

**THE ENVIRONMENTAL PROTECTION FUND
REPUBLIKA SRPSKA
BANJA LUKA**

**STATUTE
OF
THE ENVIRONMENTAL PROTECTION FUND**

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Banja Luka, December 2006

Based on the Article 8 Paragraph 1 of the Law on the Environmental Protection Fund („Off. Gaz. of Republika Srpska“, No 51/02) The Management Board of the Environmental Protection Fund, at its seat dated 26th December 2006 have adopted the

STATUTE
of the Environmental Protection Fund

I – GENERAL REGULATIONS

1. Content of the Statute

Article 1.

This Statute confirms organizational structure, bodies and work of the Environmental Protection Fund (in the text: the Fund), as many other issues of concern for work of the Fund, in accordance to the Law.

2. Osnivanje Fonda

Article 2.

- (1) The founder of the Fund is Republika Srpska.
- (2) The Fund is established by the Law on Environmental Protection, No: 01-626/02 dated 25th July 2002, which was enacted on 28th August 2002.(in text: Establishing Act of the Fund).
- (3) The Fund is established for the territory of Republika Srpska for financial mediation — collection and redistribution of resources for financing of environmental protection and programs aiming at improvement of environmental protection.

3. Title and seat of the Fund

Article 3.

- (1) Title and the seat of the Fund are confirmed by the Establishing Act of the Fund.
- (2) Title of the Fund is: the Fund for Protection of Environment, and seat is in Banja Luka.
- (3) Title and the seat of the Fund can be changed only through changes of the Establishing Act of the Fund.

4. Legal status of the Fund

Article 4.

- (1) The Fund is financial organization with attributes of legal entity.
- (2) Attributes of legal entity the Fund reaches by its registration in judicial register.

5. Authorization of the Fund in legal dealings

Article 5.

The Fund is authorized in legal dealings to conclude contracts and other businesses in the scope of activities registered in judicial register, individually and without limitations.

6. Liability of the Fund for obligations

Article 6.

- (1) The Fund is fully liable with its all assets for obligations taken over in legal business.
- (2) The founder is not liable for obligations of the Fund, and it covers the risk up to the level of establishing deposit.

7. Account of the Fund

Article 7.

- (1) The Fund has account for financial assets at Fund's disposal.
- (2) Financial assets at the account of the Fund are at disposal of the Director of the Fund, and also persons authorized by the Director.
- (3) Notarized signatures authorized for disposing with money are delivered to the bank which has the account of the Fund.

8. Stamp and apostil of the Fund

Article 8.

- (1) stamp and apostil.
- (2) The stamp of the Fund has circular shape, 35 mm in diameter and it contains title of the founder and title of the Fund and it seat in Cyrillic and Latin inscription.
- (3) The apostil of the Fund is rectangular dimensions 60 x 30 mm, and it contains title of the founder and title of the Fund and it seat, and notice on data regarding date and number of receiving letters on which the apostil is pressed, all in Cyrillic inscription.

Article 9.

The manner of handling, use and guarding the stamp and apostil of the Fund is prescribed by the Director of the Fund by special instruction..

9. Registry number of the Fund

Article 10.

The Fund has the Registry number at relevant body in charge for statistical business, in accordance with the law by which the classification of activities is established.

10. Representation of the Fund

Article 11.

- (1) The Fund is represented by the Director of the Fund autonomously and without limitations.
- (2) The Director of the Fund, in the scope of its authorizations, can give to other person written authorization for representation of the Fund.

II – BUSINESS OF THE FUND

Article 12.

- (1) Business of collecting and redistribution of financial means for funding environmental protection in the area of Republika Srpska and programs aiming at improvement of environmental protection, as business of the Fund is established by the Establishing Act of the Fund.
- (2) Business of the Fund is sorted in accordance to prescribed classification of business into:

65.230 Other financial mediation, which covers:

- a) support in realization of tasks produced from obligations and responsibilities towards international community in the sector of environmental protection;
- b) prevention of environmental damage in case when individual responsibility for causing damage cannot be applied;
- v) costs of prevention or removal of damage which requires direct intervention.

