

IPA National Programme 2008 Part II – Bosnia and Herzegovina

Fiche 17: Strengthening Environmental Institutions

1. Basic information

1.1. CRIS Number: 2008/20-339

1.2. Title: Strengthening of Bosnia and Herzegovina Environmental Institutions, preparation for pre-accession funds and support to environmental infrastructure development

1.3. ELARG Statistical code: 03.27 European standards/Environment

1.4. Location: Bosnia and Herzegovina

Implementing arrangements:

1.5. Contracting Authority: European Commission

1.6. Implementing Agency: European Commission

1.7. Beneficiary:

Primary Beneficiary Institution:

Ministry of Foreign Trade and Economic Relations (MoFTER)

Division for Energy, Natural Resources and Environmental Protection

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Secondary Beneficiaries:

- Ministry of Environment and Tourism, FBiH
- Ministry of Physical Planning, Civil Engineering and Ecology, RS
- Federal Ministry of Agriculture, Water Management and Forestry, FBiH
- Ministry of Agriculture, Forestry and Water Management, RS
- District Brčko

Financing:

1.8. Overall cost (VAT excluded): EUR 12.9 million

1.9. EU contribution: EUR 4 million

1.10 Final date for contracting: Two years following the date of the conclusion of the Financing Agreement

1.11 Final date for execution of contracts: Two years following the end date of contracting

1.12 Final date for disbursements: One year following the end date for the execution of contracts

2. Overall Objective and Project Purpose

2.1. Overall Objective

The overall objective will be to contribute to environmentally sustainable economic development by bringing the country closer to EU environmental standards, through strengthening administrative structures and fostering the approximation with *acquis* requirements.

2.2. Project purpose

Strengthening technical, administrative and IPA-compliant programming capacities of the institutions involved in environmental management in BiH and to ensure the implementation of infrastructure measures to achieve EU environmental standards.

2.3. Link with AP/NPAA / EP/ SAA

European Partnership 2007 (Short and Medium term Priorities):

On its path towards EU integration, BiH will need not only to adopt the policies and rules of the EU (the '*acquis communautaire*') but, most importantly, will need to ensure its effective implementation and enforcement through appropriate administrative structures. Therefore, the ultimate aim of the Public Administration (PA) reform process is to ensure that BiH gradually develops a capacity to implement the *acquis communautaire*.

In the chapter for European Standards (Sectoral Policies) the European Partnership short-term priorities for environment address the immediate requirements for improvement of the legislative and institutional aspects of the environment sector (e.g. adoption of State Law on Environment and establishment of the State Environment Agency). The medium-term priorities are to continue with progressive transposition of environment *acquis*, implementation of strategic plans, increase of investments in environment infrastructure and to ensure integration of environmental protection requirements into other sectoral policies. The planned intervention under IPA 2008 will therefore address short and medium-term priorities of the European Partnership.

2.4. Link with MIPD

The MIPD concentrates on the medium term requirements. As a potential candidate country, Bosnia and Herzegovina has to approximate gradually its legislation and policies with the *acquis* and has to develop the relevant administrative capacity. Under the chapter 'European Standards', the expected results are that the National Environment Strategy will be adopted and implemented, the BiH Environment Agency is established and operational, the alignment of the sector to the environmental *acquis* is advanced. Also, tools for prioritization of environmental infrastructure investments and determination of measures for environmental protection will be operational, generation of co-financing mechanisms for environmental infrastructure will be advanced. Finally, the expected result is also enhanced investments in environmental infrastructure and the ability to access pre-accession funds.

2.5. Link with National Development Plan

National Development Plan is under preparation. It is the follow-up of BiH Mid-term Development Strategy (MTDS 2004-2007). The intervention is in line with the MTDS priorities of strengthening of the legal and institutional framework for the environment sector, establishment of inter-sectoral approach in areas of priority, improvement of system of funding for the sector and improvement of environmental statistics.

