



THE WORLD BANK
IBRD • IDA | WORLD BANK GROUP

Public Disclosure Authorized

Public Disclosure Authorized

Public Disclosure Authorized

Public Disclosure Authorized

International Mobility as a development strategy: Bosnia and Herzegovina Country Report

June 2024



International mobility as a development
strategy:
Bosnia and Herzegovina Country Report

June 2024

Table of Contents

Acknowledgments.....	5
Executive Summary.....	6
Chapter I. Background and Context.....	16
Section 1.1. The migration of citizens of Bosnia and Herzegovina: trends, drivers, profile and impacts.....	16
Section 1.2. Immigration of foreign citizens in Bosnia and Herzegovina.....	27
Chapter II. Diagnostic of the Legislative and Institutional Migration Infrastructure in Bosnia and Herzegovina.....	30
Section 2.1. Emigration from Bosnia and Herzegovina.....	30
2.1.1. Framework to analyze the emigration system.....	30
2.1.2. Legislative framework regulating migration of nationals of Bosnia and Herzegovina.....	32
2.1.3. Institutional setting for emigration.....	42
2.1.4. Services provided to emigrants throughout the migration cycle.....	45
Chapter III. Policy Actions to Enhance the Benefits of Migration in Bosnia and Herzegovina.....	54
Section 3.1. Strengths and opportunities of the current emigration system to enhance migration as a development strategy.....	54
Section 3.2. Deep dive: designing a comprehensive system that leverages the diaspora potential for the development of Bosnia and Herzegovina.....	58
3.2.1. What do we know about potential ways to engage the diaspora?.....	58
3.2.2. Key elements for a successful diaspora engagement.....	61
3.2.3. Lessons learned from international experience.....	72
3.2.4. Putting lessons learned into practice: a proposal of diaspora engagement in one municipality in Bosnia and Herzegovina.....	74
Conclusion.....	82
Bibliography.....	84
Annex 1. Immigration in Bosnia and Herzegovina.....	86
A1.1. Framework to analyze the immigration system.....	86
A1.2. Legislative framework for immigration.....	87
A1.3. Institutional setting for immigration and asylum.....	90
A1.4. System of entry, stay and integration of immigrants and provision of services.....	92

List of Figures

Figure 1: Size of the emigrant population from Bosnia and Herzegovina and comparison with other ECA sending countries.....	16
Figure 2: Main destination countries of the emigrant population from Bosnia and Herzegovina	17
Figure 3: Type of migration over time	18
Figure 4: Asylum decisions and irregular Bosnian migrants in the EU	19
Figure 5: Number of Bosnians obtaining another nationality	20
Figure 6: Bosnian nationals returned to their home country following an order to leave.....	21
Figure 7: Demographic characteristics of Bosnian emigrants.....	22
Figure 8: Wage differentials across Europe.....	23
Figure 9: Labor market outcomes of Bosnian migrants and non-migrants (2015).....	24
Figure 10: Share of Bosnian migrant workers by occupation in OECD destination countries.....	25
Figure 11: Impact of emigration in population decline and job vacancies.....	26
Figure 12: Size of the foreign-born population in Bosnia and Herzegovina.....	28
Figure 13: Framework to analyze the system of migration and return of citizens of Bosnia and Herzegovina.....	31
Figure 14: Legislative framework on migration.....	33
Figure 15: Bosnia and Herzegovina institutional framework on migration.....	42
Figure 16: Emigration rates and remittances in Bosnia and Herzegovina.....	54
Figure 17: Main types of diaspora agents and instruments to support local economic development	59
Figure 18: Steps for activating diaspora knowhow and financial transfers for the benefits of the local economy	62
Figure 20: Diaspora governance framework in Bosnia and Herzegovina	63
Figure 20: Five steps to build and effective outreach strategy.....	67
Figure 21: Communication channels with the diaspora.....	68
Figure 22: Key parameters in the design phase (I)	69
Figure 23 Key parameters in the design phase (II).....	71

Acknowledgments

This report is authored by a World Bank team led by Mauro Testaverde and including Daniel Garrote-Sanchez, Julia Kornelia Miskiewicz and Ioanna Pantelaiou. The material reflects bilateral consultations and workshops conducted in Bosnia and Herzegovina, where the team received feedback and inputs from government representatives, development partners, international donors, academia, civil society organizations, and key sectoral experts.

The team would like to acknowledge the excellent collaboration and dialogue with the counterparts and the technical teams in the Ministry of Human Rights and Refugees (MoHRR), the Ministry of Foreign Affairs (MoFA), the Ministry of Security (MoS), the Ministry of Civil Affairs (MoCA), the BiH Labor and Employment Agency (LEA), the FBiH Ministry of Displaced Persons and Refugees (MoDPR), the FBiH Ministry of Labor and Social Policy (MoLSP), the FBiH Ministry of Development, Entrepreneurship and Crafts (MoDEC), the RS Ministry of European Integration and International Cooperation (MoEiIC), the RS Ministry of Economy and Entrepreneurship (MoEE), the RS Ministry of Scientific and Technological Development, Higher Education and Information Society (MoSTDHEIS), and the Municipality of Banovici.

The team would also like to sincerely thank all the stakeholders met for their time, inputs and valuable insights, particularly colleagues from the Foreign Investment Promotion Agency of Bosnia and Herzegovina (FIPA), the RS Chamber of Commerce, the RS Employers Association, USAID, the Swiss Development Cooperation, GiZ, the EU Delegation in Bosnia and Herzegovina, Naša Perspektiva Group and Mozaik.

The team appreciates managerial support and guidance from Xiaoqing Yu (Country Director, Western Balkans Country Unit) Paolo Belli (Practice Manager, Social protection and Jobs for Europe and Central Asia), and Christopher Gilbert Sheldon (Country Manager for World Bank Office in Bosnia and Herzegovina). During the preparation of the report, the team also received insightful comments and useful material by World Bank colleagues including Pablo Acosta, Maja Andjelkovic, Samra Bajramovic, Meliha Kozaric Fanning, Alicia C. Marguerie, Todor Milchevski, Harry Moroz and Indhira Santos.

This report is a product of the International Bank for Reconstruction and Development. The findings, interpretation, and conclusions expressed in this paper do not necessarily reflect the views of the Executive Directors of the World Bank, the European Union, or the Government counterparts consulted or engaged with during the study process.

Executive Summary

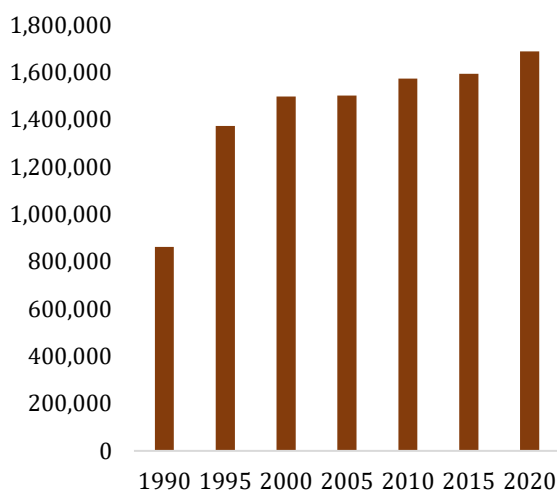
Bosnia and Herzegovina has a long history of emigration...

Emigration has been an important phenomenon in Bosnia and Herzegovina for many decades.

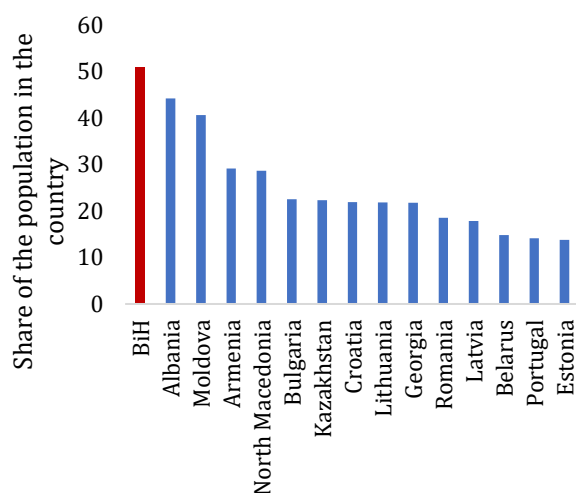
Today, about 1.7 million Bosnians are currently living in another country, implying that one in three Bosnians can be considered migrants. This emigration rate is the largest of any of all countries in Europe and Central Asia, and is second globally, only after the Republic of Syria.¹ The Bosnian diaspora tends to reside in former Yugoslavian countries (with more than 43 percent living in Serbia and Croatia), as well as high-income countries such as Germany and Austria. There is also a sizable diaspora in North America and Australia. In the last decade, new waves of migrants have been mostly going to Germany, Slovenia and Croatia.

Figure ES1: Size of the emigrant population from Bosnia and Herzegovina and comparison with other ECA sending countries

a. Size of the emigrant population by year



b. Ratio of emigrants to the total population



Source: UN DESA International Migration Database (2020).

...whose nature has changed over time.

The nature of migration outflows from Bosnia and Herzegovina has progressively shifted, with income differentials and migration policies in destination countries becoming increasingly important drivers of migration.

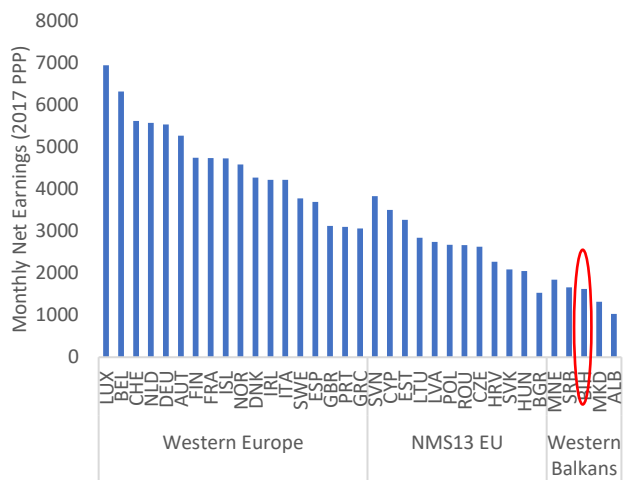
Emigration from Bosnia and Herzegovina has been driven by a complex mix of economic, political, social and humanitarian factors. During the 1990s, most Bosnian emigrants were forced to leave the country due to conflict, violence and insecurity. By 1995, the year of the Dayton Peace Agreement, 770,000 Bosnians were considered refugees in other countries, which was more than half of the total diaspora at that time. However, since the 2000s, emigration flows from Bosnia and Herzegovina have been increasingly driven by economic factors. Bosnia and Herzegovina's labor market, in spite of recent progress, provides fewer opportunities than other countries in Europe. The employment rate is structurally low, at 38 percent, compared to

¹ This ranking excludes countries with a population of less than one million.

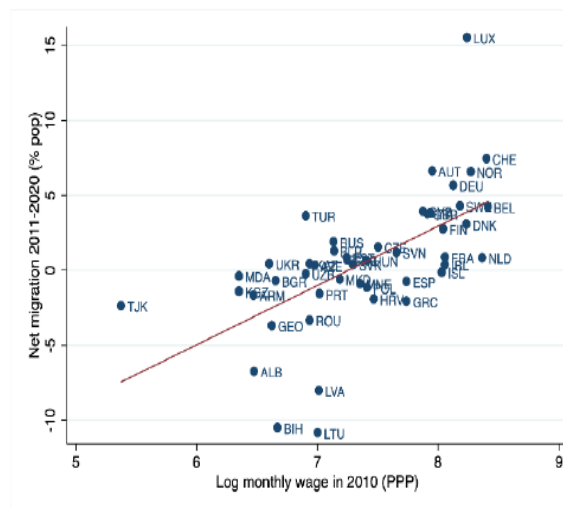
an average of 52 percent in the EU, while unemployment is more than double (OECD, 2022). High informality and low productivity also limit wage growth (Efendic, 2021). In this context, average wages in the country are only one-third of those in Germany or Austria, 40% of those in Slovenia, and 65% of those in Croatia. Across Europe, average wage levels are strong drivers of migration flows, with countries with the highest earnings attracting more foreign workers while countries with the lowest wages face migration outflows. Visa liberalization policies in EU destination countries have also exerted strong pull factors for migration in the last twenty years. In particular, the Western Balkan regulation in Germany and the bilateral labor agreement with Slovenia have increased formal labor migration pathways, increasing emigration outflows to these countries.

Figure ES2: Wage differentials across Europe

a. Average net earnings by country (2022)



b. Wages in 2010 and net migration (2011-20)



Source: ILOSTAT (2023).

Emigration tends to be of a long-term nature, and while some migrants return, many remain in destination countries and acquire another nationality. Based on OECD statistics, five in six Bosnian emigrants stay abroad for at least ten years, while a minority stays for shorter periods of time. This is largely driven by decisions of the displaced population from the 1990s war. In total, around 40 percent of these refugees returned to Bosnia and Herzegovina within ten years from the Dayton Peace Agreement in 1995 which, although sizable, was significantly lower than expected (MoHRR BiH, 2006). The majority decided to stay abroad since then, increasing the average duration of their migration spells. In more recent years, returnee inflows have remained subdued, although statistics have an imperfect coverage of those flows. In many instances, the long-term nature of migration turns permanent, with a constant flow of emigrants obtaining foreign citizenship and further strengthening their ties to the host country. While there has been a significant reduction during the last two decades in the number of citizenships awarded to Bosnian nationals (with a peak of 25,000 in the early 2000s), the number remains high, at around 6,000 to 7,000 annually in 2020-22. In many countries where dual citizenship is not allowed such as Austria, Croatia, Germany or Slovenia, the acquisition of a foreign nationality entails dropping the Bosnian nationality.

Migrants are predominantly of prime age and enjoy better employment outcomes abroad.

Emigrants from Bosnia and Herzegovina tend to be of prime working age, while the gender and educational profiles are similar to those of the non-migrant population. According to the latest statistics from the OECD, more than 80 percent of emigrants in OECD countries are between 25 and 64 years old, compared to only 60 percent of the non-migrant population in Bosnia and Herzegovina. There is also an overall gender parity among migrants, although this figure masks differences across cohorts. Older cohorts of emigrants that fled conflict during the 1990s are gender balanced as entire families tended to migrate. On the other hand, more recent cohorts of migrants who generally migrate for economic reasons are more male dominated. In the last decade, more than two in three emigrants from Bosnia and Herzegovina who received a permit to reside in the EU were male. The education levels of Bosnian emigrants are similar to those of the non-migrant population, with around one in five having completed tertiary education. The level of education of Bosnian migrants varies depending on the wave of migration, with higher shares of tertiary-educated adults among older cohorts (OECD, 2022).

Emigrants have better labor market outcomes in destination countries compared to the working-age population that remains in Bosnia and Herzegovina. Data from the OECD shows that 77 percent of male emigrants and 63 percent of female emigrants in OECD countries were employed in 2015. This is significantly higher than the employment rates in Bosnia Herzegovina, which stood at 41 percent for males and 23 percent for females for the same year. The employment premium for migrants is observed across all education levels, although it is particularly high for the least educated workers. Despite these improvements, Bosnian emigrants mostly find employment opportunities in low to middle-skilled occupations, suffering in many instances from occupational downgrade, with differential impacts across genders.

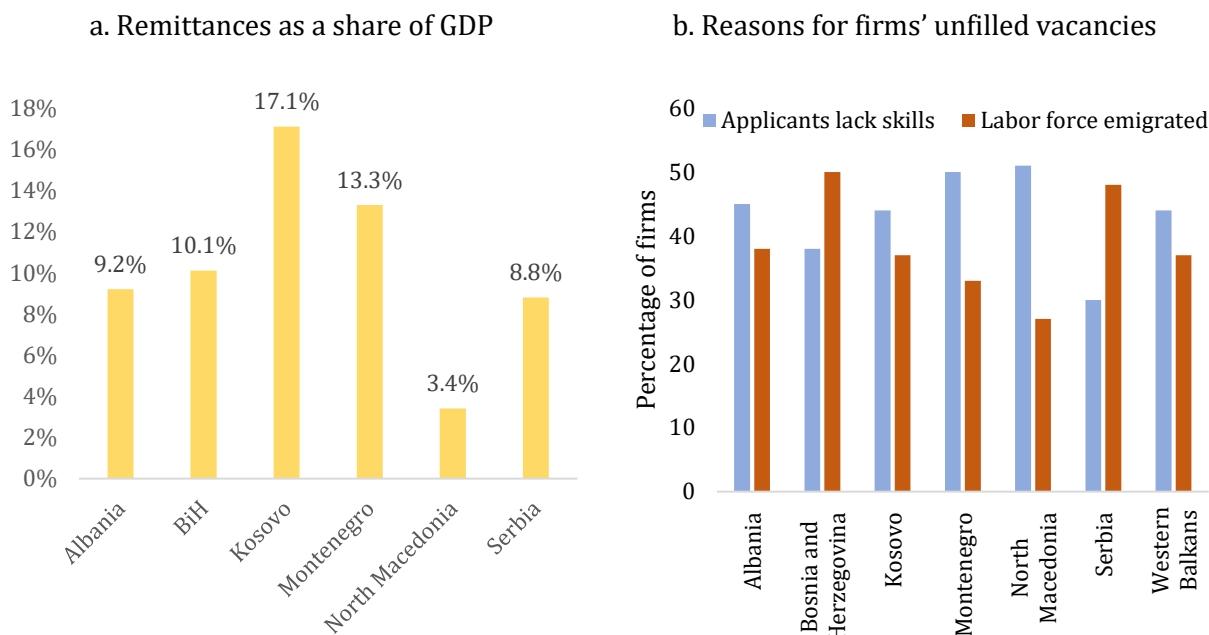
The impacts of emigration are complex and multifaceted

Emigration is a powerful tool to reduce poverty in Bosnia and Herzegovina, although there is a large untapped potential developmental impact. The emigrant population in Bosnia and Herzegovina is not only sizable but also has a strong emotional attachment to their home country and is ready to participate in its development (e.g., Čičić, 2019; Halilovich et al. 2018; Ibricevic, 2019). Remittances sent by the diaspora account for 10% of GDP in the country, which is one of the largest in Europe. These provide an additional income for migrant households that reduces poverty and are mostly used for consumption purposes (Petreski and Jovanović, 2013). The diaspora also supports the economic development of the country beyond remittances, with important transfers of knowledge, global networks, and financial investments. However, the potential developmental impact of the diaspora is still underutilized. FDI flows are significantly lower than remittances (3.3% of GDP), and only an unknown portion is driven by diaspora investors. While many migrants are willing to invest in the country (32 percent), only a small share (6 percent) end up doing so (Efendic, 2021; Williams, 2019).

Emigration has helped reducing unemployment pressures in the last decades, although labor shortages in certain sectors are becoming more apparent. Net migration outflows have reduced the population in Bosnia and Herzegovina by 21 percent since 2001. Since the migrant population tends to be of working age, these outflows have led to an even faster reduction in the labor supply. This reduction in the labor supply, particularly of the young population entering the labor force, has coincided with a progressive decline in the unemployment rate, from above 30 percent in 2005, to 14 percent in 2022, and particularly so among the young cohorts with a higher propensity to emigrate. However, more recently there has been an increase in job vacancies in certain sectors,

including wood, metal, and chemical sectors.² In 2021, close to half of Bosnian firms were facing labor shortages due to emigration.

Figure ES3: Role of emigration on remittances and availability of skills in the labor market.



Source: World Bank World Development Indicators and Balkan Business Opinion Barometer 2021.

The impact of emigration on the availability of skills is more mixed in the longer term, with policies taking an important role in determining outcomes. As opposed to other emigrant countries, migrants from Bosnia and Herzegovina do not have higher education levels than the non-migrants, mitigating concerns about “brain drain”. In the short-term, emigration reduces the labor supply in the country, leading to a lower availability of skills. However, emigration can have countervailing positive effects on the supply of skills in the medium to long term. Evidence from the Philippines and Romania shows that countries can expand the education opportunities in the fields of healthcare in response to increased migration opportunities for nurses or doctors, resulting in a net increase in the stock of available workers.³ In order for that to happen, the education supply has to be flexible enough to accommodate the increase in the labor demand. Another channel through which migration can increase the availability of human capital in the country is emigration for educational purposes. About 5 percent of migrants from Bosnia and Herzegovina go to the EU to study and further develop their skills. Finally, migration prospects can encourage improvements in the TVET systems in Western Balkan countries, including in Bosnia and Herzegovina.⁴

Bosnia and Herzegovina's migration system has improved over the years with successful programs to support the diaspora and returnees...

² <https://connectingregion.com/news/rise-in-foreign-workforce-fills-gaps-in-bosnia-and-herzegovinas-industries/>

³ Abarcar and Theoharides (2024) and World Bank (2024).

⁴ OECD (2022).

Bosnia and Herzegovina has taken important steps to develop a comprehensive migration system, expanding its regulatory framework and strengthening institutions in the last decades. Legislation in Bosnia and Herzegovina has evolved to better integrate European standards on issues related to migration and asylum. The Ministry of Human Rights and Refugees (MoHRR) cooperates with municipalities and local communities to develop diaspora programs. At the entity level, the Federation of Bosnia and Herzegovina (FBiH) and the Republika Srpska (RS) have developed their own diaspora framework and have a diaspora engagement under their respective ministries. Bosnia and Herzegovina has also developed an increasing portfolio of bilateral labor agreements (BLA) with third countries. The BLA with Slovenia is a good example of cooperation between two countries that leads to a well-rounded support and services provided to Bosnians emigrating to Slovenia. These BLAs, combined with legislations in destination countries such as the Western Balkan regulation in Germany, have expanded the availability of formal migration channels for Bosnians abroad.

Successful donor-funded individual programs have been put in place to provide services to the diaspora and channel funds and know-how back to Bosnia and Herzegovina. Different diaspora programs show the capacity of the country to engage with its diaspora to support the local development. The Diaspora Investment Program of USAID (2017-22), was the largest diaspora investment program in the country (USD 6.6 million), providing grants to diaspora firms to incentivize investment and technical assistance to firms to start or expand their business, and building an information exchange platform to strengthen networks. This program brought USD 22 million in diaspora investments from a USD 2 million grant, highlighting the developmental impact of the diaspora, and has resulted in a second phase of the project (2022-2027) with funding of USD 15.7 million. The second phase continues providing grants and technical assistance, and also explores different options to develop other forms of diaspora financing such as crowdfunding, or investment platforms. The Diaspora for Development Program (D4D), funded by SDC, is also a good example of intermediation to facilitate knowledge transfer from the diaspora to the local economy. This project helped public institutions develop instruments to engage with the diaspora and coordinate diaspora strategies of local governments with national-level frameworks, mapped the diaspora, and linked it to domestic economic sectors, engaging through the process 2,235 diaspora members.

There has also been progress in creating an institutional infrastructure to support return migrants. Based on the Strategy for Reintegration of Returnees under Readmission Agreements and the Action Plan for the Period 2019-2022, Bosnia and Herzegovina has recognized the importance of supporting a well-functioning management of returnee flows and providing services to facilitate their reintegration. At the center of this are municipalities which are responsible for receiving and providing services to returnees. The current system includes support and service provision throughout the different return phases, from pre-return –to facilitating a safe return to the country–, to placement of returnees into temporary readmission centers with housing and other services if they request so, to integrating them into the local communities.

Still, the country has room to strengthen the migration system

Bosnia and Herzegovina has the opportunity to further develop its legal and institutional framework for migration. Bosnia and Herzegovina does not have a law or a strategy on diaspora at the national level. The migration strategy could be further developed to set clear objectives, align them with national development strategies, develop action plans and carry out regular monitoring and evaluation to assess progress towards those objectives. Bosnia and Herzegovina can also increase the financial and staff capacity of different institutions working on migration and diaspora more specifically. More coordination between these institutions is also needed, particularly across different administrative levels –central, entity and local level–. The country can also increase the

number and depth of agreements with third countries to support formal migration and improve the quality of human capital in the country. The BLA with Slovenia is an example of good practice, where both countries facilitate labor migration for sectors in need of workers, workers have portability of their pension system, employment agencies share data on employment opportunities and benefits covered and provide services to prospective migrants to support their migration journey. Similar BLAs can be developed with other destination countries such as Croatia to strengthen formal migration channels. In order to mitigate potential losses of human capital due to outmigration, Bosnia and Herzegovina can explore the development of global skills partnerships (GSPs) with some key destination countries. These programs include trainings for workers in the home country with skills needed in both sending and receiving countries (e.g., nurses). Under this arrangement, some trainees migrate (“away” track) while others stay in their country of origin (“home” track), increasing the labor supply with the demanded skills in key sectors.

The country can also strengthen the service provision to its global workforce across the migration cycle. Prior to departure, training programs for labor migrants based on skills in demand at destination can facilitate the transition and increase productivity, while coordination with third countries on skills recognitions is essential to reduce skill waste. While abroad, the country can consolidate and institutionalize current engagements with the diaspora under a common long-term comprehensive approach and further promote a business-conducive ecosystem with the provision of key services for potential investors. Upon return to the country, there is a need to strengthen reintegration plans, and develop a comprehensive case management system offering different services to returnees to better support their reintegration in the local economies.

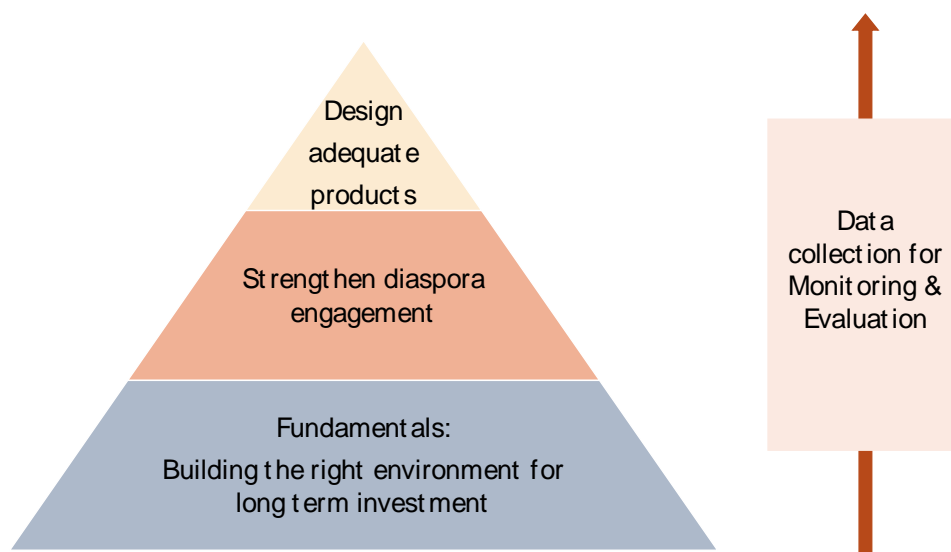
In order to better manage migration, there is a need to improve data collection systems, from pre-departure, while abroad, until migrants return to Bosnia and Herzegovina. More detailed data collection on migrants and returnees for monitoring and evaluation is needed to understand what works and what does not in specific contexts, as well as to adjust and adapt specific programs. This includes improving questions on census, administrative data, and survey data that better capture both current migrants and returnees.

Bosnia and Herzegovina can learn from best practices on how to expand the diaspora engagement

Given the size of the Bosnia and Herzegovina’s diaspora and its untapped development potential, this report provides a deep dive into how the country can best leverage its diaspora. Developing a more comprehensive diaspora engagement is not a silver bullet to address all the challenges associated with migration in Bosnia and Herzegovina. Additional policy actions are important to tackle other gaps highlighted in this report and to support a holistic improvement in the country’s migration system. However, given Bosnia and Herzegovina’s large diaspora and the fact that the opportunity to meaningfully engage Bosnians abroad can become smaller over time, this report emphasizes the need to act quickly in this space.

Global best practices in how to best leverage the diaspora include three key elements that foster their participation. Successful diaspora engagements require a long-term and holistic vision that guides individual diaspora programs. Diaspora engagement can be divided into three key steps: (i) ensuring the right legal and economic environment is in place to attract investments or other diaspora engagements; (ii) strengthening mapping and outreach efforts while building stronger ties with the diaspora; and (iii) designing and implementing adequate projects whose goals are aligned with the long-term vision on migration.

Figure ES4: Steps for activating diaspora engagement for the benefits of the local economy



Before implementing any diaspora program, the first step is to strengthen the institutional and business environment to be more conducive for diaspora investments. Bosnia and Herzegovina has room to institutionalize diaspora engagements and develop a longer-term system that goes beyond the life span of individual projects. This includes the development of more comprehensive strategies and legal frameworks that clarify roles and cooperation between different actors at the state, entity and local level, and developing concrete medium-term action plans and regular monitoring and evaluation to assess progress towards those objectives. A key recommendation is to embed feedback channels from the diaspora, creating diaspora consultative bodies to advise the government on diaspora matters and support the creation of tailored diaspora programs adjusted to their needs, priorities and interests. Beyond the legal and institutional framework, the business environment determines how attractive the local economy is for foreign investments of the diaspora. In Bosnia and Herzegovina, there is ample room to strengthen the relatively weak business environment. The country ranks 90 out of 190 countries in the Doing Business indicator of the World Bank, the second worst across the region of Europe and Central Asia. Current weaknesses include complexities in starting a business and dealing with construction permits, as well as unreliable access to key services such as electricity. The foundational work for diaspora engagement also entails trust building, particularly in countries with a fragmented diaspora and historical grievances such as Bosnia and Herzegovina. International evidence shows that trust-building can be achieved when promoting a cultural identity and providing a wide range of services and political rights to the diaspora. In other words, to build trust there needs to be a two-way relationship where emigrants are not only requested to invest and support the country, but also they receive services and support along their migration journey.

Secondly, the country could consider broadening its mapping and outreach efforts and strengthening the trust and ties with its diaspora. A successful engagement entails a comprehensive mapping of the diaspora to have a better sense of its size, characteristics, skills, interests, and constraints. In spite of recent efforts including the development of different diaspora registries at the state, entity, and local level, the knowledge of the Bosnian diaspora is still limited. More comprehensive inventories of the diaspora could include relevant information on diaspora members such as skills and professional experience, with a particular focus on collecting information on key diaspora members with large economic potential such as investors, entrepreneurs,

professionals, or researchers. Data collection can be boosted by including relevant information for diaspora members to increase their engagement in registries, leveraging all interactions between the diaspora and the government (such as when accessing consular services), or developing survey questionnaires about the diaspora’s socio-economic background. Once the diaspora is mapped, an outreach and mobilization strategy could incorporate five key components including: (i) a well-defined objective that is linked to long-term diaspora and national development strategies; (ii) sufficient financial, administrative and human resources with the right skills; (iii) a clear target audience that is most adequate depending on the specific goal at hand (e.g., promote FDI, support research spillovers); (iv) tailored communication channels, to the audience; and (v) adequate messaging that provides information that is relevant, factual, transparent, and trustworthy.

Figure ES5: Five steps to build an effective outreach strategy



The last step requires the design and implementation of adequate diaspora programs, and a wealth of past interventions provides valuable insights for Bosnia and Herzegovina. Successful diaspora programs have to be part of a coherent long-term strategy, taking into consideration its main goals, selecting the most convenient intervention to achieve specific goals, and providing adequate funding. More successful programs are co-creation between the government, the diaspora, marketplaces (e.g., businesses) and other actors (e.g., international donors), with clear specifications of focal points to facilitate coordination. A key aspect of the design of a diaspora program is the selection of incentives that maximize take-up and outcomes in a cost-effective way. While financial incentives have proved to incentivize participation of the diaspora, not always more funding translates into more diaspora investments. Capacity building for local authorities and/or businesses can drastically improve the outcomes of the program. Other design parameters to consider are the sectoral or geographical coverage (based on both the strategic value of the economy and the availability of knowledge and interest from the diaspora), facilitating the matching between diaspora and local businesses or organizations, or the provision of additional services to make the program

more attractive. In the case of diaspora investment, a main challenge is to develop an adequate institutional and business environment, at least in the short term. For that reason, successful programs have targeted efforts towards ‘diaspora champions’ with an entrepreneurial spirit, higher risk tolerance and a strong sense of purpose, rather than aiming at a high diaspora mobilization (Aikins and White 2011). Finally, in order to scale up investment programs at the national level, the development of venture capital markets and risk-sharing mechanisms has shown to be key (Newland and Tanaka 2010).

Figure ES6: Key parameters for the design of different types of diaspora programs

Select ion of instrument s	Diaspora Bonds	Diaspora Direct Investment	Diaspora Facilitated Investment	Diaspora Facilitated Exports	Knowledge Exchanges
Inst it ut ion al st ruct ure	Central – local government , commercial banks	Cent ral – local government , diaspora, local businesses, donors	Cent ral – local government , diaspora, local businesses, donors	Cent ral – local government , diaspora, local businesses, donors	Cent ral – local government , diaspora, research centers
Select ion of beneficiaries	<ul style="list-style-type: none"> ✓ All diaspora investors ✓ Defined diaspora groups 	Can be: <ul style="list-style-type: none"> ✓ Open to any firm ✓ Selection of proposals with higher value 	<ul style="list-style-type: none"> ✓ Based on priority sectors of the local economy ✓ In countries with larger diaspora 	<ul style="list-style-type: none"> ✓ Based on priority sectors of the local economy 	<ul style="list-style-type: none"> ✓ Based on priority sector, expertise required
Incent ives	<ul style="list-style-type: none"> ✓ Yields ✓ “Home” bias 	<ul style="list-style-type: none"> ✓ Financial (matching grants, tax deductions) ✓ Nonfinancial 	<ul style="list-style-type: none"> ✓ Financial (travel to home country) ✓ Non-financial 	<ul style="list-style-type: none"> ✓ Financial: trade agent commission based on output 	<ul style="list-style-type: none"> ✓ Financial: travel and other costs, stipend for diaspora professionals
	Diaspora Bonds	Diaspora Direct Investment	Diaspora Facilitated Investment	Diaspora Facilitated Exports	Knowledge Exchanges
Match ing	<ul style="list-style-type: none"> ✓ None 	<ul style="list-style-type: none"> ✓ None (diaspora opens a business) or match diaspora entrepreneur with local firm 	<ul style="list-style-type: none"> ✓ None 	<ul style="list-style-type: none"> ✓ Done by trade agent 	<ul style="list-style-type: none"> ✓ Match mentor - mentee ✓ Either organized or self-determined
Capacity building	<ul style="list-style-type: none"> ✓ None 	<ul style="list-style-type: none"> ✓ To local firms ✓ To municipalities 	<ul style="list-style-type: none"> ✓ None 	<ul style="list-style-type: none"> ✓ To local firms to fulfil requirements of identified buyers 	<ul style="list-style-type: none"> ✓ To local authorities to organize events
Other parameters	<ul style="list-style-type: none"> ✓ Maturity ✓ Minimum amount invested ✓ Link to specific projects (e.g., infrastructure) 	<ul style="list-style-type: none"> ✓ Sector (general, sector specific) ✓ Geographic coverage ✓ Local services provided to firms 	<ul style="list-style-type: none"> ✓ Sector (general, sector specific) ✓ Geographic coverage ✓ Local services provided to firms 	<ul style="list-style-type: none"> ✓ Sector (general, sector specific) ✓ Geographic coverage 	<ul style="list-style-type: none"> ✓ Sector (general, sector specific) ✓ Geographic coverage

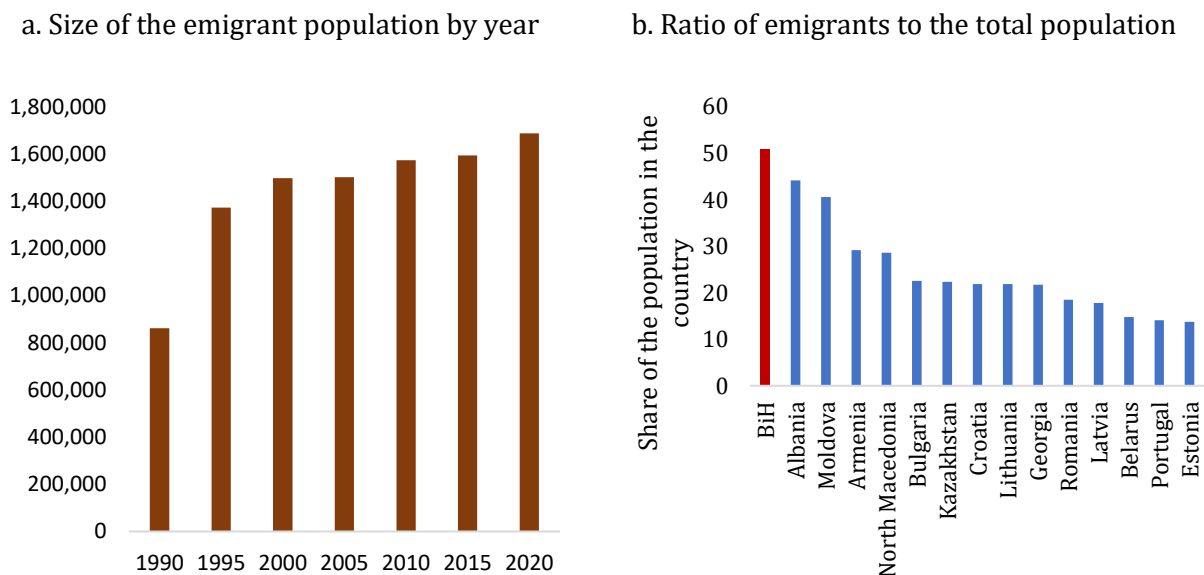
The country could start applying this approach in municipalities that may be affected by labor market disruptions in the coming years. For example, municipalities that will experience a transition out of the mining sector may benefit from diaspora investment to revive their economy. Evidence suggests that the diaspora has a strong preference to invest in their hometowns, which creates strong opportunities to support growth in underdeveloped communities. The final subsection of this report presents a diaspora investment proposal to support municipalities undergoing economic transformation and develops an intervention with three key components of activities. The first component focuses on the provision of matching grants (between EUR 10,000 and EUR 100,000) to mobilize diaspora capital into high-growth potential MSMEs in a wide range of sectors. The proposal specifies the eligibility criteria –where companies have to prove a connection with a diaspora member–, the call for proposals and application process, and the evaluation process, including the evaluation committee and the selection criteria. The second component includes technical assistance to beneficiary firms as well as technical and institutional support to the municipality, including developing the human resource internal capacity, and supporting mapping of the diaspora and organizing events. The third component includes budget for the project implementation support and monitoring and evaluation.

