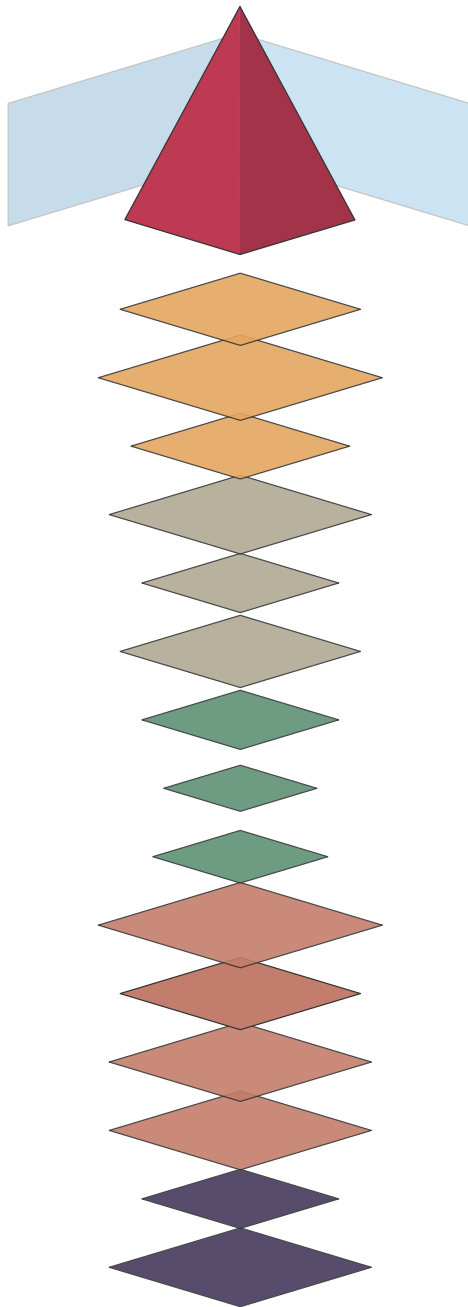


# BOSNIA AND HERZEGOVINA



## 5.85 CRIMINALITY SCORE

57<sup>th</sup> of 193 countries  
8<sup>th</sup> of 44 European countries  
6<sup>th</sup> of 17 Central & Eastern European countries

### CRIMINAL MARKETS 5.30

HUMAN TRAFFICKING	5.50
HUMAN SMUGGLING	6.50
EXTORTION & PROTECTION RACKETEERING	5.00
ARMS TRAFFICKING	6.00
TRADE IN COUNTERFEIT GOODS	4.50
ILLICIT TRADE IN EXCISABLE GOODS	5.50
FLORA CRIMES	4.50
FAUNA CRIMES	3.50
NON-RENEWABLE RESOURCE CRIMES	4.00
HEROIN TRADE	6.50
COCAINE TRADE	5.50
CANNABIS TRADE	6.00
SYNTHETIC DRUG TRADE	6.00
CYBER-DEPENDENT CRIMES	4.50
FINANCIAL CRIMES	6.00

