



Government Defence
Integrity Index



2020

Country Brief:

BOSNIA & HERZEGOVINA

BOSNIA & HERZEGOVINA

Just over 25 years after the end of its civil war, Bosnia and Herzegovina is in the midst of a crisis not seen since the conflict. The political logjam caused by the 2018 legislative elections saw political clashes erupt between Bosniak and Bosnian Serb leaders,¹ stoking fears of the country's breakup and even of the renewal of armed violence.² This has been fuelled in part by the political composition of the country, which is comprised of two political entities established under the Dayton Accords: Federation of Bosnia & Herzegovina and Republika Srpska, which is majority Serbian in ethnic composition. In 2021, the United Nations High Representative warned that threats made by Serb separatists in Republika Srpska to create their own military risks a return to conflict.³

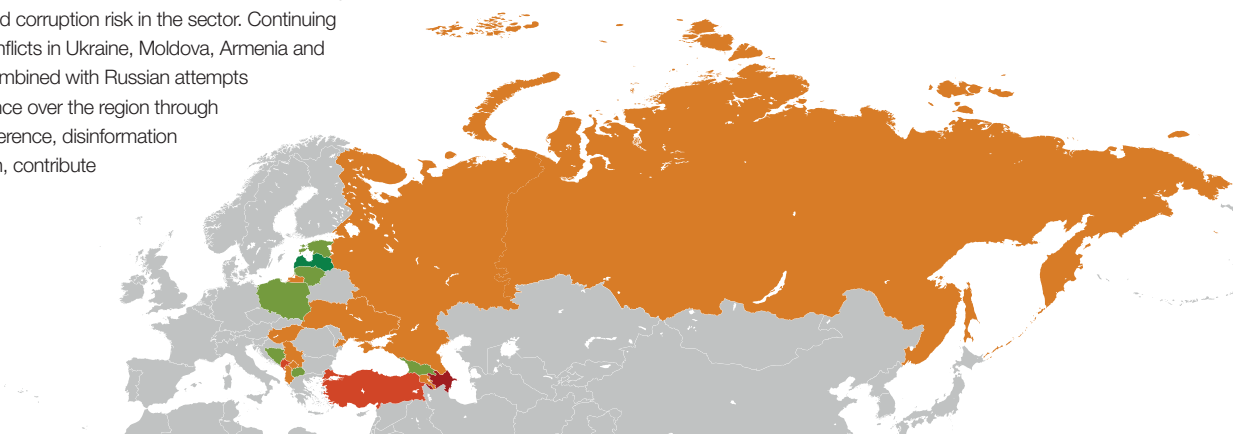
Member of Open Government Partnership	Yes
UN Convention Against Corruption	Ratified in 2006
Arms Trade Treaty	Ratified in 2014

The cumbersome state apparatus, based on ethnically divided political institutions and no clear reconciliation strategy between the warring parties, has allowed ethno-nationalism to flourish and corruption and clientelism to thrive, whilst significantly slowing down the governance process. The political tension between the Federation and Republika Srpska⁴ also means that Bosnia's NATO membership is currently impossible, with the semi-autonomous Russian-backed region of Republika Srpska able to veto any such move at a federal level.⁵ This inefficient and politically polarised nature of governance is evident in the defence sector, typified by a largely passive parliament that provides only superficial oversight of activities and policies. Defence procurement oversight remains an area of particular concern, with scrutiny extremely limited and national security clauses making it highly secretive. Nevertheless, financial transparency is relatively strong, as are personnel management mechanisms.

Central and Eastern Europe Overview

As Central and Eastern European states become increasingly integrated with the EU and NATO through membership and partnerships, they are poised to play a key role in the continent's future, and in particular its security and defence decisions. Nevertheless, a combination of acute threat perceptions, rising defence budgets, and challenges to democratic institutions make states in Central and Eastern Europe and the Caucasus particularly vulnerable to setbacks in defence governance, which could threaten the progress made over the past decades. Already, authoritarian governments, particularly in the Western Balkans and Central Europe, have overseen significant democratic backsliding that has undermined the quality of defence governance and heightened corruption risk in the sector. Continuing and frozen conflicts in Ukraine, Moldova, Armenia and Azerbaijan, combined with Russian attempts to exert influence over the region through electoral interference, disinformation and corruption, contribute

to a delicate security situation in a strategically critical region. This will test the quality of defence governance across the region, which though fairly robust, has persistent gaps and deficiencies that need addressing. Weak parliamentary oversight and increasing alignment between the executive and legislature is undermining the quality of external scrutiny, while procurement continues to be shrouded in secrecy and exempted from standard contracting and reporting procedures. Equally, access to information and whistleblower protection systems are increasingly coming under threat and anti-corruption remains poorly integrated into military operations.