Chapter I. Background and Context

Section 1.1. The migration of citizens of Bosnia and Herzegovina: trends, drivers, profile and impacts

Bosnia and Herzegovina has one of the largest emigrant populations in the Europe and Central Asia region. According to data from UN DESA, close to 1.7 million people who were born in Bosnia and Herzegovina were living in another country in 2020 (left panel of figure 1). When including second-generation migrants⁵ the Ministry of Security of Bosnia and Herzegovina estimates that the total number of the Bosnia and Herzegovina diaspora is even higher, around 2 million (Danaj et al. 2020). This staggering number represents almost half of the population residing in the country. As a share of the population, Bosnia Herzegovina has the largest emigration rate in all countries of Europe and Central Asia (figure 1, panel b), followed by other countries in the Western Balkans (Albania, North Macedonia), Eastern Europe (Republic of Moldova), or the Caucasus (Armenia). Trends over time show that the emigrant population from Bosnia and Herzegovina rapidly grew in the 1990s driven by conflict and violence in the region, almost doubling from 0.8 million to 1.5 million in a few years. Since then, the stock of emigrants has continued growing, adding 200,000 migrants in the last fifteen years.

Figure 1: Size of the emigrant population from Bosnia and Herzegovina and comparison with other ECA sending countries



Source: UN DESA International Migration Database (2020).

The emigration of citizens of Bosnia and Herzegovina is relatively concentrated in certain European countries, although there is also a sizable diaspora in North America and Australia. The Bosnian diaspora tends to reside in former Yugoslavia countries as well as other high-income countries (figure 2, panel a). Around 23% live in Croatia and 20% in Serbia. The dismantlement of the former Yugoslavia and subsequent war led to sizable migration flows to these countries,

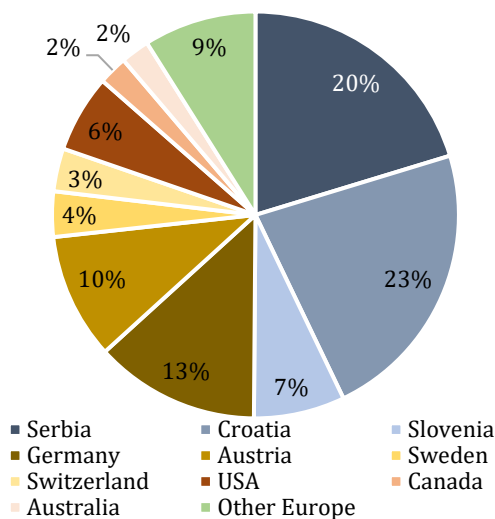
⁵ Those born and living in another country but who have one parent originally from Bosnia and Herzegovina.

particularly linked to ethnic ties. At the peak towards the end of the 1990s, more than 810,000 Bosnia and Herzegovina-born migrants were in Croatia and Serbia, a figure that has progressively reduced to 720,000 people in 2020 as some of those displaced by the war returned to Bosnia and Herzegovina. Other European countries that host a sizable population of Bosnians are Germany (220,000, or 13% of the total emigrant population), Austria (170,000, 10%), and Slovenia (120,000, 7%). There are also large communities of Bosnians residing in the United States (>100,000, 6%), Canada (39,000, 2%) and Australia (38,000, 2%).

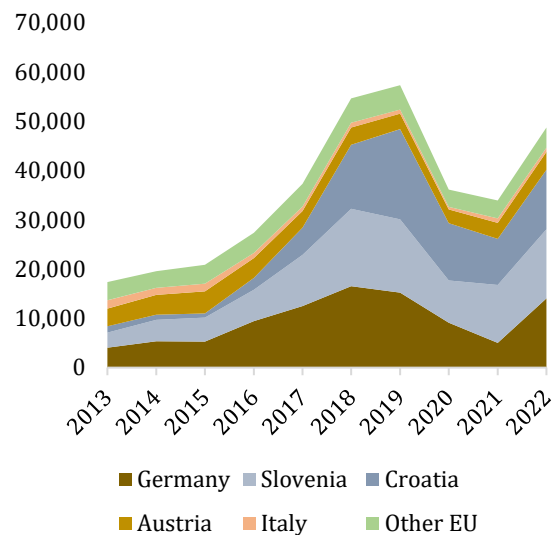
In recent years, new waves of emigration have been mostly going to Germany, Slovenia and Croatia. Eurostat data of first permits in the EU show that the annual outflows from Bosnia and Herzegovina to the region have been increasing in the last decade, with the exception of 2020 which was impacted by the COVID-19 pandemic that resulted in mobility restrictions that limited the opportunities of many prospective migrants to migrate. While in 2013 just over 17,000 Bosnian citizens were granted permits to reside in an EU country, the number increased to 57,000 by 2019 (figure 2, panel b). While Germany has remained the main destination country throughout the last decade with more than 27% of the inflows, Slovenia and Croatia have seen the largest increases of migrants from Bosnia and Herzegovina since their EU accession, representing close to half of total flows in the EU during the same period.

Figure 2: Main destination countries of the emigrant population from Bosnia and Herzegovina

a. Share of the total stock of emigrants in 2020



b. Number of first permits to Bosnia and Herzegovina citizens in the EU

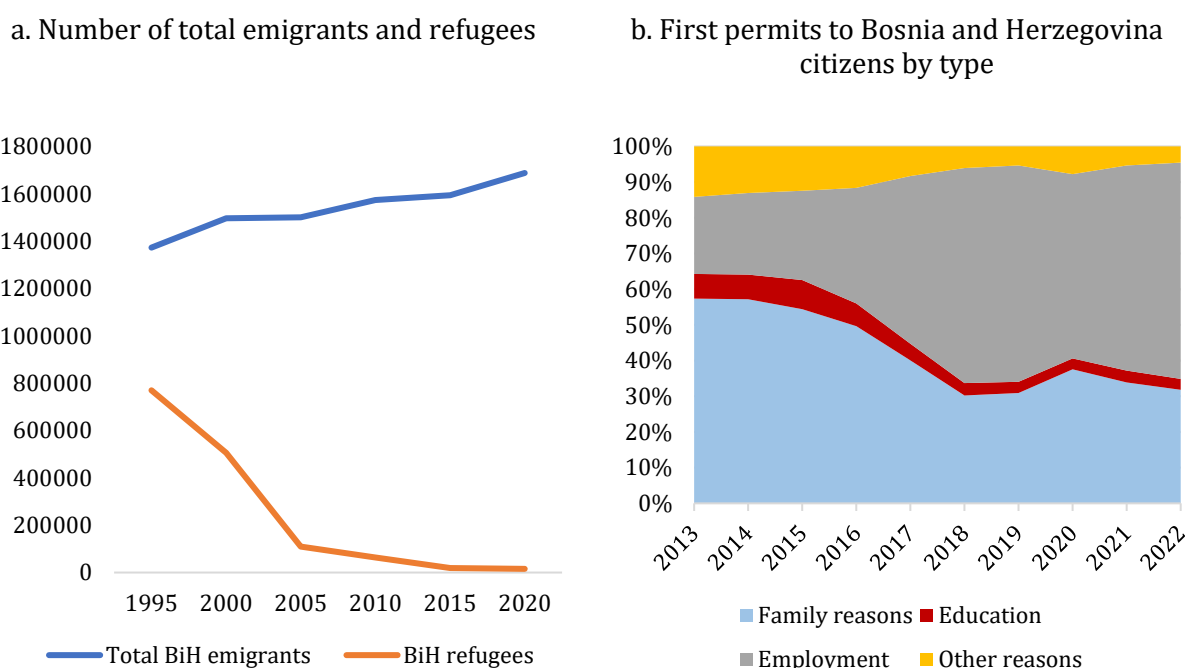


Source: UN DESA International Migration Database (2020) and Eurostat Statistics on First Permits.

The nature of emigration flows from Bosnia and Herzegovina has progressively shifted over the last decades from forced displacement to economic migration. Following the dismantlement of the former-Yugoslavia, the war in Bosnia and Herzegovina that broke in 1992 led to a massive displacement of the population, both domestically and internationally. Estimates suggest that around half of the forcibly displaced populations fled overseas (Oruč, 2009), particularly to neighboring countries and a few selected Western European countries such as Germany or Sweden. In 1995, the year of the Dayton Peace Agreement, 770,000 Bosnians had found refuge in other countries, more than half of the total diaspora at that time (see figure 3, panel a). However, since the 2000s,

emigration flows from Bosnia and Herzegovina have been increasingly driven by economic factors. While the stock of refugees has been progressively reduced, the total number of emigrants has continued to rise. Given the large size of older cohorts that remained abroad longer term, the main type of permit new Bosnian emigrants in the EU obtained until the early 2010s was for family reunification purposes (figure 3, panel b). Recent trends show that this type of visa for Bosnian migrants is comparatively declining while visas for work purposes have become the most common way of entry and residence in EU countries since 2017. The availability of employment permits for citizens of Bosnia and Herzegovina is on the rise, although subject to fluctuations according to the labor demand and the state of the EU economy. In 2020, not only the total number of permits was temporarily reduced, but that particularly affected migrants looking for work permits. However, as restrictions eased in 2021, the emigration of Bosnian citizens to the EU in search of employment opportunities has risen again, with close to 30,000 employment permits being provided in 2022.

Figure 3: Type of migration over time

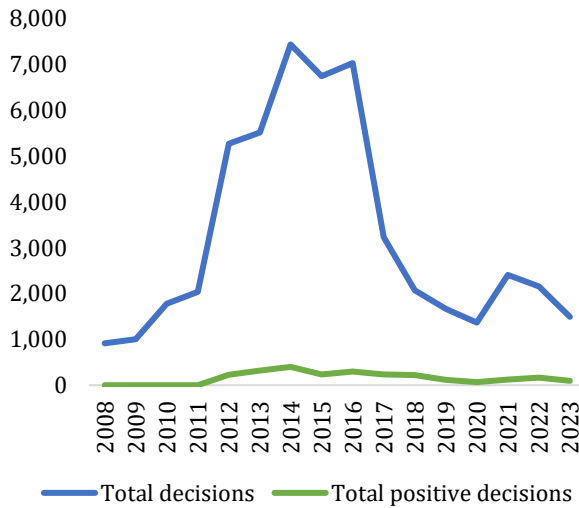


Source: Eurostat, UN DESA International Migration Database, UNHCR Population Figures.

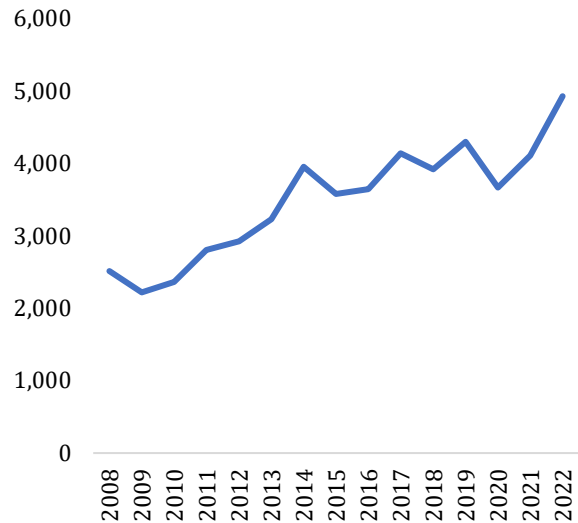
While forced displacement has been on a declining trend, there was a rapid but short-lived increase in asylum applications in the mid-2010s, but most were denied. After the large outflows of forcibly displaced populations in the 1990s, asylum petitions of Bosnians in the EU remained low during the 2000s and in 2010 less than 1,000 cases were filed. However, the European refugee crisis in the mid-2010s led to large inflows of migrants from Syria, Iraq, Afghanistan and other countries through different routes, including that crossing the Western Balkans. In that context, there was an increase in migrants from Bosnia and Herzegovina seeking asylum, with a peak of around 7,000 cases annually between 2014 and 2016 (figure 4, panel a). The vast majority of asylum petitions were made in Germany (more than 75%). While applications increased seven-fold, the number of positive responses providing asylum for Bosnians remained minimal and, in most cases, those individuals were not provided with a legal pathway to remain in the EU. As panel b of figure 4 shows, trends in the number of Bosnians that were found illegally present in the EU have steadily increased in the last decade and a half, with a record of close to 5,000 in 2022.

Figure 4: Asylum decisions and irregular Bosnian migrants in the EU

a. First instance decisions on asylum applications of Bosnian nationals in EU and EFTA countries



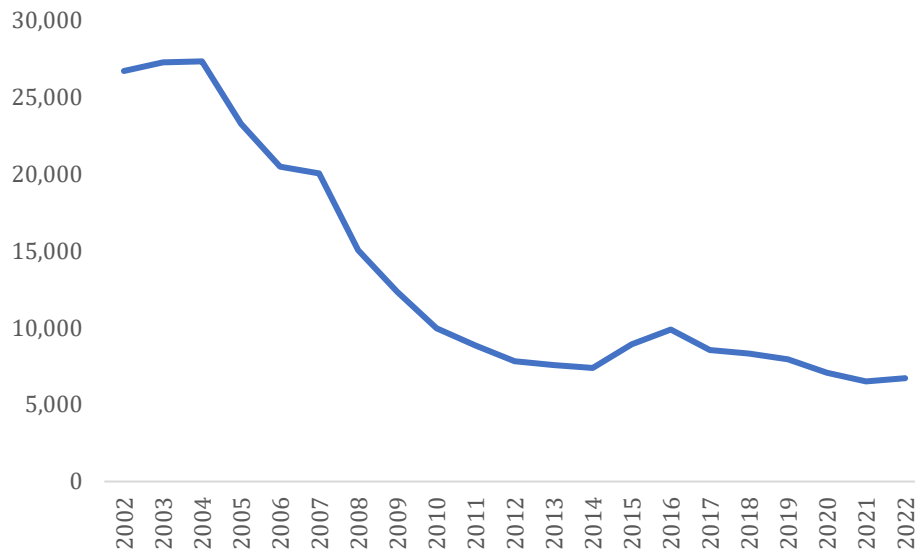
b. Bosnians illegally present in the EU



Source: Eurostat.

Emigration from Bosnia and Herzegovina tends to be of a long-term nature, with a sizable number of migrants obtaining another nationality every year. According to OECD-DIOC statistics based on census, the vast majority of the Bosnian diaspora in 2015 had been residing abroad for long periods of time. Around 83% of emigrants in OECD destination countries had stayed for more than 10 years, and 6% between 5 and 10, with only 11% having arrived at their destination country in the previous 5 years. The long-term nature of emigration is linked to the older cohorts of forcibly displaced Bosnian population in the 1990s, when many of them decided to remain in their host country. In many instances, the long-term stays of Bosnian emigrants in destination countries lead of obtaining foreign citizenship, further strengthening their ties to the host country. In the early 2000s, more than 25,000 Bosnians annually acquired an EU nationality (figure 5), mostly the Austrian, Swedish, German and Danish ones. Other countries that provided more than 1,000 citizenships annually to Bosnian emigrants are Croatia, Norway, Slovenia, Switzerland, and the UK. While there has been a significant reduction during the last two decades in the number of citizenships awarded to Bosnian nationals, the number remains high, of around 6,000 to 7,000 in 2020-22. Furthermore, a majority of Bosnian emigrants (54%) have already acquired the citizenship of the destination country (OECD, 2022). In many countries where dual citizenship is not allowed, the acquisition of a foreign nationality entails dropping the Bosnian nationality. This is the case in Austria, Croatia, Denmark, Germany, Netherlands, and Slovenia, which represent the large majority of countries hosting Bosnian emigrants and providing nationalities.

Figure 5: Number of Bosnians obtaining another nationality



Source: Eurostat.

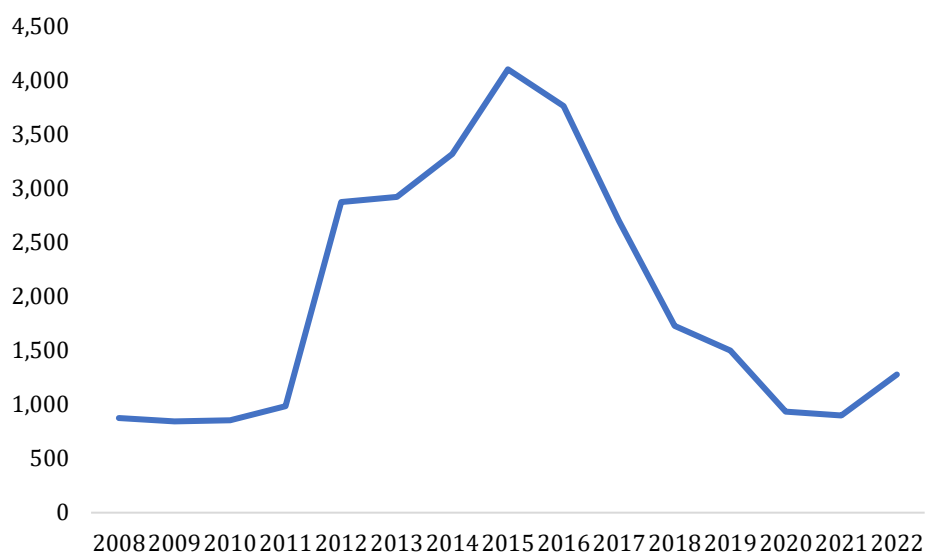
While a sizable number of internationally displaced Bosnians returned after the end of the war, many stayed abroad. Data on return migration is rather fragmented and incomplete, which hinders the capacity to monitor the inflow of returnees for policy purposes. Returns of the refugee population after the Dayton Peace Agreement in 1995, although sizable were lower than expected. Over 450,000 Bosnian citizens had returned home from foreign countries by 2013 (Kačapor-Džihić and Oruč, 2012). In total, around 40% of those who were forced to flee the country during the war were repatriated to Bosnia and Herzegovina (MoHRR BiH, 2006). In Germany, only one in three refugees from Bosnia and Herzegovina had returned to their home country by 1997 in spite of efforts to promote voluntary returns. Other OECD countries facilitated the transition of Bosnian refugees to more permanent residency permits leading to lower return flows to Bosnia and Herzegovina (OECD, 2017). These dynamics differ from those of Kosovo, where the end of conflict and the peace accords in 1999 led to a rapid and more significant return of the displaced population back to the country.

Flows of return migrants have remained relatively moderate during the last years. In the last decade, statistics from the Ministry of Security show a low number of voluntary returns to Bosnia and Herzegovina, with less than 2,000 voluntary returns assisted by the International Organization for Migration (IOM) between the years 2013 to 2022, most of them coming from Germany.⁶ The majority of these returnees were younger individuals, with close to nine in ten being under the age of 35. However, statistics from sending countries report a temporary increase in the number of Bosnian citizens asked to return to Bosnia and Herzegovina. As figure 6 shows, trends in the number of Bosnians who were returned under readmission agreements following an order to leave the EU mimic the developments in rejected asylum applications, with a peak of more than 4,100 individuals forced to return to Bosnia and Herzegovina in 2015, declining since then to 1,000-1,500 individuals per year. While in some cases flows of returnees are not captured as such when Bosnian-born emigrants obtained another nationality but as inflows of foreigners, the still limited number of inflows of population, regardless of the nationality, point that, even after taking them into

⁶ Ministry of Security (2022): Migration Profile of 2022.

consideration, the size of returnee influx is moderate compared to the large diaspora that resides abroad.

Figure 6: Bosnian nationals returned to their home country following an order to leave



Source: Eurostat.

Profile of Bosnian emigrants

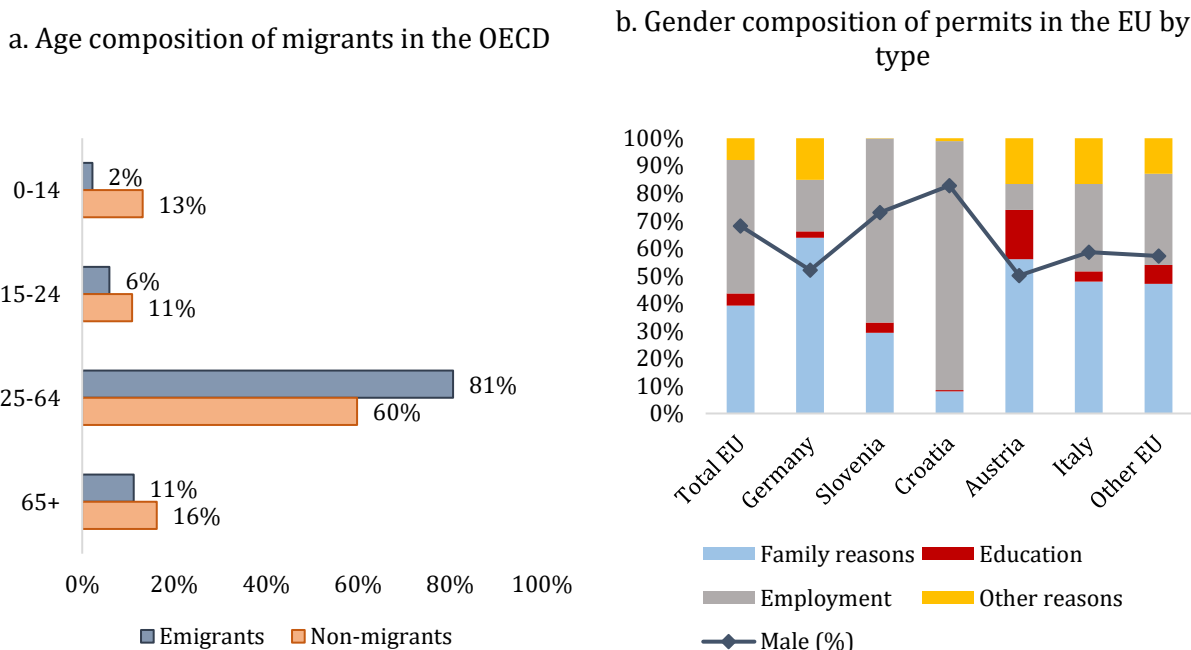
Bosnian emigrants tend to be in prime working age. Bosnian emigrants in OECD countries are more likely to be of working age. More than 80% of them are in the age group 25-64, compared to 60% of the non-migrant population in Bosnia and Herzegovina (figure 7, panel a). On the other hand, only 2% are children (13% among non-migrants) and 6% are youth ages 15-24 (11% among non-migrants). This is driven by the fact that the majority of the diaspora has been abroad for many years and even if some left at a young age are now older. Furthermore, newer cohorts of emigrants are driven by employment motives and tend to be in their prime working age. Similarly, there is a lower prevalence of migration among elderly groups. While 16% of the non-migrant population is 65 years old or older, this age bracket only represents 11% of the diaspora, mostly those who had been out of the country for several decades.

Bosnian emigrants have a more similar profile to the non-migrant population in terms of gender and education levels. In 2020, around 49% of the emigrant population from Bosnia and Herzegovina were males, a similar gender structure to the non-migrant population in the country. Similarly, in OECD countries there is a gender parity of Bosnian emigrants. While this is affected by older cohorts of migrants that left the country with their entire families during the 1990s fleeing conflict,⁷ in recent years migration for economic motives is becoming more male-dominated. During the last ten years (2013-22), Bosnian male emigrants received 68% of total permits in the EU. The share of male emigrants varies from country to country, depending on the relative prevalence of types of visas (figure 7, panel b). For example, in Germany and Austria, where permits for family reasons represent more than half of total visas, there is still a gender balance in the arrival of new Bosnian emigrants. On the other hand, in Croatia and Slovenia where the majority of permits are

⁷ Halilovich (2011) shows how extended families and, in some cases, even whole villages migrated from Bosnia and Herzegovina during the war and immediate post-war period in what is called 'chain migration'.

given for employment purposes (90% and 67% respectively), the share of Bosnian male emigrants increase to 83% and 73% respectively. According to OECD statistics for 2015, the education levels of Bosnian emigrants are relatively high, with 20% of women and 18% of men having tertiary education. The vast majority of men (54%) have secondary education, while there is a higher share of women with low education levels (38%). The level of education of Bosnian migrants varies depending on the wave of migration, with higher shares of tertiary-educated adults among older cohorts (OECD, 2022). This is due to the self-selection of refugees in the 1990s, where more educated individuals moved internationally, while those with lower education levels were more likely to be remain internally displaced (Oruč, 2009).

Figure 7: Demographic characteristics of Bosnian emigrants



Source: OECD DIOC database (2015).

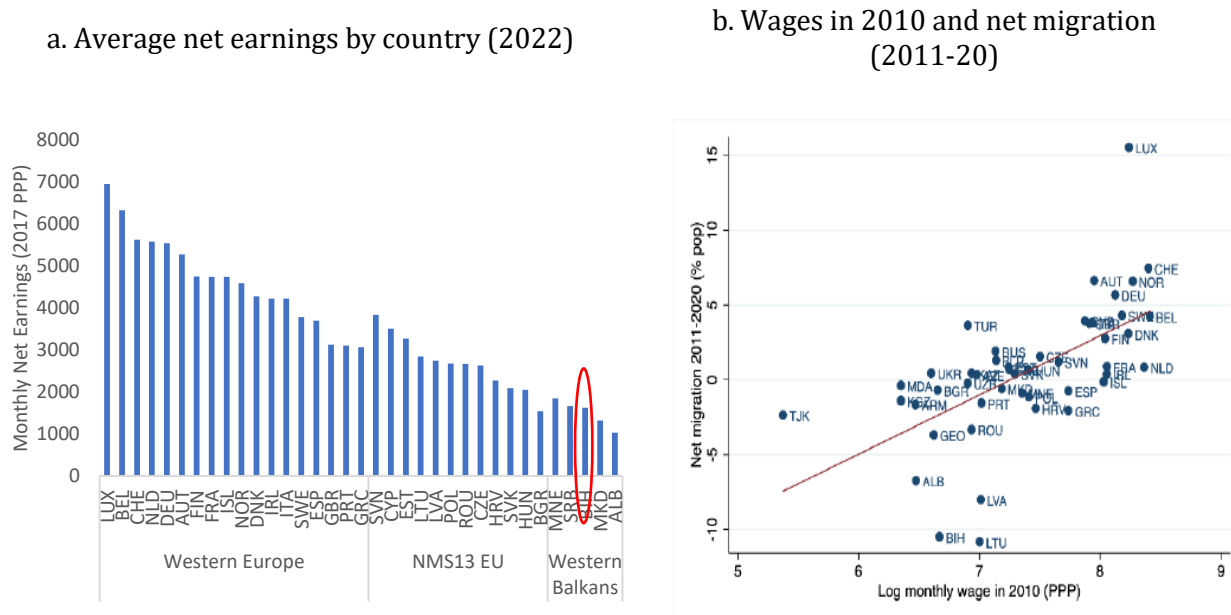
Drivers of emigration

Emigration from Bosnia and Herzegovina has been driven by a complex mix of economic, political, social and humanitarian factors. Older cohorts of Bosnian emigrants who left the country during the war in the 1990s were mostly forced to flee the country for security reasons. Surveys of the Bosnian refugee diaspora in countries such as Croatia show how war destruction was the main reason to leave the country (Klempić Bogadi, Gregurović and Podgorelec, 2019). Even after the war ended, the political instability and ethnic cleavages have continued to fuel migration outflows, with a strong correlation between citizens' worries about the political situation and intentions to migrate abroad (Efendic, 2016). However, the drivers of migration in more recent years have increasingly become of an economic nature. In the last decades, youth mainly migrate because of better economic opportunities abroad compared to Bosnia and Herzegovina (Malnar and Malnar, 2015).

Structural weaknesses of the domestic labor market and better prospects of higher earnings and standards of living are main driving forces of emigration. In spite of recent improvements,

the labor market in Bosnia and Herzegovina remains weak, providing low employment opportunities. The limited structural transformation has hindered the ability of the labor market to create jobs in the formal sector to absorb the entry of the new young workforce (OECD, 2022). Employment rates remain low substantially below the European average (38%, compared to 52% in the EU and 55% in OECD countries). Similarly, unemployment rates remain high, with around 17% of the workforce trying to find employment compared to 7% in the EU (OECD, 2022). Unemployment is particularly prevalent among women (30%), and youth (34%). The labor market is also characterized by a sizable informal sector (Efendic, 2021) and low productivity which contributes to the vulnerability of workers and limits wage growth. Employed workers in Bosnia and Herzegovina receive, on average, significantly lower salaries than workers in other EU destination countries. Even controlling for differences in cost of living across countries, average wages in Bosnia and Herzegovina are less than one-third of those in Germany or Austria, 40% of those in Slovenia, or 65% of those in Croatia (figure 8, panel a). These wage gaps create incentives for emigration as shown by the high correlation between average wages and net migration flows (inflows minus outflows) across Europe (figure 8, panel b).

Figure 8: Wage differentials across Europe



Source: ILOSTAT (2023).

Migration policies in destination countries have also shaped the emigration flows of Bosnians.

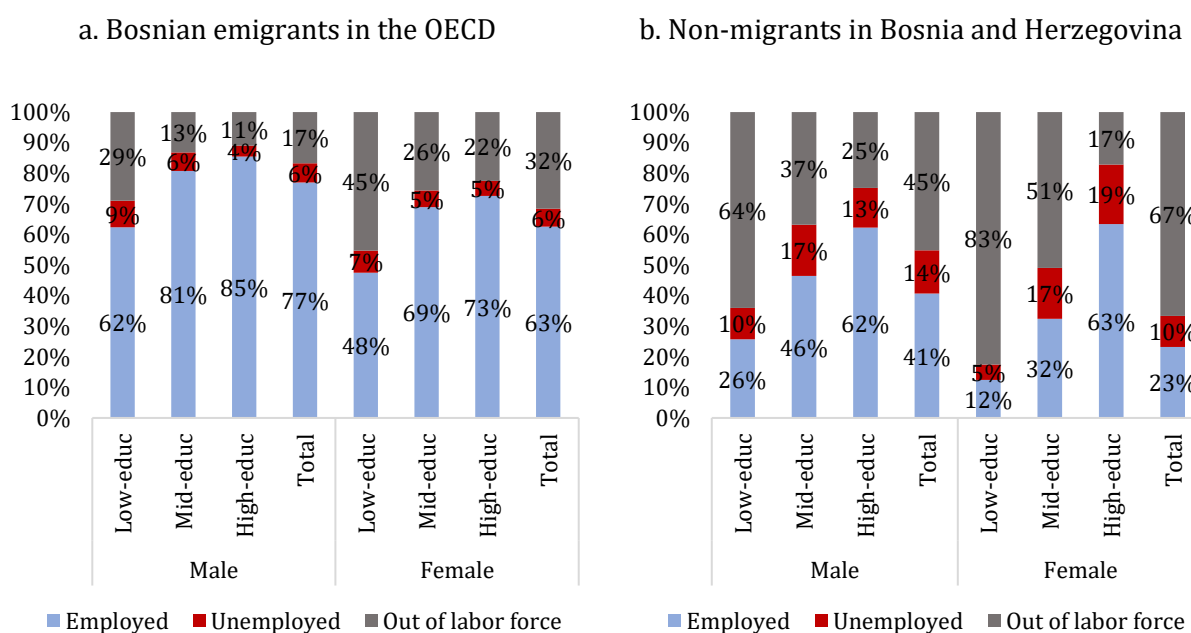
While opportunities to emigrate to EU countries for economic reasons were very limited for citizens of Bosnia and Herzegovina during the 1990s and early 2000s, the EU concluded visa agreements with Western Balkan countries, including Bosnia and Herzegovina, which facilitated short-term mobility (OECD, 2022). Further regulations in destination countries such as the Western Balkan regulation in Germany have also increased formal labor migration pathways, increasing emigration outflows. The availability and easiness of visa procedures also shapes the selection of destination countries of Bosnian migrants within the EU. For example, the certainty and clarity of visa application for Slovenia, governed under a comprehensive bilateral labor agreement between the two countries, has contributed to Slovenia becoming one of the top receiving countries of Bosnian emigrants, even though wages are still lower than in other Western European countries (Danaj et al. 2020).

Misinformation can also encourage emigration by creating unrealistic expectations about the migration experience. Sometimes, migrants have biased perception about economic opportunities and living conditions in destination countries as well as the availability of legal migration pathways, prompting individuals to pursue sub-optimal migration journeys that then do not unfold as planned. That was the case behind the rapid spike in asylum petitions of Bosnians in Europe in 2015/16, where a majority was misguided by perceptions of easy entry policies to EU countries during the time of large arrivals of refugees from other countries, and then were mostly rejected and returned to Bosnia and Herzegovina.