According to the EU Integration Strategy for BiH, the recommended measures are to establish appropriate capacities on the State level (especially to realise international environmental agreements) and pass the necessary laws on the state level, strengthen environmental capacities in entity ministries, especially inspection services. The recommended measure is also to perform a general implementation of environmental standards and criteria based on the "self imposed quasi-membership", which would be the optimal basis for the development of institutional relations, and not only in the environmental sector. Integration of environmental concerns in other sectors is also a recommended measure in the EU Integration Strategy.

2.6. Link with national/ sectoral investment plans

The National Environmental Action Plan (NEAP) was the first document specifically oriented to environmental problems and was adopted by the governments of BiH in 2003. The priorities of NEAP are: legal and institutional framework, water resource management-wastewater, rural development, management of environment – environmental information system, integral planning and education in the area of environment, protection of biological and landscape diversity, waste management, sustainable development of businesses, public health and demining. The planned intervention is in line with NEAP.

The European Union (EU) funded preparation of a Nationwide Solid Waste Management Strategy in BiH that was completed in 2000. It recommends a wide range of technical, institutional and financial upgrading measures for the next 15 years. The strategy recommends environmental standards that are required for EU accession, and is focused on the regional approach to solid waste management (e.g. construction of sanitary landfills).

3. Description of project

3.1. Background and justification

Component I - Strengthening of Bosnia and Herzegovina Environmental Institutions and Preparation for Pre-accession funds

This intervention is divided into two components. Component I relates to capacity building of environmental institutions and project preparation capacities, while the Component II relates to the environmental infrastructure investments identified as priority by BiH Authorities.

The lack of some more administrative arrangements at the State level is rather unique in Europe and a major problem for the environmental administration in BiH. With three levels of autonomy and up to four levels of administrative layers public administration is in general very complex also

in the environmental field. Regulatory, executive and control aspects require in these circumstances extreme precision. Delays, gaps, overlapping, duplication, unequal application of standards, unequal treatment of clients, moreover conflicts of interest including legal conflicts may occur. All of these problems can contribute to bureaucratic red tape and can interfere with advancing liberalized market economies. In part, these difficulties exist because of the general absence of strong state level institutions which could serve to curtail these institutional challenges.

Unfortunately, the development of the Environmental Institutional Sector and competence from the authorities at the State and Entities' levels has not resulted yet in development of the environmental administration and its human capacities, competent for establishment of an Environmental Policy of the State and Environment management including the international cooperation, as well as fulfilling the Country's international commitments.

According to PAR (Public Administration Review) for environment sector being lack of horizontal and vertical coordination which resulted in past in a number of problems, such as absence of environmental policy, implementing legislation, the lack of a more harmonized approach to environmental policy implementing legislation and lawmaking strategy among the entities limited technical capacities of environmental administration at all levels and overall poor financial sustainability of the sector.

As BiH is undergoing the process of European integration, it must bring its institutions, management capacity and administrative systems up to the required standards to implement the *acquis* effectively. In the field of Environment, the implementation of the *acquis* requires¹ at least one authority at national level that must assume overall responsibility for the implementation of EC law in the field of environment. This national competent authority is required in states even where the bulk of the legislation is adopted and implemented at the level of regional government, as in the case of BiH at the levels of Entity, Canton (in FBiH) or municipality.

Overall, Bosnia and Herzegovina's preparations in the field of environment have been assessed in the Progress Report for BiH (2007) to remain at an early stage. The requirement for Bosnia and Herzegovina will be to substantially enhance the administrative capacity and strengthen the environmental protection institutions, in particular at State level, as well as to improve coordination between all levels of administration. **The country will also require a strategy for implementation of the *acquis* chapter for the environment, and preparation of investment programmes for environmental infrastructure.**

Although there has been an increase in investments in environmental infrastructure, largely through IFI loans, BiH has limited expertise in the area of project preparation and investment planning, and would therefore have difficulty in accessing pre-accession funds. Therefore, the country should start preparations in accessing these funds as well as to improve donor and IFI funds coordination.

Component II

Component II will support needed investment in the environmental infrastructure projects in the water/waste water and solid waste sectors through various possible activities, such as preparation of feasibility studies, master plans, technical design documentation and/or construction works.