¹ Srecko Latal, 'Bosnia Risks Being Drawn into Rivals' Power Games', *Balkan Insight*, 30 September 2020.

² Srecko Latal, 'Bosnia Remains Hostage to Old, Obsolete Narratives', *Balkan Insight*, 28 October 2019;

³ Julian Borger, 'Bosnia is in Danger of Breaking Up, Warns Top International Official', *The Guardian*, 2 November 2021.

⁴ United Nations, 'Drop Destabilising, Divisive Rhetoric, Top United Nations Official Urges Bosnia and Herzegovina Leaders in Briefing to Security Council', *Press Release SC/13803*, 8 May 2019.

⁵ Blerim Reka, 'A New Military Build-Up in the Balkans', *Emerging Europe*, 10 January 2019.

BOSNIA & HERZEGOVINA

BOSNIA & HERZEGOVINA SCORE

**MODERATE
RISK**

C

57

Overall scores

The size of the colour band corresponds to number of countries that fall into that category.



A > 83-100 VERY LOW

B > 67-82 LOW

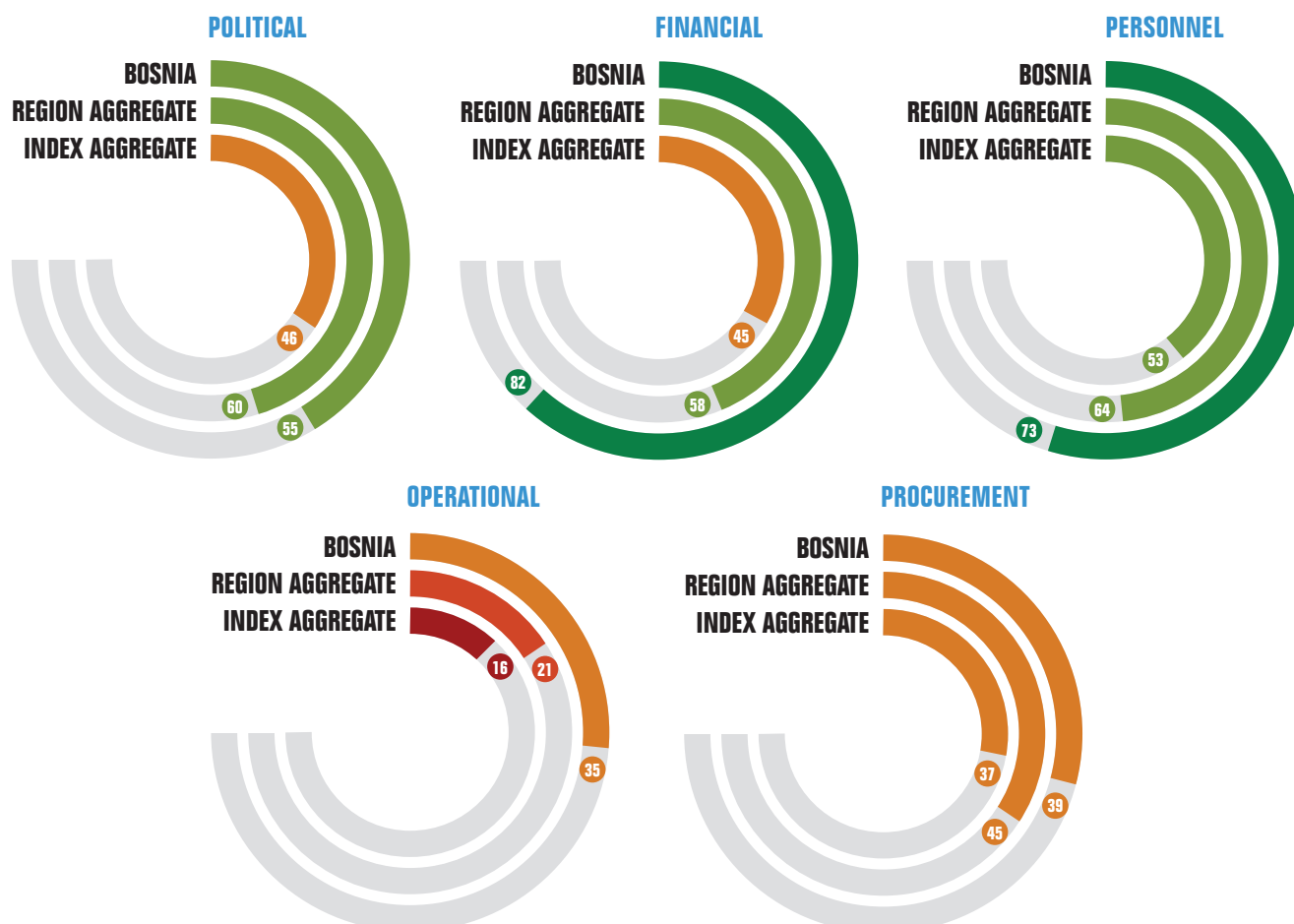
C > 50-66 MODERATE

D > 33-49 HIGH

E > 17-32 VERY HIGH

F > 0-16 CRITICAL

Risk Comparison



BOSNIA & HERZEGOVINA

Parliamentary Oversight

Legislative oversight of budget (Open Budget Survey, IBP, 2019)	33/100
Military expenditure as share of government spending (SIPRI, 2020)	2%
Committee members with defence expertise (%)	58% (7 of 12)
# of meetings/year	0 (2019); 8(2018); 9 (2017)
Last review of defence policy/strategy	2006

Bosnia and Herzegovina's October 2018 legislative elections resulted in long-lasting political deadlock, the effects of which are still being felt today.⁶ It took over a year for the country to form a government that has been characterised by gridlock and ineffective governance. The existence of ethnic-based veto procedures for legislation means that delays in legislating and in exercising oversight are frequent.⁷ These issues, along with Bosnia's complex governance structure, have compounded historic features of weak parliamentary oversight over the defence sector. Whilst Parliament has full formal rights of control and oversight over defence and security matters, it only rarely exercises these powers. This is partly down to the partisan nature of Bosnia's bicameral legislature. Representatives from different parties vote largely along ethnic lines, granting the majority party considerable sway, as well as the ability to appoint members of the Council of Ministers. This also means that the division of powers between executive and legislative can become blurred. As a result, debates and votes on defence issues are rare and the Law on Defence has not been amended since 2005.⁸ Parliament's Joint Committee on Defence and Security is responsible for scrutinising every aspect of the performance of defence and security institutions, although its effectiveness in practice is limited.⁹ Most of its members have experience in the sector and it actively reviews defence policies and activities, whilst conducting investigations into issues including peacekeeping, terrorism and procurement.