Economic outcomes in destination countries

Bosnian migrants tend to have higher employment rates than their non-migrant peers across all gender and education levels. Migration increases the likelihood of being employed for Bosnian migrants. According to the statistics from the OECD, 77% of male emigrants and 63% of female emigrants in OECD countries 15 years old and above were employed in 2015 (figure 9, panel a). This figure is significantly higher than the employment rates observed among the Bosnian non-migrant adult population in Bosnia and Herzegovina in the same year, where only 41% of males and 23% of females were employed (figure 9, panel b). While part of this gap is due to different demographics, with a lower share of emigrant adults being of retirement age, the likelihood of being employed remains significantly higher for emigrants among the working age population (15-64). On the other hand, emigrants are less likely to be either unemployed or out of the labor force. These gaps are particularly large for women. By education levels, both the migrant and non-migrant Bosnian population have higher employment rates the higher the education levels they achieved. However, the employment premium of education is less striking among migrants, as even low-educated Bosnians in the diaspora have relatively high employment rates. Among men, employment rates of low-educated emigrants are comparable to those of high-educated adults in Bosnia and Herzegovina.

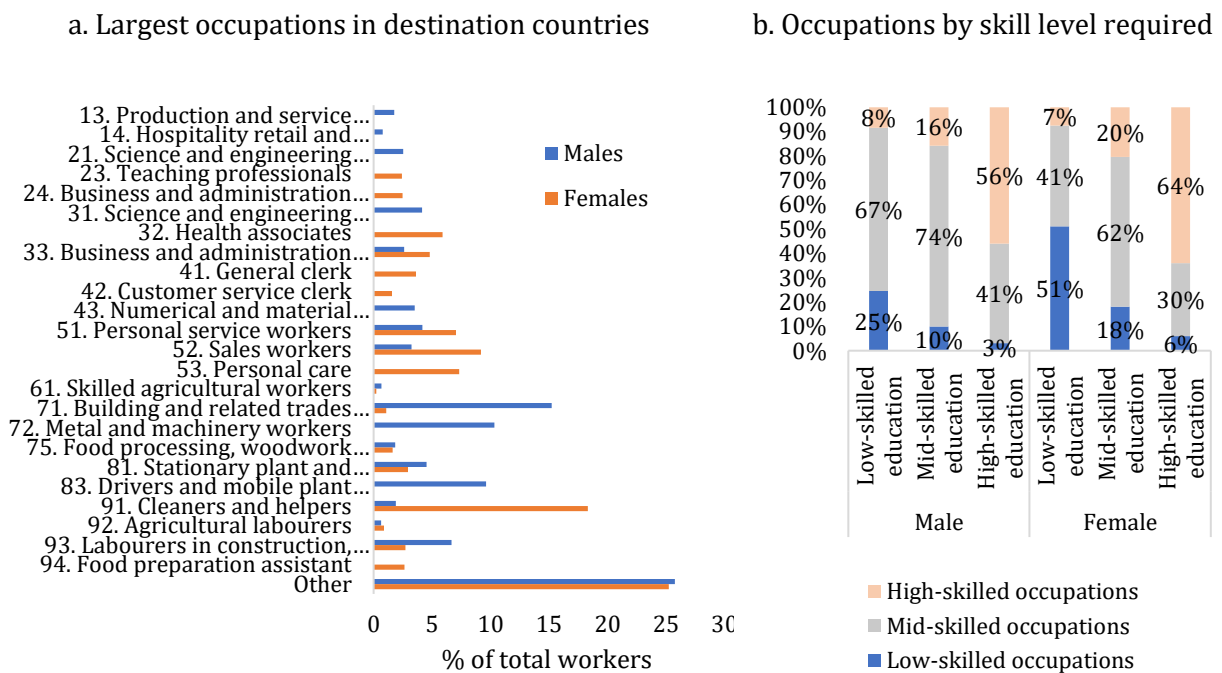
Figure 9: Labor market outcomes of Bosnian migrants and non-migrants (2015)



Source: OECD DIOC, 2015/16.

Bosnian emigrants are relatively concentrated in low to middle-skilled occupations, with frequent occupational downgrade and gender job segregation. Despite the relatively high education levels of the Bosnian diaspora, the majority work in low- and middle-skilled occupations. The occupational downgrade, which is the employment in jobs requiring lower skills than the ones workers possess, is relatively prevalent. Among highly educated emigrants, 44% of men and 36% of women are considered to be overqualified for the jobs they have (OECD, 2022). The most common occupations among male Bosnian migrants are construction workers, metal, machinery and related trades workers, and drivers and mobile plant operators (figure 10, panel a). Among female migrants, a majority of workers are employed as cleaners and helpers, but also in mid-skilled positions such as sales, personal care and personal service workers. There is also a prevalence of workers in certain highly skilled occupations, in particular nurses and health associates or IT (Čičić, 2019). In 2015, 6% of the female emigrant employed population were employed as healthcare associates. More recently, it is estimated that over 16000 doctors and nurses from Bosnia and Herzegovina are working overseas (OECD, 2022). As expected, more educated workers are employed in higher-skilled occupations (figure 10, panel b), although highly educated emigrants still struggle to find high-skilled occupations, particularly men.

Figure 10: Share of Bosnian migrant workers by occupation in OECD destination countries



Source: OECD DIOC, 2015/16.

Impacts of migration

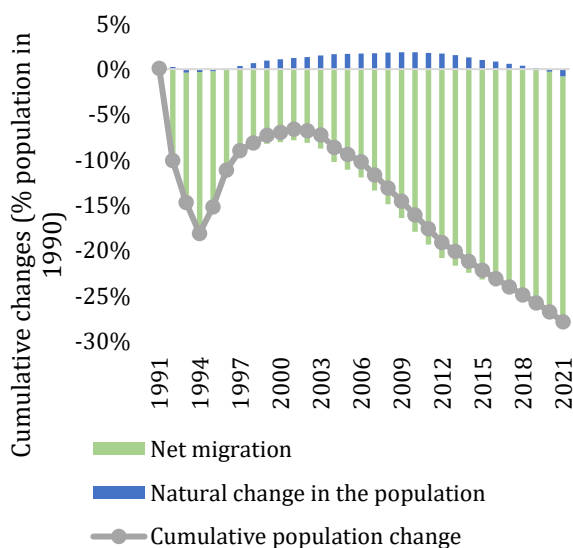
The large emigration outflows over the past decades have had a significant impact on the population decline and aging, reducing the availability of the workforce in the country. After the rapid outflows of refugees during the war, which led to a cumulative loss of 18% of the population in only four years, the return of part of this population in the following years partially compensated

for previous losses. However, since 2001, the country has registered net migration outflows (more people leaving the country than coming to it) every single year. Given that the natural change of the population (births minus deaths) has remained rather constant, emigration outflows have directly led to a continued shrinking of the population, reducing its size by 28% compared to 1990, or 21% since 2001 (see figure 11, panel a). As the emigrant population is more likely to be of working age, these outflows have led to an even faster reduction in the labor supply of the working age population.

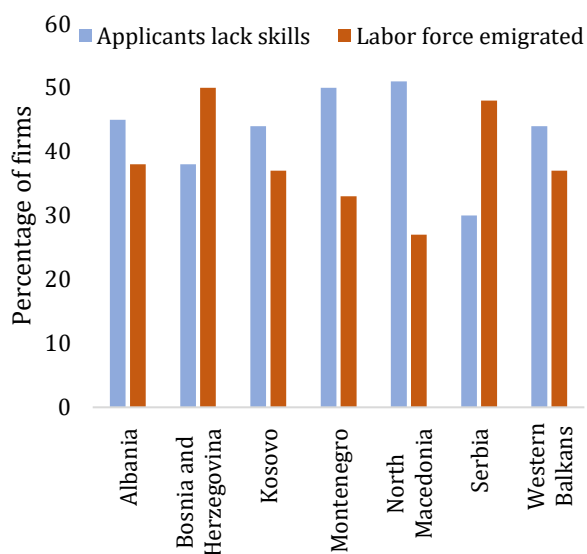
While migration might have reduced unemployment pressures, it also limited the availability of the workforce needed by Bosnian firms. In the last decade, there has been a positive association between the constant emigration rates of the working-age population and the progressive reduction in the unemployment rate, from above 30% in 2005, to 14% in 2022. While emigration helped reduce prior excess supply, recent trends point to increasing job vacancies that firms are unable to fill in certain sectors and regions of the Bosnian labor market. Industries facing the most significant labor shortages include wood, metal, and chemical sectors, as well as services and catering.⁸ These labor shortages can create labor market distortions and hinder economic productivity and growth, when firms cannot optimize the supply of labor they need. According to the recent Balkan Business Opinion Barometer (2021), 38% of firm respondents acknowledge they are unable to fill their vacancies due to a lack of workers with needed skills, and half considered that these shortages are due to the emigration of part of the labor force (figure 11, panel b).

Figure 11: Impact of emigration in population decline and job vacancies

a. Cumulative changes in the population since 1990



b. Reasons for firms' unfilled vacancies



Sources: UN DESA and Balkan Business Opinion Barometer 2021.

⁸ <https://connectingregion.com/news/rise-in-foreign-workforce-fills-gaps-in-bosnia-and-herzegovinas-industries/>

In terms of human capital, emigration in Bosnia and Herzegovina has not significantly impacted the average education levels in the country. Statistics on education levels show that emigrants have similar education levels to non-migrants, thus not reducing the average education levels in the country (Efendic, 2021). This is true for different age groups. Similarly, intentions to migrate are not more prevalent among highly educated workers, mitigating concerns of potential “brain drain”. Furthermore, in the medium-term emigration can have positive effects on the education system, with potential improvements in the supply of skills. A recent OECD study found that migration prospects encouraged improvements in the vocational and training systems in Western Balkan countries.⁹ Emigration for education purposes has also been on the rise, and represents around 5% of total permits that Bosnians obtained in the EU.

Emigrants also support household income and help reduce poverty by sending remittances, although the potential developmental impact of the diaspora is not fully tapped. According to statistics from the World Bank, the Bosnian diaspora sends the equivalent of 10% of GDP in remittances annually back home (World Development Indicators, 2023). This represents one of the largest rates in all of Europe. Remittances are generally used to cover household consumption needs and support poverty reduction in the region (Petreski and Jovanović, 2013). Studies show that remittances overall contribute to economic growth, although they might disincentivize labor supply, particularly among women (OECD, 2022). Beyond remittances, diaspora investment also fuels economic development in the country, spurring entrepreneurship and innovation. Foreign direct investment (FDI) inflows in the country are elevated, representing 3.3% of GDP in 2022. Even though FDI from the diaspora cannot be observed from the data, the strong correlation between the share of investments by origin country and the prevalence of a diaspora in each of them points to its key role in bringing capital to the country (OECD, 2022). However, the potential developmental impact of the diaspora is still underutilized: of the 32% of emigrants who are willing to invest in the country, only a small fraction (6%) actually do so (Efendic, 2021; Williams, 2019).

Section 1.2. Immigration of foreign citizens in Bosnia and Herzegovina

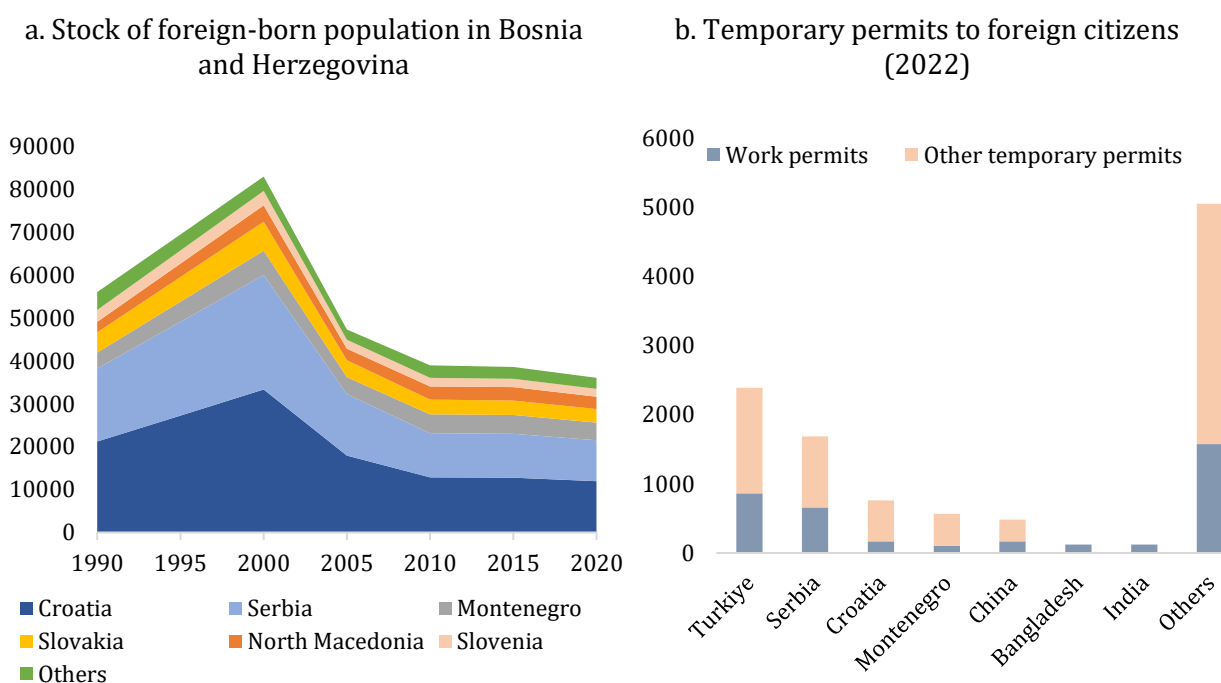
The number of foreign citizens residing in Bosnia and Herzegovina has remained low, although there is an increasing number of migrants arriving for work purposes given increasing labor shortages. According to census and administrative data, less than 40,000 people residing in Bosnia and Herzegovina are foreign-born nationals (figure 12, panel a). This figure, although it might not capture the full extent of the immigration phenomenon in the country, reflects the relatively limited presence of immigration in the country. Historically, the presence of foreign-born individuals in the country has been linked to movements of populations across former Yugoslavian countries during the war that affected the region in the 1990s. In 2000, when more than 80,000 immigrants were registered in the country, more than three-quarters were coming from Serbia and Croatia. Since then, the total stock of immigrants residing in Bosnia and Herzegovina has been declining.

Data from temporary visas shows an increasing trend in the flow of immigrants coming for work purposes. While statistics of the stock of immigrants based on census capture immigration of longer-term nature, administrative data from the Ministry of Security provides a better picture of the inflow of temporary migration to the country. The number of temporary residency permits has remained relatively stable at around 9,000 to 12,000 annually over the last decade (2013-22). The

⁹ OECD (2022).

main country of origin is Türkiye, with more than 2,400 citizens receiving a temporary visa to reside in Bosnia and Herzegovina, followed by Serbia, Croatia and Montenegro (figure 12, panel b). The two main types of visas approved are for family reunification and work purposes. Work permits in particular have been on the rise, given the increasing shortages in the Bosnian labor market. According to statistics from the Bosnia and Herzegovina Labor and Employment Agency, the total number of work permits issued to foreign nationals in Bosnia and Herzegovina increased from 2,775 in 2021 to 3,780 in 2022. The largest recipients of these permits were Turkish citizens (22.8%), followed by nationals of Serbia (17.5%), Croatia (4.5%), and China (4.5%). On the other hand, the nationalities with the largest increases in the number of work permits received are those from South Asia (India, Bangladesh and Nepal) and Türkiye.

Figure 12: Size of the foreign-born population in Bosnia and Herzegovina



Source: UN DESA (2020) and Bosnia and Herzegovina's Ministry of Security (2022).

The profile of immigrants coming for work purposes is concentrated among prime-age males. Out of the total number of work permits issued in 2022, close to 90% were issued to men (3,371), while 409 were issued to women (11%). This same structure has been observed in the last years. With respect to age, close to half of total work permits issued in the last five years were given to individuals within the age range of 36 to 59 years old, and another close to 40% were given to young adults 18 to 35. Foreigners with work permits tend to have higher education levels, with more than 40% being highly qualified (having at least some tertiary education), and another 45% being semi-qualified with high-school education.¹⁰ The work permits are issued in sectors with labor shortages as per the Labor and Employment Agency's analysis. In 2022, 23% of those permits were issued to

¹⁰ Ministry of Security Migration Profile of 2022.

work in construction, 15% in sales, 10% in arts and entertainment, 9% in real estate and 8% in the processing industry. These five sectors absorb two-thirds of all work permits issued.

Chapter II. Diagnostic of the Legislative and Institutional Migration Infrastructure in Bosnia and Herzegovina

This chapter provides an overview of the migration system in Bosnia and Herzegovina, from two main angles. The first section looks at the migration system that regulates the flows of emigrants from Bosnia and Herzegovina to third countries and the provision of services from the time they plan to migrate, to the time they reside abroad, until they return to Bosnia and Herzegovina. The second section studies the migration system built in Bosnia and Herzegovina to govern the flow of foreign-born individuals into the country, including both economic migrants and asylum seekers and refugees, their selection, conditions to stay, and services provided to facilitate their long-term integration.

Section 2.1. Emigration from Bosnia and Herzegovina

2.1.1. Framework to analyze the emigration system

The system that governs emigration throughout the whole migration lifecycle can be looked through the lens of a common framework (see figure 13). At the top of the migration system lies the governance structure. On the one hand, this includes all national strategies, domestic laws and bilateral and multilateral agreements that regulate the movement of migrant workers between Bosnia and Herzegovina and other countries, migrants' rights and responsibilities, as well as the ties, engagement and services that the country provides to its diaspora. Unilateral regulations of labor mobility in destination countries can also have profound repercussions on emigration flows in sending countries such as Bosnia and Herzegovina and, thus, also need to be included as part of the legal framework of analysis. The governance structure also covers the institutional setting which, based on national strategies and legal documents governing emigration such as diaspora laws, establishes roles and responsibilities of different domestic agencies as well as coordination mechanisms between them.

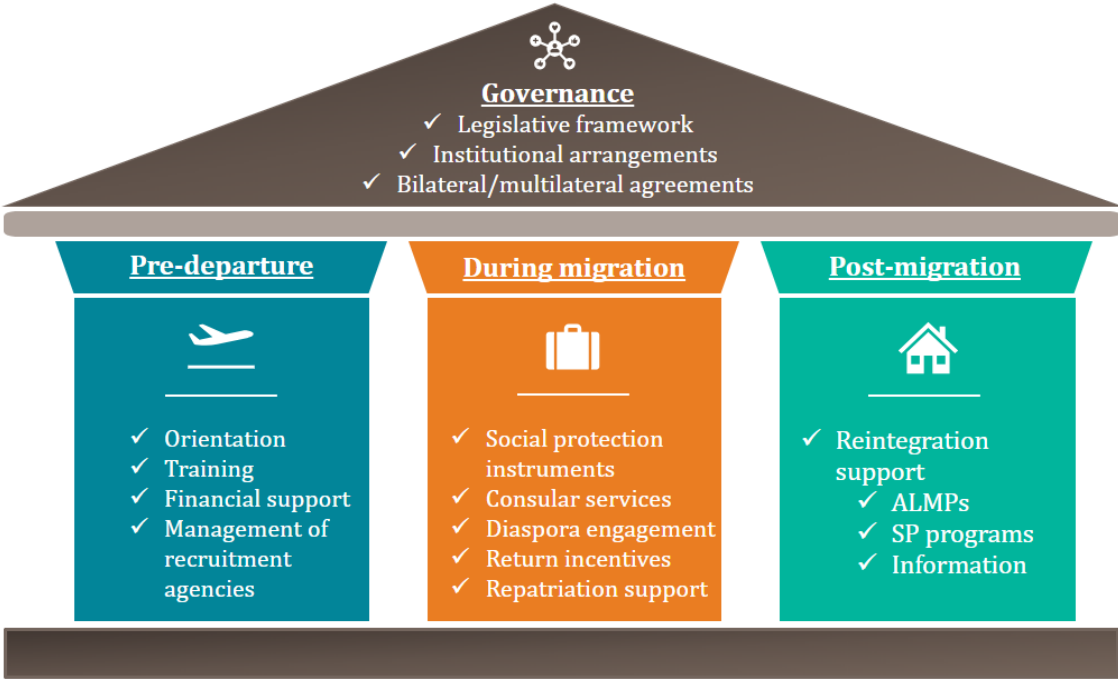
Emigration consists of several phases that present different challenges for migrants and require support measures to enhance the overall benefits of migration while reducing its risks. In each of the stages of migration, migrants face certain barriers and challenges, from the point where prospective migrants start considering migrating to another country, to the time they spend abroad, until they return to Bosnia and Herzegovina and integrate back into the domestic economy (or decide to re-migrate –e.g., circular migration).

Pre-departure services and regulations can help migrants better prepare for the migration experience. Before departing, potential migrants often have information asymmetries with respect to employment opportunities and the migration process, skills mismatches with what job opportunities demand at destination (particularly host language fluency) and financial constraints that limit their ability to finance the upfront costs of migration. To better prepare prospective migrants and avoid misinformation, well-developed emigration systems provide different services such as orientation sessions that include information on job vacancies and legal and bureaucratic requirements to migrate, financial support, or training programs. Best practices also include thorough regulations and management of recruitment agencies to protect migrants' rights and avoid abuses.

During the migration period, services that protect migrants against shocks, enhance social and economic engagement of the diaspora and incentivize return, can significantly improve the gains of migration for migrants and Bosnia and Herzegovina alike. While migrants can largely benefit from larger income opportunities in destination countries, they are also more exposed to negative shocks as observed during the COVID-19 pandemic. Advanced migration systems provide a range of services to their citizens abroad, including consular services, emergency relief, or access to insurance funds to cover them in the event of negative shocks. To enhance the benefits of emigration, another important aspect is strengthening the broader engagement with the diaspora by building trust, improving the business environment and deepening the outreach efforts in order to benefit from the expansion of global networks, the channeling of investments and the transfer of know-how to the domestic economy. In order to incentivize return migration, some governments provide tax exemptions and other financial incentives and repatriation support (such as travel costs or temporary housing allowances), as well as information on job opportunities in the home country.

Upon return to Bosnia and Herzegovina, interventions can support migrants’ reintegration into the home economy. Return migrants, particularly the most vulnerable such as those forced to return or those that unexpectedly return without achieving their migration saving or education targets, can face certain re-integration barriers and challenges. Migration policy can provide reintegration support for those most in need, including one-stop shops providing information on different services and employment opportunities, and facilitating activation through ALMPs.

Figure 13: Framework to analyze the system of migration and return of citizens of Bosnia and Herzegovina



Following this framework, sub-section 2.1.2 assesses the body of legislation that governs and affects emigration in Bosnia and Herzegovina, including national strategies, domestic laws, bilateral agreements and third-country regulations. Sub-section 2.1.3 studies the institutional organization of

all different agencies in Bosnia and Herzegovina with roles and responsibilities to regulate or provide services to emigrants. Sub-section 2.1.4 analyzes the provision of services throughout the migration life cycle, including pre-departure, during migration and upon return to Bosnia and Herzegovina.

2.1.2. Legislative framework regulating migration of nationals of Bosnia and Herzegovina

Bosnia and Herzegovina has made significant progress in developing a sustainable migration system in the last decades, expanding legal frameworks and competent institutions. The migration and asylum framework has been shaped by two main long-term priorities which are reflected in all strategic documents. The first priority is to develop a migration and asylum system aligned with the EU standards and that integrates the international refugee law.¹¹ The second long-term priority relates to Bosnia and Herzegovina's active participation in shaping regional migration and asylum policies. In order to build an efficient migration and asylum management system, the Council of Ministers has been adopting key strategic documents in this area since 2004.

Bosnia's legislative framework is centered around the Migration and Asylum Strategy, focusing on managed migration flows and security. Bosnia and Herzegovina's legislative framework has been evolving into a comprehensive and sustainable migration and asylum framework strongly inspired by European standards. The Migration and Asylum Strategy 2016-2020 aimed to facilitate meeting the Agreement's objective and adhere to the EU's standards, paving the pathway to a potential access to the EU in the future.¹² The latest Migration and Asylum Strategy of 2021-2025 was developed as a continuation of development of and commitment to a comprehensive long-term strategy in the areas of migration and asylum in Bosnia and Herzegovina.¹³ The Migration and Action Plan Strategy 2021-2025 provides a pragmatic reflection of Bosnia and Herzegovina's migration climate and interests. The main objectives of the document were shaped by the evaluation of the current environment and legislation at the national and international level. It takes into consideration the recent refugee crisis of 2015 and the increasing influx of irregular migrants in the country, which highlighted vulnerabilities of the current migration and asylum management, especially at the institutional level. The identified strategic objectives primarily focus on improving Bosnia and Herzegovina's migration system covering both foreigners in the country and Bosnians who migrate or return to Bosnia and Herzegovina.¹⁴

The Migration and Asylum Strategy and Action Plan 2021-2025 is designed around seven medium-term strategic goals that cover managed migration of both immigrants and return migrants from Bosnia and Herzegovina. The first objective focuses on improving the comprehensive migration and asylum management system related to foreigners and citizens of Bosnia and Herzegovina. The second and third objectives aim to increase the efficiency of border control and illegal migration management in Bosnia and Herzegovina, respectively. With respect to the latter, the goal includes the strengthening of mechanisms for the acceptance of nationals of Bosnia and Herzegovina on the basis of readmission agreement. The fourth objective relates to improving the quality of the asylum system. The fifth goal seeks to combat more effectively migrant smuggling and human trafficking. Finally, the sixth and seventh goals focus on supporting legal migration and the integration of legally residing foreign nationals in Bosnia and Herzegovina as well as bolstering

¹¹ Ministry of Security of Bosnia and Herzegovina (2021).

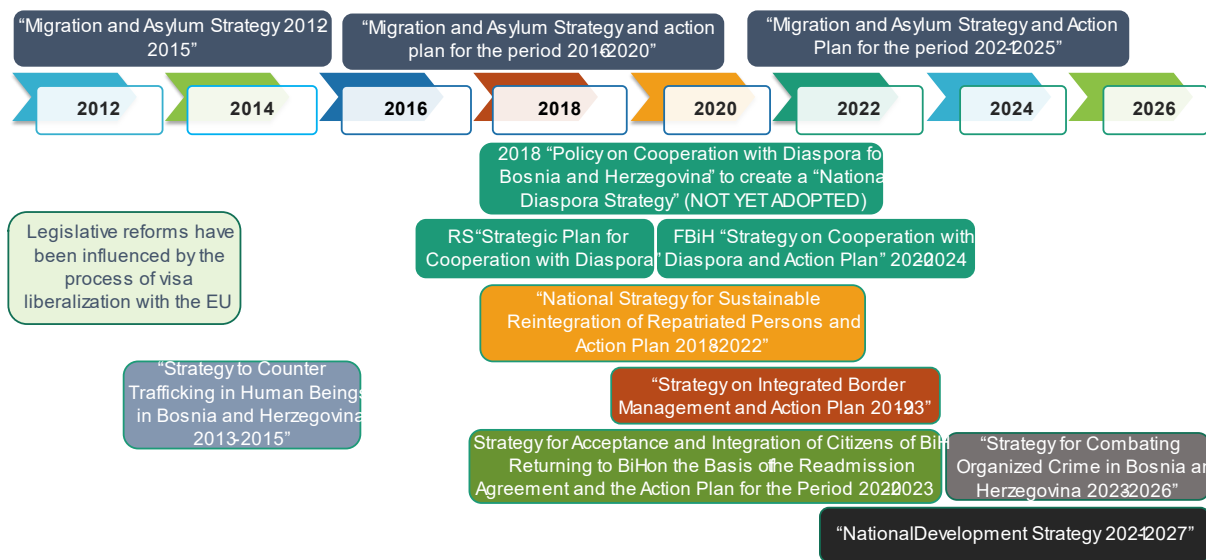
¹² Ministry of Security of Bosnia and Herzegovina (2016).

¹³ Ministry of Security of Bosnia and Herzegovina (2021).

¹⁴ Ibid.

the coordination system in migration and asylum management. While mainly focusing on immigration, the Migration and Asylum Strategy raises the need to maintain and expand the mechanisms for the functional return process of the Bosnia and Herzegovina's nationals on the basis of readmission agreements. On the other hand, the strategy does not specify goals, priorities or engagement mechanisms for prospective emigrants or the diaspora.¹⁵

Figure 14: Legislative framework on migration



Emigration of nationals of Bosnia and Herzegovina

While Bosnia and Herzegovina has not yet implemented a national strategy for diaspora engagement, there has been progress in that area in recent years. The role of the diaspora is mentioned in several strategies such as the 2010/11 Development Strategy, the 2017 Scientific Development Strategy, and the 2018 Foreign Policy Strategy. Several bylaws have been also adopted, such as rules on knowledge transfers (2023) and rulebooks on registration of diaspora associations or academic and business diaspora. In 2017, the Council of Ministers of Bosnia and Herzegovina adopted the Policy on Cooperation with Diaspora establishing three main objectives. The first objective is to develop a legal system and institutional capacity to provide a strong foundation for future normative and strategic documents and activities concerning diaspora cooperation. In the document, Bosnia and Herzegovina acknowledges the importance of developing a framework document, such as the Strategy for Cooperation with Diaspora, which will regulate relations and define legal bases for the cooperation. However, the official Strategy has not been approved yet. In order to reach the first objective, the Policy mentions the appointment of an inter-departmental body, and the improvement of the institutional capacity at the state level as well as at the local self-government unit level. The local focus aims to improve the service quality offered to emigrants, such as increasing the efficiency of service provision through the use of web registrars.¹⁶

The Policy on Cooperation with the Diaspora aims to provide support to emigrants to facilitate investments and knowledge transfers into the country. To achieve this, the policy first envisions

¹⁵ Ibid.

¹⁶ Policy on Cooperation with Diaspora.

monitoring the rights, needs and interests of emigrants in Bosnia and Herzegovina and host countries, building the capacity of emigrant organizations to support the diaspora, particularly the young professionals and highly educated individuals, and promoting learning the mother tongue and fostering culture and identity. The policy highlights the need to create an online interactive platform as well as organize summer schools for children from the diaspora to study the mother tongue. Additionally, other goals include improving links in business, education, science, culture and sports through fostering contact with businessmen abroad through conferences, forums, incentive measures, monitoring programs, etc., linking individuals abroad to their institutions through encouraging exchanges at higher education institutions, and incorporating emigrant experts into domestic research projects and virtual programs, among others. In order to engage the diaspora, the policy acknowledges the need to enhance information and strengthen communication with nationals living abroad, which can be done through expanding social network and media presence or revitalizing information exchange platforms to ensure greater interaction and participation.¹⁷ The policy also aims to facilitate the diaspora's participation in Bosnia and Herzegovina's development through creating more favorable conditions for investments and knowledge sharing by promoting diaspora's successful and inspirational stories, both personal and investment-related, as well as mobilizing diaspora's finances, knowledge and skills. The policy includes plans to stimulate emigrants' investments through co-financing mechanisms for SMEs and development projects, removing administrative barriers, and establishing new banking products and private-public partnerships. To mobilize the diaspora's human capital, with a focus on medicine, IT and university lecturers, the policy proposes collaboration between experts and emigrants in various knowledge exchanges, including study programs preparation, hosting guest lectures, mentoring programs, seminars, etc.¹⁸

At the entity level, the Federation of Bosnia and Herzegovina (FBiH) has developed its own diaspora framework. The FBiH implemented the Strategy on Cooperation with Diaspora and Action Plan¹⁹ extending from 2020 to 2024 with the objective of strengthening the legal and institutional framework for cooperation at the Federation level. The Strategy also aims to incorporate emigration as a part of the FBiH's social development, engage young diaspora members in development policies as well as map and engage the diaspora business community in policy planning and FBiH growth.²⁰ The Development Strategy for FBiH 2021-2027 briefly mentions leveraging the diaspora engagement to drive economic and social development. The strategy aims to strengthen the connection between the diaspora members and their homeland, supported under the Law on Displaced Persons and Returnees in the FBiH and Refugees from Bosnia and Herzegovina (2005). It highlights the need for a regularly updated diaspora database connecting private and public sector agents. Such a database would help globalize FBiH's value chains and fill local gaps by leveraging the diaspora's skills, knowledge, and other resources in business and investments. The strategy also aims to drive social development by improving the science and education fields through stronger collaboration with the diaspora via relevant research and study programs.²¹

Similarly, the Republika Srpska (RS) has developed a legal framework to engage with its diaspora. The Strategic Plan for Cooperation with Diaspora (SPCD)²² aims to strengthen the

¹⁷ Ibid.

¹⁸ Policy on Cooperation with Diaspora.

¹⁹ <https://fmroi.gov.ba/strategija-federacije-bih-za-saradnju-sa-iseljenistvom/>

²⁰ OECD (2022), <https://fmroi.gov.ba/strategija-federacije-bih-za-saradnju-sa-iseljenistvom/>

²¹ https://parlamentfbih.gov.ba/v2/userfiles/file/Materijali%20u%20proceduri%202021/Strategija%20razvoja%20FBiH%202021-2027_bos.pdf

²² <https://vladars.rs/eng/vlada/ministries/MERRC/info/news/Pages/Strategic-Plan-for-Cooperation-with-the-Diaspora-Adopted.aspx>

relationship with the Serbs abroad through building trust among them and bolstering local self-government units establishing networks and mapping the diaspora and developing online information platforms. Another priority of the SPCD is fostering Serb's national identity abroad which could be achieved through educational and cultural programs with an emphasis on preserving the mother tongue and the Cyrillic alphabet. Finally, the RS also aims to leverage the diaspora for economic development by building a strong legal and institutional framework that promotes diaspora collaboration, facilitates the business environment, supports the growth of remittances and encourages tourism. In addition to the Strategic Plan for Cooperation with Diaspora, the RS has strengthened cooperation with the Serbs diaspora abroad through several other strategies such as the Local Self-Government Development Strategy (2017-2022), the Culture Development Strategy (2017-2022), the Strategy for Scientific and Technological Development ("Knowledge for Development," 2017-2021), the Education Development Strategy (2016-2021) and the Tourism Development Strategy (2011-2020).²³

In the last decade, the migration of Bosnians in the Western Balkans has been shaped by the development of the common regional market. In recent years, the country has ensured visa-free mobility within all Western Balkan countries, signing the last agreement abolishing visas with Kosovo in November 2022. Additionally, Bosnia and Herzegovina signed an agreement with the Republic of Serbia in 2011 allowing citizens from each country to work temporarily in the other. Additionally, Bosnia and Herzegovina endorsed the Common Regional Market (CRM) Action Plan for 2020-2024 which was adopted at the Sofia Summit in 2020 as a part of the Berlin Process. Its goal was to achieve freedom of movement and eliminate work permits, while also ensuring measures on respecting rights and recognizing credentials. To pursue these objectives, three mobility agreements were signed, currently awaiting ratification, focusing on i) free movement with ID cards, ii) recognition of high education degrees, and iii) agreement and recognition of professional qualifications for doctors, dentists, and architects.

Bosnia and Herzegovina has also developed an increasing portfolio of bilateral labor agreements (BLA) with third countries that support formal migration channels for its citizens. Bosnia and Herzegovina has concluded general BLAs with Qatar, Serbia and Slovenia as well as a sector-specific BLA with Germany. The BLA with Slovenia has been in place for more than ten years and includes closed cooperation between the two countries to provide a well-rounded array of rights and services to migrants (see box 1). The Council of Ministers of Bosnia and Herzegovina and the Government of Qatar signed an Agreement in 2016, regulating the employment of Bosnians in Qatar. Under the BLA with Qatar, the MoL of Qatar shares the requirements of local employers looking to hire Bosnian workers to the LEA of Bosnia and Herzegovina. Up to date, the agreement has not been implemented. The agreement between the governments of Bosnia and Herzegovina and the Republic of Serbia was signed in 2011 and covered temporary employment of citizens of each country in the other. However, it has resulted in few employment opportunities for Bosnian migrant workers.

