

<p>DCF members active in the sector in 2021</p>	<p>EBRD, The World Bank, Sweden, UN, EU, Czech Republic, Italy / AICS, Switzerland, Croatia, Slovenia, Norway, Hungary, Germany, United Kingdom, EIB</p>
<p>Other key international organizations</p>	<p>Global Environment Fund, Western Balkans Investment Framework, Danish Emergency Management Agency, Organization for Security and Cooperation in Europe; Climate Change Fund; United States Agency for International Development, UN Development Programme, UN Environment Programme, Swedish International Development Cooperation Agency.</p>
<p>Key government partners</p>	<p>CoM of BiH; Government of FBiH; Government of RS; Government of BD BiH; BiH Ministry of Foreign Trade and Economic Relations; Ministry of security of BiH; Ministry of Finance Treasury BiH; BiH State Regulatory Agency for Radiation and Nuclear Safety; BiH Mine Action Centre; Federal Ministry of Environment and Tourism; Federal Ministry of Physical Planning; Federal Ministry of Agriculture Water Management and Forestry; Sava River Basin District Agency in FBiH; Agency for Adriatic Sea Water District in FBiH; Federal Civil Protection Administration; Environmental Protection Fund in FBiH; Ministry of Spatial Planning, Civil Engineering and Ecology of RS; Ministry of Agriculture, Forestry and Water Management of RS; Ministry of Interior of RS; Republic Administration for Civil Protection of RS; Public Institution “Vode Srpske”; Environmental Protection and Energy Efficiency Fund of RS; Department for Agriculture, Forestry and Water Management of BD BiH; Department for Spatial Planning and Property Rights Matters of BD BiH; Department of Public Security of BD BiH; cantonal and municipal governments, together with public companies and public utility companies.</p>
<p>Total allocation / disbursement to the sector in 2021 by DCF members</p>	<p>Total allocated € 44.29 million, € 19.10 million in a form of grants and € 25.19 million in a form of loans.</p> <p>Total disbursed € 75.17 million, € 22.87 million in a form of grants and € 52.30 million in a form of loans.</p> <p>Out of total ODA in 2021, 8% was allocated and 11% was disbursed in the sector.</p>
<p>Legal framework and sector strategies adopted in 2021</p>	<p>The Law on Environmental Protection (FBiH Off. Gazette No. 15 /21); The Law on Changes and Amendments to the Law on Waste Management (RS Off. Gazette No. 63/21); The Law on Anti-Hail Protection (RS Off. Gazette No.15 /21).</p> <p>Previously adopted legal framework and sector strategies are available on www.donormapping.ba</p>

<p>Coordination with and among development partners</p>	<p>Climate Action: Exchange of information between stakeholders based on informal <i>ad-hoc</i> coordination and project-based bilateral meetings.</p> <p>Water Supply and Waste Water: to some extent, MoFTER is leading the coordination of development partners. <i>Ad-hoc</i> coordination among development partners.</p> <p>Water Resources Management: To some extent, MoFTER is leading the coordination of development partners. <i>Ad-hoc</i> coordination among development partners.</p> <p>Waste Management: to some extent, MoFTER is leading coordination of development partners. <i>Ad-hoc</i> coordination among development partners.</p> <p>Nature Protection: to some extent, MoFTER is leading coordination of development partners. <i>Ad-hoc</i> coordination among development partners.</p> <p>Air Quality and Noise: Informal <i>ad hoc</i> coordination.</p> <p>Industrial Pollution and Chemicals: Informal <i>ad hoc</i> coordination, mostly project-based.</p> <p>Environment Horizontal Standards: Informal <i>ad hoc</i> coordination, mostly project-based.</p> <p>Civil Protection: <i>Ad hoc</i> coordination, participants are the EU Ministry of Security, UN and other international organizations and other major international development partners in the sub-sector.</p> <p>Development partners active in the sector and BiH Institutions from all levels of government regularly attended Development Partners Coordination Forum meetings (DCF meetings) hosted by BiH Ministry of Finance and Treasury/Sector for Financial Planning of Development and Coordination of International Economic Aid.</p> <p>Due to the outbreak of the COVID-19 pandemic and accompanying epidemiological measures, DCF meetings were not held in 2021.</p>
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Overview of activities in 2021

Environment and climate action sector presented in this Report is based on the sector-based reporting methodology defined in the IPA II regulation, for period 2014 – 2020. The Ministry of Finance and Treasury of BiH has retained the IPA II classification in the Development Partners Mapping Report 2021, and in the next period the project is planned to upgrade the database that will enable the use of IPA III classification for the period 2021-2027.