¹⁰ However, the fact that the strategy has not been reviewed since 2005, and that it rarely recommends any amendments to the budget, highlight its lack of responsiveness.¹¹ This is in spite of the efficiency of the Ministry of Defence's internal audit office as well as the National Audit Office, which are well-staffed, experienced and regularly conduct audits and publish reports on defence institutions.¹² Although there is no legal obligation for the internal audit unit to publish its reports, Parliament and the national audit body can get access upon request.

Financial Transparency

Defence-related access to information response rates	(1) % granted full or partial access: 88%
	(2) # subject to backlog: 1
Defence-related complaints to ombudsman/commissioner #	No data available
Does the commissioner have authority over the MoD?	Yes
Audit reports on defence (2018-2020) #	Annual report every year since 2004.
Open Budget Index (IBP, 2019)	33/100
World Press Freedom Index (RSF, 2021)	58th out of 180

Bosnia and Herzegovina was one of the first countries in the Balkans to adopt a Freedom of Access to Information Act in 2000.¹³ Unfortunately, it now lags behind its neighbours in terms of institutional transparency.¹⁴ For instance, it is the only country in the region that does not offer access to public records in electronic form.¹⁵ Proactive transparency of government institutions has yet to be fully established, despite the Council of Ministers adopting a policy and standard on the matter in late 2018, and information is largely accessed reactively.¹⁶ Despite some issues with access to information, financial transparency in the defence sector is relatively robust, although there remains room for improvement. The defence budget for instance, whilst published online, is highly aggregated for certain sections, making assessing the purpose and justification for large amounts of expenditure impossible.¹⁷ Nevertheless, the Ministry of Finance does publish periodical reports on the execution of the budget, containing some details about defence spending, including explanations for significant expenditure.¹⁸ Financial transparency is also furthered by the prohibition of off-budget military spending¹⁹ and the fact that defence institutions do not hold interests in private enterprises, which ensures that defence does not benefit from significant off-budget revenue streams. A lingering obstacle to transparency in defence is the implementation of access to information legislation. In practice, a significant amount of data is exempted from freedom of information legislation. In theory, a 'test of public interest' needs to be carried out in this case to determine if the information can be released, although there is little evidence of this being done in practice and information is often arbitrarily withheld.