¹ "Main Administrative Structures Required for Implementing the *Acquis*", Overview

This component foresees investments identified as priorities by BiH Authorities and will be complimentary to proposed IFI interventions in the respective sectors, where applicable.

Solid Waste Management Infrastructure

This IPA 2008 intervention will finance feasibility studies out of Component II of this Project Fiche for future regional sanitary landfill sites as well as financial, environmental and social assessments of the landfill sites. Once completed, the study will help Entity and local authorities identify possible locations for regional sanitary landfills, funded out of a World Bank loan (please refer to 3.6 Linked activities)

Wastewater Infrastructure - Construction of the Sewage and Wastewater Treatment Plant

Medjugorje, Municipality Čitluk – Phase II (works + supervision)

The project in Medjugorje is one of the pollution hot spots in the Mediterranean region. It is one of the three top priorities project in the Mediterranean area in BiH in the water protection sector, according to the Mediterranean Action Plan – National Action Plan for BiH and Reduction and Elimination of Land Based Pollution (LBS) Protocol.

BiH strategies (NEAP BiH, MTDS) and other sectoral documents (Program of public investments in Federation of BiH in period 2007 – 2009) support this project.

According to the EU-funded Water Protection Plan for Urban Water, endorsed by the BiH water authorities, this project is defined a second priority in all BiH from 160 agglomerations.

3.2. Assessment of project impact, catalytic effect, sustainability and cross border impact

Component I - Strengthening of Bosnia and Herzegovina Environmental Institutions, preparation for pre-accession funds

In the field of Environment, the implementation of the *acquis* requires² at least one authority at national level that must assume overall responsibility for the implementation of EC law in the field of environment. This national competent authority is required in states even where the bulk of the legislation is adopted and implemented at the level of regional government, as in the case of BiH at the levels of Entity, Canton (in FBiH) or municipality. This project will therefore contribute to enhancing the capacity of the State authorities in environmental and natural resource management to perform their competencies of **policy defining, coordination of activities and harmonization** of entities' authoritative bodies and institutions of the international level, aiming at preparing the country for effective implementation of the EU *acquis*. Cross-border impacts are also expected to be with regards to the improved implementation of cross-border international agreements. The intervention also aims to further stimulate the investment climate in environmental infrastructure in BiH.

Component II - Solid Waste Management Infrastructure -Feasibility study for selection of regional sanitary landfills in Bosnia and Herzegovina

² “Main Administrative Structures Required for Implementing the Acquis”, Overview

The aim of this Project is to help further development of the solid waste management sector in Bosnia and Herzegovina by reducing number of wild dumps, and reduce health hazards caused in adequate waste collection and disposal systems.

Design of feasibility studies contribute to meeting law requirements for construction of landfill sites in Bosnia and Herzegovina and will help municipalities to contribute for future investments in the solid waste management sector.

*Wastewater Infrastructure - Construction of the Sewage and Wastewater Treatment Plant
Medjugorje, Municipality Čitluk – Phase II (works + supervision)*

The project is important for wider region of south BiH and transboundary part of Dalmatia (Republic of Croatia). This is a very sensitive karst area and organic water pollution flow directly underground from settlements Medjugorje and Bijakovići (famous pilgrims places – in the last twenty years almost 30 million pilgrims visited Medjugorje) that are not connected to wastewater treatment.

3.3. Results and measurable indicators:

Component I - Strengthening of Bosnia and Herzegovina Environmental Institutions, preparation for pre-accession funds

Result 1

- Improved performance of the State level organizational set up to perform core function and competencies in regard to environmental management,

OVI: State level institutions responsible for environmental management fulfil their commitments timely.

Result 2

- Clear and effective coordination procedures established and implemented for all administrative levels defined and action plan prepared for approximation and implementation of the EU acquis

OVI: Environmental policies (including potential environmental measures for its implementation)

Result 3

- Improved implementation of International Environmental Agreements,

OVI: Number of environmental indicators reported to international community increased in comparison to number of indicators provided in ratified conventions and protocols documents

Result 4

- Functioning of National environmental monitoring and information system and its database enabling increased environmental awareness and improved information dissemination and public participation.

