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Based on the Article 9 Paragraph 1 of the Law on the Environmental Protection Fund („Off. Gaz. of FBiH“, No 33/03) The Management Board of the Environmental Protection Fund of Federation of Bosnia and Herzegovina, with consent of the Government of Federation of Bosnia and Herzegovina at its first seat dated 22nd November 2005 have adopted the

STATUTE
OF THE ENVIRONMENTAL PROTECTION FUND OF
FEDERATION OF BOSNIA AND HERZEGOVINA

I – GENERAL REGULATIONS

Article 1.

By this Statute, in accordance with the Law, are settled issues related to title, seat, business, organization, structure, bodies and management, property, financial dealings and their bookkeeping, publicity of work, and other issues significant for the organization and working style of the Environmental Protection Fund of Federation of Bosnia and Herzegovina (in the document: the Fund).

Article 2.

Establisher of the Fund s Federation of Bosnia and Herzegovina (in the document: Federation), and establishing rights and obligations in behalf of Federation is performed by the Government of Federation of Bosnia and Herzegovina (in the document: Government of Federation).

Article 3.

The Fund has the attributes of a legal entity with rights, obligations and responsibilities prescribed by the Law on the Environmental Protection Fund of Federation («Off. Gaz. of Federation of BiH», No 33/03 - in the document: the Law) and this Statute.

The Fund is non for profit public institution. The Fund has one deposit and transaction account.

Article 4.

For obligations in legal business the Fund is fully liable with the entirety of its property.

II TITLE, SEAT AND STAMPS OF THE FUND

Article 5.

The Fund in legal business is under the title: Environmental Protection Fund of Federation of Bosnia and Herzegovina.

The Fund in legal business towards foreign bodies, legal and physical persons uses besides the title in Bosnian/Croatian and Serbian language, title in English language: Environmental Fund. Seat of the Fund is in Sarajevo street Maršala Tita 9-a. The Founder decides on change of the title and the seat Fund.

Article 6.

The Fund has stamp and apostil.

The stamp of the Fund has circular shape, 35 mm in diameter with circular inscription: Bosnia and Herzegovina, Federation of Bosnia and Herzegovina, Environmental Protection Fund of Federation of Bosnia and Herzegovina - Sarajevo.

The Fund also has the small stamp, 23 mm in diameter used for verification of financial documents of the Fund. This stamp contains text from paragraph 2 of this Article.

The apostil of the Fund is rectangular or quadrant, and its size and text is established by the Director of the Fund.

The Fund has sign whose design and way of its usage shall be prescribed by the Director of the Fund, with consent of the Management Board of the Fund.

Number of the stamp from paragraph 2. and 3. of this Article, and apostil, way of their usage and keeping shall be prescribed by the Director of the Fund with special act.

III BUSINESS OF THE FUND

Article 7.

Business of the Fund is collection and distribution of financial assets for environmental protection at the territory of Federation, incentive and financing of preparation, implementation and development of programs, projects and similar activities in the sector of conservation, sustainable usage, protection and improvement of state of environment and usage of renewable sources of energy, especially:

1. Expert and other business related to acquisition and usage of assets of the Fund;
2. Mediation related to financing of environmental protection from assets of foreign countries, IFIs and bodies and domestic and foreign legal and physical entities;
3. Provision of expert services related to financing of environment protection;
4. Management of data base about programs, projects and similar activities in the field of environmental protection and necessary and necessary and available financial means for their realization;
5. Incentive, setting up, and realization of cooperation with international and local financial institutions and other legal and physical entities for financing of environment protection, plans for environment protection made based on Statute, international agreements whose member is Bosnia and Herzegovina, and other programs and acts in the field of environment protection;
6. Performs other business related to incentives and financing of environment protection established by the Statute.

Assets collected in accordance to the paragraph 1. of this Article, are used for purposes established in the Article 3. of the Law.

Article 8.

The Fund is obliged to provide access to data at its disposal and about its performance to all legal and physical entities under the same conditions, except in cases of official, business or scientific secret.

IV ORGANIZATION OF THE FUND

Article 9.