⁶ Mladen Lakić, 'Bosnia's Post-Election Deadlock has no End in Sight', *BIRN*, 31 January 2019.

⁷ European Commission, 'Commission Opinion on Bosnia and Herzegovina's Application for Membership of the European Union', *Commission Staff Working Document*, 29 May 2019, p. 13.

⁸ Parliamentary Assembly of Bosnia & Herzegovina, *Law on Defence of Bosnia and Herzegovina*, 2005.

⁹ Parliamentary Assembly, 'Joint Committee on Defence and Security of Bosnia and Herzegovina'.

¹⁰ See JC Annual reports.

¹¹ Annual reports from 2017, 2018 and 2019 on the committee's work show that it did not issue a single budget amendment or recommendation, see: Parliamentary Assembly, 'Joint Committee on Defence and Security – Reports'.

¹² Parliamentary Assembly, *Law on Audit of the Institutions of Bosnia and Herzegovina*, January 2006.

¹³ Parliamentary Assembly, *Law on Free Access to Information*, 2000.

¹⁴ BIRN, 'Western Balkans Have Yet to Embrace Freedom of Information', *Balkan Investigative Reporting Network*, 26 December 2019.

¹⁵ BIRN, *Freedom of Information and Journalists in the Western Balkans: One Step Forward, Two Steps Back*, 2019, p. 16.

¹⁶ Council of Ministers of Bosnia and Herzegovina, 'Council of Ministers of BiH Holds its 160th Session', 12 April 2018.

¹⁷ Parliamentary Assembly, *Law on the Budget of the Institutions of Bosnia and Herzegovina for 2020, 2020*.

¹⁸ Ministry of Finance, 'Report on the Execution of the Budget of BiH Institutions and International Obligations of BiH for the Period I-III 2020', 2020.

¹⁹ Parliamentary Assembly, *Law on the Financing of the Institutions*.

BOSNIA & HERZEGOVINA

Personnel Ethics Framework

Whistleblowing legislation	Law on Whistleblower Protection (2013)
# defence-sector whistleblower cases	745 (2018)
# Code of conduct violations	Military: 126
	Civilian: See above.
Financial disclosure system	# submitted: Data is not publicly available
	# of violations: Data is not publicly available

Bosnia and Herzegovina has relatively robust personnel management systems that contain strong anti-corruption provisions. Codes of conduct are in place for both military and civilian staff. The Code of Conduct in the Armed Forces²⁰ and the military Code of Ethics²¹ apply to all military personnel. They include guidelines on standards of conduct related to conflicts of interests, gifts and provide concrete advice for how to deal with ethical issues. Civilian personnel are subject to the Code of Conduct for Civil Servants, which includes guidance on the prevention of conflicts of interests and how to handle gifts and hospitality.²² Defence personnel also received regular anti-corruption training in the form of workshops, while the Peace Support Operations Training Centre conducts two NATO-accredited courses on codes of conduct and building integrity.²³ Nevertheless, one key issue with anti-corruption standards in defence concerns whistleblowing. The Law on Whistleblower Protection was passed in 2013, granting protection to public servants and officials who report corruption and bribery protection.²⁴ However, whilst it does apply to the defence sector, it does not cover Republika Srpska. The Ministry of Defence has implemented a hotline to report wrongdoing, as well as an Office of the Inspector General to process the claims. Reporting has been encouraged in recent years, with specific trainings focussed on anti-corruption and there have been regular campaigns to promote the use of these reporting channels. However, there remains a level of mistrust as to how safe these channels are in the defence sector and the extent to which anonymity is guaranteed, given the perception that corruption remains pervasive.²⁵

Operations

Total armed forces personnel (World Bank, 2018)	11,000
Troops deployed on operations #	3 in DRC (MONUSCO), 2 in Mali (MINUSMA)

