society Promotion (prime), American Center for International Labor Solidarity (prime), and others to be determined.

Establish and Ensure Media Freedom and Freedom of Information (\$1,241,000 AEEB). USAID will provide training and technical assistance to independent media outlets including newsroom management, business development, independent production, and legal/regulatory issues. USAID supports the development of investigative journalism through the Center for Investigative Journalism, a local non-profit organization. Principal contractors and grantees are: Chemonics (prime), New York University (prime), Media Center Sarajevo (sub), International Center for Journalism (sub), and the Journalism Development Group (sub).

**FY 2006 Program:** Improve Justice Sector/Legal Framework (\$3,500,000 AEEB). USAID's support for rule of law and justice sector reform will continue with focus on strengthening judicial institutions and ministries, improving court functions, advancing citizens' legal rights, increasing the government's compliance with administrative legislation, and introducing new methodologies within law faculties. Principal contractors and grantees are the same as in FY 2005.

Support Democratic Local Government and Decentralization (\$4,000,000 AEEB). USAID will assist in making local governments accountable and able to promote local economic development encouraging the use of public-private partnerships. The principal contractor is: Development Alternatives Inc. (prime).

Strengthen Democratic National Governance Institutions (\$300,000 AEEB). USAID will assist in developing the institutional capacity of the parliaments through procedural reforms and improvements. The goal is to reform the way the parliamentarians carry out lawmaking and oversight duties. Principal contractors or grantees: TBD

Strengthen Democratic Political Parties (\$1,300,000 AEEB). USAID's political party activities in 2006 are dependent on the outcome of the comprehensive assessment in 2005. USAID anticipates providing limited training and technical assistance to political parties in anticipation of the 2006 General Elections. Principal grantees are the same as in FY 2005.

Strengthen Civil Society (\$2,500,000 AEEB). USAID will support local organizations with training, technical assistance, and grant funds. USAID will assist policy research organizations to expand their capacity to provide data and research to legislative bodies. Principal contractors and grantees are the same as in FY 2005.

Establish and Ensure Media Freedom and Freedom of Information (\$1,190,000). USAID will continue providing independent media outlets with training and technical assistance focused on business practices and production techniques. Principal contractors and grantees are the same as in FY 2005.

**Performance and Results:** In FY 2004, BiH continued to make progress in its democratization efforts. The Federation Constitution amendment allowed for the direct election of mayors. In FY 2004, USAID opened 14 "one-stop shops" within local governments. USAID now supports a total of 25 one-stop shops throughout BiH reducing waiting times for local government services by 70%. Through USAID's Democracy Network, more than 150 NGOs mobilized 35,000 citizens in 47 different advocacy campaigns. USAID's media efforts significantly increased the quantity and quality of locally-produced programs and investigative print stories and led to an increased use of media research in decision-making processes.

## US Financing in Thousands of Dollars

Bosnia and Herzegovina

168-0210 Multi-Ethnic Democratic Society	AEEB	DCA
<b>Through September 30, 2003</b>		
Obligations	30,549	1,537
Expenditures	13,852	0
Unliquidated	16,697	1,537
<b>Fiscal Year 2004</b>		
Obligations	15,957	0
Expenditures	13,727	0
<b>Through September 30, 2004</b>		
Obligations	46,506	1,537
Expenditures	27,579	0
Unliquidated	18,927	1,537
<b>Prior Year Unobligated Funds</b>		
Obligations	3,012	0
<b>Planned Fiscal Year 2005 NOA</b>		
Obligations	13,101	0
<b>Total Planned Fiscal Year 2005</b>		
Obligations	16,113	0
<b>Proposed Fiscal Year 2006 NOA</b>		
Obligations	12,790	0
Future Obligations	0	0
Est. Total Cost	75,409	1,537

## Data Sheet

<b>USAID Mission:</b>	Bosnia and Herzegovina
<b>Program Title:</b>	Minority Returns
<b>Pillar:</b>	Democracy, Conflict and Humanitarian Assistance
<b>Strategic Objective:</b>	168-0311
<b>Status:</b>	Continuing
<b>Planned FY 2005 Obligation:</b>	\$650,000 AEEB
<b>Prior Year Unobligated:</b>	\$1,004,000 AEEB
<b>Proposed FY 2006 Obligation:</b>	\$0
<b>Year of Initial Obligation:</b>	2001
<b>Estimated Year of Final Obligation:</b>	2006

**Summary:** This strategic objective aims to promote sustainable minority returns through the re-establishment of basic services to Bosnians. Programs fall under the Address Conflict Transitional Issues category and focus on the provision of basic utilities and services and on improving the economic self-sufficiency of returnee families. Following nearly ten years of the international community's post-conflict assistance to Bosnia and Herzegovina, many of the transitional issues resulting from the conflict have been resolved. This strategic objective will close-out in FY 2006.