Environment and climate action sector consists of nine sub-sectors:

- Climate action,
- Water supply and wastewater,
- Water resources management,
- Waste management,
- Nature protection,
- Air quality and noise,
- Industrial pollution and chemicals,
- Environment horizontal standards and
- Civil protection.

Environment and climate action sector is one of the high-ranking priorities of the European Union, and the authorities of Bosnia and Herzegovina are making great efforts to implement the reform activities that will contribute to improvement of the environmental status and at the same time to realization of the Sustainable Development Goals.

In the reporting period, activities have continued on implementation of the Environmental Approximation Strategy of BiH - (EAS BiH), which include harmonization of policies, regulations and institutional capacities of Bosnia and Herzegovina with the requirements from the European integration process and approximation to the European Union standards. The harmonization of regulations with the European Union standards particularly referred to the domain of water and waste management as well as the air protection.

Also, activities have continued on drafting of the strategic documents on environmental protection of the entities and Brcko District, which will all together form the Environmental Strategy of BiH for the period until 2030 and onwards (ESAP BiH 2030+). The adoption of strategic documents will contribute to better environmental management in Bosnia and Herzegovina, fulfilling of commitments from the European integration process as well as defining the guidelines for future measures and investments in this area in the period until 2030.

In May 2021, the fifth meeting was held of the Subcommittee on Transport, Energy, Environment and Regional Development between Bosnia and Herzegovina and the European Union, whereby it was concluded that Bosnia and Herzegovina achieved the progress in realization of the European Green Plan and financial support was announced from the European Union for implementation of the Green Agenda for the Western Balkans. It was also emphasized that Bosnia and Herzegovina needs to make additional efforts in order to implement the structural reforms in the environmental protection area, above all through adoption of the Environmental Strategy of Bosnia and Herzegovina and updating the Climate Change Adaptation and Low Emission Development Strategy.

In the course of 2021, Federation of BiH adopted a number of laws and by-law acts which will additionally harmonize this area with the European legislation and create preconditions for more effective implementation of international agreements in this area. At the beginning of 2021, the Law on Environmental Protection of the Federation of BiH (Official Gazette of the FBiH, No. 15/21) was adopted, while the Law on Changes and Amendments to the Law on Nature Protection of the Federation of BiH is in the parliamentary procedure. Besides, a large number of by-law acts were adopted which define in more detail the provisions of the law in the environmental area (Official Gazettes of FBiH, No. 51/21 and 87/21).

In the field of climate action, activities were undertaken during 2021 on drafting of the strategic documents as well as the ratification of international conventions, which aim to reduce the negative consequences of climate change in Bosnia and Herzegovina.

The Council of Ministers of BiH, at its 30th session held on March 17th, 2021, adopted and submitted to the UN the document "Determined Contribution of Bosnia and Herzegovina for the period 2020-2030", which defines the activities and commitments of Bosnia and Herzegovina in compliance with the provisions of the 2015 Paris Climate Agreement, which relate to reduction of the greenhouse gas emissions that cause the global warming.

The Presidency of BiH, at its 109th extraordinary session held on February 17th, 2021, passed the Decision on ratification of the Amendment to the Montreal Protocol on Substances that Deplete the Ozone Layer - Kigali Amendment (Official Gazette of BiH - International Agreements, No. 4/21). The goal of the Kigali Amendment ratification is to gradually reduce the consumption and production of hydrofluorocarbon (HFC) substances which depletes the ozone layer.