Bosnia and Herzegovina contributes some troops to UN Peace Operations and is a NATO Partner country, even deploying 66 troops as part of the NATO mission Resolute Support in Afghanistan.²⁶ Its Defence Minister has also underscored the country's views of peace operations as a legal and moral obligation with ambition to expand its contribution.²⁷ However, it remains vulnerable to corruption in military operations. It has not identified corruption as a strategic threat to the success of military operations, either in its military doctrine or in the forward planning of its operations. There is also no evidence to suggest that expert personnel are deployed to monitor corruption risk in the field. While the Ministry of Defence (MoD) has suggested that inspectors from the MoD's General Inspectorate could be deployed to such ends, there is no concrete evidence of this occurring in practice. Some training on corruption issues is delivered to commanders and civilians prior to deployment on peace operations, with the Peace Support Operations Training Centre (PSOTC) in Sarajevo offering tailor-made anti-corruption courses that cover corruption risks during deployments.²⁸

²⁰ Ministry of Defence, 'Code of Conduct for Military Personnel in the BiH Armed Forces', 2016.

²¹ Ministry of Defence, 'Code of Ethics for Military Persons, Cadets and Candidates in Training', 2013.

²² Council of Ministers, 'Code of Conduct of Civil Servants in Institutions of BiH'.

²³ Ministry of Defence, 'Workshops'.

²⁴ Mark Worth, *Whistleblower Protection in Southeast Europe: An Overview of Laws, Practice and Recent Initiatives*, (Regional Anti-Corruption Initiative: Sarajevo), 2015, p. 13.

²⁵ Uglješa Vuković, 'Trust in BiH Institutions and Whistleblowers,' *Media Cnetar*, 9 January 2018.

²⁶ NATO, 'Resolute Support Mission (RSM): Key Facts and Figures', June 2020.

²⁷ NATO, 'Kosovo Force (KFOR): Key Facts and Figures', June 2020.

²⁸ Ministry of Defence, 'Building Integrity in Peace Operations Training Course'; Ministry of Defence, 'ACT 654.3 Building Integrity for Senior NCO Course'.

BOSNIA & HERZEGOVINA

Defence Procurement

Military expenditure (US\$ mil) (SIPRI, 2020)	166
Open competition in defence procurement (%)	31% (2018)
Main defence exports – to (SIPRI, 2016-20)	N/A
Main defence imports – from (SIPRI, 2016-20)	N/A

Bosnia and Herzegovina has made efforts to strengthen public procurement in aspiration to gain EU membership. These have been guided by its 2016-2020 public procurement strategy that provides an outline to improve coordination between systems, align the legislative framework, enhance transparency and strengthen institutional capacity.²⁹ Despite this, progress still needs to be made in terms of implementation. External oversight of defence procurement remains limited. The Audit Office does engage in annual audits of defence spending, including procurement, and it has highlighted issues with the defence procurement cycle, including related to capitalisation and asset disposals.³⁰ However, the Public Procurement Agency and Procurement Review Body, which are responsible for monitoring public procurement, have weak administrative capacity to fulfil their functions, and lack specialised skills and expertise for effective

oversight of defence acquisitions. The result is superficial reports with few details when assessing the defence procedures, restricting the information available to other oversight institutions. Oversight is also lacking in terms of Bosnia's acquisition planning process, which, though formalised, is only partially available to the public and does not contain explicit links to the defence strategy.³¹ Moreover, the Defence Review and the Plan for the Development and Modernisation of the Armed Forces, the two relevant documents for procurement planning, are confidential, making it impossible to assess whether procurement requirements derive from a clear strategy. One area of progress relates to the share of procurement conducted through open competition, which now represents a third of the MoD's procurement procedures.³² This has been made possible by the implementation of an electronic procurement portal and efforts by the contracting authority to increase transparency, although direct awards still represent the largest share of defence procurement, at 41%.³³

²⁹ European Commission, 'Commission Opinion', p. 95.

³⁰ Audit Office, '2017 Audit Report on Financial Audit of the Ministry of Defence', 2017.

³¹ Ministry of Defence, 'Public Procurement Plan for the Ministry of Defence of BiH – 2020', 2020.

³² Audit Office of BiH, '2018 Financial Audit report on MoD'.

³³ Audit Office of BiH, '2018 Financial Audit report on MoD'.

