**PARLIAMENT OF THE FEDERATION BIH**

**House of Representatives**

**For Members of the House of Representatives**

**House of Peoples**

**For Members of the House of Peoples**

**CC:** USAID in Bosnia and Herzegovina

British Embassy in Bosnia and Herzegovina

Embassy of Switzerland in Bosnia and Herzegovina

 Netherlands Embassy in Bosnia and Herzegovina

 Open Society Fund BH

 Embassy of the Federal Republic of Germany in Bosnia and Herzegovina

 **Sarajevo, 8th April 2020**

## **SUBJECT:** **Request for the amendments on the proposal of the Law on minimising economic consequences due to Corona virus**

Respected Members of the Parliament of the Federation BiH,

On behalf of the NGO network for children in BiH 'Stronger voice for children', IRIS network, and NGO Initiative and Civil Action we are addressing you with the request to react with amendments to the proposal of the Law on minimising the economic consequences of the Corona virus (so called 'Corona law').

The Government of the Federation BiH, on 6th of April 2020 addressed the Parliament of the Federation BiH with the Proposal of the Law on the minimising the negative economic consequences caused by the pandemic of the Corona virus, with request for urgent parliamentary procedure for its adoption.

The Law is proposed with the aim to minimise the negative effects to the economy of the Federation BiH, envisaged in the next period due to state of disaster caused by the pandemic of corona virus, which resulted with a number of subjects closing operations and with severe disturbances in performing usual operations.

The Law prescribes subventions for contributions for obligatory insurances for employees, termination of calculation and interest payments on public revenues, termination of the obligations for advance payments for profit, for advance payment of taxes on income from self-employed activities, withholding of all administration, legal prosecution and executive procedures during the period of natural disaster, termination of calculating theinterest rates ondelayed payments, withholding of forced payments, maintaining the stability for certain payments, delayed implementation of regulations, and establishment of the Guarantee fund.

The non-governmental sector is surprised by the fact that the provisions of this law are not applied to associations of citizens. Extracting the associations from the provisions of this law and equalizing associations with public companies, public institutions, government bodies, banks and other financial institutions we find as especially unfair and unjust act of the Government FBiH (proposer of the law).

Opposite from all legal subjects that associations are put together with, associations are not budgetary consumers (except for associations with the special interest status), don’t use public funds, and have no profit. Whatsoever, by mobilizing funds from international governmental and non-governmental organizations and by implementing a range of projects, non-governmental sector (associations of citizens) pours in significant funds into local economy and fill in budgets by payments of contributions and taxes at all levels of government.[[1]](#footnote-1)

The pandemic caused by the Corona virus from its very start seriously and negatively affected the work of associations. Especially those associations that provide various social services to most vulnerable categories, such as daily care centres/shelters for children, women, old persons, persons with disabilities, and shelters/centres for other marginalized groups. These are services provided only by the associations filling the gap in provision of services throughgovernment bodies.

Acting by the Instruction of the Crisis Management Body for the Federation BiH, associations that provide social services stopped with activities on 18 March 2020, what negatively impacted the service itself but also the financial stability of the associations. Due to the usual method of project financing, donor financial resources are on withhold (or cancelled) waiting for the end of the pandemic. Althoughsome associations managed to end current timely limited projects they are not able to apply for new funds/projects due to uncertain epidemiologic situation. For the difference from the private sector, NGO sector has no profit or free financial resources that could be employed to cover expenses during the pandemic. That includes contributions and taxes for salaries of their employees, who they are forced to let free.

Therefore, respected Members of the Parliament of the FBiH, we hope that you will understand our concern and act with amendments to the proposition of the Law, in the sense that Measures for minimizing the negative consequences of the Corona virus include Associations of citizens, specially concerning right for subventions of contributions for obligatory insurances for all its employees, as addressed in the Article 4. of the Law.

Otherwise, not only that significant number of employees will become unemployed, consequences will affect whole society as tens of thousands of most vulnerable categories of citizens will be left without adequate help and support, the Federation BiH will be left without quality social services and without significant income.

Respectfully,

**Signatories:***Inicijativaicivilnaakcija (ICVA) Sarajevo, HO “Našadjeca” Sarajevo, Udruženje “Zemljadjece u BiH” Tuzla, LIR civilnodruštvo Banja Luka, Asocijacija za razvoj LEDA, HO “Altruist” Mostar, Centar za obrazovneinicijative “Step by Step”, Centar za razvojzajednica “ToPeer” Doboj, Udruženje “Ženesa Une” Bihać, Udruženje za briguiopštapravadjece "Našadjeca" Zenica, Udruženjehumanitarnaorganizacija “Ruhama” Zenica, Centar za zbrinjavanjeinjegustarihiizemoglihlicaZenica, UG “Zdravo da ste” Banja Luka, Centar za psihološkupodršku "Sensus", Udruženje “Euro Rom” Tuzla, UG “Svjetionik” Banja Luka, Udruženjeroditeljadjece I omladinesaposebnimpotrebama “Suncenam je zajedničko” Trebinje, Fondacijalokalnedemokratije Sarajevo, Udruženje “Nova generacija” Banja Luka, Organizacija za djecu I mlade “Osmijeh za Osmijeh” Tuzla, Udruženjegrađana za promocijuobrazovanja Roma “Otaharin”, Udruženjegrađana “Budućnost” Modriča, “Udruženje za pomoćmentalnonedovoljnorazvijenimlicima”, Centar za djecuBosanskoGrahovo, Udruženjeroditeljahendikepiranedjeceiomladine,, Leptir,, Srebrenica.*

1. For the illustration: According to the statement of Stefanie Altman-Winans, advisor for public affairs in the Embassy of the USA in BiH, the US Government, in the period 1996-2014 through program of small grants only (through 1000 NGOs as recipients) invested around 25 million of USD in BiH. Open Society Fund, according to available data for period 2001-2012, supported financially mainly NGO projects in BiH with the donations of above 35 million USD. According to the research form 2005 the total annual NGO income participated with 4, 5% of GDP, while full time employing 26.668 persons. [↑](#footnote-ref-1)