

**DECENT WORK COUNTRY PROGRAMME
BOSNIA AND HERZEGOVINA
2006-2007**

Introduction

The primary goal of the ILO is to promote opportunities for women and men to obtain decent and productive work in conditions of freedom, equity, security and human dignity. Decent work country programmes promote decent work as a key component of development policies and at the same time as a national policy objective of governments and social partners. The present country programme is informed by international development agendas such as the Millennium Development Goals, as well as the United Nations Development Assistance Framework (UNDAF) based on the national development objectives. It also takes account of the priorities of the ILO constituents, as expressed in consultations held with them. The programme details the policies, strategies and results required to realise progress towards decent work for all. This document reflects the strategic planning of ILO cooperation activities with Bosnia and Herzegovina for the biennium 2006-2007. Reflecting the constituents' as well as the ILO experts' assessment of past cooperation, the programme aims at ensuring greater synergies and stronger coherence of ILO activities in Bosnia and Herzegovina and thus contribute to achieving sustainable impacts.

I. The current situation from a Decent Work perspective

After the December 1995 Dayton Peace Accords (DPA) BiH faced the enormous challenge of the post-war reconstruction, and economic and social recovery. This challenge has been further amplified by the transition towards market economy requiring structural reforms and improved governance. Furthermore, the recent opening of the talks with the EU on the Stabilization and Accession Agreement will require further reforms in order to bring the country closer to the European integrations, thereby extending the number of challenges to deal with.

Though the country has achieved progress in many areas, from decent work perspective, still much has to be done. Despite the fact that several laws in the field of labour and employment have been adopted in the country, the enforcement is far from being satisfactory, and appropriate mechanisms for peaceful settlement of disputes between employers and workers are still inadequate. Widespread unemployment remains a very serious problem, whereas youth and women unemployment takes a lead. Whilst formal economy has no capacities to absorb a great number of the unemployed, increasing informal economy deprives many workers of basic labour rights. The system of social protection experiences an enormous demand for various types of benefits as the result of war casualties and poor living standards, the financing of which is far more costly than the budget capacities allow. The establishment of the employers' and workers' organisation at the state level and a clear political will on the side of the Government have created preconditions for tripartite social dialogue at the State level, still much has to be done in order to create a framework for social dialogue at the State level and make it functional.

The ILO has been actively supporting the economic and social recovery of BiH, since 1996. Although the number of national projects decreased in recent years, BiH has been continuously supported through the *Country Review of Employment Policies (CREP) exercise* and the regional Stability Pact funded projects: *Strengthening social protection in SEE and Strengthening social dialogue in SEE*. Labour administration at entity and State level has been further strengthened through the Project on *Promotion of Social dialogue and Revision of Labour Legislation in BiH (III phase)*. Support to the inspection services is being maintained through involvement of Chief Labour Inspectors of both entities to certain activities in the USDOL-funded project on *Developing a Serbian Labour Inspectorate for the 21st Century*.

The present country programme is thus the furtherance of ILO continuing efforts to contribute to the BiH development agenda. It reflects the priorities of the constituents taking into consideration national development objectives embraced by the Poverty Reduction Strategy Paper, e.g. support to the creation of a forum for tripartite consultations at the State level at a moment where there is a lot of debate on the need to strengthen State institutions and policies. It is also informed by the international development agendas: the Millennium Development Goals (MDGs), the Common Country Assessment (CCA) and United Nations Development Assistance Framework (UNDAF). UNDAF articulates the major challenges for BiH around three key outcomes during the 2005-2008 programme cycles, out of which the areas of a) governance and b) social protection, education and health are those which have been reflected in the country programme. As the member of the UN family in BiH, ILO cooperates with UNDP, UNICEF, UNFPA, and OHCHR through country based UN Theme Groups on Gender and HIV/AIDS and, with UNDP in providing assistance to the national counterpart in the implementation of the Law on Gender Equality.

The constituents assessed the cooperation with ILO in 2004-2005 as helpful mainly in the area of social dialogue and labour legislation. The ILO's expertise and a variety of activities carried out on national and sub-regional level involving the BiH constituency were indicated as the reasons for successful ILO's cooperation. In terms of the ILO's comparative advantage in relation to other stakeholders the constituency recognised the ILO as being the most competent in the field of labour and social policy in respect to other actors, and praised it for partnership culture and neutrality.

II. Priority areas of cooperation

Considering the lessons learned during past cooperation, the ILO will aim at reinforcing the constituents' capacities and enlarging influence of the Office's Decent Work policy in line with the Development Goals for Bosnia and Herzegovina and according to the government's action programme. The strategy will be to work with close involvement of the constituents and widespread promotion of the assistance provided by ongoing projects. In addition, more emphasis will be put on sharing experiences among neighbouring countries or countries with similar problems through technical cooperation.

Within the overarching theme of "Decent Work for All" the ILO will concentrate on three country programme priorities in Bosnia and Herzegovina in this biennium, which should be seen as long-term goals:

- I. Better fulfilment of constitutional obligations and more effective social dialogue at the state level
- II. Employment and labour market policies and programmes reflect national needs and EU standards
- III. Improved social security policy development

Priority 1: Better fulfilment of constitutional obligations and more effective social dialogue at the state level

Outcome 1: The number of due reports on ratified Conventions and the number of Instruments due for submission are reduced, and steps are taken to eliminate non-compliance practices with the ILO standards.

