

**Capital:** Sarajevo  
**Size:** 31,816 square miles, slightly smaller than West Virginia  
**Population:** 4.0 million (2003 est.)  
**Religion:** Muslim, Orthodox, Roman Catholic, and others.  
**Language:** Bosnian, Serbian and Croatian  
**Population Growth Rate:** 0.45% (2003 est.)  
**Life Expectancy:** Females, 75.2 years, Males, 69.5 years  
**GDP:** \$7.3 billion (2002)  
**GDP per capita:** \$1,900 (2002)  
**GDP Growth Rate:** 2.3% (2002)  
**Foreign Direct Investment:** \$222 million (2001)  
**BiH Presidency, rotating among three:** Borislav Paravac, Sulejman Tihic and Dragan Covic  
**BiH Ambassador to the U.S.:** Igor Davidovic



**National Interest:** Peace and stability in Bosnia and Herzegovina and in the Balkans, the “underbelly” of Europe, is critical to U.S. foreign policy. Since the 1995 Dayton Peace Accords, the USG invested over \$1.1 billion in BiH, beginning with reconstruction to support refugee returns and business finance programs to support rapid economic recovery. The program now focuses on economic restructuring, small and medium enterprise development and democratic development. Up to 2,500 U.S. troops continue to serve in the NATO SFOR—Stabilization Force. One of the most critical issues facing BiH presently is the transition from international oversight to self reliance. Its aspirations for membership in Euro-Atlantic structures – NATO and the EU – drive its reform efforts.

#### OVERVIEW OF USAID'S FOCUS IN BOSNIA AND HERZEGOVINA

FY04: Total AEEB \$44.7 million , USAID Total \$26.6 million

**Economic Restructuring (FY 04 \$7.8 million, 29%):** USAID’s program to accelerate the development of the private sector includes activities that are: strengthening the competitiveness of small and medium enterprises (SMEs) through targeted support to the agribusiness, wood processing and tourism sectors; increasing access to financing by helping commercial banks to identify potentially profitable lending gaps and design and implement new products to fill them; developing a centralized movable collateral registry as a basis for asset-based lending; creating a functioning competent commercial law regime that upholds the rule of law in business transactions and builds domestic and international investor confidence; establishing an MBA program to produce managers equipped to compete in the new global economy; and reducing the cost of government through a transparent and efficient treasury function, as well as an accountable and transparent modern tax administration that streamlines compliance and reduces tax evasion environment .

**Multi-Ethnic Democratic Society (FY 04 \$12.0 million, 45%):** USAID’s assistance focuses on activities designed to strengthen and improve the accountability of political parties and legislatures; facilitate an environment for the functioning of more responsive, transparent and accountable governance at the local, municipal and entity levels; increase citizen participation in political and social decision making; and strengthen legal systems that expand transparent access to justice for all citizens.

**Sustainable Minority Returns: (FY04 \$3.8 million, 14%):** USAID’s program assists minority returnees and displaced persons return to their homes thus re-establishing a multi-ethnic society. The program focuses on access to basic utilities and services, improving economic self-sufficiency, and institutional strengthening of power and water sectors for the continued delivery of basic services. USAID also supports grants and income generating loans to individuals, businesses, community groups, and legal aid services.

**Cross Cutting Programs: (FY 04 \$2.9 million, 11%):** USAID’s cross-cutting programs address the illegal trafficking of persons, provide training to BiH leaders in support of the mission’s other activities, and provide funding for program administration, evaluations and assessments.

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