Internal organization of the Fund is established by the Book of rule on internal organization of the Fund. By the Book of rule paragraph 1. of this Article are established organizational units, scope of activity of these units, systematization of working places, management of the Fund, organizational units, responsibility i other questions of significance for organization and work of the Fund. Book of rule paragraph 1. of this Article is proposed by the Director of the Fund to the Management Board Fund.

V FUND'S BODIES AND ITS MANAGEMENT

1. Management Board

Article 10

The Fund is run by the Management Board Fund (in the document: Management Board). Management Board has seven members nominated and dismissed by the Government of Federation in the way and under conditions stated in Article 10 of the Law.

Article 11.

Members of the Management Board must have university level grades and be experienced in the field of public finances and environmental problems.

Members of the Management Board are nominated from representatives of:

1. Relevant governance bodies from fields of environment, water-economy, agri- economy, forestry or energy;
2. experts from fields of environment and nature protection;
3. representatives of scientific institutions from fields of environment protection and economy and
4. NVO from fields of environment, water-economy, agri- economy, forestry or energy;

Article 12.

Mandate of members in Management Board stops in various ways:

1. If resignation is submitted,
2. If dismissed before the mandate is over,
3. If prevented to perform duty of member of Management Board,
4. If with its behavior is damaging interest and reputation of the Fund,

5. If having personal or business interests opposite to the Fund, or in the case of conflict of interests or if legally prescribed reasons occur for which member cannot perform his/her duty in the Management Board, i
6. if other cases prescribed by the Law and this Statute.

Dismissal members in Management Board, stated in paragraph 1. of this Article is performed by the Government of Federation.

Article 13.

Management Board performs following businesses:

1. Passes the Statute and other general acts of the Fund;
2. Passes financial plan, adopts annual balance and work report;
3. Takes care on timely income acquisition into the Fund, as well as is transparent usage;
4. Maintains fiscal balance and does not permit creation of financial obligations of the Fund towards users which cannot be covered from income:
5. nominates and dismisses the Director of the Fund;
6. nominates commissions and working bodies of the Management Board;
7. establishes rates of compensation in accordance to authorization given by the legal stipulations with consent of Government of Federation;
8. concludes necessary contracts with users of the assets of the Fund;
9. performs other business in accordance to the Law, Statute and other general acts of the Fund.

Apart from these businesses from paragraph 1 of this Article, Management Board passes following decisions:

1. decides upon complaints of the workers of the Fund against decisions and solutions of Director of the Fund related to rights and obligations created from working relationship,
2. submits the work reports to the Government of Federation at least once per year and if deemed necessary even more frequently,
3. passes Operating procedure related to its work,
4. decides upon o other questions based in the Law, this Statute and general acts of the Fund and all other cases for which the Director of the Fund is not authorized.

Article 14.

Management Board performs business from its ingerencies during sessions.

Sessions of the Management Board are gathered and run by the Presiding of the Management Board.

Session of the Management Board can be held if the session is attended by the simple majority of the members of the Management Board.

Management Board passes decisions from its ingerencies by the majority of votes of the members of the Management Board.

The way of work and decisions of the Management Board is arranged through Operating procedure on work of the Management Board.

The Director of the Fund attends sessions of the Management Board with no rights of decision.

Session of the Management Board can be attended other persons invited by the Presiding of the Management Board with no rights of decision.

Article 15.

Presiding and members of the Management Board have right at compensation for their work, and costs related to it (per diems, travel costs) created because of attending to sessions of the Management Board.

The level of compensation for Presiding and members of the Management Board is established by the Management Board following proposal of the Director of Fund.

compensation for travel costs and per diems are established on the general acts for travel costs and other costs for workers of the Fund.

2. Supervisory Board

Article 16.

Control of the work of the Fund performs the Supervisory Board. Supervisory Board has three members nominated by the Government of Federation following proposal of the Federal minister for spatial planning and environment.

Article 17.

Members of the Supervisory Board are nominated from representative scientific and expert institutions and NVOs.

Members of the Supervisory Board must have university degree and ten years of working experience in the field of public finances.

Members of the Supervisory Board are nominated at period of four years and they have right to be nominated once again upon expiring of the first mandate.