### Inputs, Outputs, Activities:

**FY 2005 Program:** Address Conflict Transitional Issues (\$650,000 AEEB, \$153,000 AEEB carryover, \$851,000 AEEB prior year recoveries). USAID will use FY 2005 funds to benefit up to 550 minority returnee households through the provision of basic services such as electricity, water, and reconstruction of schools. To support this effort, USAID will supplement SEED funding with an additional \$5.5 million from available local currency generations. USAID will continue leveraging its resources by entering into partnerships with other donors or local authorities who will provide funds for housing reconstruction. Principal contractors: Catholic Relief Services (prime) and CARE International (prime).

**FY 2006 Program:** In FY 2006, USAID will close out this strategic objective.

**Performance and Results:** USAID exceeded its targets under this strategic objective. In 2000, when the program was designed, it was anticipated that it would benefit approximately 100,000 returnees. Through the provision of access to basic services including electricity, water, schools, health centers, and roads/streets, the lives of almost 130,000 minority returnees were directly impacted. Under this objective, USAID implemented 231 activities directly benefiting 25,000 households. In the power sector, USAID implemented 170 projects; repaired 43 water systems; reconstructed 10 health clinics; repaired 28 roads; and reconstructed 32 schools. The number of families that were directly impacted represents one fifth of the total minority returns registered since 2000.

USAID helped to ensure the sustainability of minority returns through the provision of economic opportunities such as small grants and social loans. To date, almost 3,150 families have received economic incentives that contributed to income generation (a total of almost 1,000 grants and 2,150 loans worth \$10.4 million were disbursed). The majority of the grants/loans were provided for agriculture activities (75%), services (16%), production (5%) and trade (4%). Women received one third of the grants and loans. These economic incentives improved the quality of life of recipients, their employees, and their families and improved income generation and business activities in communities.

## US Financing in Thousands of Dollars

Bosnia and Herzegovina

168-0311 Minority Returns	<b>AEEB</b>
<b>Through September 30, 2003</b>	
Obligations	17,163
Expenditures	7,928
Unliquidated	9,235
<b>Fiscal Year 2004</b>	
Obligations	4,302
Expenditures	9,047
<b>Through September 30, 2004</b>	
Obligations	21,465
Expenditures	16,975
Unliquidated	4,490
<b>Prior Year Unobligated Funds</b>	
Obligations	1,004
<b>Planned Fiscal Year 2005 NOA</b>	
Obligations	650
<b>Total Planned Fiscal Year 2005</b>	
Obligations	1,654
<b>Proposed Fiscal Year 2006 NOA</b>	
Obligations	0
Future Obligations	0
Est. Total Cost	23,119

## Data Sheet

<b>USAID Mission:</b>	Bosnia and Herzegovina
<b>Program Title:</b>	Cross-Cutting Programs
<b>Pillar:</b>	<b>No pillar info</b>
<b>Strategic Objective:</b>	168-0420
<b>Status:</b>	Continuing
<b>Planned FY 2005 Obligation:</b>	\$2,900,000 AEEB
<b>Prior Year Unobligated:</b>	\$1,680,000 AEEB
<b>Proposed FY 2006 Obligation:</b>	\$2,900,000 AEEB
<b>Year of Initial Obligation:</b>	2004
<b>Estimated Year of Final Obligation:</b>	2010

**Summary:** Funds under this program support objective are used to provide program support and technical expertise to enable USAID to develop new activities, monitor activity implementation, and carry out assessments in various sectors. In addition, funds support cross-cutting programs in participant training and reducing trafficking in persons.

### Inputs, Outputs, Activities:

**FY 2005 Program:** Program Development and Support (\$900,000 AEEB, \$680,000 AEEB carryover). These funds support the operations and personnel costs of program staff who manage USAID's on-going programs. In addition, in 2005, funds will be used to support the design of the USAID's new assistance strategy for the country, including assessments and studies needed to fully inform the development of the strategy. Funds will also be used for new program designs.

Participant Training (\$1,000,000 AEEB). This program provides short-term technical training to mid or high-level professionals from the public and private sectors of Bosnia and Herzegovina (BiH). Training programs are conducted in the United States, in third countries, and in BiH and are designed to directly complement USAID programs in support of economic growth and reform, infrastructure rehabilitation and democracy building. In 2005, USAID will continue to train senior and mid-level Bosnian professionals. Principal contractor is: World Learning (prime).