### CRIMINAL ACTORS 6.40

MAFIA-STYLE GROUPS	4.00
CRIMINAL NETWORKS	6.00
STATE-EMBEDDED ACTORS	8.00
FOREIGN ACTORS	8.00
PRIVATE SECTOR ACTORS	6.00

## 3.88 RESILIENCE SCORE

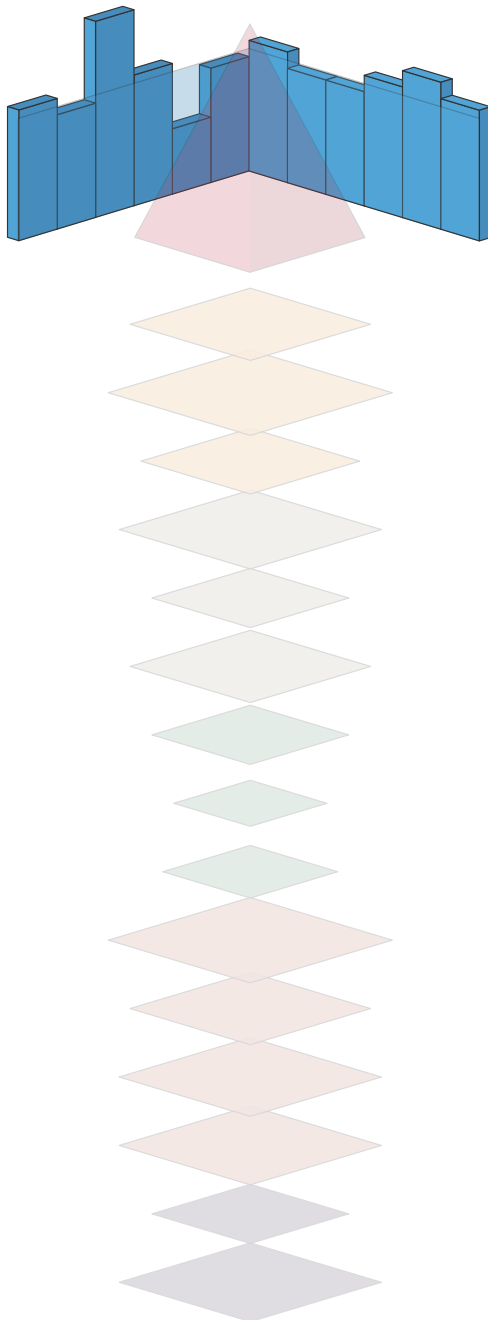


Funding provided by the United States Government.



ENACT is funded by the European Union and implemented by the Institute for Security Studies and INTERPOL, in affiliation with the Global Initiative Against Transnational Organized Crime.

# BOSNIA AND HERZEGOVINA



## 3.88 RESILIENCE SCORE

138<sup>th</sup> of 193 countries  
42<sup>nd</sup> of 44 European countries  
15<sup>th</sup> of 17 Central & Eastern European countries

POLITICAL LEADERSHIP AND GOVERNANCE	4.00
GOVERNMENT TRANSPARENCY AND ACCOUNTABILITY	3.50
INTERNATIONAL COOPERATION	6.00
NATIONAL POLICIES AND LAWS	4.00
JUDICIAL SYSTEM AND DETENTION	2.00
LAW ENFORCEMENT	3.50
TERRITORIAL INTEGRITY	4.00
ANTI-MONEY LAUNDERING	3.50
ECONOMIC REGULATORY CAPACITY	3.50
VICTIM AND WITNESS SUPPORT	4.00
PREVENTION	4.50
NON-STATE ACTORS	4.00

## 5.85 CRIMINALITY SCORE

 CRIMINAL MARKETS	5.30
 CRIMINAL ACTORS	6.40



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# CRIMINALITY

## CRIMINAL MARKETS

### PEOPLE

Bosnia and Herzegovina is a source, destination, and transit country for human trafficking, particularly for sexual exploitation and forced labour. Bosnian men are often victims of forced labour in the construction industry in Balkan and other European countries, and Bosnian women and girls are sex trafficked in private residences within the country. Moreover, victims from Afghanistan, Cuba, Gambia, Libya, Serbia, Sri Lanka, and neighbouring Balkan countries have been exploited in Bosnia and Herzegovina. Child trafficking continues to be a significant issue in the country with Roma and other children being forced into begging, sex trafficking, and exploitation in forced marriages for the purpose of domestic servitude.

As the country is situated on the main route for irregular migrants coming from the Middle East and Africa through the Western Balkans, on their way to the EU, human smuggling continues to be a notable issue in Bosnia and Herzegovina. Although Bosnia and Herzegovina plays an important role as a transit country for human smuggling, thousands of smuggled individuals have found themselves stuck in the country because of the relatively strong border control of neighbouring countries such as Croatia. In recent years, there has been an increase in the number of irregular migrants in the country with most of the smuggled individuals originating from Afghanistan, Turkey, Burundi, Pakistan, Bangladesh and Cuba. The route through Serbia and Albania has remained the main avenue for illegal entries into the territory of Bosnia and Herzegovina. Even though human smuggling does not cause violence between organized crime groups, cases of violence and intimidation against smuggled individuals along the Bosnian-Croatian border have been recorded. Organized crime actors with connections to the corrupt law enforcement officials, particularly border police officers, are known to assist smuggled individuals as they enter and leave the country, but local populations operating opportunistically also play an important role in the crime market. Extortion and racketeering are not uncommon in Bosnia and Herzegovina, usually conducted by criminal groups connected to high-level politicians. Racketeering is mostly imposed on restaurants and bars in all the major locations in Sarajevo and Banjaluka, and extortion is prevalent in the construction industry.

### TRADE

Recent seizures indicate that arms trafficking in the country is active, well organized, and transnational. Many arms from the 1990s remain in circulation and it is among the top countries globally in terms of the number of legal and illegal firearms in civilian possession. Additionally, Bosnia and Herzegovina is situated along one of the trafficking routes between large arms-supplying countries, such as Serbia and Montenegro, and destination countries for illegal firearms in Europe. Furthermore, Bosnia and Herzegovina is a known transit country for converted weapons. Organized crime groups are the dominant actors in the illegal firearms trafficking market, with evidence suggesting that the same groups are also involved in drug trafficking. Arms trafficking in the country has not been efficiently addressed because of corruption, a lack of political will, and the evident connections between politicians and criminal groups.