²³ <https://dijasporars.com/wp-content/uploads/2020/05/%D0%A1%D1%82%D1%80%D0%B0%D1%82%D0%B5%D1%88%D0%BA%D0%B8%20%D0%BF%D0%BB%D0%B0%D0%BD%20%D0%B7%D0%B0%20%D1%81%D0%B0%D1%80%D0%B0%D0%B4%D1%9A%D1%83%20%D1%81%D0%B0%20%D0%B4%D0%B8%D1%98%D0%B0%D1%81%D0%BF%D0%BE%D1%80%D0%BE%D0%BC.pdf>

Box 1: Bilateral social security and labor agreements with Slovenia

Bosnia and Herzegovina signed a comprehensive Bilateral Social Security Agreement with Slovenia in 2007. The former is a comprehensive agreement overarching healthcare and medical services, support for the elderly and people with disabilities, pensions for survivors, compensation for occupational injury and illness, unemployment insurance as well as allowances for parents (including maternity leave) and children. The Social Security Agreement de jure ensures equal treatment of migrants vis-à-vis the non-migrant population, protects migrants' rights and benefits while abroad and promotes administrative cooperation. The Agreement was amended in 2011 to allow Bosnian migrant workers with temporary residence to have access to the unemployment benefits.²⁴

Bosnia and Herzegovina has also developed a Bilateral Labor Agreement that supports formal labor migration to Slovenia. Signed in 2011, the Agreement between the Council of Ministers of Bosnia and Herzegovina and the Government of the Republic of Slovenia on Employment of Citizens of Bosnia and Herzegovina in the Republic of Slovenia aims to limit irregular migration. In line with the Agreement, an annual quota system is used to determine the volume of accepted workers. In 2013, the annual quota was 19,000 Bosnian labor migrants in Slovenia and, by 2023, 100,000 Bosnian workers had moved to Slovenia, predominantly working in low- and middle-skilled jobs in sectors such as construction.

The BLA covers a well-developed range of rights and services for migrants and promotes close cooperation and information-sharing between Bosnia and Herzegovina and Slovenia in the area of migration. Under the BLA, the Bosnia and Herzegovina and Slovenian employment agencies cooperate to exchange data and ensure that the health insurance payment is stopped when workers leave Bosnia and Herzegovina. The protocol regulates the cooperation of competent authorities by defining the procedure for employing migrants, from the selection process and permit issuance to the conclusion of an employment, return as well as keeping and submitting the data and evidence.²⁵ The Employment Service of Slovenia (ESS) share vacancies of Slovenian firms with the Bosnia and Herzegovina LEA and conducts recruitment. The competent authorities prepare basic information for migrant workers about their conditions of entry, rights and obligations, residence, work, and other living conditions. The BLA includes the option to introduce a program providing language classes and basic information about Slovenia. The agreement also provides labor market mobility to the migrant worker in the country of employment and allows the employer to obtain a permit for migrants who previously performed seasonal work for them. The Agreement also stipulates labor migrants' right to equal treatment. The verification process of education and professional qualifications is carried out in accordance with the two countries' regulations. The agreements enable the nationals of Bosnia and Herzegovina free access to the Slovenian labor market after one year of working in Slovenia while for other employed third-country nationals this period increases to five years. The length of a job contract for workers from Bosnia and Herzegovina must be at least one year, and the worker is to be employed by the same employer throughout this period. In the case of the early termination of the contract initiated by the employer, the worker is entitled to unemployment benefits. The validity of the work permit is three years, after which the permit can be extended for another three years if certain conditions

²⁴ ILO (2021): "Extending social protection to migrant workers, refugees and their families: A guide for policymakers and practitioners" – Geneva.

²⁵ Ministry of Civil Affairs of Bosnia and Herzegovina and Ministry of Labor, Family and Social Affairs of the Republic of Slovenia (2011); <https://www.ess.gov.si/en/jobseekers/employment-of-non-eu-migrant-workers/work-in-slovenia/employment-of-nationals-of-bih>

are met (e.g., acquiring new knowledge, being employed for a certain time, family reunification, etc.).²⁶

The BLA with Germany has opened migration opportunities for care assistance and nursing professionals from Bosnia and Herzegovina. Bosnia and Herzegovina and Germany signed the “Arrangement on Mediation in Fixed-term Employment of Workers” in 2013. Under this agreement, Bosnians who graduated from a medical school can seek employment in Germany as care assistants or nurses in hospitals, clinics or homes for the elderly. Opportunities are available through job centers. The LEA of Bosnia and Herzegovina has participated jointly with the German Federal Employment Agency in the Triple Win project since 2013, which provides mediation and training of care and nursing staff from Bosnia and Herzegovina in Germany (see Box 2). These arrangements have facilitated a steady outflow of nurses between the two countries in the last years. Between 2013 and 2020, 5,721 Bosnian nurses were placed in the German healthcare market, 5,143 nurses under the Arrangement on Mediation in Fixed-term Employment and 578 under the Triple Win project. During this period, an annual average of 820 nurses emigrated every year, signaling that 27 percent of graduates from secondary medical schools migrated from Bosnia and Herzegovina to Germany.²⁷

Box 2: Germany Triple Win program

The Germany Triple Win program has provided further migration opportunities for Bosnian nurses. This project was launched in 2013 by the German Federal Employment Agency (GFEA) and GIZ to recruit and train qualified nurses from targeted countries with a surplus of staff in order to support the growing demand for healthcare workers in Germany, especially in elderly care. Besides Bosnia and Herzegovina, other participating countries are the Philippines, Serbia and Tunisia. The main features of the program include the selection, training (including language and professional preparation) and employment mediation by the LEA of Bosnia and Herzegovina and the GFEA. The program provides a “triple win,” where professional staff gains training and career development, Germany obtains qualified care professionals and nurses, and Bosnia and Herzegovina benefits from know-how transfers.

While historically this program was based on the excess supply of nurses in Bosnia and Herzegovina, recent trends show a shrinking population of unemployed nurses. A key condition for Germany’s selection of sending countries was the availability of a surplus of labor in the sector that could not find employment in the home country to avoid “brain drain” in accordance with WHO regulations. By the time of the agreement, Bosnia and Herzegovina had been running an excess supply of nurses, according to unemployment statistics in the country. However, the number of registered unemployed nurses and healthcare technicians has declined rapidly in the last years from 10,463 in 2017 to 6,829 in 2019.²⁸ The number of registered unemployed in the sector also masks two important considerations. First, gaps in data quality emerge given the different institutions involved in the collection process and the nature of the education system where graduates can have multiple titles. Furthermore, the unemployment of nurses coexists with low levels of development of the medical system, with a share of healthcare professionals in the

²⁶ Council of Ministers of Bosnia and Herzegovina and the Government of the Republic of Slovenia (2011).

²⁷ <https://bih.iom.int/sites/g/files/tmzbd11076/files/documents/emigration-of-health-and-information-eng.pdf>

²⁸ IOM (2022): “Emigration of Health and Information and Communication Technology Professionals from Bosnia and Herzegovina: Challenges and Opportunities.” International Organization for Migration, Sarajevo.

population significantly below averages in Europe.²⁹ There are, thus, needs for skilled healthcare workers but there are financial and administrative gaps to incorporate the available workforce in the public sector.

The increasing coverage of bilateral social security agreements with third countries has reduced gaps in access to social protection for Bosnian migrants. Bosnia and Herzegovina has developed 10 bilateral social security agreements, of which six are with EU Member States. In addition to agreements on the coordination of social security systems implemented on the basis of succession from the former Yugoslavia, Bosnia and Herzegovina concluded agreements with, inter alia, Germany, Austria, Belgium, Croatia, Czech Republic, Hungary, Slovakia, France, Italy, Luxembourg, Norway, Poland and Sweden from the EU Member States as well as the UK, Turkey, North Macedonia and Switzerland.³⁰ These agreements cover the portability of pensions and unemployment insurance of workers between signatory countries.

Bosnia and Herzegovina has also signed MoUs with Lichtenstein, Switzerland and the UAE to promote collaboration on different migration issues. In 2009, Bosnia and Herzegovina signed a MoU with Switzerland on the establishment of a migration partnership to enhance migration systems. It focuses on promoting dialog and collaboration on managed migration on an annual basis, though it does not support migration flows. The MoU was established to foster regular and constant dialogue between Switzerland and Bosnia and Herzegovina on the migration matters, focusing on strengthening cooperation in the management of migration flows, including consular and administrative matters and readmission of nationals, return assistance, irregular migration prevention, fight against human trafficking and smuggling, as well as strengthening relations with the diaspora and the developmental aspects of migration such as integration of migrants and returnees.³¹ Although the MoU is not legally binding, the Switzerland's Federal Department of Justice and Police and the Bosnia and Herzegovina's Ministry of Security are responsible for overseeing its implementation and, if necessary, establishing an instrument for bilateral consultations.³² In 2011, Bosnia and Herzegovina and Lichtenstein signed the Memorandum of Understanding, establishing the partnership on migration.³³ Finally, in November 2023, Bosnia and Herzegovina and the UAE signed a MoU on mutual visa exemption, allowing free movement between countries for tourism, business and short-term stays.³⁴

Various academic partnerships and programs also facilitate the mobility of students and knowledge exchange between Bosnia and Herzegovina and other countries, particularly with the EU Member States. Bosnia and Herzegovina participates in the EU's Erasmus+ Program which offers opportunities in the areas of education, training, youth and sports.³⁵ International Credit Mobility, under Erasmus+, allows for short-term two-way mobility for students, researchers and staff. In 2022, 1,839 students and staff moved from Bosnia and Herzegovina to other Erasmus+33

²⁹ Ibid.

³⁰ <https://www.eesc.europa.eu/sites/default/files/resources/docs/qe-02-16-992-en-n.pdf> ;
https://neighbourhood-enlargement.ec.europa.eu/system/files/2023-11/SWD_2023_691%20Bosnia%20and%20Herzegovina%20report.pdf ;
<https://www.eda.admin.ch/countries/bosnia-and-herzegovina/bs/home/aktuell/news.html/content/countries/bosnia-and-herzegovina/en/meta/news/2018/October/social-security-agreement>

³¹ https://www.ilo.org/wcmsp5/groups/public/---ed_protect/---protrav/---migrant/documents/legaldocument/wcms_382473.pdf

³² Ibid.

³³ Ministry of Security (2021).

³⁴ <https://www.mofa.gov.ae/en/mediahub/news/2023/11/6/6-11-2023-uae-bosnia>

³⁵ <https://erasmusbih.com/en/>

countries³⁶ and 1,048 moved to Bosnia and Herzegovina.³⁷ Additionally, there are other popular programs such as the Central European Exchange Program for University Studies (CEEPUS) and the European Regional Master's Program (ERMA), whose the most popular destinations for students are Germany, Italy and Croatia. More partnerships as well as student and staff mobility between the universities may indicate higher academic mobility in the future.³⁸

Legislation in destination countries such as Germany and Austria has also facilitated legal migration pathways for Bosnians to work. In the aftermath of the refugee crisis, Germany enacted the Western Balkans Regulation to provide formal migration opportunities for workers from the Western Balkans to support managed migration flows and better channel them to the needs of the German labor market (see Box 3). During its first two years of implementation (2016-2017), while more than 117,000 work permits were provided to citizens of the Western Balkan countries, asylum applications dropped by 90%. In 2017, Austria also revised its Law on Settlement and Residence to facilitate labor market entrance for skilled workers from developing countries. Additionally, Austria expanded the flexibility of foreign students to work up to 20 hours and remain in the country for an additional year after graduation to seek employment. The EU as a whole modified its administrative procedures to facilitate third-country migrants to pursue their education and search for a job after graduation in the EU.³⁹

Box 3: Recent legal pathways for migration in Germany

With the Western Balkan Regulation, Germany has opened legal pathways for Bosnians with all skill levels to emigrate for work. Adopted in January 2016, the Western Balkans legislation allows Bosnian citizens, as well as citizens from other Western Balkan countries to enter Germany for employment if the worker has a binding job offer. No specific qualifications are required on the part of the employee, while the only requirement regards employers, as they need to demonstrate the inability to hire a German worker to fill the existing job vacancy. The goal of this legislation is to fill shortages in the labor market while managing migration pressures from these countries that had recently taken the form of irregular entries. Even though the regulation entails a difficult application process and long waiting times, it has opened an important opportunity for low-skilled migrants who previously had no labor mobility option to migrate to Germany. Of all the applications through this channel, 42% of applicants have low education levels and are considered unskilled. Most of the work permits have been granted in the construction, accommodation and food industry sectors. Given its success, Germany extended indefinitely in 2023 the Western Balkan regulation and increased the quotas of Western Balkan migrants from 25,000 to 50,000 annually.

Germany has extended its legislation to attract high-skilled migrant workers. German Skilled Workers Immigration Act was introduced in March 2020, attracting third-country citizens with simplified recruitment procedures for highly skilled individuals to fill the skill shortages in the German labor market. The Act includes an expedited process for employers to obtain work permits which does not require proof that they cannot fill their vacancies with German nationals, expands the category of skilled workers to also cover those with vocational degrees, and allows immigrants

³⁶ EU Member States, North Macedonia, Serbia, Iceland, Liechtenstein, Norway, Türkiye.

³⁷ https://erasmusbih.com/documents/results/Bosnia_and_Herzegovina_fact_sheet_2021-2022.pdf

³⁸ European Training Foundation “How Migration, Human Capital and the Labour Market Interact in Bosnia and Herzegovina”

³⁹ <https://dplus.org/wp-content/uploads/2021/06/WFD-COYE-ENG.pdf>

with specific vocational qualifications to obtain visas to search for employment in Germany, thus, relaxing the requirement to have a job offer. It also provides opportunities for qualified migrants to become permanent residents after four years of work. In 2021, one year after the introduction of the act, more than 60,000 qualified migrants obtained a visa through this channel. Bosnia and Herzegovina is among the top sending countries under this scheme, after Serbia, Philippines, Vietnam, India and Turkey. In November 2023, a new Skilled Immigration Act entered into effect. It intends to further widen migration possibilities by increasing EU Blue card access, extending eligibility to a wider group of professionals, and creating pathways for family members. It also allows third-country citizens to move to work in Germany in their field of expertise without needing to undergo procedures for formal recognition of their degree and professional qualification and opens specific quotas for short-term hires of foreign workers when employers have temporary needs regardless of special qualification requirements.

Changes in laws on citizenship in third countries also have implications for Bosnian emigrants. Several of the main destination countries of Bosnian emigrants have regulations rejecting dual nationalities, indirectly forcing Bosnian emigrants to denounce their home country's citizenship. However, recently several third countries have introduced amendments to their laws on citizenship. For instance, Germany proposed the Draft Law to Modernize the Law on Citizenship to the German Bundestag (parliament) in November 2023. This Law would allow multiple citizenships, facilitate the naturalization process and reduce the residency requirements for a foreign parent from eight to five years to enable their child to obtain German citizenship. The objective of the Law is to accelerate naturalization for those who are eligible and not force foreigners to renounce their existing citizenship when applying for the German one. The Law is expected to enter into force in the first half of 2024.⁴⁰

Return migration

Bosnia and Herzegovina has developed legal documents that enshrine as a key policy objective improving the reintegration of return migrants to the country. In order to improve the systems of admission and integration of returnees, Bosnia and Herzegovina implemented the Strategy for Reintegration of Returnees under Readmission Agreements and the Action Plan for the Period 2019-2022.⁴¹ The strategy aims to fulfill Bosnia and Herzegovina's obligations under the Roadmap on Visa Regime Liberalization approved by the Council of Europe Decision of December 14, 2010, as well as obligations under Stabilization and Association Agreement. The strategy ensures a harmonized readmission and reintegration system and recognizes the importance of enhancing the management of the returnees and continuing to produce local action plans. However, no budget was allocated to these measures in the draft of the Action Plan.⁴² Four priorities are put forward to reach the main objective of the 2019-2022 Strategy of establishing an efficient readmission and integration system of returnees and thereby indirectly reducing secondary migration.⁴³ The first focus is a continued improvement of the coordination system among institutions in authority at all levels from

⁴⁰ <https://www.loc.gov/item/global-legal-monitor/2023-12-04/germany-government-proposes-reform-of-citizenship-law/#:~:text=The%20new%20law%2C%20titled%20Draft,acquire%20German%20citizenship%20by%20birth>

⁴¹ Ministry of Security of Bosnia and Herzegovina (2021).

⁴² OECD (2022).

⁴³ Ministry of Security of Bosnia and Herzegovina (2021).

the state to local self-governance, as well as increasing the capacity of self-governance units. The development of a comprehensive and functional information management system is set as the second main priority, followed by setting up readmission teams and commissionaires across all local self-governance units, which was not explicitly mentioned in the previous strategy. The final objective of the strategy is to specify the roles and responsibilities of the institutions in charge and the services provided, focusing on the social and economic integration of Bosnian returnees. To enhance the process of readmission and social and economic reintegration, the strategy highlights that all stakeholders involved in the process should be trained, with an emphasis on the local and cantonal administrations.

At the center of the new strategy is the capacity building of local self-governance units (municipalities), which are responsible for the reception of and service provision to returnees. The strategy enables local governments to have an active involvement in the readmission and integration system of returnees under the Agreement on Readmission. In the long run it aims to develop their capacity to be able to efficiently address challenges in their territory caused by migration flows in cooperation with responsible institutions at the cantonal, entity and state levels. The first step in that direction is a full awareness of the responsible services at local level of the readmission process and migrations in Bosnia and Herzegovina and the provision of adequate training for their staff. The 2019-2022 Action Plan initiated the establishment of Readmission Teams or Commissionaires in all local self-governance units in Bosnia and Herzegovina. Existing Readmission Teams are expected to regularly update their Action Plans while the newly established ones can develop their Action Plans including regulations covering the provision of housing following the principles of social housing and the design of social and economic reintegration projects for returnees.

At the entity level, the Federation of Bosnia and Herzegovina (FBiH), the Republika Srpska (RS), and Brčko District (BD) also cover the readmission of returnees. In the FBiH, the Development Strategy for 2021-2027 highlights the rights of individuals of Bosnian origin to return. All FBiH, RS, and Brčko District introduced their state-level Social Inclusion Strategies for the period of 2021-2027.⁴⁴ In different forms, these strategies aim to support vulnerable groups in receiving adequate assistance and ensure access to the social services they might be entitled to. Vulnerable groups include people with disabilities, chronic diseases, minors and Roma, among others, and also returnees under the Readmission Agreements.

Internationally, readmission agreements of both return Bosnian citizens and foreign nationals have been the focal point of bilateral negotiations mostly with the European Union (EU) and the European Free Trade Association (EFTA). Bosnia and Herzegovina has signed a total of 28 readmission agreements, primarily with the EU (2007), but also with Switzerland, Türkiye, Moldova, Russia and Pakistan. These readmission agreements formalize the process for establishing the identity of a person who is subject to a removal order from a destination country and guarantee that plans can be made for their secure return to their country of origin. Such agreements regulate requirements and procedures for establishing identity, issuing acceptable travel documents, and readmission. The most recent one, the Agreement on Readmission between the Council of Ministers of Bosnia and Herzegovina and the Government of the Islamic Republic of Pakistan came into force on July 23, 2021.⁴⁵

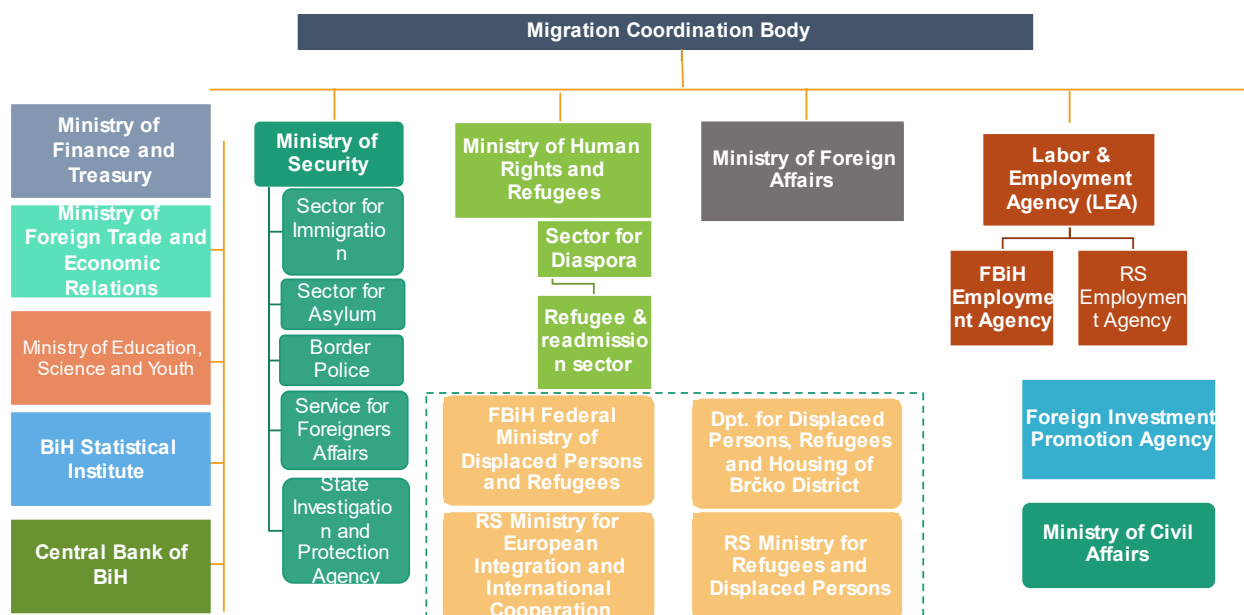
⁴⁴ <https://national-policies.eacea.ec.europa.eu/youthwiki/chapters/bosnia-and-herzegovina/89-enhancing-social-inclusion-through-culture>

⁴⁵ Ministry of Security (2021); https://www.vijeceministara.gov.ba/saopstenja/sjednice/saopstenja_sa_sjednica/default.aspx?id=34034&langTag=en-US

2.1.3. Institutional setting for emigration

Bosnia and Herzegovina has in place an advanced institutional migration framework, with responsibilities divided between several ministries and institutions at the central, entity and local levels. At the top of the framework is the Migration Coordination Body and comprises high-ranking officials of the State Border Police (SBP), the Ministry of Security (MoS), the Ministry of Foreign Affairs (MoFA), and the Ministry of Human Rights and Refugees (MoHRR). It coordinates migration policy and the work of all key ministries and institutions with responsibilities on migration issues. The Ministry of Security plays a significant role in the readmissions of Bosnians who were forced to return to the country. The Ministry of Human Rights and Refugees is in charge of matters related to the diaspora sector as well as the reintegration of return migrants. The Ministry of Foreign Affairs is responsible for providing services to Bosnian citizens abroad and, alongside the Labor and Employment Agency (LEA), put in place bilateral and multilateral agreements on labor migration.

Figure 15: Bosnia and Herzegovina institutional framework on migration



The Migration Coordination Body (MCB) is in charge of ensuring inter-ministerial cooperation in migration and asylum. The MCB was established in 2013 and comprises members from relevant agencies and institutions involved in migration. It follows the implementation of strategic documents and migration policies, assesses emigration trends and proposes migration and asylum policies.

The Ministry of Human Rights and Refugees (MoHRR) is in charge of developing policies related to the diaspora.⁴⁶ The MoHRR maintains connections between Bosnia and Herzegovina and the diaspora by encouraging cooperation in the areas of economy, science, education culture and sports. The Diaspora Sector of the MoHRR is responsible for monitoring the situation of the diaspora in terms of size, trends, characteristics, skills and outcomes in destination countries. It also oversees emigrants' engagement in Bosnia and Herzegovina's development, ensures implementation of their rights in both Bosnia and Herzegovina and destination countries, and fosters cooperation between

⁴⁶ Ministry of Security (2023).

Bosnia and Herzegovina and diaspora members in the fields of education, science, economy, culture and sports. The Diaspora Sector is divided into two departments: the Status Issues and Information Department and the Department for Economic, Educational, Scientific and Cultural Cooperation.⁴⁷ The MoHRR cooperates with municipalities and local communities as a space to develop the diaspora agenda.

The MoHRR also develops and implements policies related to the return of refugees and displaced persons in Bosnia and Herzegovina. This includes reconstruction projects and provision of other conditions for sustainable return. Given the importance of reintegrating repatriated migrants in back in Bosnia and Herzegovina, the Refugees, Displaced Persons, Readmission and Residential Policy Sector is responsible for providing support and services to Bosnian returnees under readmission agreements at the state-level.⁴⁸ It ensures the access to the right to work, health care, social care, education as well as accommodation, among other rights of the returnees stated by the law. It also has the responsibility of providing returnees under the readmission agreements with accommodation for up to 30 days. It also drafts instructions, monitors implementation, collects and shares information and data and coordinates different institutions at the state, entity and municipal level responsible for supporting returnees, and provides capacity building to municipalities.

The Ministry of Security is responsible for admitting return migrants under readmission agreements and implementing the agreements with third countries on this matter. The Ministry of Security is the main institution in charge of migration management including the inflow and outflows of citizens of Bosnia and Herzegovina.⁴⁹ The MoS manages the repatriation of returning Bosnians under readmission agreements. This includes reviewing, verifying documents, processing requests for readmission and informing and cooperating with third countries involved in the repatriation process with whom readmission agreements have been signed. The MoS, in collaboration with the Ministry of Civil Affairs, supports repatriated migrants with the issuance of travel documents.

The Ministry of Foreign Affairs plays an important role in providing administrative services to the diaspora and developing agreements with other countries related to mobility. The MoFA manages certain aspects of migration management, carrying out responsibilities related to the residence and protection of rights of Bosnian nationals and legal persons during their stay abroad. This includes the coordination of 45 embassies abroad, 10 consular offices and one diplomatic representation offering a variety of services such as visas and passport issuance. Other duties performed by the Ministry include developing bilateral international agreements related to visa-free regimes with other countries, expanding international relations, representing Bosnia and Herzegovina in diplomatic relations with foreign countries and international entities, giving proposals to the Presidency regarding potential engagement with international organizations' activities, and outreach and engagement activities with the Bosnian diaspora.⁵⁰

The Labor and Employment Agency of Bosnia Herzegovina (LEA) is in charge of labor market matters including developing labor migration agreements with third countries. The LEA

⁴⁷ Ministry of Security (2016).

⁴⁸ The Refugees, Displaced Persons, Readmission and Residential Policy Sector operations are distributed across four departments: (i) the Department for the Rights of Refugees, Displaced Persons and Returnees; (ii) the Department for Return, Reception, Coordination of Centres for Taking Care of Refugees and Returnees on the Basis of Readmission, (iii) the Department for Residential Policy and Projects and (iv) the Department for Supporting the Operations of the Refugees and Displaced Persons Commission of Bosnia and Herzegovina.

⁴⁹ OECD (2022).

⁵⁰ Ministry of Security (2023).

oversees the implementation of international employment standards and policies and proposes annual, medium- and long-term plans for Bosnia and Herzegovina's labor market policy actions to the Council of Ministers.⁵¹ The LEA also manages labor market programs in collaboration with the two entity employment services and the Brčko District Employment Service. While most labor market programs are not particularly targeted to the migrant population, prospective and return migrants can also benefit from them. The LEA coordinates activities for the employment of Bosnians abroad and provides counseling for unemployed who are looking for jobs abroad. For people interested in working in Slovenia, the LEA provides pre-departure information on job opportunities (see Box 1). The LEA also provides employment-related reintegration services to facilitate the entry of returned migrants into the labor market.

The Foreign Investment Promotion Agency (FIPA) is in charge of attracting foreign investments into the country, including diaspora investors. According to the law, FIPA is an independent body that responds directly to the Council of Ministers, although it cooperates with the Ministry of Foreign Trade. Currently, the FIPA aims to attract FDI without prioritizing diaspora investments over other investors, nor using areas with higher intensity of emigrants as entry points. However, given the large potential of diaspora investors to attract new businesses, it has appointed a diaspora coordinator within their agency. The agency is divided into six departments: (i) investment promotion (conferences, sight visits, outreach); (ii) analysis (including attractiveness of sectors); (iii) investors support; (iv) investment project (selecting investment locations); (v) finances and (vi) legal environment.

Other institutions and ministries actively participate in the migration sector, providing a diverse approach to migration management. The Ministry of Civil Affairs is responsible for matters pertaining to citizenships, registration of citizens and providing identification documents in Bosnia and Herzegovina. It also governs registration or de-registration of temporary and permanent residence, including that of emigrants and return migrants. The Agency for Statistics and the Central Bank of Bosnia and Herzegovina also provide relevant data collection on migration. The Agency of Statistics collects and analyzes statistics related to migration inflows and outflows of both Bosnians and foreign populations. The Central Bank collects and analyzes data on remittances from the Bosnian diaspora into the country, as well as foreign direct investments, which include diaspora investments.

Both entities have institutions in charge of coordinating and managing the engagement with their respective diasporas and returnees. In the RS, the Ministry for European Integration and International Cooperation is in charge of strengthening the relationship with the diaspora, improving regional cooperation as well as managing matters regarding the EU accession and legislative harmonization, among others.⁵² The RS's Ministry of Economy and Entrepreneurship also has a role in attracting foreign investments and business operations, including those from the diaspora. It coordinates activities contributing to the creation of a favorable investment environment such as free trade zone, incentives, simplified administrative processes and low operating costs, among others.⁵³

⁵² "РЕПУБЛИКА СРПСКА И ДИЈАСПОРА." <https://dijasporars.com/wp-content/uploads/2022/10/%D0%91%D1%80%D0%BE%D1%88%D1%83%D1%80%D0%B0%20%D0%A0%D0%B5%D0%BF%D1%83%D0%B1%D0%BB%D0%B8%D0%BA%D0%B0%20%D0%A1%D1%80%D0%BF%D1%81%D0%BA%D0%B0%20%D0%B8%20%D0%B4%D0%B8%D1%98%D0%B0%D1%81%D0%BF%D0%BE%D1%80%D0%B0.pdf>; <https://bih-parliamentary-twinning.eu/en/republika-srpska-ministry-of-economic-relations-and-regional-cooperation>

⁵³ <https://dijasporars.com/wp-content/uploads/2022/10/%D0%91%D1%80%D0%BE%D1%88%D1%83%D1%80%D0%B0%20%D0%A0%D0%B5%D0%BF%D1%83%D0%B1%D0%BB%D0%B8%D0%BA%D0%B0%20%D0%A1%D1%80%D0%BF%D1%81%D0%BA%D0%B0%20%D0%B8%20%D0%B4%D0%B8%D1%98%D0%B0%D1%81%D0%BF%D0%BE%D1%80%D0%B0.pdf>

In the Federation of Bosnia and Herzegovina, the Sector for Diaspora of the Federal Ministry of Displaced Persons and Refugees is in charge of the engagement with the diaspora. With respect to return migrants, the Ministry for Refugees and Displaced Persons in the RS, the Federal Ministry of Displaced Persons and Refugees in the FBiH, and the Department for Displaced Persons, Refugees and Housing Issues in Brčko District are the actors responsible for matters related to returnees.⁵⁴

Cantonal institutions and local self-governance units also play a significant role in building the system for readmission and integration of readmitted returnees. Relevant Cantonal entities are engaged in the implementation of readmission and integration programs. Cantonal Coordinators handle readmission requests from individuals returning to their Canton under the Readmission Agreement. In addition, they engage with responsible institutions to establish the needs of the returnees, prepare plans for the ministries proposing adequate economic and social support needed and prepare reports on integration. Furthermore, the Coordinators are responsible for directing efforts on forming Cantonal Readmission Teams composed of the Cantonal Ministries representatives supervising internal affairs, social protection and health care, labor and employment as well as education.⁵⁵

2.1.4. Services provided to emigrants throughout the migration cycle

Prospective migrants

Workers in Bosnia and Herzegovina interested in finding employment in Slovenia receive information from the LEA and support from other Slovenian institutions. There are several services supporting Bosnian workers emigrating to Slovenia under the Employment Agreement. The Slovenian Employment Service posts vacancies and information about the BLA on its website and also shares them with the LEA of Bosnia and Herzegovina, which facilitates accessing job opportunities in Slovenia for Bosnian citizens.⁵⁶ Additionally, people considering moving to Slovenia for employment can contact the Labor and Employment Agency in Bosnia and Herzegovina to receive more information about the Agreement, employer and working conditions. Similarly, the individuals can reach out for help and information to the Slovenian Trade Union, specifically in case when they are uncertain about the contract they are considering signing. Workers can also seek support from the Slovenian Independent Workers' Trade Union.⁵⁷

Beyond those covered under the BLA with Slovenia, services to potential migrants tend to be limited in scope and of an ad-hoc nature. The Youth Employability and Retention Programme (YERP), funded by IOM, UNFPA, UNICEF, and UNDP during the years 2009-13 aimed to address the high youth unemployment and irregular migration by working closely with the government, private sector and civil society to improve the employability youth, while providing new entry points to the labor market. As part of the activities, seventeen Bosnia and Herzegovina youth were provided with information and training to participate in two temporary labor migration schemes and 14 nurses

[0%D0%B5%D0%BF%D1%83%D0%B1%D0%BB%D0%B8%D0%BA%D0%B0%20%D0%A1%D1%80%D0%BF%D1%81%D0%BA%D0%B0%20%D0%B8%20%D0%B4%D0%B8%D1%98%D0%B0%D1%81%D0%BF%D0%BE%D1%80%D0%B0.pdf](https://www.unhcr.org/see/wp-content/uploads/sites/57/2018/11/Brosura-BOS.pdf)

⁵⁴ UNHCR. "Podrska Najugrozenijim Osobama na Osnovu Identifikovanih Potreba."

<https://www.unhcr.org/see/wp-content/uploads/sites/57/2018/11/Brosura-BOS.pdf>

⁵⁵ Bosnia and Herzegovina Strategy for Reintegration of Returnees Under Readmission Agreements 2019-2022.

⁵⁶ <https://www.ess.gov.si/en/jobseekers/employment-of-non-eu-migrant-workers/work-in-slovenia/employment-of-nationals-of-bih>

⁵⁷ <http://arz.gov.ba/Aktuelnosti/default.aspx?id=3898&langTag=en-US>

received training and an opportunity to pass qualified exams to become eligible for future work as nurses throughout Europe.⁵⁸ Also, 17 Centers for Information Counselling and Training were embedded into the different institutional structures at the local level (i.e., under the local LEAs), and its staff received training on topics such as regular migration, trafficking, human smuggling, European labor markets, or Bosnia's visa-free regime, to ensure the provision of important information about migration to youth considering migration the option of migrating. The Migration Service Centers created across the Western Balkans under the project "Capacity Building, Information and Awareness Raising towards Promoting Orderly Migration in the Western Balkans", which was funded by the European Commission and implemented by IOM between 2008 and 2010, also provided information, counseling and referral services to potential migrants, although it had limited outreach and was discontinued.⁵⁹

Current emigrants and diaspora

During migration, Bosnia and Herzegovina provides a range of consular and support services, although these services may be limited in scope. There are 45 embassies, 10 consular offices and one other diplomatic representation providing services to Bosnians residing abroad. Migrants can apply for personal documents such as IDs, birth, death and marriage certificates, and citizenship for family members. Migrants can also receive assistance when being arrested or detained abroad, verify their driver's license, issue return travel documents and receive support in case of death.

Migrants in specific countries that signed bilateral social security agreements (BSSAs) with Bosnia and Herzegovina are also entitled to receive pensions. Bosnia and Herzegovina has signed BSSAs with Germany, Austria, Belgium, France, Luxembourg, Slovenia, North Macedonia and Turkey, which cover the majority of Bosnia and Herzegovinian emigrants. These Agreements ensure pension portability for Bosnians across countries.