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GDI data collection for **Bosnia & Herzegovina** was conducted April 2018 to February 2020. The narrative discussion in this GDI brief was produced at a later time with the most recent information available for the country, which may not be reflected in the GDI country assessments or scores.

BOSNIA & HERZEGOVINA 2020 GDI Scorecard

		Grade	Score
Political Risk		C	55
Q1	Legislative Scrutiny	E	17
Q2	Defence Committee	C	58
Q3	Defence Policy Debate	F	0
Q4	CSO Engagement	A	92
Q5	Conventions: UNCAC / OECD	C	63
Q6	Public Debate	E	25
Q7	Anticorruption Policy	A	88
Q8	Compliance and Ethics Units	A	100
Q9	Public Trust in Institutions	NS	
Q10	Risk Assessments	A	100
Q11	Acquisition Planning	D	33
Q12	Budget Transparency & Detail	C	50
Q13	Budget Scrutiny	F	0
Q14	Budget Availability	C	58
Q15	Defence Income	C	58
Q16	Internal Audit	D	44
Q17	External Audit	A	88
Q18	Natural Resources	A	100
Q19	Organised Crime Links	E	25
Q20	Organised Crime Policing	B	67
Q21	Intelligence Services Oversight	B	75
Q22	Intelligence Services Recruitment	D	33
Q23	Export Controls (ATT)	A	92
Q76	Lobbying	F	0

Financial Risk		B	82
Q24	Asset Disposal Controls	B	75
Q25	Asset Disposal Scrutiny	B	67
Q26	Secret Spending	A	100
Q27	Legislative Access to Information	B	75
Q28	Secret Program Auditing	C	50
Q29	Off-budget Spending	A	100
Q30	Access to Information	C	50
Q31	Beneficial Ownership	A	100
Q32	Military-Owned Business Scrutiny	A	100
Q33	Unauthorised Private Enterprise	A	100
Q77	Defence Spending	A	88

Personnel Risk		B	73
Q34	Public Commitment to Integrity	A	92
Q35	Disciplinary Measures for Personnel	C	63
Q36	Whistleblowing	B	75
Q37	High-risk Positions	B	67
Q38	Numbers of Personnel	B	67
Q39	Pay Rates and Allowances	A	100
Q40	Payment System	C	58
Q41	Objective Appointments	D	42
Q42	Objective Promotions	D	38
Q43	Bribery to Avoid Conscription	NA	
Q44	Bribery for Preferred Postings	A	100
Q45	Chains of Command and Payment	A	100
Q46	Military Code of Conduct	B	81

OVERALL COUNTRY SCORE

MODERATE RISK

C

57

RISK GRADE

A • 83-100 VERY LOW

B • 67-82 LOW

C • 50-66 MODERATE

D • 33-49 HIGH

E • 17-32 VERY HIGH

F • 0-16 CRITICAL



Personnel Risk		B	73
Q47	Civilian Code of Conduct	B	75
Q48	Anticorruption Training	B	75
Q49	Corruption Prosecutions	C	63
Q50	Facilitation Payments	NEI	

Operational Risk		D	35
Q51	Military Doctrine	E	25
Q52	Operational Training	B	75
Q53	Forward Planning	F	0
Q54	Corruption Monitoring in Operations	E	25
Q55	Controls in Contracting	C	50
Q56	Private Military Contractors	NS	

Procurement Risk		D	39
Q57	Procurement Legislation	C	63
Q58	Procurement Cycle	C	50
Q59	Procurement Oversight Mechanisms	B	67
Q60	Potential Purchases Disclosed	C	50
Q61	Actual Purchases Disclosed	C	63
Q62	Business Compliance Standards	D	38
Q63	Procurement Requirements	D	33
Q64	Competition in Procurement	B	75
Q65	Tender Board Controls	C	50
Q66	Anti-Collusion Controls	F	0
Q67	Contract Award / Delivery	NEI	
Q68	Complaint Mechanisms	A	83
Q69	Supplier Sanctions	C	50
Q70	Offset Contracts	F	0
Q71	Offset Contract Monitoring	F	0
Q72	Offset Competition	F	0
Q73	Agents and Intermediaries	F	0
Q74	Financing Packages	NEI	
Q75	Political Pressure in Acquisitions	NS	

KEY

NEI Not enough information to score indicator

NS Indicator is not scored for any country

NA Not applicable



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