



**Permanent Mission of Bosnia and Herzegovina
to the United Nations
in Geneva**

MIS-UN-GVA
202-03-37- 96/2011

The Permanent Mission of Bosnia and Herzegovina to the United Nations at Geneva presents its compliments to the United Nations Office of the High Commissioner for Human Rights, and referring to the Note Verbal dated 17 December 2010, related to the Human Rights Council resolution 8/11 of 18 June 2008 entitled "Human Rights and Extreme Poverty", has the honor to forward the response of Bosnia and Herzegovina.

The Permanent Mission of Bosnia and Herzegovina to the United Nations at Geneva avails itself of this opportunity to renew to the United Nations Office of the High Commissioner for Human Rights the assurances of its highest consideration. *EKJ*

Geneva, 3 February 2011



UN Independent Expert on the questions of human rights and extreme poverty
OFFICE OF THE HIGH COMMISSIONER
FOR HUMAN RIGHTS
Fax: 022 ~ 917 90 06

OHCHR REGISTRY

- 4 FEV. 2011

Recipients :..... *SPD*

FROM :MLJPI

FAX NO. :387 33 206555

01 Feb. 2011 16:22 P 9

Reply, to the Questionnaire of UNHCR regarding the Resolution of the Council for Human Rights 8 / 11 entitled "Human Rights and Extreme Poverty"

Following the practice of good cooperation with UN independent experts and other international institutions and organizations, in this particular reply as it has done before, Bosnia and Herzegovina, is trying to contribute to ensuring the necessary information that will be useful to experts in carrying out their mandate in the most efficient and best way.

It is about a very serious and important topic that has been caused *inter alia* by the global crisis, which particularly has reflected in the economically and socially undeveloped countries, including Bosnia and Herzegovina. So, the topic particularly refers to those living in poverty, especially children, women, elderly persons, disabled, refugees, displaced population and others. The economic crisis in Bosnia and Herzegovina significantly disrupted and made the situation of symbolic public revenues complicated which are appropriated in the regular budgets of the State, Entities, Brčko District and Cantons for the enjoyment of human rights, especially economic, social and cultural rights by those who live in extreme poverty. Specifically, it is about fulfilling the obligations of the state to provide the adequate standard of living, including the right to accommodation, clothing, food, the right to social security, the right to education, the right to health care, the right to participate in public life and others.

The essential question relates to assessments, studies, programs the country has taken or is taking in relation to post-crisis adjustment and fiscal consolidation process of the country in 2010 and beyond, in order to protect poor and vulnerable categories of population because of reduction of public revenues.

To have a more complete picture of the topic it should be noted that during the previous war, the economy of Bosnia and Herzegovina was virtually destroyed. About 45% of factories were destroyed. Gross domestic product fell from pre-war 8.19 billion U.S. dollars to 2.2 billion in 1995. About 50% of the population remained unemployed and in poverty. According to the official rates of unemployment it is still above 40%. Gray economy makes a large percentage of economy. Despite the constant post-war GDP growth, it still has not reached the pre-war GDP. All of this is mentioned for more realistic and fully understanding of the socio-economic situation of Bosnia and Herzegovina during the war and postwar period and understanding how the global crisis has reflected into the current socio-economic situation, having had a great impact on the fragile and recovering economy.

The first point of impact primarily has been was and is the system of social protection in Bosnia and Herzegovina, which is extremely fragmented and consists of 13 almost independent systems, the coordination of which in the difficult social turmoil is almost negligible. Thus, the social protection policy and assistance to the poor is designed at the entity level and it is within the competence of Entities. The system is centralized in the

1

FROM :MLJPI

FAX NO. :387 33 206655

01 Feb. 2011 16:22 P 9

Republika Srpska, while in the Federation of Bosnia and Herzegovina it is defined at the cantonal level. Thus, the split system creates differences in social protection and assistance in various jurisdictions, so that the lowest administrative levels and the poorest communities have most difficulties in fulfilling their obligations that are part of their mandate.

Provision of social protection in Bosnia and Herzegovina is conducting by the social welfare institutions (87 Centers for Social Welfare and 28 municipal authorities of social and child protection in the Federation, while in the Republika Srpska there are 42 Centres for Social Welfare and 20 municipal authorities responsible for social welfare).