In order to unlock the larger potential of remittances, recent initiatives aim to support increasing the financial literacy of migrants and their families and reduce the cost of remittances. In Bosnia and Herzegovina, still a large portion of remittances is sent via unregulated channels, due to lack of trust and high costs of transactions through formal financial institutions, which remain among the highest in the Europe and Central Asia region.⁶⁰ The World Bank project "Greenback 2.0", funded by the Swiss government, has the goal to increase access to financial services of formal financial institutions to migrants and their families in three countries: Albania, Bosnia and Herzegovina and Kosovo. In Bosnia and Herzegovina, Gradačac was selected as a "Champion City" for an initial pilot. The project includes activities to support financial literacy programs, connect migrants with remittance service providers, and increase awareness of the use of remittances and other financial services for community-driven initiatives.

Beyond supporting remittances, the Bosnian government has made different efforts to connect the diaspora with the country, in particular through engagement platforms. The MoHRR, with the support of the SDC, UNDP and IOM, created an Interactive Portal for Diaspora with the goal of strengthening cooperation and networking of diaspora associations. The portal includes a registry of diaspora associations and a knowledge transfer forum for networking and collaboration. Up to now, 53 diaspora associations based in 17 different countries have registered. After the forum's

⁵⁸ United Nations Multi-Partner Trust Fund Office <https://mptf.undp.org/project/00067211>

⁵⁹ https://www.ilo.org/global/topics/forced-labour/WCMS_100976/lang--en/index.htm

⁶⁰ <https://blogs.worldbank.org/en/peoplemove/making-remittances-work-poor-three-lessons-learned-three-greenback-20-remittance-champion-cities>

public call in September 2023, 20 experts from the diaspora applied in the first 2 months, and 6 of them were already connected with reception institutions in Bosnia and Herzegovina.⁶¹ At the entity level, both the RS and the Federation of Bosnia and Herzegovina have also been active. The Ministry of European Integration and International Cooperation of the RS has created an online portal for diaspora engagement (www.dijasporars.com) which serves as a two-way information and communication platform between the diaspora members and the RS. It keeps the diaspora informed about the ongoing events taking place in the RS and helps the diaspora to communicate its interests and activities. The Ministry of European Integration and International Cooperation also created the diaspora registry with the objective of strengthening the cooperation between the citizens abroad and the RS's institutions. The registry builds on a database consisting of diaspora members who wanted to actively participate in the network.⁶²

Non-governmental institutions have also developed platforms to engage with the diaspora such as “i-dijaspora” or the World Diaspora Alliance of Bosnia and Herzegovina. The “i-dijaspora” platform was founded in 2014 with the aim of connecting the Bosnian diaspora in Switzerland. In 2016, with the support of the SDC it expanded the efforts to create a self-sustaining platform that connects individuals, institutions, NGOs and firms and strengthens economic, educational, cultural and social cooperation.⁶³ I-dijaspora also developed Diaspora Dialogues, which are workshops where the diaspora discusses their experiences of leaving the country arriving in Switzerland and creating belonging in both countries, with the objective to build community. The platform has also organized online discussions on different topics such as deliberative democracy or bilingualism. More recently, the i-dijaspora platform has launched internet meetups to connect the global diaspora from specific towns such as Zenica, Živinice, Bijeljina and Kladanj. The World Diaspora Alliance of Bosnia and Herzegovina is an umbrella organization founded in 2002 that aims to connect and synchronize the work of different associations, clubs and other entities for diaspora across countries.⁶⁴ It includes associations of Bosnians in Australia, Austria, Belgium, Canada, Croatia, Denmark, Egypt, Finland, France, Germany, Italy, Netherlands, Norway, Slovenia, Sweden, and Turkey, as well as cross-country associations such as the Union of Women of Bosnia and Herzegovina in Diaspora or the BHRoots - Alliance of Youth of Bosnia and Herzegovina in Diaspora. However, the SSDBiH mainly represents the diaspora of Bosniaks rather than the one of the entire Bosnia and Herzegovina.⁶⁵

A key program that strengthens diaspora networks and facilitates knowledge transfer from the diaspora to the local economy is the Diaspora for Development (D4D) Program. The project was financed by the Swiss Development and Cooperation (\$5.69 million). Main activities include developing public institutions' instruments to engage with the diaspora and aligning the development strategy of local governments to the diaspora policy framework. Other priorities involve diaspora mapping, linking the diaspora with public and private economic sectors and providing services to the diaspora and community initiatives to attract the diaspora's investment. After four years of the D4D program, 2,379 jobs and livelihood opportunities were created, over BAM

⁶¹ <https://www.dijaspora.mhrr.gov.ba>

⁶² <https://dijasporars.com/wp-content/uploads/2022/10/%D0%91%D1%80%D0%BE%D1%88%D1%83%D1%80%D0%B0%20%D0%A0%D0%B5%D0%BF%D1%83%D0%B1%D0%BB%D0%B8%D0%BA%D0%B0%20%D0%A1%D1%80%D0%BF%D1%81%D0%BA%D0%B0%20%D0%B8%20%D0%B4%D0%B8%D1%98%D0%B0%D1%81%D0%BF%D0%BE%D1%80%D0%B0.pdf>

⁶³ <https://www.idiaspora.org/en/contribute/blog-entry/innovative-approaches-diaspora-engagement-i-platformi-dijaspora-connecting>

⁶⁴ <https://ssdbih.com/>

⁶⁵ Policy on Cooperation with Diaspora (2017).

6 million accumulated in diaspora investment and 2,235 diaspora members engaged and contributed to government-diaspora dialogue. The second phase of the Diaspora Knowledge Mobility Project recently started in November 2023 with a budget of 2 million. For the first time, the government via the MoHRR is the direct implementer of the diaspora program. In two months, 20 applications were received, with the targeted areas being STEM fields. The Mozaik Foundation, with the support of SDC, is also implementing a program that matches young entrepreneurs (mentees) with diaspora experts (mentors) that provide know-how to their new businesses and has led to 36 innovative business ideas so far. As a follow-up of diaspora-engagement activities implemented through the D4D, the Government of Switzerland funded the Diaspora Community Program to connect the diaspora with start-ups in Bosnia and Herzegovina. With a budget of EUR 0.6 million, the Program allowed for channeling grants through 18 different municipalities, with co-financing from municipalities, and a mentorship network operated by the NGO Mozaik.

At the entity level, both the RS and FBiH have developed different programs to activate diaspora engagement and cooperation. The RS launched the Diaspora Forum in 2018 to establish strong economic, cultural and scientific cooperation. Forums, which take place on a periodic basis, are an opportunity for the diaspora members to share their views on improving the cooperation of the diaspora with the RS's institutions.⁶⁶ After each forum, the participants' insights are reviewed and taken into consideration when preparing the strategic documents on cooperation.⁶⁷ Moreover, the Serbian Cultural Institute, Matica Srpska Montenegro, with the help of the Directorate for Cooperation with the Diaspora organizes summer schools for the diaspora members as well as foreigners who want to undertake a Serbian language course accompanied by extracurricular activities allowing to explore the RS sites and culture.⁶⁸ In the Federation of Bosnia and Herzegovina, the Federal Ministry of Displaced Persons and Refugees has a program for co-financing organizations and initiatives by the diaspora communities. In 2023, the ministry co-financed 17 diaspora cultural and artistic associations and memorial centers, with capital allocated varying from 5,000 KM to 50,000 KM.⁶⁹

Significant efforts have been made to promote investment activities of the diaspora, with the Diaspora Invest Program (DIP) being the largest program in the country. Active between 2017 and 2022, the DIP had a budget of \$6.6 million, funded by USAID and implemented by Naša Perspektiva Group. It provided: (i) grants to diaspora firms to incentivize investment; (ii) technical assistance to help navigate the domestic regulation to start or expand a business; and (iii) an information exchange platform to strengthen networks. The DIP prioritized strengthening the link between diaspora and development at the local level, channeling investments and knowledge resources to local communities. In turn, municipalities provide further incentives on their own, such as local tax exemptions, free land, financial support and, in some cases, business-friendly certifications. To obtain this certification, municipalities have to meet certain criteria that facilitate the business environment such as a development strategy, economic zones, a business council, a one-stop-shop for businesses, digitalization of certain services, etc.). After four years since the start of its

⁶⁶ <https://dijasporars.com/forum-dijaspore/>

⁶⁷ <https://dijasporars.com/wp-content/uploads/2022/10/%D0%91%D1%80%D0%BE%D1%88%D1%83%D1%80%D0%B0%20%D0%A0%D0%B5%D0%BF%D1%83%D0%B1%D0%BB%D0%B8%D0%BA%D0%B0%20%D0%A1%D1%80%D0%BF%D1%81%D0%BA%D0%B0%20%D0%B8%20%D0%B4%D0%B8%D1%98%D0%B0%D1%81%D0%BF%D0%BE%D1%80%D0%B0.pdf>

⁶⁸ https://dijasporars-com.translate.google/en/u-crnoj-gori-zavrsena-treca-ljetnja-skola-srpskog-jezika-za-srpsku-dijasporu-i-strance/?x_tr_sl=sr&x_tr_tl=en&x_tr_hl=en&x_tr_pto=sc

⁶⁹ <https://fmroi.gov.ba/konacna-rang-lista-aplikanata-po-javnom-pozivu-za-sufinansiranje-projekata-nevladinih-organizacija-i-memorijalnih-centara-iz-bosne-i-hercegovine-u-bosanskohercegovackom-iseljenstvu/>

implementation, 164 firms received USD 2 million in grants and invested USD 22 million from their own capital, diaspora firms employed 1,571 workers (30% in less developed municipalities) and investments reached 64 municipalities (28% less developed). From the total, 28% reached and 30% were employed in less developed municipalities.

Given the success of the DIP, a second phase (2022-2027) of the project is being implemented with funding of \$15.7 million. The new project includes a mapping of the diaspora in each municipality, grant funds and technical assistance to firms, as well as local community engagement. This second phase also explores different options to develop other forms of financing that the diaspora could invest in, such as crowdfunding, or investment platforms. The main objectives of the interventions are to strengthen local governments' ability to engage the diaspora through public-private dialogue, allow for knowledge transfer and investments, facilitate investment in diaspora startups and MSMEs, and expand access to financial instruments to diaspora MSMEs. The second phase of the project expects to raise USD 50 million in new diaspora and private investment in Bosnia and Herzegovina, provide up to 2,000 new jobs in diaspora-related companies, support 600 diaspora-related startups, joint ventures, and MSMEs and engage 30 local communities in attracting diaspora knowledge and investment capital.

At the entity level, the Federation of Bosnia and Herzegovina allocates funds to support diaspora investment. The FBiH Ministry of Displaced Persons and Refugees recently implemented two public calls for the diaspora. The first program of diaspora investment provides financial support for those opening new companies or branches in Bosnia and Herzegovina. With a total budget of 300,000 euros, it offers grants up to 100,000KM (50,000 euros) per firm, with the condition that firms have to employ a returnee from the diaspora. Of 15 applications, 6 firms were awarded grants. The second program offers funds for domestic NGOs willing to invest in the diaspora, in different topics such as culture, or sports. The application process was recently closed with a total of 25 applications.

Return migration and reintegration services

During the last decade, Bosnia and Herzegovina has strengthened the system of repatriation and reintegration of citizens, particularly of those under readmission agreements, providing key services throughout different phases. As in other Western Balkan countries, the system of repatriation in Bosnia and Herzegovina has rapidly developed in coordination with EU guidelines, following the European asylum seeker crisis in 2015 that included a large number of rejected asylum applicants from the Western Balkan countries that had to return to their countries of origin. Migrants whose asylum applications are rejected can voluntarily choose to return, sometimes with assistance from international or non-profit organizations, or may be forced to return through readmission agreements between the country of destination and Bosnia and Herzegovina. Throughout the return process, these repatriated migrants are eligible to receive support and certain services to facilitate their reintegration. The system is very comprehensive and entails clear coordination between institutions, although it is still developing. For example, an information system is being developed to facilitate assistance and support evidence-based decision-making. The readmission process is comprised of three different stages: first the process of arrival to Bosnia and Herzegovina, second the temporary location in the readmission center, and finally the arrival to the municipality of choice.

During the first phase, Bosnian authorities collaborate with those from the host country and support the safe return to the country. The procedure starts when there is a readmission request from a third country to the Ministry of Security about a particular person who does not have the legal basis to remain in the country. First, the Immigration Sector of the MoS evaluates whether the person is a Bosnian citizen and sends the request to the Ministry of Civil Affairs to establish the identity of

the person subject to readmission.⁷⁰ Once the identity is confirmed, the MoS informs the MoHRR and the Border Police about the acceptance of the returnee. Then the Border Police does checks to the returnee at the border according to the laws. Upon arrival at the border, the returnee fills out a family questionnaire. If the returnee requests government assistance in further accommodation, he or she will be transported and accommodated in a Readmission Center. If not, the MoHRR informs the local self-governance unit where the returnee under the Agreement on Readmission is mapped about his or her arrival. When the return person is a minor, the MoHRR assigns a temporary tutor. In those cases, or when the returnee has special needs, the MoHRR collaborates with social welfare centers or other relevant institutions to provide further assistance.

If returnees request so, they are temporarily placed in readmission centers where they are provided with housing and other services. If a returnee under a readmission agreement requests support for accommodation at the border crossing, he or she is provided with transport to a readmission center. The centers function as temporary reception for up to 30 days with the goal of registration, preparation and referral of returnees, while also providing necessary services. At the center, returnees are provided information about their different options and opportunities for further integration into the local community. They are also given the "Information Sheet" and the "Information Brochure for Returnees under Readmission Agreements," which contain all necessary information and contacts to access all the services they are entitled to. The returnees also receive a free medical checkup conducted by a health institution contracted by the MoHRR. Throughout this process, the personnel in the reception centers and civil servants from the MoHRR are trained to follow the procedures of reception and ensure the rights of returnees with particular attention on the reception of returnees with certain mental disabilities or exhibiting violent behavior.⁷¹ The MoHRR has also signed agreements with different non-governmental organizations to provide further services at the centers. For example, the NGO 'Vasa Prava' [Your Rights] provides legal counseling to returnees under the Agreement on Readmission accommodated in the Salakovac Readmission Center, particularly tailored to obtaining identification documents. In turn, Bosnia and Herzegovina Women Initiative (BHWI) Foundation provides transportation of unaccompanied children in line with the Protocol on Readmission, Escort and Temporary Care of Unaccompanied Children returning to Bosnia and Herzegovina under the Agreement on Readmission. At the end of the stay, returnees are referred to their selected place of residence in Bosnia and Herzegovina.

In the third phase, returnees are supported to integrate into the localities of choice, receiving further information and services. Once in the local self-governance unit, Local Readmission Teams of municipalities, who are particularly trained for this task, fill out additional forms about the social and economic history of the returnee to plan support activities for their reintegration and periodically monitor and report outcomes across different responsible institutions. Additionally, relevant personnel of the local self-governance units receive Social and Economic Cards (SEC) providing information about the demographics of the returnees, level of their vulnerability, education, health and ability to work. The MoHRR also receives this information to develop a standardized approach to review and delivery of economic support. The final goal is to develop sustainable long-term earning capacity for all returnees across the country. Returnees with an unresolved housing problem can also have access to accommodation thanks to the Project on Integrated Support Program for Reintegration of Returnees under the Agreement on Readmission

⁷⁰ Strategy for Reintegration of Returnees under Readmission Agreements and the Action Plan for the Period 2019-2022.

and 2015-2018 Action Plan, which equipped and rehabilitated 36 dwelling units for those in need.⁷² In the last years, several NGOs have also been implementing non-profit housing programs focused on socially vulnerable groups, including returnees under readmission agreements, in collaboration with local self-governance units.

The Federal Ministry of Displaced Persons and Refugees (FMROI) annually implements projects providing support for the sustainable return of Bosnian migrants in adherence with the Return Plan adopted by the Federation of Bosnia and Herzegovina. Through different calls, the FMROI aims to support returnees' sustainable reintegration and building facilities of importance to the wider community in places of returns in Bosnia and Herzegovina. In 2023, the ministry co-financed the diaspora members' investments in returnee's communities targeting less to medium economically developed districts.⁷³ The project aims to co-finance infrastructure such as roads, water and sanitation, public lighting, or education, sports, cultural or religious facilities that can improve the quality of life of returnees and displaced persons. Each project can receive a maximum of 500,000 KM, and a given municipality cannot receive more than 2,000,000 KM annually.⁷⁴ Additionally, the Return Plan includes humanitarian projects with an objective of providing social care through food packages, medical support, and free legal assistance by selected law offices, among others.⁷⁵

Other programs of the FMROI target the sustainability of return through the support for employment opportunities in the agricultural sector and funding for start-ups. The program "Support for the development of start-up of returnees" provided funds to 59 beneficiary firms to start their business. The project "Support for employment/self-employment of returnees in agriculture in Bosnia and Herzegovina for the period 2024-2025" provides funds to returnees or agriculture cooperatives with members that are returnees to buy planting and seed material, and co-financing the acquisition of machinery and equipment in agriculture. The estimated results for 2023 expected 1000 returnees and returnee families to be provided with employment support in agriculture.

The FMROI also provides scholarships and internship opportunities throughout the entire country for young returnees to increase their human capital and support their employability. The scholarship program, with a budget of more than one million KM, offers scholarships in the amount of 1,100 to 1,200 KM for students from returnee households to study in accredited higher education institutions in Bosnia and Herzegovina. Students should be 30 years old or younger, and those coming from minority groups, married, or studying a major in a field that has labor shortages according to the LEA have additional points in the evaluation of the application. In 2023, 933 students received scholarships from 66 municipalities and cities. The "Program of Assistance in Carrying out an Internship through Work for Returnees" aims to provide professional training and the acquisition of appropriate work experience for 100 returnees, in order to increase their competitiveness on the labor market. The focus of this internship is to facilitate the sustainable return and retention of young, educated personnel in Bosnia and Herzegovina. In exchange for a maximum of one year of training of the intern, the FMROI makes a one-time payment to employers that covers the monthly expenses of the intern (including travel, food and accommodation and other expenses related to the work) for a maximum amount of 6,000 KM as well as a payment of salary and mandatory contribution up to 9,000 KM.

⁷²

https://worldbankgroup.sharepoint.com/:w:/r/sites/P160112/_layouts/15/Doc.aspx?sourcedoc=%7B24b8e14a-84be-4c04-9abf-b2cf16113ff6%7D&action=view&wdAccPdf=0&wdparaid=3F6872CC

⁷³ <https://fbihvlada.gov.ba/bs/fmroi-federacija-bih-prvi-put-sufinansira-ulaganja-dijasporu-u-povratnicka-mjesta>

⁷⁴ Federation of Bosnia and Herzegovina (2023).

⁷⁵ Ibid.

In the Republika of Srpska, services include financial aid to returning mothers and tax refunds for firms hiring returnees. In 2022, the ministry organized a public call offering financial aid to returning women with newborn babies in 2022.⁷⁶ As a result of this public call, a total of 340 individuals received aid in that year.⁷⁷ The tax refund program refunds of tax and contribution costs that employers incur for employed returnees in the territory of the Republika Srpska in 2023.

For migrants returning to Bosnia and Herzegovina, IOM also offers the Assisted Voluntary Return and Reintegration service. IOM cooperates with the Service for Foreigners' Affairs to assist emigrants with making a decision about their return, support them through the process, and provide reintegration help. Only individuals without asylum status can use the program's services and it offers a legal pathway for irregular migrants to return.⁷⁸ The services before return include a free-of-charge tailored plan ensuring the emigrant's safe return and, upon the return, the individual may qualify to receive help to find housing, training and starting their new business, among others.⁷⁹ Returnees can also receive legal aid information sessions organized by Vaša Prava, IOM and UNHCR.

Bosnia and Herzegovina temporarily established the Repatriation Plan and Program of Reintegration, Rehabilitation and Resocialization of Citizens of Bosnia and Herzegovina Returned from Conflict Zone of Syria and Iraq, which also provided services. The Repatriation Plan's activities were managed by a coordination team that created the program containing short-term, medium-term and long-term security measures. In addition to ensuring safe and regulated returns, the team supported returnees with health and social protection measures, and access to education diplomatic-consular, legal and humanitarian aid, among others. Overall, social protection assistance was provided to 62 adults and 22 children as a part of the program.⁸⁰

In spite of being equal under the law, returnees under readmission agreements can face additional challenges to access services such as education, health or housing. While there are different services provided to returnees, these cannot always meet the legal requirements of residency for some of them such as those offered through public calls for addressing housing challenges. Certain vulnerable returnee groups such as Roma populations have difficulties in complying with administrative requirements such as having ID cards –for which a legal residence is required– to access the social protection provided through the centers for social work. Similarly, there have been difficulties registering and obtaining documentation for children born abroad.⁸¹ In the education system, children of returnees face difficulties in continuing their education back in Bosnia and Herzegovina. Some speak poor Bosnian, thus needing additional language investments to follow classes. The education curricula can also differ with respect to the ones they attended in the destination countries. Regarding health, all citizens in the RS are covered by mandatory health insurance. However, in the Federation of Bosnia and Herzegovina health insurance, as is the case of social protection, is accessed by those employed or those that are registered unemployed with the

⁷⁶ <https://fmroi.gov.ba/v3/wp-content/uploads/2022/06/Javni-poziv-za-dodjelu-novcanih-sredstava-porodiljama-povratnicama-na-podrucju-entiteta-Republika-Srpska-2022.pdf>

⁷⁷ <https://fmroi.gov.ba/v3/wp-content/uploads/2022/07/O-D-L-U-K-U-O-UTVRDJIVANJU-LISTE-KORISNIKA-pomoci-po-osnovu-javnog-poziva-za-dodjelu-novcanih-sredstava-porodiljama-povratnicama-na-podrucju-entiteta-Republika-Srpska-za-2022.-godina-3.pdf>

⁷⁸ <https://bih.iom.int/sites/g/files/tmzbd11076/files/2023/iom-bosnia-and-herzegovina-annual-report-2022.pdf>

⁷⁹ <https://bih.iom.int/assisted-voluntary-return#:~:text=IOM%20Assisted%20Voluntary%20Return%20and%20Reintegration%20assistance%20can%20help%20you,resettle%20in%20your%20home%20country.>

⁸⁰ <http://www.msb.gov.ba/dokumenti/strateski/default.aspx?id=23409&langTag=bs-BA>

⁸¹ World Bank (2018): "Supporting the Effective Reintegration of Roma Returnees in the Western Balkans: Consolidated Mapping Report for Bosnia and Herzegovina."

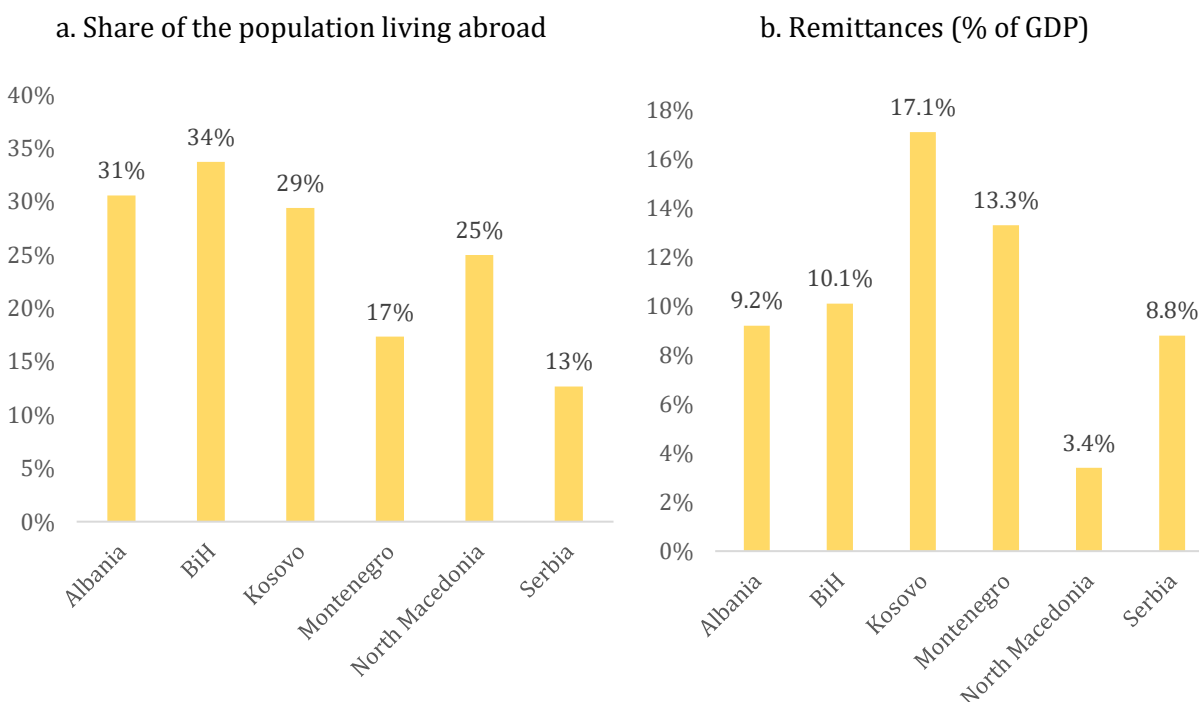
FBiH Employment Institute. Those without recognized status, as it can be the case of returnees under readmission agreement when they come back to the country after a long absence, are de facto excluded from health insurance.

Chapter III. Policy Actions to Enhance the Benefits of Migration in Bosnia and Herzegovina

Section 3.1. Strengths and opportunities of the current emigration system to enhance migration as a development strategy

Bosnia and Herzegovina's migrant population is large and has a sizable untapped potential to support the economic development of the country. There are 1.7 million people from Bosnia and Herzegovina living abroad, making it the largest diaspora in Europe relative to its total population (Figure 16, panel a). Remittances inflows remain substantial, representing around 10 percent of GDP (figure 16, panel b). However, these flows are mostly channeled through private transfers into consumption (Oruc, 2011; IOM, 2020), having a limited impact on the broader economic development of the country. On the other hand, inflows of foreign direct investment to Bosnia and Herzegovina are more limited representing 3.3% of GDP, and only an undetermined fraction of them come from diaspora investors. Thus, there is space to channel diaspora contributions to local economic development. Allocating part of remittances to more productive means can have large effects on the Bosnian productive economy. For example, if 10 percent of remittances received during the years 2021-22 were channeled through direct investment, that would increase FDI by 33% in Bosnia and Herzegovina.

Figure 16: Emigration rates and remittances in Bosnia and Herzegovina



Source: UN DESA and World Development Indicators – World Bank.

The global workforce in Bosnia and Herzegovina is ready to support the country's development. The Bosnian diaspora is not only sizable but also has a strong emotional attachment to their home country and a willingness to support its future development (e.g., Čičić, 2019; Domazet

et al. 2020; Halilovich, 2013; Halilovich et al. 2018; Ibricevic, 2019; Valenta and Ramet, 2011). Taking advantage of the wide availability of information and communication technologies, the diaspora is also in close and frequent contact with family and friends (Efendic et al. 2014), and they maintain relatively wider networks in the country. Without the need to return to Bosnia and Herzegovina, the diaspora has the potential to bring funding, investments, know-how, and business culture into the Bosnian economy. Diasporas have specific informational advantages, common cultural backgrounds, language abilities, and better information about regulations and procedures in their home countries (Leblang 2010). They also have a greater appetite for long-term investment in their countries of origin than other investors (investment “home bias”).⁸² In turn, Bosnia and Herzegovina’s investment opportunities offer the diaspora an economically stable system pegged to the euro, with low cost of land, electricity, and labor, and a strategic geographical location close to EU markets.

Bosnia and Herzegovina currently has a window of opportunity to engage the diaspora that can fade over time, highlighting the importance of not delaying actions. Evidence shows that outflows are now smaller compared to the large outmigration observed during the war, and that the second-generation diaspora (descendants of Bosnian emigrants born abroad) is significantly less engaged compared to first-generation migrants. With a sizable share of the population acquiring other nationalities, links to Bosnia and Herzegovina have been progressively weakened, as shown by the lower share of the diaspora voting in the elections over the years. Not only the total number of potentially engaged diaspora might be reduced in the coming years, but also its profile might change, as higher-educated migrants displaced from the war progressively retire. The opportunity to promote investments from a pool of qualified diaspora professionals is thus larger now and calls for more efforts to expand the outreach and engagement in the coming years. **To achieve this vision, existing efforts can be complemented by additional actions that would strengthen the governance and the service provision at the basis of the current migration system. A key element to guide these reforms is to invest in stronger data collection and monitoring to better inform migration policymaking.**

Stronger governance

While there has been significant progress in the last decade, Bosnia and Herzegovina can further strengthen and develop its legal and institutional framework for migration. Legislation in Bosnia and Herzegovina has evolved in the last decades to better integrate European standards on issues related to migration. The strategy on migration covers important aspects of migration and return. On diaspora, Bosnia and Herzegovina does not have a law or a strategy at the national level, although progress has been made, particularly with the passing of the Policy on Cooperation with the Diaspora, and diaspora strategies in both the RS and FBiH which aim to provide a framework to support the diaspora. In spite of recent efforts to develop an adequate legal framework, the lack of a law and strategy on the diaspora in Bosnia and Herzegovina might hinder the ability to structure the long-term engagement framework, provide clear roles and responsibilities of the diaspora and all the different institutions that interact with it, and secure adequate funding for this engagement. For example, there is no set implementation budget for the diaspora engagement. Furthermore, departments under certain institutions in charge of the diaspora engagement are still understaffed⁸³ which hinder the ability of these institutions to perform their duties and responsibilities. More

⁸² For example, Leblang (2009) estimates that a one percent increase in the stock of migrants from an origin country to a destination one, is associated with an increase in portfolio investments from the destination to the origin country of 0.2 percent, which translates to an average of USD 450 per migrant.

⁸³ In 2023, the Sector for Diaspora under the Ministry of Human Rights and Refugees had seven staff, and the Sector for Diaspora under the FBiH Ministry of Displaced Persons and Refugees had only two staff, with a total budget of 500,000 EUR.

broadly, further progress could be made to setting clear objectives on the migration agenda (both on migrants and returnees) aligned with national development plans, developing concrete medium-term action plans and regular monitoring and evaluation to assess progress towards those objectives. Bosnia and Herzegovina also has an opportunity to strengthen the coordination between different institutions with a mandate to work on migration, particularly vertically across different administrative levels (state, entity and municipalities). With respect to the diaspora, the country would benefit from creating diaspora councils that advise the government on diaspora matters. Bosnia and Herzegovina also needs to strengthen the integration of migration management systems for better coordination and integrated service delivery system.

Bosnia and Herzegovina can also build on existing examples of bilateral labor agreements (BLA) to support safe migration opportunities while sustaining the stock of human capital in the country. While showing significant improvements in the last decades, Bosnia and Herzegovina also needs to further develop the depth and breadth of bilateral and multilateral agreements to strengthen formal migration corridors that protect against risks and enhance the benefits of migration for migrants. Many Bosnian migrants still are not fully covered by social protection systems neither from Bosnia and Herzegovina nor at the destination countries. The BLA with Slovenia is an example of good practice, where both countries facilitate labor migration for sectors in need of workers, workers have portability of their pension system, employment agencies share data on employment opportunities and benefits covered and provide services to prospective migrants to support their migration journey. Similar BLAs could be developed with other destination countries to strengthen formal migration channels. In order to mitigate potential losses of human capital due to outmigration, Bosnia and Herzegovina could explore global skills partnerships (GSPs) with some destination countries. GSPs are programs where the origin country trains people in skills needed in both sending and receiving countries (e.g., nurses), with the receiving country partly financing the training. At the end of it, some trainees migrate (“away” track) while others stay in their country of origin (“home” track), supporting the availability of human resources in key sectors.

Tailored services

To unlock the potential of migration, Bosnia and Herzegovina also has significant room to expand the service provision to migrants throughout the whole migration journey. Migrants have large potential economic gains from the migration experience, particularly those that migrate for job opportunities. However, migrants also face particular vulnerabilities across the migration journey and require of support and services from pre-departure, while residing abroad and upon return to the country. As highlighted in the first chapter, Bosnian emigrants, tend to face matching challenges, including occupational downgrade, which translates into lower productivity and earnings. Before departure, skill training programs and upskilling for labor migrants based on demand identified from destination countries can help increase preparedness and productivity while abroad. Moreover, coordination with third countries on skills recognitions can reduce skill waste.

While abroad, the country can build stronger links with the diaspora, institutionalizing current engagements and developing a long-term comprehensive approach. Successful donor-funded individual programs have been implemented to engage and channel funds and know-how of the Bosnian diaspora. There is strong awareness by public institutions of the potential role of the diaspora as a catalyst for local development. As section 2.4 of this report shows, different donor-run programs have started to tap the large potential of diaspora engagement for development, particularly the Diaspora Investment Program (DIP) of USAID, which brought USD 22 million in diaspora investments from a USD 2 million grant and an information exchange networking platform. Significant results were also achieved by the Diaspora for Development Program (D4D) funded by SDC, which engaged 2,235 diaspora members in the government-diaspora dialogue. These programs,

although having shown a large success, also face certain barriers, particularly with respect to the economic and bureaucratic environment for doing business, and the scale of outreach to the diaspora. The transfer of know-how sometimes relies on personal connections, which limits the scale of the programs.⁸⁴ Building on the success of existing individual programs, the country has the opportunity to scale up interventions by institutionalizing current diaspora engagements and developing a system that goes beyond the life span of individual projects and ensures cohesiveness of these efforts. Expanding diaspora investments also requires further promoting a business-conducive ecosystem. This includes reducing administrative procedures and bureaucracy, and providing business services such as counseling and access to finances with one-stop-shops where foreign companies could access centralized information and support.

Bosnia and Herzegovina can also strengthen current systems to support the return and reintegration of its migrant population back into the country. Return migrants often face particular vulnerabilities, especially those who were forced to return or did so unexpectedly, which in some instances hinder their reintegration in the domestic labor market. While some services are provided by temporary reintegration centers, there is a need to strengthen reintegration plans, and develop a comprehensive case management system that offers tailored services to returnees and better guide them navigating the reintegration in the local economies. Another important aspect is to eliminate additional barriers returnees face to access key active labor market policies, in particular information gaps. While the current reintegration system focuses on the most vulnerable returnees, the system could be expanded to provide certain services to more successful returnees, which could include access to business networks, or support for entrepreneurial activities, among others.

Better data

A more effective management of the Bosnia and Herzegovina's global workforce also requires strengthening data collection systems across the migration cycle. More detailed data collection on migrants and returnees is needed to better track their migration journey, needs and assets, to then design adequate policies. Current data on the diaspora is incomplete and fragmented. There is no complete diaspora registry to tap into when trying to engage Bosnians abroad. Similarly, the registration of returned migrants is mostly reduced to self-reporting or for those that were forced to return under-readmission agreements. In this context, it is essential to develop a more comprehensive registry of migrants. Periodic household surveys need to incorporate questions on current migrants and return migration in order to better capture the whole extent of the phenomenon and the trends in economic and social outcomes of this group. Furthermore, dedicated ad-hoc surveys administered to migrant households that include questions on their current or return migrants can provide more information on the migration history, and its impacts on different aspects such as human capital accumulation, entrepreneurship, and savings and support better evidence-based policies.

Focus on diaspora engagement

Given the large untapped potential of the Bosnian diaspora for the country's development, the next sub-section goes deeper into this topic and proposes a practical approach to enhance the current efforts. Among the different gaps found in this analysis, the next subsection provides a deep dive into actionable interventions to improve the diaspora engagement in the country's economic development, be it in the form of investments, knowledge sharing or building international networks. Enhancing diaspora engagement does not address all the challenges associated with migration in

⁸⁴ For example, the matching between mentors and mentees in the Mozaik project is done between the parties, and the recent government-funded collaboration of the hospital of Banja Luka with a clinical center in Austria to bring experts for training was initiated by a doctor who previously worked in that center).