Even though Bosnia and Herzegovina remains a source and transit country of counterfeit clothes of famous brands, the production is usually aimed at the local market and is rather small. Counterfeit pharmaceuticals are a widespread problem in the country and the rest of the region. Similarly, the illicit trade in excise goods in Bosnia and Herzegovina is moderately pervasive and is not connected to larger criminal groups. Cross-border smuggling of tobacco products is the most common type of illegal trade in this criminal market, with the country being a source and transit point for illicit tobacco headed for EU markets. Illegal products are reported to account for around 20% of tobacco consumption in Bosnia and Herzegovina.

### ENVIRONMENT

Bosnia and Herzegovina is a source country for illegal timber in Europe, specifically for neighbouring countries such as Serbia. The crime is facilitated by gaps in legislative and customs regulatory frameworks, shortcomings in border control, and corruption. In addition to organized crime groups, private sector actors are involved in this market through the falsification of documents. The high rate of illegal logging relates to the firewood markets which involve different actors in different territories who illegally harvest the wood from state and private forests. Limited fauna-based illicit markets are known to exist, the most prevalent of which is the trade in endangered species. The market for quail has become popular because of hunting tourism. However, there is no clear evidence suggesting any involvement of transnational organized crime actors in the illegal fauna market. Illegal, unreported and unregulated fishing is common in the country, and there is a considerable illicit caviar market.

Trade in commodities such as fuel oil and natural minerals is known to occur at the borders between Bosnia and Herzegovina, Croatia, Serbia, and Montenegro. Within Bosnia and Herzegovina, there is a small but noteworthy amount of illegal extraction of minerals, coal, and gravel. In addition to the involvement of criminal groups in this market, private sector actors in the mining sector carry out illegal mining activities through extraction of more coal and gravel than is legally permitted. Nonetheless, the impact of the market is limited to only those sectors of society that accrue value from it.

## DRUGS

Bosnia and Herzegovina is a country of transit and a final destination for heroin and precursor chemicals. This market is overseen by criminal groups with connections to other Balkan criminal groups, as well as Turkish and Qatari criminal groups. The heroin market and heroin prices have remained stable because of low levels of seizures by law enforcement, which is a result of corruption and the fragmentation of police forces. New patterns of heroin smuggling from the Netherlands to Bosnia and Herzegovina suggest an increased demand for heroin in the country. As the cocaine market is less pervasive than the markets for other drugs in the country, Bosnia and Herzegovina continues to be predominantly a transit route for the drug coming from Montenegro and passing towards the EU. There is an increasing involvement of criminal organizations in the cocaine market, especially Eastern Balkan organized crime groups. Seizures of large quantities of cocaine directly connected to Bosnia and Herzegovina were recorded in recent years, suggesting a rise in the trafficking and presence of cocaine within the country, either for transit or domestic consumption.

Bosnia and Herzegovina is a transit and destination country for cannabis, which is the most used and seized drug in the country. Cannabis enters the country from Albania and is subsequently trafficked to Western European countries. Furthermore, Bosnia and Herzegovina has recently become a source of sour cannabis, a stronger strain, with reports of emerging indoor cultivation and growing production in the southern and western parts of the country. Over the past few years, there has been a rise in violent conflicts between criminal organizations engaged in the production and trade of cannabis with an aim to exert dominance in the illicit market. Similarly, the country has increasingly become a source country for synthetic drugs with the increased production of Ecstasy (MDMA), on top of its role as a transit country in the region. Chemical components for MDMA, including rare crystal powder, are imported from EU countries such as the Netherlands and Germany and are used for MDMA production in the country.

## CYBER-DEPENDENT CRIMES

Even though there has been a major increase in cyber-dependent crimes in the country in recent years, the cybercrime market in Bosnia and Herzegovina is at the very early stages and no major cybercriminal groups or cybercrimes have been detected. Reported incidents have mostly originated abroad and generally consist of smaller-scale ransomware and malware attacks. However, there are indications of the involvement of organized crime groups in such activities. The low rate of cyber-attacks is mostly because of Bosnia and Herzegovina's undeveloped cyber-infrastructure, and the fact that most government services operate predominantly with hard-copy materials or offline.