Reduce Trafficking in Persons (\$1,000,000 AEEB, \$1,000,000 AEEB carryover). USAID programs are designed to support the U.S. Government Trafficking in Persons Strategy for BiH. Specifically, USAID works to protect vulnerable populations from the risk of being trafficked as well as to care for victims of trafficking. Since children in orphanages are vulnerable to being trafficked, USAID is working to decrease the number of children deprived of parental care residing in orphanages, primarily through the promotion of foster care. Additional ongoing activities include strengthening social and child protection services and funding for local non-governmental organizations (NGOs) to provide care for trafficking victims. In close cooperation with the Government of BiH, USAID also conducts a nationwide public awareness campaign that informs Bosnians and residents in Bosnia of best ways to prevent being trafficked, how to seek help if trafficked, and how to help trafficked victims. In 2005, USAID will conduct an assessment in this sector to identify a new activity design. In addition to activities already funded, illustrative new activities could include legal advocacy for victims, establishment of a safe migration center, and economic development and community empowerment programs in vulnerable communities. Principal grantees are: Save the Children UK (prime), International Organization for Migration (prime), and a new implementer to be determined.

**FY 2006 Program:** Program Development and Support (\$900,000 AEEB). In addition to continuing to support the operations and personnel costs of the program staff, FY 2006 funds will be used for new program designs, assessments, and Mission support in the development of public-private partnerships.

Participant Training (\$1,000,000 AEEB). USAID plans to use FY 2006 resources to maintain the continuity of this training program that supports overall Mission goals. Under this program, USAID will train more than 100 senior and mid-level Bosnian professionals either by sending them to the United

States or third countries for training or by providing training for them in BiH. Selected participants will be the decision-makers within their organizations, who will have an immediate and substantial impact in their institutions in the sectors of economic restructuring, local governance, and civil society development. Principal contractor is: World Learning (prime).

Reduce Trafficking in Persons (\$1,000,000). During the first year of the program, USAID concentrated its activities on reducing the number of children in institutions in Tuzla Canton. In 2006, USAID will expand its activities to other areas of the country, building on lessons learned in Tuzla. This expansion will include the publication and dissemination of new materials as well as the implementation of a public awareness campaign. USAID will also build on FY 2005 efforts to protect other at risk populations of trafficking as well as care for trafficking victims. Principal grantees are: Save the Children UK (prime) and a new implementer to be determined.

**Performance and Results:** USAID cross-cutting activities successfully supported the program objectives of the program's other three strategic objectives through the provision of training. In 2004, the goal of training approximately 200 decision-makers in the United States and third countries and 600 in BiH was achieved. As a result, participants received the tools to undertake a number of initiatives including the creation of a network of independent BiH radio stations to strengthen economic and cultural relationships among local communities, providing citizens with fast and efficient service by electronically connecting one municipality's information desk with its other municipal departments, and the creation of business centers to increase public-private partnerships.

USAID's anti-trafficking efforts succeeded in providing shelter, protection, food, clothing, hygienic supplies, identification documents, and medical assistance to nearly 100 trafficked victims awaiting repatriation. USAID's goal of increasing Bosnian involvement in the area of trafficking was achieved with the handing over of the USAID-funded shelter to a local non-governmental organization. Newly initiated efforts to prevent children from being trafficked got off to a good start with pilot trainings of potential new foster parents. Likewise, USAID's partners completed a pre-campaign survey for a complementary public awareness campaign and succeeded in gaining donations from public radio and TV stations for 25% of the broadcasting time for radio and TV clips.

USAID has several final goals for this cross-cutting strategic objective including the expectation that the Participant Training Program will contribute significantly to the achievement of USAID's overall goals in BiH. In the area of anti-trafficking, USAID anticipates that assistance will help Bosnia and Herzegovina to remain on Tier II and possibly move up to Tier I. USAID also expects that assistance will help to ensure that Bosnia does not become a primary source of trafficked victims in the international trafficking in persons trade.

## US Financing in Thousands of Dollars

### Bosnia and Herzegovina

168-0420 Cross-Cutting Programs	<b>AEEB</b>
<b>Through September 30, 2003</b>	
Obligations	0
Expenditures	0

Unliquidated	0
<b>Fiscal Year 2004</b>	
Obligations	1,170
Expenditures	260
<b>Through September 30, 2004</b>	
Obligations	1,170
Expenditures	260
Unliquidated	910
<b>Prior Year Unobligated Funds</b>	
Obligations	1,680
<b>Planned Fiscal Year 2005 NOA</b>	
Obligations	2,900
<b>Total Planned Fiscal Year 2005</b>	
Obligations	4,580
<b>Proposed Fiscal Year 2006 NOA</b>	
Obligations	2,900
Future Obligations	0
Est. Total Cost	8,650