67.130 Auxiliary business in financial mediation which covers:

Provision of services, which by themselves alone are not financial mediation, but are included in or they are in close relation with financial mediation.

75.122 Regulation of business of public institutions which provide environmental protection at the entity level for managing programs aimed at improvement of environmental protection which covers:

- a) support to measures aimed at environmental protection, specially in the area of development and financing information system, education and information dissemination, research and public environment related activities;
- b) improvement of development of economic structure beneficial for environment;
- v) conservation of protected landscapes;
- g) improvement of environmental awareness of public and research of environment.

Article 13.

Business of the Fund can be changed only through changes of the Establishing Act of the Fund.

III – BASIC CAPITAL AND ESTABLISHING DEPOSIT

Article 14.

Basic monetary capital of the Fund is 185.000,00 KM (in letters: one hundred eighty five thousand konvertible marks), and it is comprised of Establishing Deposit of the Founder of the Fund.

Article 15.

- (1) The Founder is obliged to entirely pay in the establishing deposit onto temporary account at authorized bank until submission of request for registration of establishing of the Fund.
- (2) Together with the request for registration of establishing of the Fund the report of the bank on establishing deposit on temporary account.

Article 16.

The Founder is responsible to the Fund ad trustees of the Fund for payment of unpaid part of the establishing deposit.

Article 17.

Costs of establishing the Fund are beard by the Founder, who has the right on compensation of real costs of establishing the Fund in accordance with the Law.

IV – PROPERTY OF THE FUND AND BUSINESS BOOKS

Article 18.

- (1) Starting property of the Fund is comprised of basic capital of the Fund, i.e. establishing deposit from the article 14 of this Statute.
- (2) Property of the Fund is comprised of immobility and mobile property of the Fund, monetary assets, paper of value and other proprietary rights.
- (3) Nonmonetary deposits of the Founder are expressed monetary.

Article 19.

- (1) The Fund manages its business books and creates, submits and publishes accountancy statements and business reports in accordance to the law.
- (2) Audit of accountancy statements of the Fund are performed in accordance to the law.

V – ORGANIZATION OF THE FUND

Article 20.

The Fund, in territorial sense, represents , by the rule of thumb, a unique organizational entirety.

Article 21.

- (1) For performing expert business of the Fund, services in accordance to Act of Organization are organized.

(2) Act of Organization of the work and systematization of work places in the Fund is general act of the Fund created by the Management Board of the Fund in the manner established by this Statute.

VI – BODIES OF THE FUND

Article 22.

Bodies of the Fund are: Management Board, Supervisory Board and the Director.

1. Management Board of the Fund

Article 23.

(1) The Management Board of the Fund has the President and six members nominated and dismissed by the National Assembly of Republika Srpska at proposal of the Government of Republika Srpska.

(2) The President and members of the Management Board are elected at the period of four years.

(3) The Director and employees in the Fund cannot be members of the Management Board of the Fund.

Article 24.

(1) By the Establishing Act of the Fund it is prescribed, together with the opinion of the Ministry in charge for the environment and consent of the Government of Republika Srpska proclaims:

- a) the Statute of the Fund ;
- b) Plans and programs of the work of the Fund;
- v) Financial plans and annual balance of the Fund;
- g) General acts of the Fund.

(2) The Management Board of the Fund submits reports about its work and business to the Government and National Assembly of Republika Srpska on annual basis.

Article 25.