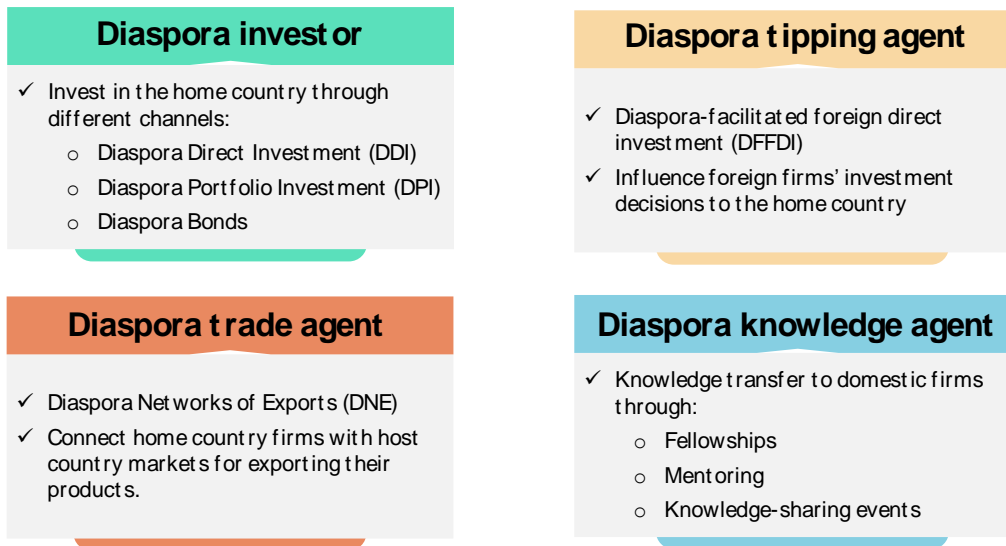
Bosnia and Herzegovina, and other gaps highlighted in this report also need to be addressed to improve migration outcomes in the country. Still, this focus is chosen based on the sizable Bosnian diaspora, which in many instances does not return to the country, and its largely untapped potential that might progressively fade in the coming years if no additional efforts are made to expand its engagement. The next subsection is structured into 4 parts. Subsection 3.2.1 presents the different roles that the diaspora can play and the different instruments that can be activated in the development of the country. Subsection 3.2.2 introduces key elements for a successful diaspora engagement in the domestic economy, including building trust and an adequate institutional and business environment, mapping opportunities and outreach efforts to expand the take-up of diaspora programs, and designing specific diaspora programs and interventions. Subsection 3.2.3 provides lessons learned from international experiences. Finally, subsection 3.2.4 presents a proposal of a diaspora investment project to support specific municipalities facing economic transformation as a key intervention to diversify the local economy and promote employment.

Section 3.2. Deep dive: designing a comprehensive system that leverages the diaspora potential for the development of Bosnia and Herzegovina

3.2.1. What do we know about potential ways to engage the diaspora?

The diaspora can play different roles in supporting the country's development through financing, transferring of know-how, or facilitation of business networks and exports (figure 17). Diaspora investors are any individual diaspora member that financially invests in the country. They take risks with their own capital in expectation of obtaining financial returns as well as supporting the country (home bias). As opposed to other foreign investors, diaspora investors have affective ties to the country that induce them to accept lower returns or higher risks than they would for other investments (Nielsen and Riddle 2012). They also have cultural, information and network advantages that reduce the costs of investment in the country (Brinkerhoff 2017). The diaspora can also play the role of a “tipping agent”, which usually are high-level management officials in foreign companies that can influence their investment decisions and channel FDI to the country. They are considered brand ambassadors for the home country and, while they do not need to invest their own financial resources, they channel foreign investments to the country. Diaspora trade agents work in general as managers in foreign companies and have connections with businesses in other countries. They link products of home country firms with new buyers from host country markets. Finally, diaspora knowledge agents are usually professionals or executives of a foreign-based company, who have extensive experience doing business and can support local firms and entrepreneurs by sharing business knowledge. Importantly, an individual diaspora member can potentially play more than one role at the same time.

Figure 17: Main types of diaspora agents and instruments to support local economic development



Different types of instruments can be used to activate different types of diaspora investors such as direct investments, portfolio investments, or diaspora bonds. While remittances are one-way transfers directly sent from individual emigrants to their families, relatives and acquaintances (individual-to-individual), diaspora investments are a two-way exchange in which individuals or companies invest in domestic businesses, government organizations, or NGOs with an expectation of a return on investment (Gelb et al. 2021). Among diaspora investments, three instruments make the largest contributions to the productive economy in the country (figure 17). Diaspora direct investments (DDI) occur when a parent foreign company owned by diaspora members sets up a subsidiary or associated company in the country of origin with their own funds or takes a stake in a business of more than 10% of all shareholdings, establishing some level of control over the local business. It usually happens in an industry in which the diaspora member has had extensive experience and success abroad, also taking a mentoring role. Diaspora portfolio investments (DPI) are those where a diaspora investor obtains a small proportion of the equity of a business in the sending country which does not necessarily influence the day-to-day activities of the domestic company. The DPI usually takes the form of purchases of traded shares in individual business (stock market investments), or mutual funds, which are professionally managed pools of funds that invest in a diversified portfolio of listed companies. In turn, diaspora bonds are issued by a government, public utility or corporation, which channel funds from diaspora investors to finance general government debt, specific projects (e.g., infrastructure), or even under-financed firms. They allow contributions from the diaspora to the country's development without the need to have entrepreneurial drive or business know-how. They tend to offer lower interest rates than regular government bonds, what is called the "patriotic discount".

Ireland, India, Israel, and Taiwan provide examples of successful interventions at a large scale to activate diaspora investments to the benefit of their economies. Governments play an important role in supporting the business environment and acting as intermediaries, connecting investors and domestic firms in need of funding. Taiwan represents one of the most successful examples of developing sustained efforts to attract DDI in the country. With the creation of the Hsinchu Industrial Park and a strategy to tap into its highly skilled Taiwanese diaspora in Silicon

Valley, the government was able to attract large inflows of diaspora investments and transform the economic structure from low-cost production into competitive centers of technology, incentivizing in the longer term the return of qualified workers to the country. At a small scale, the MARDI initiative in Kosovo, provides financial incentives for DDI through matching grants for the Kosovar diaspora to invest in innovative and sustainable local businesses, connecting businesses, and establishing relationships between municipalities in Kosovo and EU (with four agreed investment projects and 16 others in the pipeline). Private sector initiatives have also been shown to pave the way for more diaspora investments. In Ireland, 'Connect Ireland' is an agency created to crowd-source incoming FDI opportunities in Ireland for its diaspora. With respect to diaspora bonds, India and Israel are perhaps some of the most successful examples. India issued three large diaspora development bonds (in 1991, 1998, and 2000) targeting non-resident Indians (NRIs) with the goal of stabilizing the economy in a period of balance of payment crisis. It successfully managed to raise more than USD 11 billion, offering NRIs different investment options such as government bonds, bonds on railway infrastructure, state development bonds, and municipal bonds for local projects. Israel, through the Development Corporation for Israel (DCI), has also issued a wide menu of diaspora bonds to its diaspora since 1951 raising more than USD 25 billion since then to raise long-term infrastructure investment capital.

Instruments to activate diaspora tipping and trade agents include networks of exports and diaspora FDI promotion. Evidence shows that multinational firms are more likely to invest in a particular country if its ownership or management has significant representation from that country (Graham 2011, 2019). These investments are called "diaspora-facilitated foreign direct investment" (DFFDI) and are triggered by the persuasion of diaspora "tipping" agents in the foreign company about the benefits of investing in their country of origin. Under the DFFDI, the foreign firm of the diaspora member takes up an equity stake and active supervision of the local company. While these investments are less frequent than the DDI, they have a potentially higher investment capacity given the size of these multinational firms. Other instruments that support growth of local firms are diaspora networks for export (DNE). Under these schemes, expat professionals connect local firms with potential foreign firm buyers of their products, promoting their exports and facilitating their business development. As in the DFFDI, the DNE do not entail any direct investment from the agent from a foreign firm but rather building global networks.

Governments can activate diaspora knowledge agents by implementing a wide range of programs such as fellowships, mentorships or knowledge-sharing events that connect diaspora members with key skills with local business, research and academic communities. The diaspora can also play a fundamental role in the development of the country by supporting skills enhancement and the transfer of knowledge to the local economy. Mentoring support, entrepreneurship and business skill development, and business information are important mechanisms that are usually included in diaspora investment programs. (Gelb et al. 2021). Diaspora associations of specific research and business sectors such as the Polish Scientists Abroad Group can build global networks to facilitate knowledge transfers. Fellowship programs, with varying duration of between a few months and a few years, fund diaspora experts abroad to reside in the home country and collaborate with specific business or research institutions to support knowledge sharing and promote best practices. For example, the Unity Through Knowledge Fund in Croatia generated a co-financing mechanism (between the government and private sector) that funds collaborative scientific projects between Croatian scientists abroad, international scientific institutions, and young scientists in Croatia. With a budget of USD 7.8 million, 91 projects were funded, attracting more research funds to the country, building networks, and resulting in several research publications in top scientific journals. Similarly, the Serbian Science Fund provides financial incentives for diaspora members to develop research projects in the country and spur collaboration with local research and development agencies. Different countries also put in place knowledge-sharing events (such as business-to-

business) in specific fields and sectors of activity, usually organized by embassies, donors or private organizations. In Lithuania, the government-run “Kurk Lietuvai [Create Lithuania]” program provides opportunities for young diaspora members to participate in a 12-month rotational program in public sector institutions to promote ideas exchanges in how to promote the business environment, entrepreneurship and FDI. Other interventions develop diaspora mentorship platforms that match mentors from the diaspora abroad (experts) with mentees from local businesses, entrepreneurs or academic communities based on professional interests. In Ireland, the Irish Technology Leadership Group of entrepreneurs in Silicon Valley provides mentoring and networking opportunities. The Irish government leveraged this organization to support the development of the technology start-up sector to access the US market and know-how.

3.2.2. Key elements for a successful diaspora engagement

Engaging the diaspora to support local economic development requires a long-term and holistic vision, as well as sustained efforts that go beyond the lifetime of individual diaspora projects. Ireland is a good example of a benchmarking country that has developed a comprehensive approach to actively and successfully engage its diaspora (see box 4). Best practices in this area include three key elements that foster diaspora participation in the country’s economic development (figure 18). Firstly, benchmarking countries develop solid institutional and economic foundations to be able to attract and support diaspora business endeavors in the country. Ideally, this enabling environment would be in place before the start of specific diaspora projects to ensure their success, as otherwise they might struggle to have higher take-ups even when they have good design parameters. In other words, poor business and institutional environments that limit economic opportunities at home and lead to outmigration are also key deterrents to foreign investment, including that of the diaspora. In practice, specific actions to improve the business environment are viewed as complementary and tend to be implemented alongside more specific efforts and interventions to strengthen diaspora engagement. Indeed, several diaspora programs in Bosnia and Herzegovina, mostly donor-driven, also provide capacity building to strengthen the institutional and economic framework. Secondly, more robust diaspora engagements require a long-term relationship where governments not only seek their funding and investments but also provide services to them and forge a strong sense of belonging and identity to the homeland, beyond any individual diaspora program. Finally, governments need to design adequate diaspora products and interventions that take into consideration their goal (e.g., support knowledge transfer, increase exports, activate the entrepreneurship environment in certain regions), select the most convenient intervention to achieve that goal (e.g., knowledge workshops, network events, matching funds for entrepreneurship, etc), and provide adequate funding. Throughout this engagement, data collection for monitoring and evaluation is essential to understand what works and what does not in specific contexts, as well as to adjust and adapt specific programs throughout their lifetime.

Box 4: Diaspora engagement in Ireland

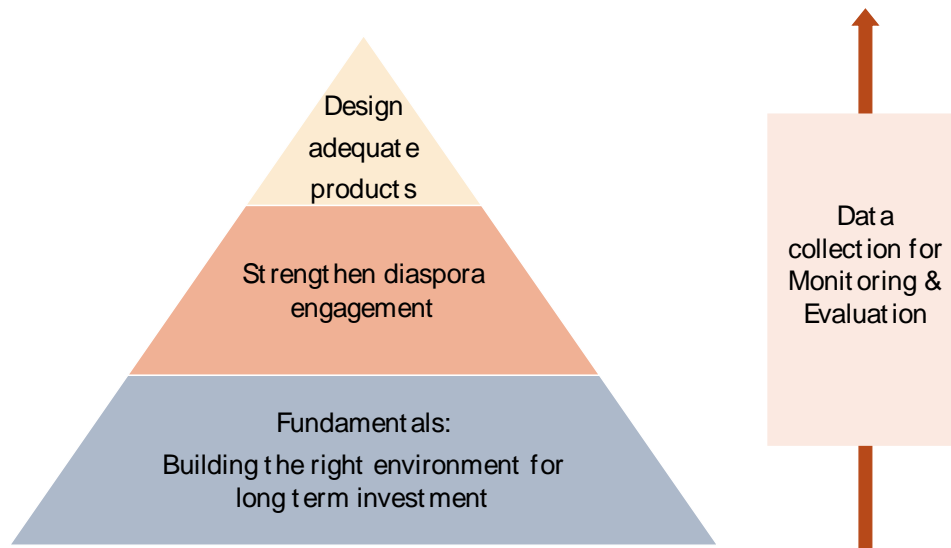
Recognizing its diaspora as one of the greatest resources for the country, the Irish government has a long tradition of building a comprehensive and holistic system to engage and leverage the diaspora for the country’s economic progress. First of all, it has in place a thorough diaspora strategy (‘Global Ireland’ 2020-25) which targets the contribution of the 70 million ‘Global Irish’ workforce to Ireland’s development. It then implements a number of diverse policies and initiatives to support the Irish community through a two-pronged approach, where it aims to build

a strong connection with its diaspora while promoting and supporting the return to the country of a part of it.

The government of Ireland has been able to forge a strong connection with the diaspora by implementing the Emigration Support Program, which provides key services to the diaspora, particularly for those in need after unexpected events such as the COVID-19 pandemic. The government has also invested in programs that foster the Irish cultural heritage and philanthropy, in order to build trust. Other initiatives have included frequent knowledge-sharing events and platforms to develop business networks. All these efforts have created the foundation for the success of financial and capacity-building programs that incentivize diaspora investments in Irish companies. Overall, the country has a dynamic inflow of foreign capital, has expanded tourism inflows related to the diaspora, and strengthened cross-national knowledge transfers and global professional networks.

In order to support the return migration of part of the Irish emigrants, the government has put in place two programs. On the one hand, the Safe Home Ireland Program gives information on housing, welfare, finances and job opportunities in Ireland for prospective returnees. On the other hand, the Back for Business Program provides financial and technical support to Irish emigrant entrepreneurs seeking to relocate and start their own businesses in Ireland. These programs have incentivized return flows, facilitated the reintegration in the country, and spurred entrepreneurial activities.

Figure 18: Steps for activating diaspora knowhow and financial transfers for the benefits of the local economy



A. Creating an adequate environment for long-term investment

The first step for activating diaspora participation in the local economy entails creating an adequate environment for investment, including sound governance frameworks to guide the relationship between government institutions and their diaspora. The foundation for a fruitful diaspora engagement includes developing an institutional framework, promoting a business-friendly environment that can attract investments, and strengthening the diaspora's trust in the government

and local institutions. With respect to the governance framework, strategies, laws and regulations provide the legal basis for the broad interaction between the government and its citizens in the diaspora. Best practices develop a diaspora strategy aligned with national development plans, setting clear objectives, concrete medium-term action plans and regular monitoring and evaluation. In spite of recent efforts to develop an adequate legal framework, the lack of a law and strategy on the diaspora in Bosnia and Herzegovina might hinder the ability to structure the long-term engagement framework, provide clear roles and responsibilities of the diaspora and all the different institutions that interact with it, and secure adequate funding for this engagement. Still, recent developments such as the policy for cooperation with the diaspora, as well as the broader legal and strategy development at the entity level partially overcome these limitations (figure 19). Other laws like the law on citizenship also can facilitate engagement with the diaspora. That is the case in Bosnia and Herzegovina, which allows dual nationality so Bosnian citizens who acquire another nationality do not need to renounce to the Bosnian one. This is important as it facilitates mobility to the country and access to services, allows to vote in elections and supports a stronger connection to the home country. However, as mentioned in section 2.1.2 in this note, key destination countries such as Germany do not support dual nationality, de facto leading to a significant number of the Bosnia diaspora renouncing the Bosnian nationality.

Figure 19: Diaspora governance framework in Bosnia and Herzegovina

Strategy on diaspora	No diaspora strategy at the national level but each entity has developed its own
Law on Diaspora	No
Dual citizenship	Yes
Diaspora coordinating body	Yes (Ministry of Human Rights and Refugees)
Diaspora consultative body	No

A solid institutional structure requires clear roles and responsibilities of different institutions, coordination mechanisms across them, and embedding feedback channels from the diaspora throughout the process. Governments can play different roles in the development of diaspora engagement. Experiences in countries such as Ireland, Scotland, Taiwan or Jamaica have shown strong benefits of governments providing guidance, funding or bureaucratic support role but not full ownership in diaspora projects.⁸⁵ The government, thus, plays an enabler role in facilitating the engagement of the diaspora and connect it with the right business opportunities in the country. Key functions of the central government are: (i) developing nation-wide mapping and outreach efforts to connect the diaspora, (ii) establishing a coordinating body as a national focal point for coordinating efforts of public and private institutions, (iii) providing services to migrants; (iv) providing information on investment opportunities in the country and (v) facilitating networks. As the diaspora tends to be more attached and engaged with their local communities of origin, local governments also play a key role as facilitators, by developing a business-friendly environment, connecting investors with economic opportunities, and providing key services and information on how to navigate the local regulatory and business ecosystem. International donors and other private organizations can support this process by providing financial assistance and incentives as well as capacity building and technical support to both public institutions and the diaspora. Finally, diaspora and business groups are fundamental stakeholders in the development of the institutional

⁸⁵ IOM (2021). Global Best Practices in Diaspora Engagement: Lessons for Armenia.

framework as they are best suited to mobilize diaspora in particular projects. Best practices in diaspora engagement create diaspora consultative bodies that advise the government on diaspora policy matters. For example, the Diaspora Advisory Council of Latvia is an advisory body aimed at promoting a coherent diaspora policy, setting its annual priorities, and supporting its monitoring and evaluation.⁸⁶ In Bosnia and Herzegovina, there is an opportunity to strengthen the coordination between different institutions with a mandate to work with the diaspora, particularly vertically across different administrative levels (state, entity and municipalities), and to create diaspora councils that advise the government on diaspora matters.

Another pillar for the foundational work on diaspora engagement is ensuring a conducive business environment in the domestic economy. Diaspora investors, as any other investor are motivated by the success of any potential ventures. While also tapping on the particular ties that diaspora investors have to the country, any efforts to channel and incentivize diaspora investment have to be linked to building a stronger business environment in the different areas that want to attract investments. This includes developing laws and regulations that are transparent and support businesses, such as simplifying procedures to start a business, providing strong legal protection for minority investors, making employment regulations more flexible, or building taxation systems that avoid double taxation and include fiscal incentives for the diaspora. As a benchmark example, the success of the government of Korea in bringing diaspora talent was partly driven by its capacity to generate an environment for investment, including investing in education, infrastructure, science and technology and fostering entrepreneurship. Cross-country best practices include supporting access to reliable key services such as electricity, waste management, or internet, easing restrictions to access credit for international firms, speeding up administrative processes (particularly to obtain construction permits or registering property), and creating one-stop-shops for businesses that centralize all relevant information, help businesses navigating bureaucratic processes, provide diaspora business services, and facilitate links to the supply of labor available in the local economies (such is the case in India).

Bosnia and Herzegovina has room to strengthen the relatively weak business environment to support foreign investments, including those from the diaspora. The country ranks 90 out of 190 countries in the Doing Business indicator of the World Bank. Across Europe and Central Asia countries, only Tajikistan ranks lower (106). Other Western Balkans also have a more conducive business environment, ranking between 17 in the world (North Macedonia) and 82 (Albania). The main challenges include complexities to starting a business (where it ranks 184 out of 190 countries globally) and dealing with construction permits (173 out of 190), which tend to be lengthy and time-consuming (80 days to open a business on average and 180 days to obtain construction permits) and involving a large number of procedures. Access to reliable key services such as electricity is also frequently mentioned as a key constraint for conducting business.⁸⁷

The foundational work for diaspora engagement also entails trust building, in particular in countries with a fragmented diaspora and historical grievances. Different factors such as the length of stay abroad, the reason for migration, or ethnic and other socio-economic cleavages shape how close the diaspora is to their country of origin. But government efforts can also determine the extent of connection with the country, strengthening the identity and belonging with the country. Connecting with the diaspora is a long-term endeavor that requires building a two-way relationship where the diaspora supports the country but also benefits from it, and based on good communication

⁸⁶ <https://www.mfa.gov.lv/en/diaspora-policy#:~:text=The%20Diaspora%20Advisory%20Council%20is,evaluation%20of%20the%20diaspora%20policy>

⁸⁷ World Bank (2020): “Doing Business 2020: Economic Profile of Bosnia and Herzegovina.”

and mutual trust.⁸⁸ Successful governments develop a wholistic approach that creates spaces for state-diaspora interactions, specifies clear focal points and supports diaspora organization and networks. The government of Mexico has a long tradition of investing in trust-building with its diaspora. In 2002, it created the IME (Instituto Mexicanos en el Exterior / Institute of Mexicans Overseas) under the MoFA, which works with organized diaspora groups and has a consultative council where diaspora representatives can provide feedback and guidance on diaspora matters. Other countries appoint well-known members of the diaspora as spokespersons on diaspora issues (e.g., Ireland). At the local level, Israel has opted for building trust through twinning between municipalities and Jewish diaspora communities around the world. Best practices in diaspora trust building also include fostering attachment to the country through promoting cultural identity and political participation. Governments in different countries such as Croatia sponsor cultural events in host countries with large diasporas and promote learning mother tongue with summer internships in the country. Ireland has done extensive work promoting the global Irish identity, for example organizing embassies' events for Saint Patrick's Day. Other countries recognize diaspora members with special contributions to the country of origin such as the Presidential Awards for Filipino individuals and Organizations Overseas or the World Class New Zealand Awards.

Political rights are often cited as a high priority for diaspora groups as a way to participate in domestic affairs. In this area, countries can facilitate dual citizenship and provide visa exemptions to non-national diaspora or identity cards with special legal status. Poland offers the “Poles’ Card” to the diaspora without Polish nationality, which eases the administrative processes required to visit and seek employment. Some countries extend voting rights and parliamentary representation for the diaspora. For example, the diaspora in Croatia and Portugal have voting registries for citizens abroad and parliamentary seats reserved for their diaspora. Romania also has quotas of seats in its bicameral parliament system reserved for its diaspora (2 out of 136 in the Senate and 4 out of 329 in the Chamber of Deputies).

Trust building is also promoted through the provision of relevant services that can benefit diaspora members. This includes consular services to nationals abroad (e.g., issuance of passports or birth certificates), legal assistance, information provision on economic opportunities, cultural activities, or heritage tourism, and emergency assistance and support for migrants and returnees (e.g., COVID relief programs). Ireland is a good example of a country that has developed extensive welfare support for vulnerable Irish emigrants (particularly during the COVID-19 pandemic), and nurtures Ireland's cultural heritage for the diaspora abroad through organizing a wide range of events. Some governments also include incentives to their diaspora such as duty-free imports of goods, tax-free repatriation of foreign-currency income, or the capacity to buy assets or access jobs that normally only resident citizens can hold. Incipient evidence suggests that these types of incentives have a positive influence on the diaspora engagement in the country's development (Agunias and Newland 2011).

B. Building a strong engagement with the diaspora

On top of creating the adequate foundational ground for diaspora investment, a successful engagement entails a comprehensive mapping of the diaspora to have a better sense of its size, characteristics, skills, interests and constraints. Mapping exercises should not be done in a vacuum but rather as part of a coherent policy framework. Different governments, including both national and entity-level institutions in Bosnia and Herzegovina, have developed diaspora registries to map and contact their emigrants across different countries, although efforts tend to result in a

⁸⁸ Agunias and Newland (2011): “Developing a Roadmap for Engaging Diasporas in Development.” IOM / MPI.

limited number of nationals being registered. More comprehensive inventories of the diaspora include relevant information on diaspora members such as skills and professional experience, with a particular focus on collecting information on key diaspora members with large economic potential such as investors, entrepreneurs, professionals, or researchers. There are different ways through which data collection on the diaspora can take place. The most common one is the self-registration of diaspora individuals or businesses in online registries and platforms. Given that the registration is voluntary, successful efforts to collect data and engage a wider net of diaspora members include the provision of information, workshops, and other services to incentivize participation and registration. Some countries also implement more comprehensive data collection through diaspora census, sometimes in coordination with main destination countries which already have a full census of their resident population by country of birth or citizenship. Another important way to map the diaspora is to use any interaction the government has with any emigrant to register and collect information. This can be the case when providing consular services such as passport renewal or legal assistance in consulates, or when organizing cultural or economic events. The Philippines is an example of good practice in developing a wide range of services to its diaspora which are offered through their embassies and coordinated by the Commission on Filipinos Overseas, which also facilitates the centralization of collected data.

When data is scarce, developing survey questionnaires about socio-economic information of the diaspora can fill key knowledge gaps. These surveys can be targeted through traditional methods such as migrant households identified in censuses or administrative data or registries, as well as through new methods such as social media (Facebook, LinkedIn), targeting adds with the survey to particular groups of interest (e.g., Bosnian citizens residing in a third country, by gender, age or education level). Focus groups and interviews with key diaspora members who either have large networks or knowledge of the diaspora can also be a cost-effective way of complementing information gaps in certain areas, particularly to better understand their interests, skills and what they can offer, as well as what they expect from the government. For example, the government of Taiwan developed a database to identify skilled diaspora members and match them to appropriate job opportunities in the country to incentivize their return (Rodriguez-Montemayor 2012). Private sector-driven initiatives can also be a valuable complement in the mapping exercises. For example, the Scottish Business Network conducts surveys of the business diaspora to collect information and consult the target audience on how to best tailor their support.

Once the diaspora is mapped, an outreach and mobilization strategy should incorporate five key components, including a well-defined objective, sufficient resources, a clear target audience, tailored communication channels, and adequate messaging (figure 20). The first element of an effective outreach strategy is to develop well-defined and clear objectives of what is expected to be achieved. Policy objectives vary depending on the situation and priorities. For example, in the 2000s the government of the Philippines put an emphasis on facilitating labor emigration to reduce unemployment, while the priority in India and China was to encourage diaspora entrepreneurs and highly skilled professionals to participate in their economies to support competitiveness (Agunias and Newland 2011). In any case, objectives have to be specific and realistic. This allows for appropriate monitoring and evaluation, and allocating adequate resources according to priorities and needs. The objectives for the engagement should also be linked and conducive to achieving key goals of the long-term diaspora and the national development strategies. The second element entails securing the necessary resources, both human and financial, and developing the administrative mechanisms to implement the outreach campaign effectively. In particular, securing the availability of personnel with the needed skills is fundamental, and prior training might be required to fill potential knowledge gaps. The third component refers to the appropriate selection of the target audience for the outreach efforts. Given that the diaspora is very diverse, with different characteristics, skills, and migration and return intentions, target audiences should differ depending

on the specific goal at hand. If an intervention aims to increase inflows of foreign direct investment in the country, then recipients of outreach activities should be mostly diaspora entrepreneurs as well as “tipping” diaspora professionals with high-level positions in foreign companies. If the goal of an intervention is to enhance the productivity and know-how of firms in a specific sector, target groups should be diaspora professionals with technical expertise in those sectors (diaspora knowledge-sharing) who could share their experiences and knowledge with local firms. On the other hand, if the goal is to finance a local infrastructure project, then any diaspora member could be a potential investor who could be worth reaching out. Disaggregation by age groups, professional experience, sector of occupation, or geographical location (municipality of origin) can further enhance the efficiency of the outreach efforts.

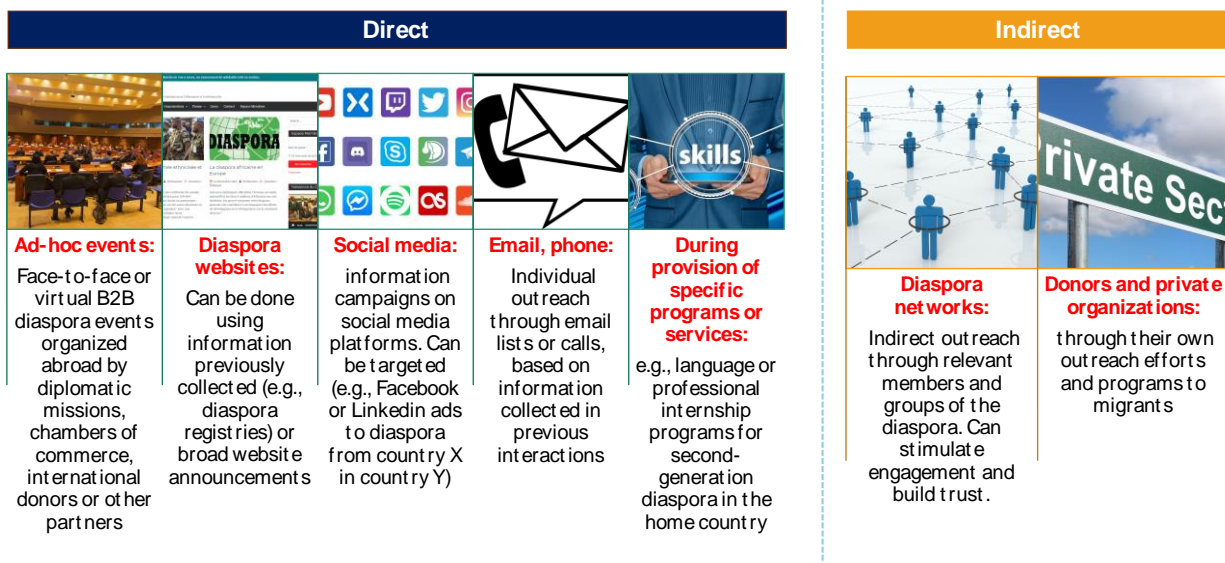
Figure 20: Five steps to build an effective outreach strategy



Selecting the right mix of communication channels and messaging maximizes the success of outreach campaigns and diaspora engagement. Communication channels are important to convey relevant information to migrants and should be tailored to the specific target groups. They can be differentiated between direct and indirect channels (figure 21). Direct channels include (i) ad-hoc diaspora events, either face-to-face or virtual, organized abroad by diplomatic missions, chambers of commerce, international donors or other partners, (ii) broad announcements through diaspora websites or to specific subgroups based on information previously collected (e.g., diaspora registries), (iii) information campaigns on social media platforms, which have features that allow targeting adds to particular groups (e.g., Facebook or LinkedIn ads to diaspora from country X in country Y), (iv) individual outreach through email or phone lists, based on information collected in previous interactions with the diaspora, or (v) during special programs and services to the diaspora (e.g., information campaigns can be run during language or professional internship programs for second-generation diaspora in the home country). In order to improve the trust in the campaign, strategies for diaspora mobilization may include high-profile events. For example, India put in place the annual “non-resident Indian day” (Pravasi Bharatiya Divas), bringing together high-profile Indian diaspora members for a day conference. Indirect channels leverage diaspora networks of non-governmental institutions. These include outreach through relevant members and groups of the

diaspora (e.g., main diaspora associations) that can stimulate engagement and build trust, or through donors and private organizations' own outreach efforts and programs for emigrants. In any case, outreach efforts should be conducted on a regular basis in order to maintain close ties with migrants.

Figure 21: Communication channels with the diaspora



Outreach campaigns should also care about the messaging, providing information that is relevant, factual, transparent, and trustworthy. Key elements of this information include the current state of the economy relevant to the specific project (as many migrants may have left the country years ago and might not be familiar with the latest developments), practical steps and procedures on how to invest or participate in specific programs, incentives, and potential benefits to participate in specific programs, and any other reasons for them to participate. Strong campaigns tailor messages according to the different target audiences and also bring an emotional connection to the country and the potential impacts of the action and participation of the diaspora in the development of the country.

C. Designing adequate programs and interventions

An initial element to be determined is the organizational structure of the program, with a clear division of roles and responsibilities and coordination mechanisms (figure 22). Diaspora bond programs might include central local governments, and/or the central bank as main institutions issuing the bonds. Depending on how the payments are made, there might be a need to include private banks. Diaspora investment programs tend to have more complex structures including different levels of government agencies as enablers, private sector and diaspora consultative bodies, non-government institutions as main implementing partners, and international donors to secure funding and provide technical support. Given the participation of different stakeholders, the project can appoint local diaspora coordinators to ensure coordination and be the point of contact for beneficiaries. Similar structures can be built for diaspora-facilitated investment and export programs. For knowledge-sharing programs, institutional structures should also include private-sector research and academic centers and other relevant professional institutions. In Bosnia and Herzegovina, existing diaspora investment and knowledge-sharing programs (the DIP and D4D) have well-developed structures with relevant coordination mechanisms between stakeholders. Still, they

tend to be donor-driven and could strengthen the participation of both public institutions and diaspora organizations. The Diaspora Knowledge Mobility project has recently incorporated the government (the MoHRR) as the main implementer for the first time in the country, but more efforts are yet to be made to better institutionalize diaspora programs. While diaspora associations and representatives are informed and provide feedback during the design of these programs, more structural communication and consultation channels could be created to ensure the programs have the buy-in and interest of the diaspora.

The design of the diaspora project also has to clarify the selection of beneficiaries according to priorities. Diaspora bonds can be restricted to specific diaspora groups or to the broader diaspora population (including in some cases being opened to non-diaspora foreigners with a link to the issuing country). Diaspora investment programs can be open to all diaspora firms (until funding ends) or a particular selection process can be devised to choose firms that expect to achieve higher targets, for example, firm proposals with larger job creation potential, attracting a larger share of FDI inflows, or with higher opportunities to support the green transition process. Beneficiary firms could be selected based on priority sectors for the local economy, as well as on the level of expertise and experience that they possess.