OVI 4.1: Regular reporting to European Environment Agency related to environment media indicators and regular reporting to Conventions Secretariats on the implementation of the ratified Conventions and Protocols

OVI 4.2: Channels for disseminating information to the public on state of environment established and functional

Result 5

- Developed capacities of BiH authorities in project preparation, appraisal and investment planning in order to facilitate BiH access to IPA funds for candidate countries and to facilitate co-financing and coordination of other donor/IFI activities,

OVI: Number of projects prepared and appraised and new investments planned in the field of environment.

Component II - Solid Waste Management Infrastructure -Feasibility study for selection of regional sanitary landfills in Bosnia and Herzegovina

Result 1:

- Improved environmental standards application related to solid waste and urban wastewater management in BiH.

OVI 1: Number of infrastructure projects identified as a priority projects by the BiH authorities prepared and/or implemented.

Result 2:

- Ready Made Investment infrastructure projects advanced enough for financing by IFIs and other international donors with particular attention through co-financing of infrastructure

OVI 2: Projects supported for further investment by IFIs or donors.

3.4. Activities:

Component I – Activity 1 - Strengthening of Bosnia and Herzegovina Environmental Institutions, preparation for pre-accession funds

Activity 1 – Contract 1.1 – Service Contract

Sub-activity 1 - Institutional Support

- Elaboration and implementation of clear and effective coordination procedures for all administrative levels, including a provision for development of institutional capacities needed for implementation of the EU acquis.
- Assistance in development of the human resource, budgetary and planning capacities of the State level environmental administration (MoFTER).

Sub-activity 2– Planning and Legislative Support

- Assistance in developing a state level national environmental policy and strategy document to address the requirements of implementation of the EU acquis,

implementation of international obligations and other core competencies of the State level in the environment sector.

- Revision and /or preparation of existing or required environmental legislation and guidelines at State level in order to clarify the existing competencies of the State level.
- Selection of EC Directive(s) of the environmental acquis to prepare an implementation plan for the implementation of the directive.

Sub-activity 3 - Implementation of International Obligations Support

- Assistance in drafting guidelines related to coordination Focal Point for international competencies.

Sub-activity 4 - Public Communication and Environmental Monitoring System Support

- Assistance in implementation of the Environmental Monitoring System already agreed and established between the BiH governments. The output of this activities will be the publishing of the State of the Environment Report and improved participation of the European Environment Information and Observation Network
- Assistance in improving communication and public campaign activities of the State level BiH environment administration

Sub-activity 5 - Preparation for access to Pre-Accession Funds Support

- Assistance and capacity building to MoFTER and the relevant institution at State and Entity level in improving project preparation, environmental economics and appraisal for investment planning in order to improve access to EU funds,
- Assistance in creation of structures required for access to pre-accession funds
- Preparation of operational programmes for access to IPA funds. This strategic document will be closely linked with the policy and strategy documents prepared through this project.

Component II

Activity 2 – Solid Waste Management Infrastructure

Contract 2.1 – Service Contract - Feasibility study for selection of regional sanitary landfills in Bosnia and Herzegovina

Assistance to BiH authorities in preparation of the studies for selection of regional landfills location including location assessments, EIA study, assessment of social and economic aspects. The output of this activity would be assistance in considerable ongoing and loan investments (WB) in the field of landfill rehabilitation at the BiH level.

Contract(s) 2.2 – Loan Agreement between World Bank and BiH: Solid Waste Management Phase 2

Waste Management World Bank Loan (USD 10 million) investment in rehabilitation of existing disposal sites, wild dump closures, collection infrastructure, support equipment, and to a limited extend the conversion of existing small dumpsites to transfer stations. At more advanced regional landfills the component will also support upgrading processes such as sorting, recycling and gas capturing. The component includes 10 percent co-financing from the Government.