The number of registered users of social assistance in Bosnia and Herzegovina is 324,071, while the number of poor is 680,000. Nearly one-fifth (19.5%) of population of Bosnia and Herzegovina live below the poverty line and about 30% is just above the poverty line.

The social care system is based on the social insurance scheme which is funded through contributions from salaries of the employees and social assistance scheme that is funded from the general government revenue.

Given such a socio-economic situation in Bosnia and Herzegovina over the last few years, several living standards surveys. Although the samples were not large two main types of poverty have been used and they are absolute and relative poverty line. Due to the conditions and complexity of research, in Bosnia and Herzegovina the absolute poverty line has been used and it can be a line of extreme and general poverty line.

The extreme poverty line, which is also called the food poverty line is determined by the value of the food basket which contains the minimum necessary calories and nutrients. The determination of the general poverty line takes into account the fact that an individual has needs other than food, for example apartment, clothing, cultural needs etc.

Taking the standard parameter of 2100 calories per capita per day, according to some surveys in Bosnia and Herzegovina, the extreme poverty line in Bosnia is BAM 760 per person per year. 34.5% of it goes to food. According to these parameters it was found that about 19.5% of Bosnia and Herzegovina population lives below the general poverty line (25% in Republika Srpska and 16% in the Federation of Bosnia and Herzegovina). As for other human needs, considering the presented facts, the situation is concerning.

It is considered that half of the population of Bosnia and Herzegovina lives in some form of social exclusion. The main obstacles in exercising their right to social protection include the following: non-uniformity of entity regulations in this area, a lack of funds for social protection at the entity level, which is reflected in the cantons in the Federation and municipalities in Republika Srpska. This drastically affects all persons in the state of extreme social need and displaced persons and returnees in particular. The situation is aggravated by a constant deficit of human resources and inadequacy of funds and

FROM :MLJPI

FAX NO. :387 33 206655

01 Feb. 2011 16:23 P 10

equipment required by offices of social protection in both entities, which with all of other factors contributes to the low quality of implementation of social protection.

The most vulnerable groups in Bosnia and Herzegovina are: children, the elderly, people with disabilities, pensioners, the unemployed, displaced persons and returnees and the like. For many, it is a surprising conclusion that poverty is not just a problem of unemployed persons, but there are a number of employed persons in Bosnia and Herzegovina with low and irregular incomes who cannot provide the minimum conditions to keep their households above the poverty level.

Unfortunately, the children are mostly at risk of falling standards below the poverty line. According to some researches, the assumption is that about 13% of children in Bosnia and Herzegovina live in families in the category of the poorest and 29% of children live in households at the poverty line. Poverty of families with children is most egregious where none of family members works, then when they are orphans or children in custody of the social security system and others.

Bearing in mind the above mentioned, respecting the Convention on the Rights of the Child and the Millennium Development Goals, in order to improve the overall position of children, Bosnia and Herzegovina has adopted the Action Plan for Children for the period from 2002 to 2010 and several important policy and strategic documents which, as a priority, included measures to improve implementation of the Convention on the Rights of the Child and the Optional Protocols thereto. The draft Action Plan for Children 2011-2014 and the Strategy against Juvenile Delinquency from 2011 to 2014 were prepared. The main objective of making these and other documents is the permanent strengthening of the overall position of children in Bosnia and Herzegovina. The Strategy on Social Inclusion was adopted in 2007 and the National Development Plan for 2008-2012, which is implemented by the Directorate for Economic Planning (DEP). Both the mentioned documents include measures to achieve effective social protection and children's rights. "The Strengthening of Social Protection and Inclusion for Children in Bosnia and Herzegovina" Project, supported by UNICEF, the European Commission and the Government of Norway, is being implemented. The objective of this project is to build social capacity to establish closer cooperation between the relevant social and financial sectors in society.

A lot has been done on development of a comprehensive analysis of the vital records legislation (birth registration and acquisition of nationality). Intensive activities have been taken in the implementation of the Roma Action Plan in the following areas: housing, employment, health care and education. We emphasize it because this is the most numerous minority and most vulnerable in all areas of life, because the Roma children are particularly vulnerable according to all parameters, so we had a serious approach to their registration in vital records, education and basic prerequisites for improving the general situation of this national minorities in Bosnia and Herzegovina. This was especially enhanced after Bosnia and Herzegovina's joining the Decade of

FROM :MLJPI

FAX NO. :387 33 206655

01 Feb. 2011 16:23 P 11

Roma Inclusion 2005-2015 hoping that the social situation of the Roma population in Bosnia and Herzegovina would be substantially improved.