Figure 22: Key parameters in the design phase (1)

Selection of instruments	Diaspora Bonds	Diaspora Direct Investment	Diaspora Facilitated Investment	Diaspora Facilitated Exports	Knowledge Exchanges
Institutional structure	Central – local government, commercial banks	Central – local government, diaspora, local businesses, donors	Central – local government, diaspora, local businesses, donors	Central – local government, diaspora, local businesses, donors	Central – local government, diaspora, research centers
Selection of beneficiaries	<ul style="list-style-type: none"> ✓ All diaspora investors ✓ Defined diaspora groups 	Can be: <ul style="list-style-type: none"> ✓ Open to any firm ✓ Selection of proposals with higher value 	<ul style="list-style-type: none"> ✓ Based on priority sectors of the local economy ✓ In countries with larger diaspora 	<ul style="list-style-type: none"> ✓ Based on priority sectors of the local economy 	<ul style="list-style-type: none"> ✓ Based on priority sector, expertise required
Incentives	<ul style="list-style-type: none"> ✓ Yields ✓ “Home” bias 	<ul style="list-style-type: none"> ✓ Financial (matching grants, tax deductions) ✓ Nonfinancial 	<ul style="list-style-type: none"> ✓ Financial (travel to home country) ✓ Non-financial 	<ul style="list-style-type: none"> ✓ Financial: trade agent commission based on output 	<ul style="list-style-type: none"> ✓ Financial: travel and other costs, stipend for diaspora professionals

A key element of the design of a diaspora program is the selection of incentives to maximize take-up. The key financial incentive of diaspora bonds is the interest rate paid (yield). Issuing institutions should take into consideration market conditions as well as “home” biases of diaspora investors, so they can set a below-market rate while keeping the bond attractive for the target audience. While some countries like Israel were able to have a large demand even with sizable “patriotic” discounts, other countries have chosen lower premiums and, in some cases, even similar yields than those of regular government bonds. In turn, diaspora direct investment programs have to decide the amount of financing, either through seed funding or matching grants (which could be 1x1, 2x1, etc), that diaspora companies could receive when investing in the country. In diaspora-facilitated investment programs, while the main motivation is non-monetary, the program can include funding to cover the costs of “tipping” agents to travel to the home country and see first-hand investment opportunities for their foreign firms. Diaspora-facilitated export interventions also have to determine the amount of benefits export agents can obtain, which can be a commission based on closing deals between local and international firms. Finally, knowledge exchange programs, can

include financing of travel and stay costs for foreign diaspora fellows, mentors, or speakers, as well as stipends for longer-term stays. When programs are based on outputs such as publishing academic papers, additional bonuses can be included linked to performance. In Bosnia and Herzegovina, programs such as the DIP have been shown to have in place successful incentive schemes (1x1 matching grants), but they could explore different incentives arms to learn more about the most effective bundle of incentives.

The design of a matching system is required in certain diaspora programs (figure 23). While diaspora bond programs do not require any matching, and diaspora facilitated export programs rely on the work of export agents as intermediaries, diaspora investment programs have the option to either leave the matching between domestic and diaspora firms at their own initiative or to choose a more pro-active approach where a tool is developed (can be incorporating intermediaries or algorithms) to facilitate the matching. In certain knowledge-sharing programs such as mentorships, the matching should also be either intermediated by outside parties or self-determined among mentors and mentees. In all cases, while leveraging networks of beneficiaries is important, matching tools have to be added if the priority is to develop interventions on a larger scale. In Bosnia and Herzegovina, the main diaspora programs (DIP, or D4D) tend to rely on the personal connections of the diaspora and the local community and might need to consider more matching and facilitating mechanisms to expand the outreach of connections.

The option of incorporating capacity building can be a strategic choice to increase the success of certain programs. This is particularly the case in diaspora investment programs where diaspora investors do not have strong engagement in the country and implementing partners such as municipalities do not have experience with prior similar projects. For example, municipalities can receive technical assistance to map their diaspora or develop their outreach campaign. Capacity building can also be provided to beneficiary firms (e.g., startup companies, or entrepreneurs) to better navigate the business and administrative environment. Knowledge-sharing programs run by public institutions can also benefit from technical assistance to strengthen the capacity to organize key events, particularly for local-level authorities or those with less expertise in similar types of programs. Diaspora programs in Bosnia and Herzegovina have been cognizant of building capacity, particularly of public institutions at the local level, as well as to diaspora beneficiary firms (in the case of the DIP), although more efforts are still needed given the nascent stages of the diaspora engagement programs in the country.

Other design parameters to consider are the sectoral or geographical coverage, or additional set of services provided to complement the program. Diaspora bond programs need to clarify other important parameters such as the maturity of the bond, the minimum amount investors can invest, and the uses of the funds. A key element in all other programs is the sector of activity focus of investments or knowledge exchanges, which depends on the economic priorities and the expertise of the diaspora. Programs also need to select the geographical coverage. Diaspora programs in Bosnia and Herzegovina have tended to have a broad sectoral coverage but, in some cases, they could be more strategic at prioritizing sectors that combined the background and skills of key diaspora experts and the economic structure and needs of municipalities. For example, Section 3.2.4. develops a proposal for a diaspora investment intervention to support the transition out of coal mining.

Figure 23 Key parameters in the design phase (II)

	Diaspora Bonds	Diaspora Direct Investment	Diaspora Facilitated Investment	Diaspora Facilitated Exports	Knowledge Exchanges
Matching	✓ None	✓ None (diaspora opens a business) or match diaspora entrepreneur with local firm	✓ None	✓ Done by trade agent	✓ Match mentor - mentee ✓ Either organized or self-determined
Capacity building	✓ None	✓ To local firms ✓ To municipalities	✓ None	✓ To local firms to fulfill requirements of identified buyers	✓ To local authorities to organize events
Other parameters	✓ Maturity ✓ Minimum amount invested ✓ Link to specific projects (e.g., infrastructure)	✓ Sector (general, sector specific) ✓ Geographic coverage ✓ Local services provided to firms	✓ Sector (general, sector specific) ✓ Geographic coverage ✓ Local services provided to firms	✓ Sector (general, sector specific) ✓ Geographic coverage	✓ Sector (general, sector specific) ✓ Geographic coverage

The implementation of diaspora investment and bond programs requires preparatory work in collaboration between all stakeholders and capacity building for firms. Investment programs that engage local institutions usually benefit from prior technical assistance to municipalities, including the initial assessments of capacity and gaps (e.g., developing scorecards), tailored capacity building, and support with diaspora mapping. Preparatory work also includes communication campaigns to both diaspora investors and local businesses and the organization of events to connect the diaspora and local entrepreneurs. When investment incentives such as matching grants are allocated on a competitive basis, an important aspect of the implementation period includes the selection of awarded projects, from the call for proposals of investment to forming evaluation committees (which include accomplished members of public institutions, private sector and/or diaspora groups), develop evaluation criteria and finally selecting the strongest proposals. Throughout the implementation phase, best practices also include technical support by providing information on legal or business aspects as well as services to firms (e.g., linkages to suppliers, a pool of available labor supply) ideally in the form of one-stop shops. Throughout the implementation process, diaspora investment projects should collect and monitor key data (such as investments, job creations, or export values) to be the base of evaluation and inform evidence-based of the project. The implementation of diaspora bond programs starts with pre-launch consultations with the diaspora to confirm the demand of investment and tweak design aspects as needed. Then, there is a need to develop a communication campaign tailored to the target audience, using different communication channels as the ones mentioned in figure 21. After the campaign, there is an open call period during which potential investors can buy bonds. After that, a payment system is developed to be able to receive investments and pay back.

The implementation of knowledge transfer programs also includes selection processes and is centered around networking and connecting events between the diaspora and the local economy. Knowledge transfer programs also require initial preparatory work, including developing communication campaigns. For some programs such as research and academic collaborations, an important phase of implementation is the selection of projects, which includes the call for proposals of research projects, forming the evaluation committee, developing the evaluation criteria, and

selecting awarded research proposals. During the implementation period, the projects usually organize events to network and connect the diaspora with the local business or academic centers and facilitate the transfer of know-how. As in other types of diaspora programs, there is a need to collect data to monitor key outcomes of interest to evaluate the success of the project and inform design improvements in potential future phases.

3.2.3. Lessons learned from international experience

Overall takeaways from previous engagements highlight the importance of having a coherent long-term vision that also supports the diaspora, links it to local economic opportunities, and includes coordination and cooperation mechanisms across stakeholders. Evidence suggests that the diaspora has a strong preference to invest in their hometowns. This home bias generates large potential opportunities to support growth in underdeveloped communities that tend to have higher emigration rates. It also puts local governments at the center of enabling efforts to channel diaspora investments to their communities. While in many instances countries focus on requesting investments from their diaspora, it is important to strike a balance between what the country asks from the diaspora and what it does and provides to it. This two-way relationship includes nurturing the relationship with the diaspora, providing them with services, building trust and a sense of belonging and mission to support the country's development. Individual diaspora programs have to be part of a coherent long-term strategy. Engaging the diaspora is a long-term process that requires a clear vision and strategy, and individual projects need to be building blocks of that strategy. Furthermore, more successful programs and interventions are not designed and implemented unilaterally but rather in partnership and co-creation between the government, the diaspora, marketplaces (e.g., businesses) and other actors (e.g., international donors).

It is important to target initiatives towards diaspora champions rather than just trying to achieve high diaspora mobilization. While having a conducive institutional and business environment is key to attracting diaspora investments into the country, challenges to ensuring the right functioning of these frameworks –which are one of the reasons that motivate some people to leave the country– are hard to overcome in the short term. That is why it is also important to find catalysts for change in the short term and focus specific outreach strategies to those diaspora sub-groups (Aikins and White 2011). Few “pioneers” with an entrepreneurial spirit, higher risk tolerance and a strong sense of purpose can start investing and making a difference. This is the case of the Heimerer College in Kosovo, which was founded by a diaspora member, and expanded the quality of training in the country.

Lessons learned from previous diaspora investment programs include the selection of the right sectors of activity, strengthening connection and coordination mechanisms and continuously evaluating projects beyond their finalization. When selecting sectors targeted for investment promotion, best practices prioritize those where there is a confluence of both strategic value for the local economy (e.g., medicine, ICT, agribusiness) and the availability of knowledge among the diaspora, taking advantage of their expertise and qualifications. Diaspora investment projects, which usually involve government actors at different administrative levels (central, or municipal governments) as well as the private sector, best work when a migration focal point is appointed. That was the case for the Diaspora Investment Program in Bosnia and Herzegovina, where a municipal focal point is in charge of institutional coordination. Another important point is that more successful diaspora investment interventions invest throughout their lifespan in strengthening the

links between diaspora businesses, governments and the domestic private sector (e.g., in Mexico).⁸⁹ To scale up investment programs at the national level, evidence point to a need for developing the venture capital market and establishing risk-sharing mechanisms (Newland and Tanaka 2010). Collecting, monitoring and evaluating data is fundamental to learning and improving the design features of a diaspora investment project. It is important to capture not only short-term outcomes but also longer-term ones as they might defer. That was the case of “Mi comunidad” project in Mexico which failed to sustain after 3-5 years the short-term investments and jobs initially created.

Another important aspect for the success of diaspora investment programs is finding the right balance between monetary and non-monetary incentives and support. Financial incentives have proved to be quite effective in attracting diaspora investments in different contexts, by covering seed capital for entrepreneurs with a viable business plan but limited access to finances in the home country or matching contributions. For example, 77% of investors from the Diaspora Investment Project of Bosnia and Herzegovina would not have invested in the absence of the matching grants the program provides. However, more incentives do not always translate into more investments. That was the case in the Mexico 3x1 program, where increasing matching funds for diaspora investments from 1 to 1 to 3 to 1 (including funds from federal, state, and local governments) for social infrastructure and productive projects in local communities did not attract more investments in a cost-effective manner. On the other hand, financial incentives need to be coupled with efforts to facilitate the infrastructure for investment (e.g., bank accounts to the diaspora in different currencies), and have to be balanced with strengthening the intrinsic motivation of investors. The latter can be done through campaigns highlighting the important role of the diaspora for the country (“help develop the country”) and building a sense of belonging and identity through other cultural, sports, and philanthropic events. Conditions for successful investments also require providing capacity building to diaspora investors. For example, an evaluation of the PARE 1+1 initiative by the Moldovan government, which provided matching grants to investors between 2010 and 2015, showed that more technical support was needed for beneficiaries to scale up their businesses and knowledge about specific industries and marketing financing was lacking (Gelb et al. 2021), limiting the overall success of the program.

National investment promotion agencies (IPAs) have the potential to leverage diaspora networks to expand foreign investments in the country. IPAs can be encouraged to focus on the diaspora as a key entry point to foreign markets. Evidence shows the high cost-effectiveness of interventions to support investment promotion across the world. According to some estimates, for every dollar spent, FDI inflows increase by USD 189, and every USD 78 generates a new job (Harding and Javorcik 2011). This effectiveness is particularly strong in countries where information about business conditions is not easily available and bureaucratic procedures tend to be more cumbersome. Partnerships with diaspora organizations facilitate the expansion of IPAs marketing efforts (Riddle, Brinkerhoff, and Nielsen 2008).

Diaspora bond programs are more successful when building trust and understand the particular preferences of the diaspora. The success rate of diaspora bond issuance is measured by the capacity to attract investors. International experience in different contexts shows that a strong sense of identity and patriotism, as well as trust in the institutions, is fundamental to attracting the needed funds from the diaspora (Terrazas 2010). Israel and India are prime examples where the diaspora has a strong patriotism and knowledge of their home economy's prospects, thus being more willing to invest in the country. When there is still weak trust in the institution issuing the bonds, countries can still incentivize investors by adding mechanisms to reduce risks such as multilateral guarantees against defaults. Another important aspect is how well the preferences of the diaspora

⁸⁹ Cordova (2009), Garcia Zamora (2005).

are known and incorporated into the key parameters of the program. Best practices include early consultation with diaspora groups to better understand their priorities, what projects would they be more interested in financing, and their willingness to pay to set appropriate interest rates to ensure enough demand and take up. The timing of the issuance is also important. For example, diaspora Jews have been significantly more likely to purchase bonds in moments of perceived external shocks and threats to Israel, compared to in moments where there is a perceived challenge of domestic economic mismanagement (Ketkar and Ratha 2007).

Lessons learned from knowledge exchange programs include the need to engage the diaspora early on in an advisory role, develop meritocratic and transparent selection mechanisms, and strengthen the linkages between knowledge communities. When designing knowledge-sharing programs, most of them cover travel expenses and stipends of either diaspora experts returning to Bosnia and Herzegovina or domestic entrepreneurs and professionals traveling to international conferences and workshops to increase the take-up (e.g., Diaspora Community Program in Bosnia and Herzegovina). When the aim is to promote cross-country collaboration to enhance research and innovation, a merit-based selection methodology of research projects with independent peer reviewers increases the quality of research projects (e.g., Croatia Unity through Knowledge Fund). Similarly, promoting transparency by publicizing awarded projects in online websites has been shown to enhance trust in the process and increase the reputation of the program (e.g., Science Fund of the Republic of Serbia). With respect to mentoring programs between diaspora professionals and the domestic workforce, successful programs facilitate connections between mentors and mentees but do not impose or restrict the matching (e.g., Global Welsh Academy My Mentor). While many mentoring programs initially rely on personal connections (e.g., Diaspora for Development Program in Bosnia and Herzegovina), they need to strengthen networks, particularly of broader diaspora professionals, for scaling up and sustainability. In all knowledge-sharing programs, there is a potential of using crowdsourcing platforms to connect diaspora members with institutions, and individuals in the home country and facilitate the knowledge transfer that is still currently underexploited.

3.2.4. Putting lessons learned into practice: a proposal of diaspora engagement in one municipality in Bosnia and Herzegovina

Partnering with the Bosnian Diaspora to support municipalities' sustainable growth

Introduction

This report showcases the large potential the diaspora has to support the country's development regardless of whether some migrants return, and some remain abroad. Diaspora projects in Bosnia and Herzegovina have already shown promising results and there is further scope to expand the potential beneficial impacts of the diaspora. This sub-section develops an intervention proposal to engage Bosnian diaspora investors to support the local development of one selected municipality undergoing structural economic transformation out of coal mining. The proposed intervention represents an endeavor aimed at supporting the sustainable development of municipalities in Bosnia and Herzegovina. By actively involving the diaspora, this initiative not only fosters community empowerment but also plays an important role in supporting a potential future just-transition process.

The focus on diaspora engagement at the local level (municipality) stems from findings highlighted in previous sub-sections of chapter 3 that the diaspora is more attached to their localities of birth

than the country as a whole and, as such, are more connected and willing to invest in their hometowns. The selection of municipality will be based on the economic structure, prioritizing a municipality whose economy is moving away of the coal mining and, as such, which might have more risks of increased in structural unemployment due to the green transition unless more economic opportunities in other sectors are created.

This proposal lays out potential options to engage the Bosnian diaspora for the local development of one selected municipality. Activities grouped into three main components are proposed, consisting of (i) grants to diaspora investors to promote their participation in the local economy, (ii) technical support to firms to develop their businesses and to municipalities to enhance their capacity to reach out and provide services to diaspora investors, and (iii) project implementation support, with a total budget of \$0.78million and an implementation period of 3 years. The type of instruments selected, financial support and other services for diaspora investors to participate in the local economy, are based on the need of municipalities to generate new jobs. Past experience in Bosnia and Herzegovina shows that grants for entrepreneurship are highly successful in generating new jobs, compared to other type of diaspora investments such as diaspora bonds.

Component 1: Local Diaspora Grant Program (450,000 USD)

Through regularly issued public calls, the Local Diaspora Grant Program will source applications from viable companies with links to the Bosnian diaspora. Grant awards will seek engagement with Bosnian diaspora members in a structured way and provide incentives for diaspora-related investments. The Facility will enable the mobilization of diaspora capital into high-growth potential MSMEs that can create new jobs across a range of sectors.

Eligibility Criteria:

- Companies must have a demonstrable relationship with a diaspora member. This relationship is exhibited through one of the following:
 - **20% or more diaspora co-ownership** or
 - **Verifiable relationship with a diaspora member** demonstrable through proof of a trade and/or contractual relationship, investment facilitation by a diaspora member, joint venture or other legal relationship as the acceptable forms of non-financial contributions to the business proposal. The relationship may take the following form:
 - **Diaspora member opening up access to foreign markets** – is a relationship where a Bosnian diaspora member, or a foreign company that is partially or fully owned by a Bosnian diaspora member, acts on behalf of the selected-municipality-based company (applicant for grant funding) to market its goods or services outside of Bosnia and Herzegovina (“Diaspora Sales Agent”).
 - **Diaspora member introducing and facilitating new foreign investment in Bosnia and Herzegovina** where a Bosnian diaspora member acts as an investment facilitator (“Diaspora Investment Facilitator” or “Diaspora Tipping Agent”) for new foreign investment to be located and incorporated in Bosnian and may take a management role in the newly established entity. In this case, the grant applicant may be the Bosnia and Herzegovina’s registered company that resulted from this investment.
- Companies from Bosnia and Herzegovina registered as limited liability companies (d.o.o.) or joint-stock companies (d.d./a.d.).
- Sectors covered: all sectors with low carbon emission intensity.

- Applicants must co-finance projects with at least a 1:1 ratio.
- Not eligible: Non-governmental organizations, public institutions, employees or family members of financiers, companies not registered as limited liability companies (doo) or joint-stock companies (dd), members of the Evaluation Committee.
- Grant Applications must include a business investment plan with key activity outputs and explain how and to what degree they are expected to generate tangible results. The business plan of each grant award should clearly state:
 - New jobs created;
 - Diaspora investment captured;
 - Enterprise growth stimulated, as expressed by an expected increase in sales and/or exports; and/or
 - Introduction of new products and/or services for Bosnia and Herzegovina and export markets or expansion of existing business.

Application Process:

- The public call will be opened every 6 months and will remain open for 60 days.
- Applicants must complete and sign the (online) application form.
- Applications should include additional documentation including proof of diaspora status, an offer for planned equipment acquisition, balance sheet and income statement (if applicable), a founding act, and a detailed budget.

Funding Allocation:

- The maximum amount of grant funding sought shall not be smaller than 10,000 EUR and shall not exceed 100,000 EUR for investments in fixed assets (purchase of new equipment).
- Total available funds: 450,000 EUR.

Selection criteria:

- Business plan (20%): Business proposals must demonstrate a well-thought-out idea and model that has the potential to be innovative, profitable, sustainable, and generate economic development and a clear demonstration of diaspora investment and/or involvement. Successful proposals will clearly articulate how the proposed product, service, or business model is more compelling than existing ones and how the business proposal can improve or enhance the business and the community.
- Diaspora investment commitments (20%): Potential financial contributions or investments pledged by members of the diaspora community. This includes promises of funding, partnerships, or other forms of support.
- Job creation capacity (20%): The applicant's ability to generate employment opportunities within the local community. This includes detailing the expected number of jobs to be created, the types of positions, and how these roles may contribute to a potential future just transition process.
- Strategic sector for the local economy or opening new products/services (20%): The identification of key industries or areas within the local economy where the company's proposed projects or new products/services will have a significant impact. This includes highlighting how the proposed initiatives align with local economic development goals and contribute to the growth and diversification of the economy. Additionally, applicants should demonstrate how the introduction of new products or services addresses unmet needs or enhances existing offerings in the market.

- Support the green transition process 20%: The company's commitment to facilitating a fair and equitable transition away from high-polluting activities in the municipality area. This involves outlining how the proposed projects consider the social, economic, and environmental impacts on local communities and workers, ensuring that any transitions are inclusive and considerate of all stakeholders. Additionally, it involves demonstrating collaboration with local stakeholders and communities to ensure that the transition process is inclusive and responsive to their needs.

Evaluation committee:

- The evaluation committee will be comprised of members from specific municipalities, as well as different public institutions related to diaspora and investments, such as the Ministry of Human Rights and Refugees of Bosnia and Herzegovina (MoHRR), Federal Ministry of Displaced Persons and Refugees (FMoDPR) and the Foreign Investment Promotion Agency (FIPA).

Evaluation process:

- Stage 1: The Call for Proposals will be open for a period of two months during which firms can register their applications.
- Stage 2: All applications will be reviewed, and the evaluation committee will decide which ones go to the next evaluation phase and which ones are declined based on the selection criteria mentioned above. All applications, whether approved to continue in the evaluation cycle or declined after the initial review, will receive notification within 30 days from the date of submitting their electronic grant application, at the latest.
- Step 3: For applicants who have satisfactorily progressed through the initial stage, an on-site visit will be conducted to assess the information provided in the application and supporting documents. This includes evaluating the description of the location and site, conditions of equipment and facilities, and the availability of human resources and technical capabilities of the applicant. The site visit will also serve as an opportunity for budget negotiations, if needed, to ensure alignment between the proposed business activities and the business plan described.
- Stage 4 entails the formal award of grants to selected firms that passed stages 2 and 3.

Focus Areas for Consideration:

- Grants will be awarded for activities that have the largest potential to achieve an overall impact on creating new jobs, increasing direct diaspora investment, stimulating the green transition process, or introducing new products and/or services.
- All proposals must promote good environmental practices.
- A diaspora member is someone who, along with their descendants, resides outside their country of birth or ancestry, whether temporarily or permanently, yet maintains significant connections to their countries of origin. To qualify, individuals must provide valid documentation proving residency outside Bosnia and Herzegovina for a minimum total duration of three years. Additionally, individuals who have returned to Bosnia and Herzegovina and established permanent residency within the last five years before the small grant application submission, but have resided abroad continuously for at least three years, may also be considered, provided they can demonstrate this through valid documentation.

Grant project duration:

- Maximum individual grant project duration: 12 months.
- *Targets:*
 - Diaspora beneficiary firms: 15
 - Investments: 3 million (expected multiplier effect of 5, at least, compared to the 0,6 million offered in grants by the project)
 - New Jobs: 30

Component 2: Technical and institutional support (250,000 USD)

Component 2.1 Technical assistance to beneficiary firms (75,000 EUR)

All companies that are awarded a grant will also receive technical assistance (TA) up to 5,000 EUR to support the just transition process.

The technical assistance includes, but is not limited to:

1. Business intelligence (start-up support)
 - Business environment information
 - Sector and industry intelligence
 - Assistance in selecting business partners and business service providers
 - Location scouting services
2. Manufacturing and service inputs/ Factor markets assistance
 - Access to finance facilitation
 - HRM assistance and staff training
 - Supply-chain development support
3. Strategy and operations
 - Improving operational efficiency
 - Business and management consulting
 - Digitalization of corporate processes
 - Product and service development
 - Software Development
 - Research, development & innovation support
 - Financial management
 - Corporate governance
4. Market linkages
 - Marketing, branding and promotional services
 - Diaspora market linkages
 - International standards and certifications
 - Matchmaking and sales support.
5. Access to Finance
 - Investment facilitation
 - Matchmaking with investors

Component 2.2. Technical and institutional support to municipalities (175,000 USD).

When making investment decisions, diaspora members frequently engage with their hometowns and municipalities, emphasizing the need to establish links between diaspora and local communities. The project will enable municipalities to adopt systematic approaches in identifying, engaging, and partnering with their diaspora to directly contribute to inclusive, local development.

At the same time, the project will engage in diaspora outreach through local diaspora mapping while leveraging communication frameworks and digital technologies, to stimulate the local diaspora marketplace through targeted B2Bs events, including acceleration of the transfer of the diaspora's knowledge, capital, networks, and ideas to Bosnia and Herzegovina-based MSMEs while maximizing impact at the local level.

Activities to be implemented:

- Appointing of a local diaspora coordinator for specific municipalities.
- Organize a capacity building training on diaspora engagement for selected officials in municipalities.
- Develop Municipal Internal Capacity – Develop a Capacity Scorecard for selected municipalities to identify gaps and engage in capacity building interventions.
- Diaspora mapping exercise.
- Developing and implementing a diaspora communications and engagement plan (brochures, promo videos, slogans, promotion on social media, other visibility materials, etc.).
- Stimulate Local Diaspora Marketplace – Support the selected municipality in organizing business enabling events in the municipality. The events will also serve as opportunities to promote the Call for Grants.
- B2Bs and the transfer of the diaspora's knowledge, capital, networks, and ideas to Bosnia and Herzegovina-based MSMEs will be facilitated. Some of the links that could be supported include:
 - Diaspora Export Agents:
 - Export support to local companies, including facilitating the connection with diaspora sales agents and the provision of logistical support.
 - Diaspora Facilitated Investments/ Diaspora Tipping Agents:
 - Attraction of diaspora facilitated FDI, linking diaspora members with key managerial roles in foreign firms with Bosnian firms and providing logistical support to incentivize foreign investments.
 - Diaspora Mentorship:
 - 1-on-1 mentorship within companies in Bosnia and Herzegovina, the project will support connection between mentors and mentees and will provide logistical support.

Targets:

- Number of events: 6
- Number of local and diaspora firms participating in B2B meetings: 30
- Number of local firms:
 - Benefitted from diaspora mentorship: 15
 - Connected with a diaspora export agent: 15
- Number of officials trained on diaspora engagement: 5

Component 3: Project Implementation Support (80,000 USD)

This component will finance the project implementation support costs.

Component 3.1:

- Support for the implementation of the grant.
- This subcomponent will finance the grant governance body, consultancy services, goods, non-consulting services (including travel), communication, outreach and visibility activities, and operational expenses to implement the grant under component 1.

Component 3.2:

- Support for the implementation of the technical assistance to firms and the selected municipality.

Component 3.3: Monitoring and evaluation of the project implementation of key targets and achievements.

Timeline

Component	Activity	Timeline
Preparation activities	Mobilize staff	Month (M) 1
	Organize consultative meetings with stakeholders	M 1-2
	Develop the Annual Work Plan for Y1	M 1-2
	Development of the MEL plan	M 1-2
Component 1	Prepare RFA and Guide for applicants + issue Call for Proposal (<i>issued every 6 months, last call in the middle of Y3</i>)	M 6, 12, 18, 24, 30
	Evaluation process	M 7
	Grant implementation	M 7 -
Component 2	Technical assistance to grantees	M 8 -
Component 2	Appoint a diaspora coordinator	M 2
	Municipal Internal Capacity gaps/ Scorecard developed, and selected municipality's diaspora engagement capacities assessed/ gaps identified	M 3
	Diaspora communication plan and implementation (slogans, visibility materials developed: brochures, promo films, folders, roll ups, etc.)	M 3-
	Create methodology and tools for diaspora mapping and outreach + implementation	M 3-6
	Capacity building/training on diaspora engagement for municipality officials (basic + advanced trainings)	M 4, 12, 28
	Diaspora Marketplace: B2B business events in selected municipality and potentially in main countries with Bosnian diaspora	M 7, 19, 31
	Diaspora Marketplace: Prepare RFA and Guide for applicants for sales agents/tipping agents/mentors + issue Call for Proposal (<i>issued every 10 months</i>)	M 8, 18, 28
	Evaluation process	M 9
	Implementation	M 10 -

	M&E	Throughout the implementation period
--	-----	--------------------------------------

Implementation Arrangements

The project will be implemented over a period of three years, with MoHRR as the key central government partner. Diaspora programs in Bosnia and Herzegovina tend to be scattered and implemented by international donors. Recent efforts aim at bringing these projects under government structures. In this regard, the MoHRR oversees the cooperation with the diaspora at the national level, while in the Federation of Bosnia and Herzegovina it is the FMoDPR. The MoHRR has recently started implemented a diaspora project funded by the Swiss Development Cooperation, increasing its capacity. For this project the MoHRR will take a coordinating role with FMoDPR. For the grant management support, the MoHRR will be supported by an external service provider, including the day-to-day operations. The MoHRR, FMoDPR, the selected municipality and the external service provider will agree on selecting the evaluation committee for the grant selection of applications with the “no-objection” of the World Bank team. The consultant firm will also take a central role in the capacity-building process under component 2, providing hands-on technical assistance to the Municipality with the inputs and collaboration of the MoHRR and the FMoDPR. Particular technical assistance to beneficiary firms or the selected municipality can be sub-contracted to another service provider.

Budget

- Component 1:
 - Grants to firms: USD 450,000
- Component 2: USD 250,000
 - Component 2.1 (USD 75,000):
 - TA to firms (consultancy services): USD 75,000
 - Component 2.2 (USD 175,000):
 - Capacity building to the municipality (Municipal Internal Capacity, diaspora mapping, diaspora communications and engagement plan, capacity building to municipality officials): USD 85,000
 - Diaspora marketplace, B2B (events, mentors, sales agents, tipping agents): USD 90,000
- Component 3: Project implementation support USD 80,000.

More specifically, the support will be provided for the following:

- General activities:
 - Development of the MEL plan, Work Plans, support with reporting.
 - Operating expenses
- Component 3.1:
 - Development of RFA, Guide for applicants and other grant implementation and tracking documents.
 - Supporting the evaluation and the grant implementation process
- Component 3.2:
 - Supporting the implementation technical assistance provision to grantees
- Component 3.3:
 - Supporting the M&E

Conclusion

Over the last decades, migration has been an important exit strategy for Bosnians in search of better economic opportunities or escaping conflict. More than 1.7 million Bosnians reside abroad, equivalent to roughly 50 percent of the population in Bosnia and Herzegovina. While in the 1990s migrants were mostly pushed out of the country fleeing conflict and violence, more recent waves of migrants are mostly leaving in search of better economic opportunities. Bosnian emigrants are disproportionately of working age and have significantly better labor market outcomes abroad compared to the non-migrant population, both in terms of employment rates and earnings, a fact that applies to men and women alike. Still, emigrants tend to suffer from overqualification and face challenges in recognizing their credentials abroad.

Emigration has important impacts on migrants, their families, and the country as a whole. Migration has brought large economic gains to migrants and their households, which in many instances receive remittances that provide valuable supplement to their incomes obtained in Bosnia and Herzegovina and are a powerful poverty-alleviation tool for many poor households. On the development of Bosnia and Herzegovina's economy, the impacts have been mixed. Emigration outflows during the last decades have coincided with decreases in the unemployment rate, thereby, reducing the excess supply of labor in the country. However, more recently, skill gaps have emerged, with firms struggling to find workers with the right skills partly due to emigration. Without the need to return, migrants are an engine for domestic development, providing financial investments, transfers of knowledge, and valuable international networks that can spur productivity in the economy. In the longer-term, the net effects of emigration largely depend on the policies in place.

The country has made substantial progress in developing its migration system, although important gaps remain. In the last decade, Bosnia and Herzegovina has strengthened its migration system, expanding its regulatory framework, aligning it to EU standards, and building more institutional capacity and coordination across different actors. More service infrastructure is now provided to migrants across the different stages of the migration cycle, particularly while abroad and upon return. Individual donor-funded diaspora programs such as the Diaspora Investment Program or the Diaspora for Development program have proved to effectively tap on the potential of the diaspora in terms of channeling funding and important know-how to Bosnia and Herzegovina. Nevertheless, the country can further strengthen the migration system to improve the developmental impact of emigration. The legal framework can be developed, including by passing and better implementing laws as well as expanding bilateral labor and social security agreements with third countries. The system will also benefit from increasing the human and financial capacity of different institutions in charge of migration-related matters. Data strengthening and interoperability of different sources would also facilitate better support to migrants throughout the whole migration experience, from pre-departure until returning to Bosnia and Herzegovina.

The country has a unique opportunity to better leverage the role of its diaspora to support local development: investments to increase the engagement of Bosnians abroad can provide substantial dividends. Expanding outreach to and long-term participation of the Bosnian diaspora requires a long-term vision guided by a diaspora strategy and other strategic documents beyond specific programs and interventions. Best practices in countries such as Ireland highlight the need to ensure a favorable legal and economic environment conducive to business development, develop different diaspora outreach strategies, and strengthen ties of the diaspora with the country. The time for moving from smaller-scale interventions to a broader outreach to the 1.7 million Bosnians abroad is now, before second- and third-generation migrants get more detached. Fortunately, the diaspora

is willing to participate in the country's development, and existing programs globally and in Bosnia and Herzegovina have shown that investing in the diaspora can provide large benefits to the country.

Bibliography

- Danaj, S., L. Geyer, S. Cukut Krilić, K. Toplak and M. Vah Jevšnik (2020): "From Bosnia and Herzegovina to Austria via Slovenia: Migration and Posting of Third Country Nationals in the EU. A Regional Case Study", European Centre Report. Vienna: European Centre.
- Efendic, A. (2016): "Emigration intentions in a post-conflict environment: evidence from Bosnia and Herzegovina," *Post-Communist Economies*, 28 (3): 335-352.
- Efendic, A. (2021): "How Migration, Human Capital and the Labour Market Interact in Bosnia and Herzegovina", European Training Foundation.
- Halilovich, H. (2011): "(Per)forming 'trans-local' homes: Bosnian diaspora in Australia." In S. Ramet and M. Valenta (Eds.), *Bosnian diaspora: Studies on Bosnian immigrants and Bosnian transnational communities* (pp. 63–82). Farnham: Ashgate.
- Halilovich, H. (2012): "Trans-local Communities in the Age of Transnationalism: Bosnians in Diaspora." *International Migration Journal*, 50 (1): 162-178.
- Halilovich, H. (2013): "Bosnian Austrians: Accidental migrants in trans-local and cyber spaces." *Journal of Refugee Studies*, 26, 524–540.
- International Agency for Source Country Information/International Organization for Migration - IASCI/IOM. (2010): "Maximizing the development impact of migration-related financial flows and investment to Bosnia and Herzegovina" – The study prepared for the ministry of human rights and refugees of BiH. Geneva: IOM.
- IOM (2020): "Impact of COVID-19 on Diaspora from Bosnia and Herzegovina's Remittances, Investments and Movements," Rapid Assessment Report.
- Kadusic, A. and A. Suljic (2019): "Migration and Demographic Changes: the Case of Bosnia and Herzegovina," *European Journal of Geography*, 9 (4).
- Klempić Bogadi, S., M. Gregurović, S. Podgorelec (2019): "Immigrants from Bosnia and Herzegovina in Croatia: A Sense of Belonging and Acceptance in the New Social Environment." *Journal of Ethnic Studies*, 82: 5–23.
- Leitner, S. (2021): "Net Migration and its Skill Composition in the Western Balkan Countries between 2010 and 2019: Results from a Cohort Approach Analysis," Vienna Institute for International Economic Studies (wiiw).
- Malnar, D., and A. Malnar (2015): "Demographic Security Trends in Southeastern Europe." *CIRR*, XXI (73): 57-87.
- Petreski, M., and B. Jovanović. "Remittances and development in the western Balkans: The cases of Macedonia, Kosovo, and Bosnia-Herzegovina—with emphasis on crisis, gender, urban-rural and ethnicity role." Skopje: University American College (Retrieved from <http://balkandata.net/wp-content/uploads/2013/12/Final-Report.pdf>) (2013).
- OECD (2022): "Labour Migration in the Western Balkans: Mapping Patterns, Addressing Challenges, and Reaping Benefits." *Global Relations Policy Insights*. <https://www.oecd.org/south-east-europe/programme/Labour-Migration-report.pdf>.