Activity 3 – Wastewater Infrastructure - Construction of the Sewage and Wastewater Treatment Plant, Medjugorje, Municipality Čitluk – Phase II (works + supervision)

Contract 3.1 – Works Contract - Construction of the Wastewater Treatment Plant (WWTP)

Contract 3.2 – Service Contract - Supervision of Construction of WWTP

Assistance to the BiH authorities in implementation of ready made infrastructure investment projects in the water and sanitation sector through physical construction activities. Much of the technical design documentation already exists, but it should be revised and updated in readiness for the tender preparation).

Sub - Activity 3.1: The construction of main collector from pump station Medjugorje to WWTP

Sub - Activity 3.2: The construction of pump station Medjugorje for pumping waste water from agglomeration Medjugorje to location of WWTP

Sub - Activity 3.3: The construction of wastewater treatment plant Medjugorje for 7.000 PE

The Works include: digging, placing of collector, covering up, construction of pump station, and facility construction. The works will be carried out continuously and undisturbed following procedure typical for this kind of facility and in line with technical conditions of construction within the Design.

To ensure the works are carried out in accordance to technical specifications and other requirements, a team of engineers will be appointed to supervise the works on behalf of the project beneficiary and contracting authority. The project will be executed concurrently with the construction of the sewage treatment plant.

This activity will be co-financed from IPA 2008 funds and Municipality of Citluk.

3.5. Conditionality and sequencing:

Conditionality

Although there is political consent that State-level capacities in the environmental sector should be enhanced, a legal framework at State-level should be in place. The working group tasked with preparation of Law is in process of establishment, after agreement between the Authorities has been reached to go ahead with legal drafting and endorsement. For the purpose of this intervention, there should be a final agreement on content and dynamics of State-level Law on Environment preparation and adoption

It is also necessary that BiH environmental institutional capacity is continuously enhanced and human resources are further developed by engaging new staff. Also MoFTER should start with implementation of its human resources policy.

Relevant Ministries (Primary and Secondary Beneficiaries) should dedicate sufficient staff and other resources required for support of the project(s).

Co-financing mechanism is in place and operational.

Sequencing

Complete review of actual situation of the existing landfills to be undertaken during the Inception period with all key sector stakeholders including Entity Ministries, Cantonal Ministers and representatives of the local communities.

Before start of tendering process for investment project, the Project Beneficiary must obtain the necessary construction/ecological permit(s) and relevant conformities needed for undisturbed project implementation. This should not be a problem since the Municipality has already surveyed the planned routes of the planned sewage collector and the location of the WWTP has already been selected. The WWTP Medjugorje should be placed next to the Citluk WWTP (works currently ongoing) and should be a natural, sound extension of the Citluk facility.

3.6. Linked activities

Component I of the Intervention will build on the activities of the CARDS and IPA projects in the sector. The intervention is foreseen to start during the implementation of the IPA 2007 projects supporting BiH Water Policy and the implementation of the Integrated Pollution Prevention and Control Directive. Care should be taken that this IPA 2008 intervention builds on the previous and ongoing activities of EU-funded assistance.

Bosnia and Herzegovina has started comprehensive reconstruction in the environment sector in both entities with the help of IFIs. For the needs of the environmental infrastructure development in the *water/waste water and solid waste management sectors*, the IFIs have allocated significant loan assistance as the needs for investments in the sector are extensive.

The intervention is linked to the World Bank Phase II loan for solid waste management and will be a base for decision making process on further achievable improvement in the sector of solid waste management in particular regions of the country.

Approximately 25 million \$ of the World Bank loan funds are currently being implemented in the solid waste management sector, in which the EC is also assisting with the complementary activities to the WB programme. The second phase of the World Bank loan assistance for reconstruction and development of BiH solid waste sector, in the amount of approximately 26 million \$, is currently under negotiation. Recently, EUR 60 million of loan assistance have been approved by EIB for reconstruction of the water and water sanitation sector in FBiH.

KfW is also supporting the strengthening of the environmental infrastructure sectors through different loan schemes. According to the available information, so far EUR 43 million of the KfW loan assistance has been committed in the water/waste water sector in BiH. The EC and KfW entered into cooperation in rehabilitation of waste water system in Bihac region. For that purpose the KfW approved EUR 17.5 million grant funds - Phase I, while the Phase II will be financed by the KfW loan.