In the water resources management area, activities were undertaken during 2021 on drafting of the strategic documents and implementation of projects in the field of water supply and river basin management.

In 2021, Water and Sanitation Services Modernization Project in BiH was launched, with the main goal to improve the sustainability and efficiency in water supply and sanitation services in Bosnia and Herzegovina, as well as to improve the water security and resilience of the supply system to expected shocks caused by the climate change.

The implementation has continued of the Project Drina River Basin Water Management in the Western Balkans, which aims to more efficiently manage the water resources in the Drina River Basin in Bosnia and Herzegovina, Serbia and Montenegro through sustainable water use, flood mitigation and environmental protection management.

Also, activities continued on realization of the project for enhancement of the municipal infrastructure for water supply and wastewater collection and treatment in both entities and Brcko District, which will improve the operation of the existing water supply system and create technical preconditions for its further expansion.

In the Federation of BiH, activities were undertaken in 2021 on preparation of the second cycle of the Water Catchment Areas Management Plans, while the document Water Services Improvement Program in the Federation of BiH, which is expected to be adopted in early 2022, was sent in the adoption procedure.

In the field of *flood protection*, activities were undertaken in 2021, defined by the Action Plan for Flood Protection and River Management in BiH 2014-2021. In addition, activities were launched on the development of the Flood Risk Management Plans in BiH, financed with the European Union funds through the IPA 2016 program.

In the field of *waste management*, during the reporting period, great efforts were made on harmonization of the statutory legislation at all levels of government in BiH with the current European Union directives in this area as well as numerous measures on raising of the awareness were undertaken in order to reduce the waste production and promote the re-use and the recycling.

In Republika Srpska, the Law on Changes and Amendments to the Law on Waste Management of the Republika Srpska was adopted in 2021 (Official Gazette of the RS, No. 63/21), while several by-law acts were adopted in the Federation of BiH defining the management of certain waste categories (FBiH Gazettes, No. 19/21, 20/21, 59/21 and 94/21).

During 2021, Bosnia and Herzegovina has undertaken the activities on realization of the project "Strengthening Implementation of the Basel Convention in Terms of the Assessment of the BiH Legislative Institutional Framework for Plastic Waste Covered by the Basel Convention." Project activities will include the assessment of BiH legislation on plastic waste management, testing of the draft Guidelines for Plastic Waste of the Basel Convention, strengthening the control of the transboundary movement of plastic waste as well as the recommendations for plastic waste management through the scheme of the 'extended producer responsibility'.

In the field of *air quality*, activities were undertaken in 2021 to reduce air pollution, especially in urban parts of Bosnia and Herzegovina, where air pollution is still above the standards of the World Health Organization.

In the effort to reduce the *air pollution* in Sarajevo Canton, particularly during the winter months, in 2021 the implementation was initiated of the EBRD project "Green Cities to Transform Public Transport". EBRD loans finance the reconstruction of the tramway tracks in Sarajevo Canton, as well as the purchase of the electric trolleybuses, which will improve the air quality by reducing vehicle emissions and provide the efficient and environmentally friendly public transport to the city dwellers.

In the field of *civil protection*, activities have continued on drafting of the strategic documents and the Program for the Development of the Protection and Rescue System at the Level of Institutions and Bodies of Bosnia and Herzegovina 2021-2025 was sent in the adoption procedure. Also, ongoing activities in terms of procurement of the protection and rescue equipment at all levels of the government in Bosnia and Herzegovina have continued.

In 2021, Protocol on Data Exchange between the Competent Institutions in Protection and Rescue in Bosnia and Herzegovina was signed, whose implementation will enable better functioning of the database on damages and losses from accidents and disasters managed by the local governance units, data exchange in the field of protection and rescue with other national and international organizations, as well as collecting the data needed for reporting on the implementation of the Sendai Framework for Disaster Risk Reduction.

In October 2021, the implementation was finalized of the project "EU4Better Civil Protection - Capacity Building and Preparation of Bosnia and Herzegovina for the European Union Civil Protection Mechanism", whereby the activities were undertaken to further develop and strengthen the BiH Civil

Protection System. Bosnia and Herzegovina is expected to apply for the membership in the European Union's Civil Protection Mechanism in 2022.