## FINANCIAL CRIMES

Corruption in the form of preferential treatment in tenders and public contracts is well documented in Bosnia and Herzegovina. Additionally, public money has reportedly been channelled to NGOs and civil society organizations based on political favouritism. Brcko, a self-governing district of the country, is reported to suffer notable financial corruption, with many examples of local political parties with connections to corrupt financing of civil society organizations being reported. In Bosnia and Herzegovina, employment tax evasion is widely reported. In these cases, employees are officially paid the minimum wage which is supplemented with cash payments. Around 30% of all workers receive salaries in cash in Bosnia and Herzegovina. Business owners in the country have reported that entrepreneurs reduce their legal profit by using fake invoices and employment contracts.

## CRIMINAL ACTORS

Organized crime groups from the Balkans play a prominent role in a variety of criminal markets in Bosnia and Herzegovina, with most of them originating from Kosovo, Croatia, Montenegro and Serbia, and to a lesser extent Albania. Additionally, Turkish criminal actors also wield notable influence over criminal markets in the country, particularly in the realms of smuggling activities and financial crimes. Corruption continues to be pervasive in Bosnia and Herzegovina, with close connections between the government and criminal groups providing a level of protection to such groups. Some members of criminal groups are employed in state institutions and others are members of dominant political parties. Political groups and criminal networks often have overlapping interests. State-embedded actors exert control over private sector actors through racketeering and the use of administrative methods such as inspections and audits.

Even though their involvement in organized crime is limited, private sector actors who have close ties with high-level politicians are known to enjoy preferential treatment from the government in public procurement processes. Recently,

there has reportedly been an increase in the country of preferential treatment given in public procurement. Procurement documentation adjustments are reportedly made to suit specific bidders, a widespread phenomenon with serious implications for the transparency of the sector and for the country's prospects of development.

Smaller criminal networks are heavily engaged in crime markets across Bosnia and Herzegovina, though the crimes are more low-level than those of the larger mafia-style actors. These networks are divided mainly along ethnic lines – between Serbs, Bosniaks, and Croats – which exacerbates external influence. The number of recorded organized crime groups operating in the markets of drug trafficking, human smuggling, economic crime, corruption, arms trade, computer crime, human trafficking, and property

crime in Bosnia and Herzegovina has been growing in recent years. There is a significant number of criminal networks in the country that are very well networked and whose cooperation is mostly fluid. These networks are also known to collaborate with organized criminal groups from other countries in the region, especially from Serbia, Montenegro and Croatia. Mafia-style groups are also prominent in Bosnia and Herzegovina, albeit to a limited extent. Their presence in the country is facilitated by the widespread corruption and inefficient security system in the country. These groups are mostly involved in drug trafficking across the country. Mafia-style groups active in Bosnia and Herzegovina also operate in other European countries and have direct links to Latin American organized crime groups.

# RESILIENCE

## LEADERSHIP AND GOVERNANCE

Bosnia and Herzegovina has a unique political architecture, with a tripartite presidency that consists of one Bosniak, one Serb, and one Croat who act as the head of state on a rotating basis. Under this system, unity continues to be difficult to maintain and there have been many instances in which the three presidents have disagreed on policy. This deepens the ethnic division in the country and obstructs the decision-making process. As the political system of Bosnia and Herzegovina is highly decentralized, a substantial amount of power lies with the cantons. Although leaders have vowed to fight crime, they have ultimately lacked the ability to take national leadership on the issue. There is a lack of coordination and cooperation on all levels of government, which has become particularly visible in the response to the COVID-19 pandemic. With several cantonal governments, it is difficult to root out political corruption and nepotism, which enables a high degree of state capture by organized crime actors. Although the country has adopted satisfactory policies against corruption and organized crime on paper, independent safeguards against corruption are weak, and grand corruption and state capture remain systemic issues. Lack of government obligation to publish documents pertaining to government plans and secrecy in procurement processes prevent proper scrutiny of the government.

At the international level, Bosnia and Herzegovina has ratified nearly all the relevant organized crime treaties, however, low levels of cooperation exist between Bosnia and Herzegovina and other countries, in large part because of the divergent foreign policy agendas of various government entities. Nonetheless, Bosnia and Herzegovina participates in INTERPOL and Europol investigations. The country is a

signatory to the Police Cooperation Convention for Southeast Europe, operational and strategic agreements with Europol, and a number of bilateral agreements with its neighbours, including on joint patrols, cooperation mechanisms, and local border traffic. Even though more concrete steps are required to be taken, the country continues to cooperate with neighbouring countries as well as other EU countries to tackle several forms of organized crime. At the national level, although laws and policies are generally sufficient and updated, implementation is severely lacking. Moreover, the country's ability to effectively dismantle organized crime groups is impeded by the lack of harmonization between legislations pertaining to organized crime, as well as a lack of up-to-date legal framework on certain organized criminal markets such as drug trafficking, anti-money laundering, and cybercrime, among others.