With the support of Municipal authorities, construction activities of the Phase I of the WWTP Citluk/Medjugorje are currently ongoing. Phase II would be logical extension of the ongoing activities and once constructed, the WWTP would present an immediate enhancement of the water quality management in Bosnia and Herzegovina.

3.7. Lessons learned

The key lessons, which emerged based on previous interventions in the sector are outlined below.

- The institutional set up in the environment sector remains problematic and the needs in the sector are considerable and growing rapidly as the sector seeks to meet the challenges of meeting EU Directives as well as its growth.
- The non-implementation of European Partnership priorities (short-term) has hampered progress in the sector, and the coordination between the State and Entity Governments is considered a bottleneck.
- Limited capacities of the MoFTER, as well as an extremely unstable political environment in BiH may negatively effect project implementation, require proactive involvement of the Ministries' staff at all levels;
- Coordination with IFIs and other donors in the sector is crucial in resolving the potential issues.

4. Indicative Budget (amounts in EUR)

			TOTAL EXP.RE	SOURCES OF FUNDING								
				IPA COMMUNITY CONTRIBUTION		NATIONAL CONTRIBUTION					PRIVATE CONTRIBUTION	
ACTIVITIES	IB (1)	INV (1)	EUR (a)=(b)+(c)+(d)	EUR (b)	%(2)	Total EUR (c)=(x)+(y)+(z)	% (2)	Central EUR (x)	Regional/ Local EUR (y)	IFIs* EUR (z)	EUR (d)	% (2)
Activity 1	X		2.000.000	2.000.000	100	-	-	-	-	-	-	-
Contract 1.1	-	-	2.000.000	2.000.000	100	-	-	-	-	-	-	-
Activity 2		X	8.900.000	1.000.000	11,24	7.900.000	88,76	1.600.000	-	6.300.000	-	-
Contract 2.1	-	-	1.000.000	1.000.000	100	-	-	-	-	-	-	-
Contract(s) 2.2	-	-	*7.900.000	-	-	7.900.000	100	*1.600.000	-	6.300.000	-	-
Activity 3		X	2.000.000	1.000.000	50	1.000.000	50	1.000.000	-	-	-	-
Contract 3.1	-	-	925.000	925.000	100	-	-	-	-	-	-	-
Contract 3.2	-	-	75.000	75.000	100	-	-	-	-	-	-	-
Contract(s) 3.3			1.000.000	-	-	1.000.000	100	1.000.000	-	-	-	-
TOTAL IB			2.000.000	2.000.000	100			-	-		-	-
TOTAL INV			10.900.000	2.000.000	18.35	8.900.000	81.65	2.600.000	-	6.300.000	-	-
TOTAL PROJECT			12.900.000	4.000.000	31,01	8.900.000	68,99					

Amounts net of VAT

- (1) In the Activity row use "X" to identify whether IB or INV
(2) Expressed in % of the **Total** Expenditure (column (a))

Exchange rate: 1 \$ = 0.631407 EUR; 1 EUR = 1.58377 \$

- *EUR 6.3 million = 10.0 million\$
- *EUR 7.9 million = 12.5 million\$

- *EUR 1.6 million = 2.5 million\$

5. Indicative Implementation Schedule (periods broken down per quarter)

Contracts	Start of Tendering	Signature of contract	Project Completion
Contract 1.1	Q4 2009	Q1 2010	Q3 2012
Contract 2.1	Q4 2009	Q1 2010	Q1 2012
Contracts 2.2 ³	See footnote		
Contract 3.1	Q3 2010	Q1 2011	Q1 2013
Contract 3.2	Q3 2010	Q1 2011	Q1 2013
Contract 3.3 ⁴	See footnote		

All projects should in principle be ready for tendering in the 1ST Quarter following the signature of the FA

6. Cross cutting issues

6.1. Equal Opportunity

No discrimination of whatever nature will be applied.