Members of the Supervisory Board stops mandate:

1. if they resign;
2. if they are dismissed before the end of the mandate, and
3. if prevented to perform the duty of member of the Supervisory Board and other cases prescribed by the Law.

Article 18.

Supervisory Board performs following tasks:

1. analyze work reports of the Fund;
2. makes an insight into annual business report and annual financial balance of the Fund;
3. reports to the Government of Federation and Parliament of Federation of Bosnia and Herzegovina about audit results.

3. Director Fund

Article 19.

Fund is managed by the Director.

The Director presents and represents Fund.

The Director of the Fund is nominated and dismissed by the Management Board with consent of Government of Federation.

The Director is elected based on the public competition which has to be published in at least two daily newspaper covering the whole territory of the Federation.

The Director is nominated at period of four years and it can be elected twice in the row to this post.

Article 20.

The Director of the Fund in managing performs following business:

1. organizes, manages the work of the Fund and secures all tasks related to ingerencies Fund,
2. proposes the work program of the Fund,
3. proposes the financial plan of the Fund,
4. implements decisions of the Management Board,
5. proposes general acts passed by the Management Board,
6. passes general acts established by the Statute,
7. signs solutions related to realization of public authorizations of the Fund, if by this Statute or general acts these authorizations are not transferred to other employees of the Fund,
8. cares about restricted use of funds of the Fund,
9. cares about implementation of general acts and passes instructions related to their implementation,
10. decides upon all questions related to working relations of workers of the Fund,
11. submits reports to the Management Board on realization of program and financial plan of the Fund,
12. selects parsons authorized for signing financial and other documents of the Fund,
13. performs other business in accordance to the Law, Statute and other general acts of the Fund.

Director has authorizations in legal dealings in the scope of activities written down in Court register.

Article 21.

Director of the Fund for his/her work and business of the Fund is responsible to the Management Board and Government of Federation.

Director submits report on realization of financial plan and program of work of the Fund to the Government of Federation latest until 31 January of current year for previous year.

Article 22.

Director can give written authorization to employees of the Fund for undertaking certain activities aimed at performing tasks of the Fund.

Director can give authorization in the limit of his/her authorization to other persons to represent the Fund u legal dealings, in accordance to the Law by which working relations are settled down.

Content and duration of authorization is made by Director at its issuing.

Director is obliged to report Management Board on issued authorizations, and issuing general authorizations is noted down in Court register

Article 23.

For performing tasks and business requiring team work Director can nominate working groups, expert teams and commissions.

Members of teams and commissions from paragraph 1 of this Article realize right for compensation for their work.

Level of compensation is decided by Director through special act.

Article 24.

Director's function stops:

1. expiring of mandate, if not nominated for the same function,
2. resignation,

3. dismissal,
4. start of hindrances for performing of function of Director,
5. cessation of working relationship, in accordance to the Law.

Article 25.

Director can be dismissed from duty from following reasons:

1. if not realizing plan and program of Fund's work,
2. if unlawful activities are found in work and business and
3. if misuse of authorizations took place.

Dismissal procedure for Director following reasons in paragraph 1 of this Article, is started by the Management Board on its own initiative or following proposal of Government of Federation.

Dismissal of Director is done by the Management Board, following consent of Government of Federation.

In procedure for establishing responsibilities from paragraph 1 of this Article, Director has to have defense and hearing.

Article 26.

In case of dismissal of Director following reasons in Article 25 of this Statute, Management Board, following consent of Government of Federation can decide other person to perform business of Director, but only until nomination of new Director of the Fund, and longest for the period of 60 days.

VI FINANCIAL BUSINESS

Article 27.

Means for financing for the Fund are secured from:

1. compensation from polluters of environment;
2. compensation from users of environment;
3. special compensations for environment paid during registration of motor vehicles;
4. means realized by international bilateral and multilateral cooperation and cooperation in the country on joint programs, projects and similar activities in sector of environment protection;
5. budget of Federation;
6. credits from banks;
7. means from loans and borrowings other legal entities and financial institutions;
8. donor means and other sources of support;
9. business of the Fund (compensation for services, principal capital pay-off, interest etc.);
10. other sources of means decided by the special Law, other regulations or contracts.