The ILO will provide training to enhance the capacity of government and social partners on ILO procedures and to take measures to respond to the ILO supervisory bodies (especially concerning Freedom of Association and non-discrimination).

The government provides on time reports on implementation of ratified conventions and replies to supervisory bodies' observations. The social partners are regularly kept informed.

Outcome 2: Labour legislation at State and entity level is reviewed and better reflects the principles of non-discrimination and gender equality.

A review of entity labour legislation from the gender equality viewpoint is completed, and an action plan to bring it into conformity with the State Law on gender equality is formulated and starts to be implemented.

ILO provides comments on draft legislation. ILO advocates the use of social dialogue in labour law reform. In the process of labour law reforms at entity and state levels, the ILO will enable trade unions to draft and elaborate proposals for labour law amendments ensuring better enforcement of the labour legislation.

Outcome 3: A tripartite agreement is concluded on the establishment of an Economic and Social Council at the State level.

The Economic and Social Council is established at the level of the State and is functioning. The capacity of social partners to participate in the work of the council at the State level is enhanced.

The ILO will provide information on similar agreements in other countries and comments on the draft to be prepared by the tripartite constituents in Bosnia.

The ILO will assist in the finalisation of the draft agreement.

Priority 2: Employment and labour market policies and programmes reflect national needs and EU standards

Outcome 1: The National Employment Policy (NEP) is reviewed with the participation of social partners, taking into consideration equal opportunity concerns related to gender equality and persons with disability.

A CREP exercise will be undertaken in BiH. Special emphasis will be given to assess the access of women in general and persons with disabilities to employment and training.

Outcome 2: Within the CREP process, trade unions develop policy proposals for improved labour market situation including the promotion of gender equality.

Joint workshop will be organized for CITBH, CITUBH and SSRS aiming at strengthening expertise of Albanian unions in the area of employment with specific importance paid to promoting gender equality and better conditions for youth. The trade unions will be enabled to make concrete policy proposals in the areas of active and passive labour market policies, vocational training, youth employment and women in the labour markets. The confederations will elaborate an action plan in this area.

Priority 3: Improved social security policy development

Outcome 1: Social partners participate regularly in the governing boards of tripartite social security institutions, including the Social Insurance Institute, and actively promote transparent, effective, and efficient social security administration.

Training will be provided for social partners using new ILO Budapest Handbook for Social Security Governance, translated into the official languages of Bosnia and Herzegovina.

Outcome 2: Social partners actively participate in the debate on the forthcoming pension reform and promote ILO minimum standards.

For the forthcoming pension reform (being planned by a World Bank project) the ILO will provide government and social partners with increased understanding of ILO minimum standards for social

security, the determinants of successful social dialogue in neighbouring countries, and the recent experience of CEE countries with various types of reforms.

Trade union members of the boards of social security institutions will be trained to improve governance of those institutions and as a result participate effectively in the pension debate and the reforms of the disability insurance system.

A national tripartite seminar will be organised focusing on regional experience with different types of pension reforms, with Slovenia and Croatia as chosen alternative models. Training on ILO minimum social security standards, and follow-up advisory services will also be provided.

Outcome 3: Labour inspectors use new tools and procedures promoted by the ILO.

Labour inspection services will be trained to make use of a set of ILO tools to develop their own labour inspection enforcement policy and code of ethical behaviour, and to use the model operation and training manual in training of inspectors. The tool kit already available in Serb and Croat, part of it already has been delivered in BiH. This will be complemented by a workshop on its use.

Outcome 4: A core group of trade union OSH trainers is set up and training programs elaborated to improve working conditions at the workplace level.

A joint group of 25 trade union experts from CITUBH, CITUBH and SSRS will participate in a training of trainers workshop to prepare for a program to improve working conditions at the work place.

The participants will be able to train members of the OSH committees at the enterprise level in evaluating risks and defining solutions to improve OSH conditions at the work place.

III. Management and implementation

The cooperation programme will be managed through a network among SRO Budapest, the National Correspondent in Sarajevo, EUROPE and technical units at headquarters in Geneva. The National Correspondent will play a coordination role together with SRO Budapest. The ILO will continue its cooperation with other stakeholders in the country such as the UNDP, UNICEF, UNFPA, and OHCHR, the World Bank and EC Delegation.

The objectives of the programme will be pursued through technical cooperation projects, advisory missions, and seminars for information dissemination and capacity building. Extra-budgetary resources and the ILO's regular budget resources will be used to finance the implementation of this Country Programme. The ILO network mentioned will continue to seek further funding for the follow-up to the results achieved, bearing in mind priority concerns of the constituents. The government and the social partners will facilitate their respective expert staff and premises and provide logistic support, as appropriate. They are committed to implementing the follow-up steps necessary to achieve the expected results.

IV. Performance monitoring and evaluation arrangements

The implementation of the Decent Work Country Programme will be reviewed on a regular basis with the constituents using interactive methods. The missions of the ILO experts and their internal reports will be used as part of the monitoring process. Every six months, the Decent Work Country Programme implementation plan will be internally reviewed by the constituents and the National Correspondent. The SRO Director will assess the programme achievements with the constituents in Bosnia and Herzegovina at least once per biennium. On a yearly basis, the Decent Work Country Programme implementation plan will be internally reviewed and adjustments will be made to adapt to the changes, if necessary, in order to improve the implementation strategy, and eventually redefine some of the country programme activities.