Older people, especially retirees, according to current data are a socially marginalized group, because their pension does not provide conditions for independent living. The elderly persons who have no family help or were granted pensions without having paid contributions of employment for at least 20 years are vulnerable in particular. This is reflected in health problems, low economic power, low social status, loneliness and so on. Unfortunately, an economically underdeveloped society like Bosnia and Herzegovina has no possibility or any capacity to improve the position of and protect the social status of older persons.

Persons with disabilities are a special group that is affected by the difficult socio-economic situation. Bosnia and Herzegovina is committed to improving their overall social status. In 2003 Bosnia and Herzegovina adopted the Decision on Acceptance of the Standard Rules for the Equalization of Opportunities for Persons with Disabilities. In 2009 Bosnia and Herzegovina joined the UN Convention on the Rights of Persons with Disabilities, and has taken all necessary actions to finalize the process of ratification of this Convention.

In order to promote the human-rights-based entitlements of persons with disabilities, the competent authorities in cooperation with the Association of Persons with Disabilities of Bosnia and Herzegovina initiated activities to establish a Council for Persons with Disabilities, which would be an advisory body. The persons with disabilities are treated differently as other groups are depending on the Entity they live in, which requires amendments to the laws governing this area in order to overcome major differences in social benefits.

Regarding the activity of entities and Brcko District of Bosnia and Herzegovina in terms of addressing the social status of disabled persons, in 2010 in the Federation, the Law on Vocational rehabilitation, Training and Employment of Persons with Disabilities, which regulated the recruitment of such persons from the labor market under the general and special conditions, was adopted. In 2010 the Fund for Vocational Rehabilitation and Employment of Disabled Persons was established. The Fund will monitor the exercise of rights by disabled people, make payments of cash compensation and incentives, pay reimbursements and incentives, refunds of paid contributions and income taxes and a part of wages of disabled persons in sheltered workshops.

Employment of disabled persons in the Republika Srpska is regulated by the Law on Vocational Rehabilitation, Training and Employment of Disabled Persons, which established the Fund for Vocational Rehabilitation and Employment of Disabled Persons of Republika Srpska, and it has been operating since 2005.

The Brcko District also takes care of this group.

FROM :MLJPI

FAX NO. :387 33 206655

01 Feb. 2011 16:23 P 12

The Employment Institute of BD BiH assists them through a programme of training of persons with special needs in employment/ self/employment which last 3 months at the employer's.

The program includes persons with disabilities (blind and visually impaired, deaf and hard of hearing, people with disabilities, people with mild mental retardation) based on the register for employment.

A particular problem are the civil war victims, which Bosnia and Herzegovina, according to the most recent data, has 14,928 (10,943 in the Federation of Bosnia and Herzegovina, Republika Srpska has 3825 and Brcko District has 160). The Entities have a different legal treatment of civilian victims of war, on which, in the future, they will have to work harder in order to equalize the rights of victims and to avoid any form of discrimination.

For quite a long time, refugees and displaced persons have been in the focus of the competent authorities and government in Bosnia and Herzegovina. At the time of the signing the Dayton Peace Agreement (1995), Bosnia and Herzegovina had 2.2 million refugees and displaced persons, more than half of the total population in 1991 Census.

It is estimated that currently, about 400,000 persons reside outside of Bosnia and Herzegovina and about 1.2 million citizens have left Bosnia from 1992 to 1995. Most of them are integrated in the host countries and it is estimated that there are close to 80,000 of refugees from Bosnia and Herzegovina which still need a solution, including their return to Bosnia and Herzegovina. According to official data there are 45,000 of applications filed for the reconstruction of housing units and more than 140,000 people who want to return to their pre-war homes. In accordance with international humanitarian law it is necessary to ensure for these refugees an adequate standard of living, including food, clothing and housing, right to social security, right to education, right to health care; and the right to participate in public life. It is estimating that a compliance with these requirements would cost the state more than BAM 1 billion.

With regard to these issues Bosnia and Herzegovina has done much, but it is still not enough. As for the return of property nearly a hundred percentage has been restored. The problem is to ensure sustainable return.