VII PROPERTY OF THE FUND

Article 28.

In accordance to the Article 28 of the Law, property of the Fund is comprised of items, rights and other means acquired from the Founder in accordance to the Law.

About property disposal of the Fund is decided by the Management Board and Director of the Fund in accordance to their authorizations established in the Law and this Statute.

Property disposal of the Fund is limited by the Law, special regulations and this Statute.

VIII PLANNING OF THE WORK AND BUSINESS OF THE FUND

Article 29.

For every business year there is a business and financial plan passed by the Fund. In the work plan and financial plan issues are discussed in the Article 30. par. 2. and 3. of the Law. Financial plan is passed by the Management Board, at proposal of Director of the Fund and with consent of the Government of Federation.

Article 30.

Director of the Fund is responsible for implementation work plan and financial plan of the Fund.

Article 31.

At the end of business year, the annual balance of financial plan of the Fund is produced. Annual balance form paragraph 1. of this Article, and adopted by the Management Board at proposal of Director of the Fund. During adoption of annual balance the Director of the Fund submits to the Management Board work report of the Fund for previous business year. The Fund submits financial report and work report about the business for previous period to the Government of Federation in 30 days after adoption of annual balance.

Article 32.

Te Fund does business through transaction account in KM and foreign currency account.

IX USAGE OF THE FUND'S ASSETS

Article 33.

The assets Fund are used for financing programs, projects and similar activities established in the work program of the Fund established in accordance to Article 32 of the Law. If, in performing its business the Fund realizes profit, it shall e used for purposes from Article 29 of the Law.

Article 34.

In accordance to Article 26 of the Law assets of the Fund shall be used for financing environment protection, especially for:

1. protection, conservation and improvement of air, soil, water and sea quality and amelioration of climate changes and ozone layer protection,
2. prevention of generation and support to avoiding creating, reducing waste generation,
3. reuse of valuable qualities and waste processing,
4. protection and conservation of biodiversity and landscape diversity,
5. implementation of energy programs,
6. demining programs,

7. improvement of and construction of infrastructure for environmental protection,
8. improvement, monitoring and evaluation of state of environment and introduction of system of sustainable management of environment,
9. incentive for sustainable use of natural resources,
10. support to sustainable economy, i.e. sustainable economic development,
11. incentive for research, development studies, programs, projects and other activities including demonstrating activities.

Assets of the Fund are used also for work of the Fund and business of the Fund and realization of other activities stated in annual and four year work program of the Fund.

Article 35.

Assets of the Fund can be used also for co-financing programs, projects and similar activities for purposes prescribed by the Law, this Statute and annual and four year work program of the Fund organized and financed by international financial institutions and organizations.

Article 36.

Assets of the Fund can be allocated to legal and physical entities only for purposes stated in annual and four year work program of the Fund, in accordance to Article 27 of the Law.
Users of the assets of the Fund get it through loans, subventions, assistance, and donations based on public competition published by the Fund and under conditions established by the special general act of the Fund.

Article 37.

Financial plan of the Fund distribution of assets is earmarked according to purposes established in the Law and this Statute.
Financial plan establishes means necessary for performing expert, administrative, financial and other business of the Fund from total income of the Fund.
Distribution of assets fixed via financial plan is earmarked according to annual and four year work program of the Fund.

Article 38.

Based on distribution of assets for certain programs, projects and similar activities the Fund opens a tendering procedure for getting the money of the Fund.
Competition procedure is renewable every business year.
Publishing of the competition and decision upon users of the money of the Fund is arranged by the Book of rules on procedure of competition and decision upon users of the money of the Fund.

X SUPERVISION OF BUSINESS OF THE FUND

Article 39.

Supervision of business of the Fund is preformed by the authorized body, i.e. independent authorized audit society.
The Fund, based on special regulations and general acts of the Fund opens a tendering procedure for performing audit services.
The Fund is obliged to ensure audit supervision in continuity.

Audit society is obliged to submit reports comprised according to the regulations of Federation BiH and European standards usual in audit scheme, the way and deadlines prescribed in the contract for audit to the Management Board and Director of the Fund, at least once a year, after producing annual balance of the Fund.