(1) The Management Board of the Fund in the scope of its jurisdiction established by this Statute:

- a) confirms business policy of the Fund;
- b) decides on the list of means and sources of the Fund in accordance to the Law,
- v) considers and adopts the work report of the Director;
- g) provides implementation of suitable internal control as well as internal and external audit of the Fund;
- d) decides on investing of the papers of value and other assets for gaining of income;
- đ) decides on investments;
- e) decides on distribution of annual income and coverage of losses;
- ž) decides on acquisition and sale of basic assets, which invoice value does not exceed 5.000,00 KM;

- z) proposes the Government of Republika Srpska candidate for a Fund's Director as well as his/her dismissal;
 - i) creates commissions and other working bodies of the Fund, and nominates and dismisses its members;
 - j) solves objections to solutions of the Director or other body of the Fund in accordance to the Law and this Statute;
 - k) adopts its operating procedure;
- (2) The Management Board performs other tasks significant for work and business of the Fund prescribed by the Law, this Statute and General Acts of the Fund.

Article 26.

- (1) The Management Board of the Fund works and decides on its sessions, which by the rule of thumb, are called by the President of the Management Board.
- (2) On each session of the Management Board authorized representative of the Ministry in charge for the environment is invited.
- (3) Session of the Management Board can be held if the session is attended by the half of its members.
- (4) The Management Board makes decisions with majority of votes of all Management Board members.
- 5) Work of the Management Board is in more detailed manner settled via Operating procedure of the Management Board, by which the way of work of the commissions and other working bodies established by the Management Board.

Article 27.

The President and members of the Management Board have right to compensation for their work at the account of the Fund in amount of 50% of the highest net salary of the worker with university grade employed in the Fund, and who is not at the highest working place.

Article 28.

The Management Board of the Fund can have its commissions, i.e. other working bodies established in accordance to the Operating procedure of the Management Board.

2. The Supervisory Board of the Fund

Article 29.

- (1) The Supervisory Board of the Fund has the President and four members nominated and dismissed by the National Assembly of Republika Srpska at proposal of the Government of Republika Srpska.
- (2) The President and members of the Supervisory Board are elected at the period of four years.
- (3) The Director and employees in the Fund cannot be members of the Supervisory Board of the Fund.

Article 30.

(1) The Supervisory Board of the Fund performs supervision over work of the Fund and its bodies and reports about it to the Government of Republika Srpska and the National Assembly of Republika Srpska.

(2) In performing its tasks Supervisory Board of the Fund especially:

- a) Supervises the legality of the work of the Management Board and he Director of the Fund;
- b) Performs review of periodical and annual balance of the Fund to see its compliance with the regulations;
- v) Supervises Fund's business books and documentation regularity and its compliance with the regulations including performing expertise if shown necessary;
- g) provides opinion on distribution of income of the Fund;
- d) revises audit reports;
- đ) brings work program and operating procedure;
- e) performs other business in accordance to the Law and this Statute.

Article 31.

(1) Members of Supervisory Board of the Fund have right to attend meetings of the Management Board and participate in its work, without a decision right.

(2) It is obligatory for a President or a member of Supervisory Board of the Fund authorized by the President of Supervisory Board to attend sessions of the Management Board.

(3) Than, Supervisory Board of the Fund can propose certain issues for the agenda of the session of the Management Board.

Article 32.

Supervisory Board of the Fund decides upon all issues covered by its scope of work at sessions, and certain supervisory tasks can trust to one or more members, in accordance to its operating procedure.

Article 33.

President and Members of Supervisory Board have right to compensation for their work at the account of the Fund in amount of 50% of the highest net salary of the worker with university grade employed in the Fund, and who is not at the managerial position in the Fund.

3. Director of the Fund

Article 34.

Director of the Fund is nominated and dismissed by the Government of Republika Srpska following the proposal of the Management Board of the Fund.

Director of the Fund is nominated for the period of four years and through the public competition procedure.

Article 35.