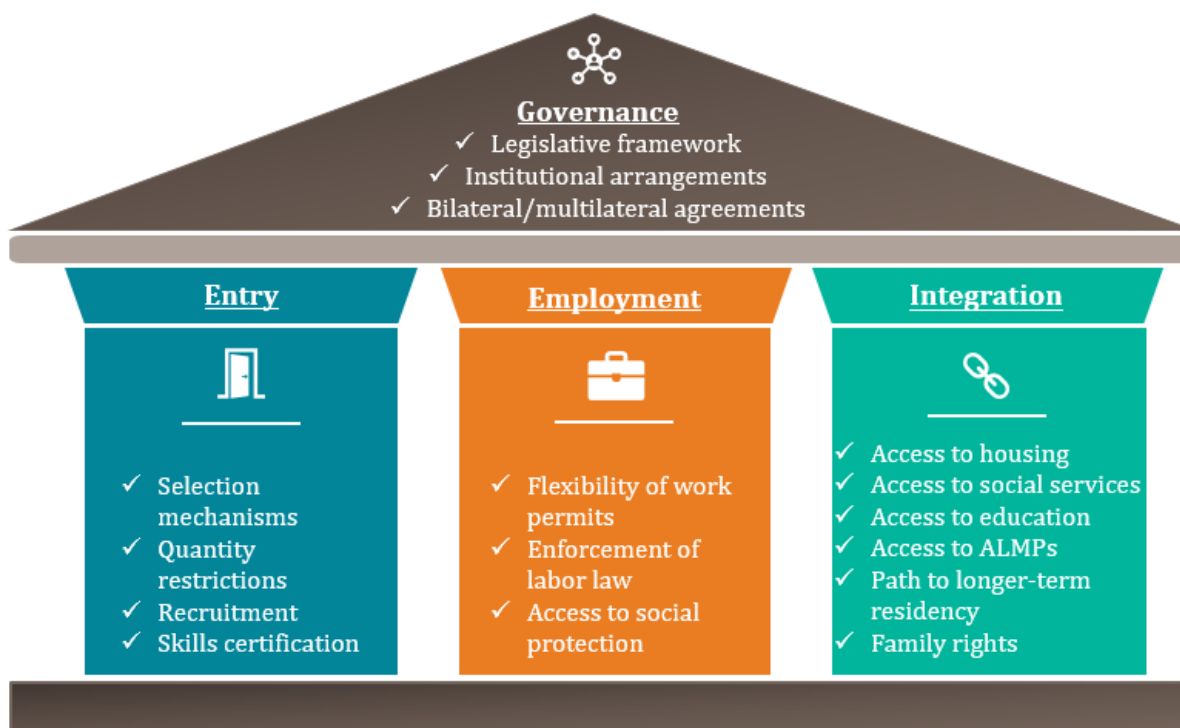
Oruc, N. (2011): "Do Social Transfers "Crowd-Out" Remittances: Evidence from Bosnia," wiiw Balkan Observatory Working Papers 92, The Vienna Institute for International Economic Studies, wiiw.

Annex 1. Immigration in Bosnia and Herzegovina

A1.1. Framework to analyze the immigration system

The suitability of the migration system that regulates the entry, stay and integration of foreigners in Bosnia and Herzegovina can also be assessed with a framework similar to the one used for emigration (see figure 21). The foundation of an immigration system is based on the governance structures of a country. These structures first include all strategies and legal documents that regulate different aspects of the immigration process, both regarding economic migrants and asylum seekers and refugees, such as the management and admission of inflows, protection of migrants, or the integration of economic migrants and refugees in the country. They also cover any bilateral or multilateral agreement regulating different migration aspects between sending and destination countries, from pre-deployment to return, including creating legal labor migration pathways, data and information sharing, skills recognitions, or training. The governance setting also includes the institutional structure which, based on national strategies and legal documents governing immigration such as laws on foreigners and laws on asylum, establishes roles and responsibilities of different ministries and agencies having responsibilities in the area of immigration and asylum, as well as the different mechanisms to ensure a fluid coordination and cooperation between them.

Figure A1-1: Framework to analyze the immigration system in Bosnia and Herzegovina



Under the governance foundation, three main pillars emerge covering the management of migration flows: entry, employment and integration. The first pillar relates to the admission system. For economic migrants, a government first decides the quantity and type of migrants

entering a country in any given year by choosing quotas for different types of visas. Best practices increasingly link labor migrants' selection processes with job vacancies in specific sectors based on labor demand assessments. In order to improve the matching of skills and reduce occupational downgrade, some countries include a system of verification and certification of migrants' skills during the entry process. At the entry stage, best-practice migration systems ensure the enforcement and implementation of regulations governing recruitment agencies to protect migrants against any potential abuse and to maintain quality of the matching between migrant workers and what firms demand. For asylum seekers, the provision of refugee status and acceptance to the country is based on legal obligations both from domestic legislation and from signed international humanitarian conventions and agreements. International humanitarian law grants rights to asylum seekers even before their case has been resolved, such as access to legal aid and basic services. During the application process, identity verification and registration protect against refoulement and allow to carry out rapid needs assessments of different groups of refugees and asylum seekers. This evaluation, in turn, facilitates the immediate provision of humanitarian assistance to cover basic needs such as shelter, cash, food, clothing, healthcare and mental care.

A second pillar covers all the employment aspects for labor migrants and refugees. Under this pillar, interventions can address migrants' barriers to accessing job opportunities. Best practices from well-developed systems include work permit arrangements and the flexibility to switch employers, the enforcement of labor regulations to protect the rights of labor migrants, early assessment and certification of qualifications, skills, and educational attainments, language training and access to specific ALMPs, and the inclusion in the different menu of social protection instruments such as pensions or unemployment benefits offered to migrants. For asylum seekers, this second phase shifts the focus from humanitarian response to more sustainable livelihoods.

The third pillar includes the longer-term socio-economic integration of migrants in the host society. Given that migrants tend to have more barriers and worse economic outcomes than the native population, integration is supported by the provision and access to national welfare systems and public services such as housing, education, health, and other social services, as well as inclusion in national ALMPs programs that facilitate their activation in the labor market. Migrants progressively have rights comparable to the native population. Interventions under this pillar tend to enhance and consolidate the economic and social integration of migrants in the host country. Ultimately, longer-term integration in host countries for those migrants who decide to stay also includes pathways for family reunification and long-term residency permits that, in some cases, can lead to citizenship.

Following this framework, sub-section 2.2.2 assesses all the relevant legislative framework, including strategies, laws and regulations, and bilateral and multilateral agreements, that cover the issue of immigration in Bosnia and Herzegovina. Sub-section 2.2.3 analyzes the institutional framework of all different ministries and agencies in Bosnia and Herzegovina that have a mandate to regulate, cover or provide services to immigrants. Sub-section 2.2.4 studies the system of entry, stay and employment, and integration of foreign-born workers and the provision of services throughout the different stages of migration to enhance migrants' socio-economic outcomes in Bosnia and Herzegovina.

A1.2. Legislative framework for immigration

Bosnia and Herzegovina's legislative framework on immigration and asylum strategy has been designed to converge to the EU standards, and built around the Migration and Asylum

Strategy, primarily focuses on security. Bosnia and Herzegovina has developed mechanisms to tackle challenges with irregular immigration and better manage migration flows. The Migration and Asylum Strategy and Action Plan for the period 2021-2025 lays out the main objectives of the migration agenda which mostly focuses on managing migration flows. The objectives include: (i) improving the comprehensive migration and asylum management system related to foreigners; (ii) increasing the efficiency of border control; (iii) strengthening the illegal migration management in Bosnia and Herzegovina; (iv) improving the quality of the asylum system; (v) combating more effectively migrant smuggling and human trafficking; (vi) supporting legal migration and the integration of legally residing foreign nationals in Bosnia and Herzegovina; and (vii) bolstering the coordination system in migration and asylum management.

Bosnia and Herzegovina is a member of the Migration, Asylum, Refugees Regional Initiative (MARRI) that promotes cooperation across Western Balkan countries and with the EU. The initiative, with headquarters in Skopje, aims to improve regional cooperation between Bosnia and Herzegovina, Serbia, Montenegro, North Macedonia, Albania and Kosovo, with the objective to meet international and European Standards in the issues of migration, asylum, border management, visas, consular cooperation, refugee return and settlement.⁹⁰ One of the agreements entails enforcing the cooperation between the EU and the different participant countries, including Bosnia and Herzegovina. Through the Stabilization and Accession Agreement, Bosnia and Herzegovina works closely with EU member states and institutions on policies related to the area of migration and asylum.⁹¹

Immigration of foreign nationals

Bosnia and Herzegovina has adopted several other strategies to enhance immigration management and border security. The Foreign Policy Strategy of Bosnia and Herzegovina (2018-2023) adopted by the Presidency of Bosnia and Herzegovina aims to strengthen the migration and asylum system, particularly in terms of coordination among institutions and regional collaboration with other European countries to tackle the issue of illegal migration.⁹² The Strategy on Integrated Border Management and Action Plan 2019-2023 has the priority to adopt an integrated border management that is aligned with the EU and Schengen requirements to ensure readiness to protect the outer borders of the EU.⁹³ The Information with the Action Plan of Urgent Measures was adopted in 2018 to fight illegal migration and increase the security at the border, with a focus on the eastern borders. Finally, the Information with the Plan of Measures and Activities for Effective Management of the Migrant Crisis, adopted in 2020, prioritized improving the Bosnia and Herzegovina's Border Police protection measures, illegal migration management and asylum sector capacity. The Plan also focused on readmission agreements, strengthening the prevention of migrant smuggling, supporting communities hosting temporary reception centers as well as bolstering the Coordination Body for Migration Matters.⁹⁴

Since 2001, Bosnia and Herzegovina has also developed a legal framework to counter human trafficking. The most recent strategies fighting human trafficking in Bosnia and Herzegovina are the Strategy and Action Plan to Counter Trafficking in Human Beings in Bosnia and Herzegovina (2013-2015), the Action Plan to Combat Trafficking in Human Beings (2016-2019) and the Strategy to

⁹⁰ Ministry of Security (2021).

⁹¹ Ministry of Security (2021).

⁹² Ministry of Security of Bosnia and Herzegovina (2021).

⁹³ https://neighbourhood-enlargement.ec.europa.eu/system/files/2022-10/C_2022_7584_F1_ANNEX_EN_V1_P1_2268709.PDF ; Ministry of Security of Bosnia and Herzegovina (2021)

⁹⁴ The Council of Ministers of Bosnia and Herzegovina (2019); Ministry of Security (2023).

Suppress Trafficking in Human Beings in Bosnia and Herzegovina (2020-2023).⁹⁵ This latter one, covers a wide spectrum of objectives, including support and prevention, prosecution of human trafficking crimes, provision of protection to the victim as well as partnerships development with relevant institutions and organizations.⁹⁶ The Council of Ministers adopted the Strategy for the Bosnia and Herzegovina institutions, while the entity- and canton-level authorities as well as the Brčko District's government adopt additional measures for the institutions in their districts.⁹⁷

In addition to strategies targeting Bosnia and Herzegovina's security, the country is starting to leverage immigration for its economic development. The last Migration and Asylum Strategy of 2021-2025 highlights the need to support the integration of foreign nationals in the country. At the entity level, the FBiH introduced the Development Strategy for FBiH 2021-2027 which suggests integrating immigration policy into employment policy in order to reduce unemployment and labor market inactivity. It highlights the importance of attracting foreign students and entrepreneurs as well as ensuring having immigrant workers in sectors such as IT, medicine or engineering, when the local labor supply is insufficient.⁹⁸

The Law on Foreigners (88/15) regulates conditions and procedures for entry, stay, and return of foreign nationals in Bosnia and Herzegovina. Additionally, the Law regulates issues related to visa arrangements, travel documents for foreigners, cases of placement of foreigners under surveillance, responsibilities of authorities in the implementation of the Law, offenses and penalties for the violation, and other matters related to foreigners in Bosnia and Herzegovina.⁹⁹ In terms of residence under the Law, foreigners wishing to obtain temporary residence may do so on the basis of family reunification, education, employment, and humanitarian matters, among other supported reasons. In special cases, the ownership of immovable property may also serve as a basis for obtaining temporary residence. Several amendments were introduced in the past years to closer align the Law on Foreigners with the EU legislation. The amendments were introduced to align with the Schengen Borders Code (Regulation (EU) 2016/399), the Visa Code (Regulation of the Council (EC) no. 810/2009), the conditions of entry and stay of third-country nationals for research, education, training, among other services (Directive (EU) 2016/801), and highly qualified employment (Directive (EU) 2021/1883). Additionally, the Law on Citizenship (4/97, 13/99, 41/02, 6/03, 14/03, 82/05, 43/09, 76/09, 87/13) determines modes and processes for acquisition, loss, and reacquisition of citizenship. The Bosnia and Herzegovina's Council of Ministers has the authority to decide on granting citizenship to a person of particular benefit to Bosnia and Herzegovina, under Article 13.¹⁰⁰

Refugees

The Law on Asylum (11/16) governs the relationship between state authorities and UNHCR and applies to all foreigners who seek international protection. The principle of non-refoulement forms a protection against returning a foreign citizen to a country in which they would face a serious risk of persecution, torture or other form of cruel and inhumane treatment. The Law on Asylum provides rights to asylum seekers and refugees, including free movement, accommodation, primary health care, primary and secondary education, free legal aid, employment, psycho-social aid and family reunification for refugees. Foreign nationals who apply for asylum are entitled to

⁹⁵ <http://msb.gov.ba/PDF/021220191.pdf>

⁹⁶ Ministry of Security of Bosnia and Herzegovina (2021).

⁹⁷ <http://msb.gov.ba/PDF/11022020.pdf>

⁹⁸ https://parlamentfbih.gov.ba/v2/userfiles/file/Materijali%20u%20proceduri%202021/Strategija%20razvoja%20FBiH%202021-2027_bos.pdf

⁹⁹ Official Gazette of Bosnia and Herzegovina (No. 88/15) – the Law on Aliens document.

¹⁰⁰ Ministry of Security (2023).

accommodation in the center for reception and accommodation, established within the Ministry of Security. In case of a significant increase in asylum applications, asylum-seekers may be given space at private homes, apartments, hotels or other accommodation sites. The current legal framework gives both the refugees and persons under subsidiary protection the right to identification documents, information, accommodation, work, education, healthcare, social welfare and integration assistance into the Bosnian society. Although the Law on Asylum has significantly converged with the EU acquis, two areas remain to be harmonized. Foreign citizens under subsidiary protection are still not entitled to family reunification, travel documents, permanent residency or naturalization as refugees are. The Bosnia and Herzegovina's Council of Ministers, the Ministry of Security, the Service for Foreigners' Affairs, the Border Police, the Court, the Ministry of Human Rights and Refugees, the Ministry of Civil Affairs as well as other bodies of internal affairs and competent authorities are responsible for the implementation of the Law on Asylum.

A1.3. Institutional setting for immigration and asylum

The Coordinating Body for Migration (CBM) also monitors and ensures coordination on topics related to immigration of foreigners and asylum. Its role recognizes the expanded need for institutions to address the increasing inflows of labor migrants and asylum seekers in the country. It acts as the operational headquarters in case of a crises in the area of migration. The CBM proposes measures to the Council of Ministers of Bosnia and Herzegovina and other responsible institutions and agencies through the Ministry of Security.

The Ministry of Security (MoS) plays a central role in creating and enforcing immigration and asylum policies. Established in 2003, the MoS oversees the protection of international borders as well as internal border crossings and traffic regulation in Bosnia and Herzegovina. The MoS is also responsible for international cooperation in the fields under the Ministry's authority, managing data relevant to the country's security and coordinating the security efforts among different interior ministries.¹⁰¹ Moreover, the MoS is in charge of planning and implementing immigration policies as well as preparing laws and by-laws on immigration. Under the Law on Asylum, the Ministry's Asylum Sector is the first instance authority in charge of deciding upon asylum claims. The responsibilities of the asylum sector include issuing and reviewing decisions on asylum applications, implementation of asylum policy, and preparation of laws and by-laws on asylum. It manages the reception of asylum seekers, card issuance and accommodation for them as well as coordinates work within competent organizational units. Additionally, the Ministry manages the reception and accommodation of foreign victims of trafficking and monitors progress with European regulations.¹⁰²

The Service for Foreigners Affairs (SFA) has responsibilities in the areas of immigration and asylum. The SFA was founded in 2005 under the Law on Service for Foreigners' Affairs as an independent administrative unit within the MoS that is responsible for the entry and stay of foreign nationals in Bosnia and Herzegovina through administrative and inspection activities. It includes administrative and inspection tasks related to the status of foreigners, and issuing decisions related to foreign citizens' requests. It also performs a number of duties related to asylum. In particular, it is responsible for the first stage of the application process for asylum, issuing the "Attestation on intention to seek asylum" document, and referring asylum seekers to one of the available reception

¹⁰¹ Ministry of Security (2023).

¹⁰² Ibid.

facilities. It also carries out other activities under the Law on Foreigners, the Law on Asylum, and other relevant legislation.

The Border Police of Bosnia and Herzegovina is responsible for identifying and addressing illegal migration flows at the central, regional and local levels. Originally the State Border Service, the Border Police was created in 2000 and became a constituent of the MoS since its establishment in 2003.¹⁰³ This police body is in charge of surveillance and control of cross-border movement and the prevention of illegal cross-border migration. Other responsibilities related primarily to the enforcement of immigration legislation include controlling the movement of foreigners across the country's border under the Law on Foreigners and the Law on Asylum as well as denying entry to unauthorized foreign nationals under certain circumstances. Bosnia and Herzegovina's Border Police has also the authority to shorten and revoke visas as well as issue visas at the border under exceptional circumstances. In the area of immigration, the Intelligence and Security Agency (OSA) is responsible for conducting security checks of foreign nationals in order to repress threats against Bosnia and Herzegovina's security.¹⁰⁴

The Labor and Employment Agency proposes quotas of foreign workers, concludes international agreements on labor migration, and provides employment services to migrants. The LEA is in charge of labor market needs and is responsible for proposing quotas for foreign workers migrating to Bosnia and Herzegovina based on needs in the domestic labor market observed by the FBiH and RS Employment Institutes and collects information and conducts research for that purpose. In collaboration with the Ministry of Foreign Affairs, the LEA has the authority to conclude international agreements with third countries on labor migration to and from Bosnia and Herzegovina. It also provides employment services to people residing in the country, including foreign workers.

The Ministry of Human Rights and Refugees ensures the rights of individuals under international protection are protected. The sector covering refugees, displaced persons readmissions and residential policy is in charge of protecting the rights of refugees in Bosnia and Herzegovina once their status has been determined. The MoHRR also supports the promotion and protection of individual and collective human rights and freedoms and coordinates the implementation of obligations under international conventions and international instruments. It also cooperates with non-governmental and humanitarian organizations on humanitarian support and services, including to asylum seekers and refugees. The Refugees, Displaced Persons, Readmission and Residential Policy Sector operations are distributed across four departments: Department for the Rights of Refugees, Displaced Persons and Returnees; Department for Return, Reception, Coordination of Centers for Taking Care of Refugees and Returnees on the Basis of Readmission, as well as the Department for Residential Policy and Projects and the Department for Supporting the Operations of the Refugees and Displaced Persons Commission of Bosnia and Herzegovina.¹⁰⁵

The Ministry of Civil Affairs is responsible for matters related to granting citizenships, registration of citizens and providing identification documents in Bosnia and Herzegovina. It is also in charge of the registration of temporary and permanent residence of both citizens and foreign individuals. The MoCA, in cooperation with competent bodies of the two entities and the Brcko District, is responsible for the health and social welfare of migrants residing in temporary

¹⁰³ Ibid.

¹⁰⁴ <https://www.osa-oba.gov.ba/nadle.html> ; Ministry of Security (2023).

¹⁰⁵ Ministry of Security (2016); <http://www.msb.gov.ba/onama/default.aspx?id=1669&langTag=en-US>; https://euaa.europa.eu/sites/default/files/2022-02/BiH_RM_Cover.pdf

reception centers, in accordance with the Plan of Measures and Activities for Effective Management of Migrant Crisis in Bosnia and Herzegovina.¹⁰⁶

The Ministry of Foreign Affairs also manages visa agreements that impact the requirements of foreign nationals to enter the country. It is responsible for preparing proposals of decisions about nationals of which countries do not require a visa to enter Bosnia and Herzegovina or are permitted to enter Bosnia and Herzegovina with a document other than a passport and on exemption from visa requirements for foreign nationals holding special types of documents.¹⁰⁷ In addition, the MoFA has the authority to issue visas in the Diplomatic and Consular Representation of Bosnia and Herzegovina.

At the entity level, different ministries have responsibilities concerning foreign nationals in their respective territories. In the FBiH, the Ministry of Interior submits to the Ministry of Security the data on persons acquiring Bosnian citizenship on an annual basis and disaggregated per country of origin, gender and age, while the responsible institution in the Republika Srpska is the Ministry of Administration and Local Self-Governance.¹⁰⁸ With respect to refugees and asylum seekers, the FBiH Ministry of Displaced Persons and Refugees is in charge of collecting and analyzing data, constructing housing units for the accommodation of displaced populations, coordinating reconstruction activities and registering and supervising NGOs in that sphere, and running assistance centers for immigrants and asylees.¹⁰⁹ In the Republika Srpska, the Ministry of Refugees and Displaced Persons has the responsibility of providing services and support to refugees and displaced populations, such as housing and legal protection, and coordinates with other state, federal institutions and international organizations the implementation of social reintegration programs for refugees and displaced groups.¹¹⁰

A1.4. System of entry, stay and integration of immigrants and provision of services

Entry system for economic migrants and right to work

There are a few types of visas to enter Bosnia and Herzegovina: an airport transit visa (Visa A), a short-term stay visa (Visa C) and a long-term stay visa (Visa D). There are no specific visas for different types of employment, sectors, skill levels, or education. The short-term visas cover a wide range of travel purposes, including business, education, training, tourist or other private travels, political, scientific, cultural, sports, religious or other travels. Usually, the short-term visa allows a foreigner to stay up to 90 consecutive days within a 180-day period and the visa validity does not exceed one year, although under certain conditions the validity period may be extended up to 5 years. The long-term visas allow foreigners to stay in Bosnia and Herzegovina for a period not exceeding 190 days within a year and to submit a request for temporary residence. The temporary residence is a permit granted to a foreigner for a period not exceeding one year based on family reunification, education, humanitarian reasons, employment, or other justified reasons.

Temporary work permits are provided based on labor market needs with a limited fraction converting to permanent residency. Under the current quota system, the entity-level LEAs propose foreign workers' entries in the labor market based on empirical analysis and consultations with

¹⁰⁶ Ministry of Security (2021).

¹⁰⁷ Ministry of Security (2023).

¹⁰⁸ Ibid.

¹⁰⁹ <https://portal.cor.europa.eu/divisionpowers/Pages/Bosnia-Herzegovina-Immigration.aspx>

¹¹⁰ <https://portal.cor.europa.eu/divisionpowers/Pages/Bosnia-Herzegovina-Immigration.aspx>

representatives of employers and trade unions. The state LEA aggregates numbers and sends the proposal through the Ministry of Civil Affairs (MoCA) to the council of ministers. At the individual level, every firm seeking to hire a foreign worker has to apply for a work permit in the local LEAs. In turn, the LEA has to assess whether there are domestic workers with the required qualifications available for the vacancy unless they are occupations or cases exempted from quotas based on the Law on Foreigners. Once an employment permit is obtained, the employer has to send the worker a letter of invitation certified by the Ministry of Foreign Affairs to apply to the corresponding embassy and reviewed by the Ministry of Security. Finally, once the worker obtains the visa she or he can arrive in Bosnia and Herzegovina and apply for the residency permit in the country. In 2022, Bosnia and Herzegovina issued 3,780 valid work permits, with 1,645 of them contributing to the quota. From the permits contributing to the quota, 433 were extended and 1,212 were newly issued. Foreign nationals can apply for permanent residence if they have resided uninterruptedly for a minimum of five years in Bosnia and Herzegovina and have to show they have sufficient means, accommodation, and health insurance. In 2022, 390 permanent residence permits were issued, which is significantly less than an average number of approximately 781 between 2013 and 2019.

There are specific procedures to enter and stay in Bosnia and Herzegovina as an asylum seeker. The process of seeking asylum starts at the border when the Border Police transfer the migrant seeking asylum to the closest Service for Foreigners' Affairs Office. Then, after the application for refugee status is sent, the Ministry of Security's Asylum Sector is responsible for conducting interviews and deciding on the application. First, it is determined whether there are reasons granting a refugee status to the applicant according to the Law on Asylum. If the applicant does not meet the requirement –facing a real risk of being persecuted – they can still be granted with the subsidiary protection if they face a real risk of human rights violation or fundamental freedom upon returning back to their country. In 2023, the average waiting time between the asylum application and the decision in first instance was 207 days, above the requirement under the Law of Asylum to decide within six months, although it has been reduced in the last years (compared to 306 days in 2022 and 444 days in 2021).¹¹¹ As per the Law on Foreigners, the temporary residence on humanitarian grounds is granted for a period not exceeding six months.¹¹² Refugees have the right of reunification with family members residing outside of the borders of Bosnia and Herzegovina. After the refugee submits their application to the Ministry and proves the relationship with their family, the decision is communicated within nine months. If the application was successful and the family members are eligible, they are granted a refugee status upon arrival to Bosnia and Herzegovina.

Services for asylum seekers, refugees and economic migrants

While services to economic migrants are limited, asylum-seekers in Bosnia and Herzegovina have the right to access certain services as per the law. There are limited structural services in place for labor migrants. Services are in general provided at an ad-hoc basis by specific employers. If a migrant with expiring permits or found irregular in the country decides to leave the country, he or she can request assistance from the IOM and the Service of Foreigner's Affairs under the program "Assisted Voluntary Return of Irregular Migrants," which provides financial assistance. Close to 5,000 individuals were returned with IOM or SFA's assistance between 2013 and 2022. On the other hand,

¹¹¹ <https://data.unhcr.org/en/documents/download/104139>

¹¹² Ministry of Security (2023).

asylum seekers and refugees can access different services for which they have legal rights, such as legal counseling, housing, healthcare or education.

Reception centers provide time-sensitive assistance to asylum seekers and refugees. These centers are managed by the Service for Foreigners' Affairs, the Ministry of Security's Asylum Sector and the Ministry for Human Rights and Refugees and serve as a dedicated accommodation to asylum seekers and refugees. Four temporary reception centers are located in the Sarajevo Canton and the Una-Sana Canton. Managed by the Service for Foreigners' Affairs and the International Organization for Migration, these centers have a capacity of 5,350 beds and accommodated about 2,141 migrants in 2022. There are other accommodation centers in Bosnia and Herzegovina for people seeking asylum.¹¹³ Each of the reception centers either has doctors on site or frequent medical visits for check-ups. The Danish Refugee Council (DRC) supports vulnerable refugees by providing primary health care services and, to some extent, secondary health¹¹⁴ care through regular visits of the medical teams in several reception centers in Una-Sana Canton, Mostar, Sarajevo, and Tuzla.¹¹⁵ Asylum seekers who do not stay in the reception centers face more challenges to access primary health care. First, an individual needs to have a valid Asylum Seeker Card to make an appointment through the Asylum Sector of the MoS and then go to the public healthcare center. If a person does not have a valid Asylum Seeker Card, they will not be provided with primary health care, however, they should always be provided with emergency health care, according to the law.¹¹⁶ UNICEF, DRC and public health centers provide access to immunization for children.

UNICEF also provides child-friendly spaces in several reception centers with a broad support for children. These spaces offer psychosocial support along with opportunities to learn and play for children. In some of the centers, there are also Mother and Baby Corners offering support and counseling for parents. UNICEF, jointly with DRC, also makes pediatric and urgent dental care accessible to children in some reception centers, for example, in Sedra TRC.¹¹⁷ Additionally, UNICEF and its partners support children's enrolment in public schools in Bosnia and Herzegovina. At the moment, formal education is available to children at the age of 6 to 15 who are accommodated in the Ušivak TRC, House for All, the Borići TRC, the Bira TRC, the Zene sa Une shelter, and the Sedra TRC.¹¹⁸

Asylum seekers and refugees also receive free legal support from UNHCR with its partners, Bosnia and Herzegovina Women's Initiative and Vaša Prava. They offer services in an Information Centre located in Sarajevo. They provide individuals with information on how to seek asylum, obtain the Attestation on Intention to Seek Asylum ('white paper') with the Service for Foreigners' Affairs, apply for asylum with the Sector for Asylum and obtain the Asylum-Seeker's Card ('yellow card'). In the center, people can also learn about their rights, available psychosocial support, and accommodation and can receive free legal information and assistance. Outside of the information center, too, free legal assistance is provided by UNHCR, Vaša Prava and the free legal aid office of the Ministry of Justice.¹¹⁹ In January 2024, 122 individuals received free legal aid in asylum cases and

¹¹³ Ibid.

¹¹⁴ DRC offers access support for secondary healthcare on a case-by-case basis, although it is still quite limited.

¹¹⁵ <https://help.unhcr.org/bosniaandherzegovina/where-to-seek-help/the-danish-refugee-council/>

¹¹⁶ <https://help.unhcr.org/bosniaandherzegovina/where-to-seek-help/health-services/>

¹¹⁷ <https://help.unhcr.org/bosniaandherzegovina/where-to-seek-help/unicef/>

¹¹⁸ <https://help.unhcr.org/bosniaandherzegovina/where-to-seek-help/unicef/>

¹¹⁹ http://www.mpr.gov.ba/organizacija_nadleznosti/Besplatna_pravna_pomoc/default.aspx?id=12546&lang Tag=en-US ; <https://help.unhcr.org/bosniaandherzegovina/where-to-seek-help/>

380 individuals participated in individual or group counseling sessions providing legal information on asylum in the country.¹²⁰

Unaccompanied minors receive support and help to obtain legal guardianship. In cooperation with partners such as UNHCR and BHWI, the Centre for Social Work is responsible for appointing guardian for unaccompanied children and address potential problems with violence, abuse, neglect or exploitation.¹²¹ UNICEF aims to ensure that the guardians not only are appointed fast but also are well prepared by sharing relevant information with the guardians, offering them support and referring to UNHCR and Vaša Prava to assist them with asylum procedures. On top of it, Child Protection Teams are arranged, providing additional on-site support 24/7.¹²² As of the end of January 2024, there were 290 unaccompanied and separated children in the Western Balkans, with 249 of them in Bosnia and Herzegovina.¹²³

Other services provided to asylum seekers and refugees by different organizations include housing, protection, and psychosocial support. The Regional Housing Program is a program mostly funded by the EU (80%), with the objective to provide good quality housing for internally displaced people, returnees and refugees. Over the past decade, 10,000 people received accommodation in Bosnia and Herzegovina thanks to this program.¹²⁴ In terms of protection, DRC staff focuses on reducing violence, coercion and abuse against migrants. The teams identify vulnerable individuals and provide them with services or refer to other relevant providers. Some of the support includes speaking to the individuals and identifying their needs, referring victims of sexual or gender-based violence to appropriate service providers as well as those at risk of such violence to a safe house.¹²⁵ Additionally, the DRC refers to relevant psycho-social support and counseling such as to the BHWI team, a civil society association collaborating with UNHCR or Red Cross/Red Crescent, among others.¹²⁶ According to the UNHCR, in January 2024, 202 persons received psychosocial support and 75 sessions were conducted social, recreational and occupational therapy.¹²⁷

NGOs and international organizations also support asylum seekers and refugees in restoring links and facilitating reunification with their families. Red Cross and Red Crescent provide support across the entire territory of Bosnia and Herzegovina with recently increasing attention in certain areas such as Una-Sana Canton. Red Cross helps asylum seekers and refugees restore their family links through the worldwide Family Links Network of Red Cross/Red Crescent Societies and the International Committee of Red Cross. They also provide humanitarian assistance including food, essential supplies and first aid provision as well as psychosocial support.¹²⁸ In addition to the Red Cross and Red Crescent, UNHCR and its partner, Vaša Prava, provide support in finding legal pathways for family reunification.¹²⁹

¹²⁰ <https://data.unhcr.org/en/documents/details/106628>

¹²¹ <https://help.unhcr.org/bosniaandherzegovina/where-to-seek-help/centres-for-social-work/>

¹²² <https://help.unhcr.org/bosniaandherzegovina/where-to-seek-help/unicef/>

¹²³ <https://data.unhcr.org/en/documents/details/106939>

¹²⁴

https://www.eeas.europa.eu/delegations/bosnia-and-herzegovina/regionalni-stambeni-program-10000-izbjeglica-raseljenih-lica-i-povratnika-u-bih-dobili-nove-domove_bs?s=219

¹²⁵ <https://help.unhcr.org/bosniaandherzegovina/where-to-seek-help/>

¹²⁶ <https://www.unhcr.org/see/12195-psycho-social-counselling-restores-dignity-to-asylum-seekers.html>

¹²⁷ <https://data.unhcr.org/en/documents/details/106628>

¹²⁸ <https://help.unhcr.org/bosniaandherzegovina/where-to-seek-help/red-cross-society/>

¹²⁹ <https://help.unhcr.org/bosniaandherzegovina/applying-for-asylum/legal-pathways-and-family-reunification/>

A1.5. Assessment of the immigration system

Bosnia and Herzegovina has progressively developed its legal and institutional framework for migration in the last decades. The country has built an increasingly efficient migration and asylum system that supports the management of migration inflows and outflows centered around the Migration and Asylum strategy of 2021-25. The developments across the successive migration strategies have aimed to align Bosnia and Herzegovina's migration legislation with EU standards. On the security front, still in 2021 only one in four border crossings in Bosnia and Herzegovina took place according to standards required to ensure effective border controls, according to the Ministry of Security.¹³⁰ This points to further needs to strengthen the implementation and enforcement of recent regulations. Significant strides have been made to adjust the system of asylum to international best practices, ensuring the protection of asylum seekers' rights, increasing the capacity of reception centers, and providing time-sensitive assistance to asylum seekers and refugees.

From the perspective of labor migration into the country, Bosnia and Herzegovina has the opportunity to increase the efficiency of the migration system and strengthen its links to the country's labor market and development needs. There are emerging discussions on how Bosnia and Herzegovina can better identify, bring, employ, train, and integrate foreign workers into the country. The current immigration system has space to improve its effectiveness and flexibility to cover the needs of foreign workers. On the one hand, there is room for enhancing the agility of the entry process. Given the increasing labor market shortages in some occupations and regions that are leading firms to increase their demand for foreign labor (a trend that is expected to accelerate in the coming years), pressures on the system are increasing. Government authorities are aware of these trends and could further invest in strengthening labor market monitoring systems and their connections to immigration policies in a way to better support the developmental aspects of migration. In order to support labor market needs, the migration system not only needs to increase the number of foreign workers but also to improve the matching of skills demanded in the labor market to ensure that foreign workers either arrive in the country with the required skills or receive adequate training upon arrival. Insufficient skills are sometimes cited by employers as a key challenge, including language fluency and occupation-specific skills. Private employers have started to create ad-hoc training programs to better prepare foreign workers. However, there is an opportunity to develop broader integration policies for foreign workers in the country. As a starting point, some parts of the system of service provision for refugees and asylum seekers that facilitate their integration in the country can be expanded to accommodate economic migrants.

¹³⁰ Ministry of Security (2021).