XII WORKING RELATIONSHIP OF EMPLOYEES OF THE FUND

Article 40.

Rights, duties and responsibilities of employees of the Fund conceived from working relationship, the Law on work, other general regulations and collective contracts are applied.

Article 41.

The ways of realization of rights, duties and responsibilities conceived from working relationship are arranged y the Book of rules.

XIII PUBLICITY OF WORK OF THE FUND

Article 42.

Work of the Fund is public.

Publicity of work is realized on the way established in Article 34 of the Law.

Public information by the Fund is done giving press statements, submission of reports on work and providing relevant documents to public.

The Fund can restrain provision of information , i.e. insight into documents only if it is marked as official or business secret.

The Management Board, following proposal of Director of the Fund, establishes with special act which documents of the Fund present official or business secret and which can not be subject to public information.

XIV GENERAL AND INDIVIDUAL ACTS OF THE FUND

1. General Acts of the Fund

Article 43.

General Acts of the Fund are: Statute, Books of rules, instructions and decisions which at general way establishes individual issues from Fund's business.

General Acts of the Fund presents acts which at general way regulate basic relationships in the Fund, Fund's business, working relationship and rights from working relations and other relations in the Fund.

General Acts must be in accordance to the Law, other regulations and this Statute.

Article 44.

General Acts of the Fund from Article 43 paragraph 2 of this Statute are:

1. Book of rule on internal organization,
2. Book of rule on work,
3. Book of rule on salaries and compensations,
4. Book of rule on conditions that must be fulfilled y the users of the funds,

5. Book of rule on conditions and procedure of getting credits and loans and other assets of the Fund,
6. Book of rule on merits for evaluation of requests for getting assistance from the Fund, i.e. programs, projects and similar activities,
7. Book of rule on tendering procedure and decision on selection of users,
8. Book of rule on monitoring of restricted usage of the money and contracted rights and obligations,
9. Book of rule on financial business and accountancy,
10. Book of rule on work of documentation office,
11. Book of rule on internal supervision,
12. Book of rule on archiving business,
13. Book of rule on protection on work,
14. Operating procedure on work of the Management Board,
15. Book of rule on official and business secret,
16. Book of rule on managing documentation and data base on programs, projects and other environment protection related activities,
17. Book of rule on the sign of the Fund and
18. Other general acts, in accordance to the Law, other regulations and this Statute.

Book of rule from Art. 1, 7, 14, 15. and 17. Par. 1. of this Article is passed by the Management Board, at the proposal of Director of the Fund.

Book of rule from Art. 4, 5, 6. and 8. Par. 1. of this Article is passed by the Management Board, at the proposal of Director and with consent of the Ministry.

Book of rule from Art. 2, 3, 9, 10, 11, 12, 13, 16. and 18. Par. 1. of this Article is passed by Director of the Fund.

Article 45.

For creation of the Statute and other general acts of the Fund, the Director of the Fund can engage legal and other experts outside of the Fund.

Engagement of the persons from par. 1 of this Article is done on a contractual basis or as member of a working group, commissions or other bodies.

2. Individual Acts of the Fund

Article 46.

Individual acts are those by which a decision is made on certain individual issue from working relationship of employee, financial or accountancy business or other individual issues from the ingerencies of the Fund.

Individual acts are, by the rule of thumb, solutions, decision as individual act, order, directive and other acts foreseen by the Law and other regulations.

All individual acts are passed by the Director of the Fund or other employees of the Fund which are authorized by a special solution from the Director of the Fund.

Solution by which the employees of the Fund are authorized to pass individual acts contains: ame and surname of the employee, working post of employee, and individual issues for which the authorization is issued.

Individual acts must be founded on the Law, other regulations, this Statute and general acts of the Fund.

XIV TRANSITIONAL AND FINAL REGULATIONS

Article 47.

General Acts from Article 44 of this Statute shall be passed in the deadline of 60 days from enacting of this Statute.

Article 48.

Changes and amendments of this Statute are performed in the way and by procedure established for their pass.

Article 49.

This Statute enacts on the day of getting consent from Government of Federation and it shall be published in Official Gazette of Federation of BiH.

Number:
Sarajevo

PRESIDING

Management Board