

Institutional Profile of the **Environment Protection Fund of the Federation of Bosnia and Herzegovina**

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1. Basic information

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| Country: | Bosnia and Herzegovina (BiH) |
| Official name or designation of the institution: | Environmental Fund of the Federation of Bosnia and Herzegovina (EFFBiH) |
| Website address of the institution: | http://www.fmoit.gov.ba |
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2. Background and Objectives of the Institution

The Environmental Fund of the Federation of Bosnia and Herzegovina (EFFBiH) was founded by the Government of the Federation of Bosnia and Herzegovina (FBiH).

The EFFBiH is founded by the Law on the Environmental Fund of FBiH (Official Gazette of Federation BiH No.33/03 – see section 12). The Law on the Environmental Fund of FBiH defines all necessary conditions and scope of activities of the Fund. This was done in order to reach results at the strategic level of environmental protection in FBiH.

The Fund is established for the collection and distribution of money aiming at funding of set of activities stated in Articles 3-4 of the Fund Law and in accordance with the Strategy and Plans of Environmental Protection and other documents and regulations related to this area regulated by the laws of FBiH.

The Fund is registered at the Municipal Court in Sarajevo in March 2006, (FBiH, Statistical Office Sarajevo Canton, 30 May 2006). The Fund is a financial organization which has the attributes of a not for profit legal entity.

Based on the Article 9 of the Fund Law, the Fund Management Board in accordance with the Government of FBiH, on its first session of 22 November 2005, adopted the Fund Statute (see section 12 below).

3. Management and Administration

At the time of writing this institutional profile, there are no persons employed by the Fund. The mandate of the Acting Fund Director expired. Since 2006, continuous efforts have been made by the Fund Management Board as regards selection process for the nomination of a Fund Director. There are seven members of the Fund Management Board, all nominated by the Government of FBiH in 2005. In addition, there are three members of the Fund Supervisory Board.

It should be noted that during this longer than expected constitution of the Fund bodies, the Ministry of Spatial Planning and Environmental Protection split into two Ministries, out of which the Federal Ministry of Environment and Tourism took over the responsibility for the Fund.

The Supervisory Board controls the work of the Fund. The Fund should have, in accordance with its organizational scheme, four sectors:

- Sector – Fund management;
- Sector – project auditing and evaluation;
- Sector – project monitoring and realization;
- Sector – finances, accounting and general business.

There is a number of proposed draft documents regulating the work of the Fund, most of them prepared during an EC CARDS project, which ended in 2006, dedicated to the facilitation of the establishment of the Fund. However, most of these documents remain at the level of draft documents. There is a Rule Book on the internal organization and systematization of workplaces of the Fund, but since there is not even a Director nominated as such, let alone all other positions (which should resemble that adopted by the Environmental Fund of Republika Srpska, EFRS), it is clear that the adoption and implementation of these documents cannot be realistically expected in the near future.

4. Revenues

The Fund resources are secured through the means described in detail in Articles 18-25 in the Fund Law (see section 12 below). Unlike with EFRS, the revenue is divided between the ten cantons and the EFFBiH according to the ratio 70% (cantons) and 30% (Federal Fund).

So far, the Fund has received initial funding for establishing the Fund (according to the Fund Law, Article 24), and since 2006 additional revenues (a percentage of collected water fees) were allocated to the Fund. No exact data on the latter revenues are available at present.

In principle, unspent money from (annual) revenues accumulates in the Fund and remains at the account of the Fund until further notice (e.g., until a Fund Director is nominated). Having taken into consideration the idle and inactive status of the Fund for the known period of time, there could be no guarantee of availability of these accumulated funds in the future, if situation remains as it is at present.

5. Spending Strategies

According to the Fund Law (Article 30), the Fund should have prepared an annual and a four year work plan. There is a high probability that these plans do not exist since they are closely related to the work and proposal expected from the position of a Fund Director, a position that has not been filled for more than two years already.

6. Expenditures

No relevant information on expenditures was available at the time of preparing this institutional profile.

7. Funding Cycle

No relevant information on the funding cycle was available at the time of preparing this institutional profile.

8. Evaluation, Reporting and Public Information

There has been no progress since there is a clear lack of political determination to allow for the nomination of a Fund Director.

9. Major Achievements

No relevant information on achievements was available at the time of preparing this institutional profile.

10. Challenges and Future Prospects

The current situation might require a quick de-blocking, followed by fast and transparent hiring of staff and then staff training. A possible solution might be the involvement of an external, strong, focused and not necessarily longer-term technical assistance, which could build up the basis for a solid environmental financing institution in FBiH.

Various IFIs and the EFRS have a strong interest to have the EFFBiH established and functioning according to best available practice, so that both Entity Funds can eventually apply jointly for IPA funding, for instance.

At present, however, the status of the Fund appears complex and the decision to start operations might depend on external experience in solving such a situation.

11. Statistical data

No data was available at the time of preparing this institutional profile.

12. Additional information on the EFFBiH

→ View the EFFBiH Law in local language on the [dedicated eco-finance.org webpage](#)
→ View the EFFBiH Statutes in English and local languages on the [dedicated eco-finance.org webpage](#)

Annex: Abbreviations used in this profile

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| BiH | Bosnia and Herzegovina | EFRS | Environmental Fund of Republika Srpska |
| EFFBiH | Environmental Fund of the Federation of Bosnia and Herzegovina | FBiH | Federation of Bosnia and Herzegovina |
| | | IFI | International financing institution |