Accordingly, Bosnia and Herzegovina is making efforts to address socio-economic problems of refugees and displaced persons in stages, but the fact is that it needs help from wider international community.

Over the past few years an institutional and legal framework has been established for long-term resolution of these issues. The revised Strategy for the Implementation of Annex VII of the Dayton Peace Agreement has been adopted, which the closure of collective centers where living conditions of refugees and displaced persons are very difficult is identified as a top priority.

FROM : MLJPI

FAX NO. : 387 33 206655

01 Feb. 2011 16:24 P 13

Bearing in mind the complexity of the situation, in response to the global economic crisis, the governments in Bosnia and Herzegovina have defined the measures in the social security sector to eliminate effects of the crisis, which are a prerequisite for signing the standby arrangement with the IMF for the period between July 2009 and June 2012.

The intention of the governments, presented in a letter of intent (available on the website www.imf.org), is to adjust the level of public spending through intervention in the budget spending by cutting wages and the level of social benefits. The latter refers to the reduction of rights-based social benefits granted to veterans.

Both the groups (wages and social benefits) had a rapid growth before the crisis and contributed to the growing budget deficit in 2008. The Government of the Federation of Bosnia and Herzegovina has carried the Intervention Law, which introduced wage cuts and a reduction of benefits paid to civilians and militaries disabled in the war, beneficiaries of military pensions under favorable conditions and civilian war victims.

Basically, the policy of wage cuts is implemented throughout the public sector in Bosnia and Herzegovina (state, entity, cantonal, district level, extra-budgetary funds, public companies) and the reform of social benefits was started in order to protect the most vulnerable part of population that is affected by the economic crisis. Governments in Bosnia and Herzegovina have made the implementation plan and proposed measures for a period of 18 months (which are reviewed on a quarterly basis).

Employment is rated as a high priority in government programs and medium-term development documents such as the Strategy (CDS) and the Social Inclusion Strategy (SIS). At the sectoral level, governments of the Entities, Brcko District and State (the Council of Ministers) adopted their Employment Strategy for the period: ES BiH 2010-2014 (prepared with technical assistance from the ILO), ES Federation 2009-2013, ES RS 2010-2015. Also, there is a significant number of employment programs which need impact assessment. In the period 2008-2010 the Directorate for Economic Planning was a leading agency in the designing process of the Strategy (CDS) and the Strategy of Social Inclusion (SIS) for the implementation period 2010-2014. Both the strategies set forth employment, poverty and inequality as key strategic targets. In addition, the action plans, as accompanying strategy documents, are prepared for the four levels of government (State, Entities, Brcko District), defining the priority actions that governments intend to take in the period of implementation.

Access to education, pensions, health and employment services by various vulnerable is discussed in the Social Inclusion Strategy, Human Development Report (2007) and the Report of the Institution of Ombudsman for Human Rights. The Social Inclusion Strategy presents different aspects of vulnerability of different vulnerable groups (women, children, the elderly, displaced persons, the Roma as a vulnerable minority). However, many challenges with regard to presenting the status of vulnerable groups go unnoticed due to the poor data system and monitoring.

In 2009 all the governments in Bosnia and Herzegovina took significant steps to reform social benefits and programs and rights-based unemployment benefits. With 4% GDP,

FROM :MLJPI

FAX NO. :387 33 206655

01 Feb. 2011 16:24 P 14

the amount that is spent on social security benefits, including contributions, only a small percentage of the population of poor people is covered by this provision.

The ongoing reform of social welfare benefits mostly affects the rights-based benefits that very slightly target the poor.

Očekuje se da će ove reforme pružiti više adekvatan, bolje ciljan sistem socijalne sigurnosti. These reforms are expected to provide more adequate, more targeted system of social security. An impact of public spending on the most vulnerable groups was presented in a World Bank study "Protecting the Poor in Times of Global Economic Crisis - Update Report on Poverty in Bosnia and Herzegovina in 2009, which was developed in consultation with the governments of Bosnia and Herzegovina and in the report on "Social Assistance in Bosnia and Herzegovina, Moving toward a More Sustainable and Better Targeted Social Security Network." The results show the low rate of coverage of the population by social benefits, the high rate of non-target coverage with rights-based benefits of all groups of income, a poor social security network with poor capacities to respond to the economic crisis.