

Without a government for more than a year due to disagreement caused primarily by ethnic tension, Bosnia and Herzegovina took a big step toward resolving its political deadlock when the Bosnian Serb Zoran Tegeltija was nominated as prime minister on November 19. On December 17, Mr Tegeltija put forward his proposed cabinet, which after verification by the country's Central Election Commission and the State Investigation and Protection Agency, SIPA, will need to be confirmed by the state parliament. With all the main parties in broad agreement, confirmation should be a formality.

Bosnians will be hoping that the new government will hit the ground running, and will be able to deal with the many issues facing the country, in which relative economic stability has been threatened by the political and ethnic wrangling, and the country's slim hopes of European Union membership at some stage in the next decade are beginning to fade.

Not that the European Union is ignoring the country.

This week, the European Investment Bank (EIB) announced that it will support three new projects in Bosnia and Herzegovina by providing 68 million euros to improve the water supply, wastewater and storm-water management infrastructure. The EIB hopes to open up access to drinking water for up to 147,000 citizens in the country and improve sanitation services to some 70,000 people.

"EIB investments will continue to support modern highways, flood protection and the clean water supply for Bosnia and Herzegovina," says the Head of Division for EIB Lending Operations in Croatia, Slovenia and Western Balkans Matteo Rivellini. "Those projects are the result of a long and productive collaboration with all our counterparts in Bosnia and Herzegovina."

Water plays an important role in Bosnia and Herzegovina, especially when it comes to making the country energy independent. In fact, unlike its Balkan neighbours, which rely on imports to meet much of their energy demand, Bosnia is able to export power thanks partly to its hydropower capacity, which provides 40 per cent of its electricity. At the same time, the country's Investment Promotion Agency (FIPA) reports that only about 35 per cent of this huge hydro potential of over 6000 MW is in use.

That might also be due to increasing concerns by NGOs and local inhabitants, who fear that new dams will destroy the landscape, steal their water and extinguish species unique to the region.

On the one hand, the EIB is trying to address these concerns by funding initiative that can enhance flood protection in the Sava river basin, by constructing dykes and channels and rehabilitating riverbeds. The EIB-funded flood protection improvements will help avoid future loss of life and damage to property from recurring floods and create a safer

environment in this part of the country.

But both the government, FIPA and those international banks investing in hydropower in Bosnia say boosting hydropower is key to reducing regional dependency on coal and to falling in line with European Union energy policies.

EU institutions are also endorsing the construction of a twin-tunnel on the Zenica North section of the Pan-European Corridor Vc. The project will increase road safety and contribute towards faster economic and social development in Bosnia and Herzegovina. The Corridor Vc will provide a modern road connection between Budapest and the Croatian seaport of Ploče and integrate Bosnia and Herzegovina into this modern, regional transport network.

“Recognising the benefits for the people of Bosnia and Herzegovina, the European Union secured more than 200 million euros in grants through the Western Balkans Investment Framework (WBIF) to support the country in this ambitious and expensive project,” underlines the Head of the EU Delegation and EU Special Representative in Bosnia and Herzegovina Ambassador Johann Sattler. “This EU funding will speed up the construction of 13 major connectivity projects, including the works on the Gradiška and Svilaj bridges.” Nevertheless, the current attitude towards EU enlargement in a number of European capitals has left Bosnians with little optimism.

When it comes to the economic criteria, the country has achieved a certain degree of macroeconomic stability. But it needs to dedicate considerable efforts to strengthening its federal institutions in order to guarantee democracy, the rule of law, human rights and respect for and protection of minorities. The appointment of Mr Tegeltija, an economist, whose nomination was cautiously welcomed by both the EU and the US, and the formation of a federal government, is a start. He will need deliver results quickly.

Source: emerging-europe.com