The principle of non-discrimination regarding nationality, gender, religion and race will be applied during tendering, contracting and implementation of this project and all parties involved in all phases of the project will have equal opportunity.

6.2 Environment

The project itself will have no environmental impact.

6.3 Minorities

Please see 6.1 above.

ANNEXES:

ANNEX I. Logical framework matrix in standard format

ANNEX II. Amounts (in EUR) Contracted and disbursed by quarter for the project

³ Contracting of WB Loan is subject to activities of the World Bank and responsible BiH Ministries

⁴ Parallel co-financing foreseen; Contracting will depend on the agreed implementation schedule.

ANNEX I. Logical framework matrix in standard format

LOGFRAME PLANNING MATRIX for Project Fiche	Programme name and number: Strengthening of Bosnia and Herzegovina Environmental Institutions, preparation for pre-accession funds and support to environmental infrastructure development			
	Contracting period expires: N+2		Disbursement period expires: N+5	
	Total budget : EUR 12.9 million		IPA budget: EUR 4 million	
Overall objective	Objectively verifiable indicators	Sources of Verification		
The overall objective will be to contribute to environmentally sustainable economic development by bringing the country closer to EU environmental standards, through strengthening administrative structures and fostering its approximation with acquis requirements.	BiH progressively advancing in the process towards EU integration with institutional capacity within the sector management bodies expanded and investments in application of environmental standards advanced.	EU REPORTS State and Entity Government reports Statistics reports		
Project purpose	Objectively verifiable indicators	Sources of Verification	Assumptions	
Strengthening technical, administrative and IPA-compliant programming capacities of the institutions involved in environmental management in BiH and to ensure the implementation of infrastructure measures to achieve EU environmental standards.	BiH-level priorities defined for EU integration in the area of environment with improved investment in environmental infrastructure.	EU REPORTS State and Entity Government reports Statistics reports Official gazette records at state and entity level; International org. REPORTS Annual Work Plan in the Ministry		
Results	Objectively verifiable indicators	Sources of Verification	Assumptions	
Component I Improved performance of the State level organizational set up to perform core function and competencies in regard to environmental management,	State level institutions responsible for environmental management fulfil their commitments timely. Environmental policies (including	Action Plans, Implementation reports Project and Monitoring Report Annual Work Plan in the Ministry Minutes of meeting Press, Radio articles		

<p>Clear and effective coordination procedures established and implemented for all administrative levels defined and action plan prepared for approximation and implementation of the EU <i>acquis</i></p>	<p>potential environmental measures for its implementation)</p>	<p>Implementation questionnaires and tables of concordance for new legislation</p>	
<p>Improved implementation of International Environmental Agreements,</p>	<p>Number of environmental indicators reported to international community increased in comparison to number of indicators provided in ratified conventions and protocols documents</p>	<p>Feasibility study</p>	
<p>Functioning of National environmental monitoring and information system and its database enabling increased environmental awareness and improved information dissemination and public participation,</p>	<p>Regular reporting to European Environment Agency related to environment media indicators and regular reporting to Conventions Secretariats on the implementation of the ratified Conventions and Protocols Channels for disseminating information to the public on state of environment established and functional</p>		
<p>Developed capacities of BiH authorities in project preparation, appraisal and investment planning in order to facilitate BiH access to IPA funds for candidate countries and to facilitate co-financing and coordination of other donor/IFI activities,</p>	<p>Number of projects prepared and appraised and new investments planned in the field of environment.</p>		
<p>Component II Result 1: ▪ Improved environmental standards application related to solid waste and urban wastewater management in</p>	<p>Number of infrastructure projects identified as a priority projects by the BiH authorities prepared.</p>		