Director of the Fund:

- a) presents and represents the Fund;
- b) implements decisions of the Management and Supervisory Board of the Fund, as well as decisions of commissions and other working bodies established by the Management Board;

- v) manages the Fund and organizes the work of its expert services, i.e. sectors;
- g) is responsible for the legality of the Fund's work;
- d) proposes basic of the business policy, plans and programs of work and business of the Fund and other acts created by the Management Board of the Fund;
- đ) is in charge for maintaining liquidity and solvency of the Fund and in that regard decides upon taking over loans and short term credit;
- e) decides about individual rights, obligations and responsibility of workers during and elated to work in accordance to the Law and collective agreement;
- ž) decides about acquisition and sale of basic assets not exceeding value of 5.000,00 KM;
- z) performs other business in accordance to the Law, this Statute and general acts of the Fund and decisions of the Management Board of the Fund.

Article 36.

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

VII – ASSETS OF THE FUND

Article 37.

Assets of the Fund are provided based on the Law from:

- a) compensations for using the natural resources and environmental impact s;
- b) budget of Republika Srpska – initial assets during establishing of the Fund
- v) compensations paid by polluters of environment;
- g) donations and other voluntary giving;
- d) realization of income based on the work of the Fund;
- đ) other sources in accordance to the Law.

Article 38.

- (1) Assets of the Fund are used for financing of work and activities of the Fund, and they are implemented in the area of Republika Srpska in accordance to the Financial Plan of the Fund.
- (2) Bodies of the Fund decide upon usage of the assets of the Fund in accordance to the Law and this Statute.
- (3) The Financial Plan of the Fund is given for the period of one year, in accordance to the Strategic Environmental Protection Plan of Republika Srpska in the manner established by this Statute.

VIII – GENERAL ACTS OF THE FUND

Article 39.

General Acts of the Fund are Statute, Operational Procedures, Regulations and other acts regulating certain relations in the Fund and in relation to the Fund.

Article 40.

- (1) This Statute is a General Act of the Fund with which all other General Acts of the Fund have to be accorded.
- 2) Changes and amendments of this Statute can be proposed by 1/3 of the members of the Management Board, Supervisory Board or Director of the Fund.
- (3) Decision on changes and amendments of this Statute is adopted by the Management Board, with prior agreement of the Ministry in charge for the environment protection and consent of the Government of Republika Srpska, in the manner prescribed by the Operational Procedures of the Fund.

Article 41.

General Acts of the Fund are adopted by the Management Board, with prior agreement of the Ministry in charge for the environment protection and consent of the Government of Republika Srpska, in the manner prescribed by the Operational Procedures of the Fund.

Article 42.

Decision on changes and amendments of this Statute and General Acts of the Fund are enacted after publishing in the Official Gazette of Republika Srpska, in the manner prescribed by the General Act of the Fund which is published.

IX – PUBLICITY OF THE FUND’S WORK

Article 43.

- (1) Work of the Fund is public.
- (2) Publicity of the Fund’s work is provided using means and ways prescribed by the Law on access to information, which are under control of the Fund.

Article 44.

- (1) Business secrets are presented by IDs and data established by the General Act of the Fund and which transferred to unauthorized person would be against the interests of Fund’s business and its reputation.
- (2) The General Act from paragraph 1 of this Article establishes the ways of storing and handling data and IDs which are considered to be a business secret, responsibility of members of bodies of the Fund and employees in the Fund in keeping a secret and other issues related to the business secret.

X – TRANSITIONAL AND FINAL REGULATIONS

Article 45.

Director of the Fund is obliged to submit application for registration of establishing the Fund in court register latest 15 days after this Statute is enacted.

Article 46.

Bodies of the Fund are obliged to urgently adopt General Acts, Plans and Programs of the Fund which are necessary for establishment and beginning of the work and business of the Fund.

Article 47.

The Director is authorized to temporary settle General issues, which do not stand delays, and which are not regulated by the General Acts of the Fund using written decisions.

Article 47.

(1) This Statute is enacted eight days after publishing.

(2) The Statute is published placing it at the advertisement plate of the Fund, after acquiring of opinion of Ministry in charge for the environment protection and consent of the Government of Republika Srpska.

Number:

26. December 2006.

Banja Luka

President of the Management Board

Prof. dr Mihajlo Marković