## CRIMINAL JUSTICE AND SECURITY

Bosnia and Herzegovina's judiciary continues to be weak and often suffers from political interference. Lack of political will to institute judicial reform and the poor functioning of the judicial system continue to undermine the fulfilment of human rights and the fight against corruption and organized crime. Shortcomings concerning appointment, appraisal, and disciplinary procedures are adversely affecting judicial independence and prosecutorial autonomy in the country. Widespread corruption within the judiciary as well as negligence by actors in the judicial system hinder the country's judicial capacity to combat organized crime. As for the penitentiary system, ill treatment of prisoners in detention facilities continue to be reported.

Because of the administrative structure of Bosnia and Herzegovina, there are 16 security agencies operating in the country on different administrative levels. The ability to effectively dismantle criminal organizations is seriously hampered by a lack of coordination between the many authorities in the country. Investigative capacities among law enforcement entities are generally weak because of the lack of capacity, specialization, and equipment and, in some cases, police have been found to be highly corrupt and to engage in criminal activity.

Furthermore, Bosnia and Herzegovina lacks the infrastructure and cooperation with its neighbouring countries to control its borders, making it difficult to fight illicit flows. Corruption among the police and administrative divisions as well as a lack of human resources render it difficult to ensure territorial security. Calls from representatives of Republika of Srpska to secede from Bosnia and Herzegovina and unify with Serbia pose a significant threat to the country's internal stability and territorial integrity. Bosnia and Herzegovina lacks the necessary legal framework, mechanisms and strategies to combat cybercrime or to detect cyber-attacks that are threatening the cyberspace of the country.

## ECONOMIC AND FINANCIAL ENVIRONMENT

Even though the legal framework pertaining to money laundering is in place, its implementation continues to be inadequate as institutions generally fail to apply anti-money laundering laws. Audit and tax administration reports continue to be used in a non-systematic and reactive, rather than proactive, manner. Financial investigations are not launched systematically in corruption cases and the overall anti-money laundering framework is not fully aligned with Financial Action Task Force standards. There is still a lack of understanding, expertise and institutional capacities on illicit financial flows, their channels, and methods.

Administrative complexities, high levels of corruption, weak institutional capacities, and weak rule of law make Bosnia and Herzegovina a relatively difficult place to do business and a somewhat unattractive investment destination. Moreover, although cross-border trading and resolving insolvency are fairly simple, the processes of paying taxes as well as starting a business and obtaining construction permits are cumbersome. The limitations imposed by economic regulations and the selective implementation of fair competition regulations because of preferential treatment have created a convenient ecosystem for the creation of monopolies or oligopolies, and for the seizing of control by state actors.

## CIVIL SOCIETY AND SOCIAL PROTECTION

Efforts have been made by the government to improve the status of child victims of human trafficking by combining the domestic and foreign victim funds and disbursing funds to anti-trafficking NGOs, and drafting guidelines to standardize victim assistance. Nonetheless, Bosnia and Herzegovina continues to lack administrative and institutional capacity, and resources, to provide support for victims of organized crime, a result primarily of a high degree of fragmentation among the relevant agencies. Although victim and witness support in courts has been improved in recent years, the lack of harmony between various legal frameworks across the country continues to engender differences in the scope of protection, as well as inequalities in access to justice for all types of proceedings. Despite the incorporation of non-penalization standards under the national policies, authorities lack knowledge and experience frequent staff changes and so continue to penalize victims for unlawful acts that traffickers compelled them to commit. The country lacks adequate witness protection programmes.

Crime prevention mechanisms remain inadequate, although dedicated corruption-prevention bodies have been set up across Bosnia and Herzegovina because of problems encountered with the implementation of current anti-organized crime legislation. The existing prevention efforts include the provision of training to monitoring teams as well as awareness campaigns.

Civil society organizations continue to play a prominent role in the response to organized crime, particularly when it comes to victim support. Nevertheless, the inclusion of civil society in decision-making continues to be inadequate. As for the media environment, journalists have been facing an extremely unfavourable political and economic environment. The hostile media environment in the country is exhibited by verbal attacks, defamation suits, and intimidation targeting journalists, as well as influence over the public media and regulatory bodies which has resulted in the deterioration of the quality of journalism in the country. Many media outlets avoid critical journalism because of their difficult economic position and their dependence on political and economic support.

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