<p>BiH.</p> <p>Result 2:</p> <ul style="list-style-type: none"> • Ready Made Investment infrastructure projects advanced enough for financing by IFIs and other international donors with particular attention through co-financing of infrastructure 	<p>Projects supported for further investment by IFIs or donors.</p>		
Activities	Means	Costs	Assumptions
<p>Component I</p> <p>Activity 1 - Strengthening of Bosnia and Herzegovina Environmental Institutions, preparation for pre-accession funds</p> <p>Sub-activity 1 - Institutional Support</p> <ul style="list-style-type: none"> • Elaboration and implementation of clear and effective coordination procedures for all administrative levels, including a provision for development of institutional capacities needed for implementation of the EU acquis. • Assistance in development of the human resource, budgetary and planning capacities of the State level environmental administration (MoFTER). <p>Sub-activity 2– Planning and Legislative Support</p> <ul style="list-style-type: none"> • Assistance in developing a state level national environmental policy and strategy document to address the requirements of implementation of the EU acquis, implementation of international obligations and other core competencies of the State level in the environment sector. • Revision and /or preparation of existing or required environmental 	<p>Technical Assistance</p>	<p>EUR 2 million</p>	<p>-Full involvement of relevant BiH authorities</p> <p>- Progress on public administration reform and implementation of DIS</p>

legislation and guidelines at State level in order to clarify the existing competencies of the State level.

- Selection of EC Directive(s) of the environmental acquis to prepare an implementation plan for the implementation of the directive.

Sub-activity 3 - Implementation of International Obligations Support

- Assistance in drafting guidelines related to coordination Focal Point for international competencies.

Sub-activity 4 - Public Communication and Environmental Monitoring System Support

- Assistance in implementation of the Environmental Monitoring System already agreed and established between the BiH governments. The output of this activities will be the publishing of the State of the Environment Report and improved participation of the European Environment Information and Observation Network

- Assistance in improving communication and public campaign activities of the State level BiH environment administration

Sub-activity 5 - Preparation for access to Pre-Accession Funds Support

- Assistance and capacity building to MoFTER and the relevant institution at State and Entity level in improving project preparation, environmental economics and appraisal for investment planning in order to improve access to EU funds,

- Assistance in creation of

<p>structures required for access to pre-accession funds</p> <ul style="list-style-type: none"> • Elaboration of a strategic coherence framework in accordance with requirement of IPA- programming guidelines and based on the MIPD, which will constitute a reference document for the programming of the regional development (Component III of IPA) • Preparation of operational programmes for access to IPA funds. This strategic document will be closely linked with the policy and strategy documents prepared through this project. <p>Component II</p> <p>Activity 2 – Solid Waste Management Infrastructure - Feasibility study for selection of regional sanitary landfills in Bosnia and Herzegovina</p> <p>Activity 3 – Wastewater Infrastructure - Construction of the Sewage and Wastewater Treatment Plant, Medjugorje, Municipality Čitluk – Phase II (works + supervision)</p> <p>Sub - Activity 3.1: The construction of main collector from pump station Medjugorje to WWTP</p> <p>Sub - Activity 3.2: The construction of pump station Medjugorje for pumping waste water from agglomeration Medjugorje to location of WWTP</p> <p>Sub - Activity 3.3: The construction of wastewater treatment plant Medjugorje for 7.000 PE</p>	<p>Technical Assistance (Feasibility Study – INV)</p> <p>Works + Supervision</p>	<p>EUR 1 million</p> <p>EUR 1 million</p>	<p>Lack of sufficient involvement of BiH relevant authorities;</p> <p>Lack of cooperation of local communities</p> <p>Project documents (design) not timely completed</p>
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ANNEX II. Amounts (in €) Contracted and disbursed by quarter for the project

Contracted	Q1 2010	Q2 2010	Q3 2010	Q4 2010	Q1 2011	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	
Contract 1.1	2.000.000													
Contract 2.1	1.000.000													
Contract 3.1					925.000									
Contract 3.2					75.000									
Cumulated	3.000.000				1.000.000									
Disbursed	Q1 2010	Q2 2010	Q3 2010	Q4 2010	Q1 2011	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	
Contract 1.1	400000		500.000		400.000		250.000		250.000		200.000			
Contract 2.1	300.000		250.000		250.000		100.000		100.000					
Contract 3.1					125000		250000	250000	250000				50000	
Contract 3.2					30000		20000		15000				10000	

Cumulated	700.000		750000		805000		620000	250000	615000		200000		60000	4000000
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