Investments of DCF members in 2021

DCF members active in the Environment and climate action sector in 2021 are EBRD, The World Bank, Sweden, UN, EU, Czech Republic, Italy / AICS, Switzerland, Croatia, Slovenia, Norway, Hungary, Germany, United Kingdom and EIB.

Total allocations of DCF members to the Sector in 2021 amounted to € 44.29 million, out of which € 19.10 million in the form of grants and € 25.19 million in the form of loans.

Total disbursements to the Sector in 2021 amounted to € 75.17 million, out of which € 22.87 million in the form of grants and € 52.30 million in the form of loans.

Figure 3.1. compares grants allocated and disbursed per development partners, according to the amount of invested funds. Leading development partners in the Sector in 2021, who allocated i.e. disbursed largest amounts were Sweden, Switzerland, UN and EU.

Figure 3.1. Allocated and disbursed grant funds per development partners in 2021

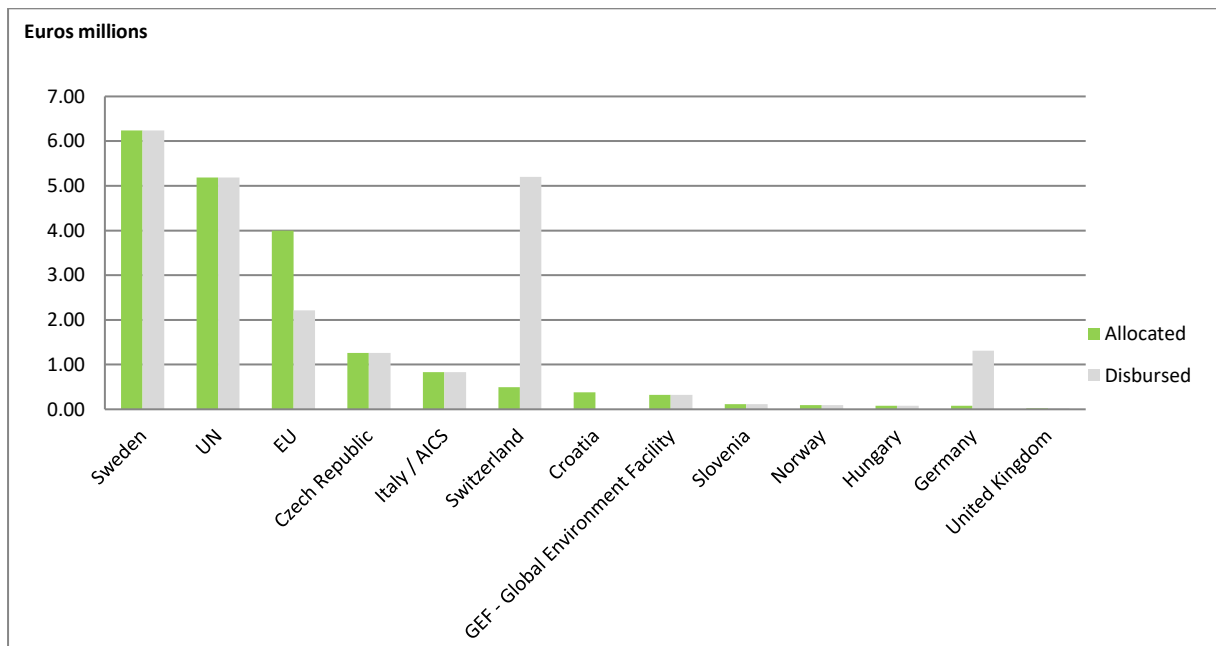


Figure 3.2. presents allocation and disbursement of loans in 2021 EBRD allocated € 14.50 million and disbursed € 14.62 million, while The World Bank allocated and disbursed € 10.69 million, while Germany disbursed € 12.00 million and EIB € 15.00 million from previously allocated funds.

Figure 3.2. Allocated and disbursed loans per creditors in 2021

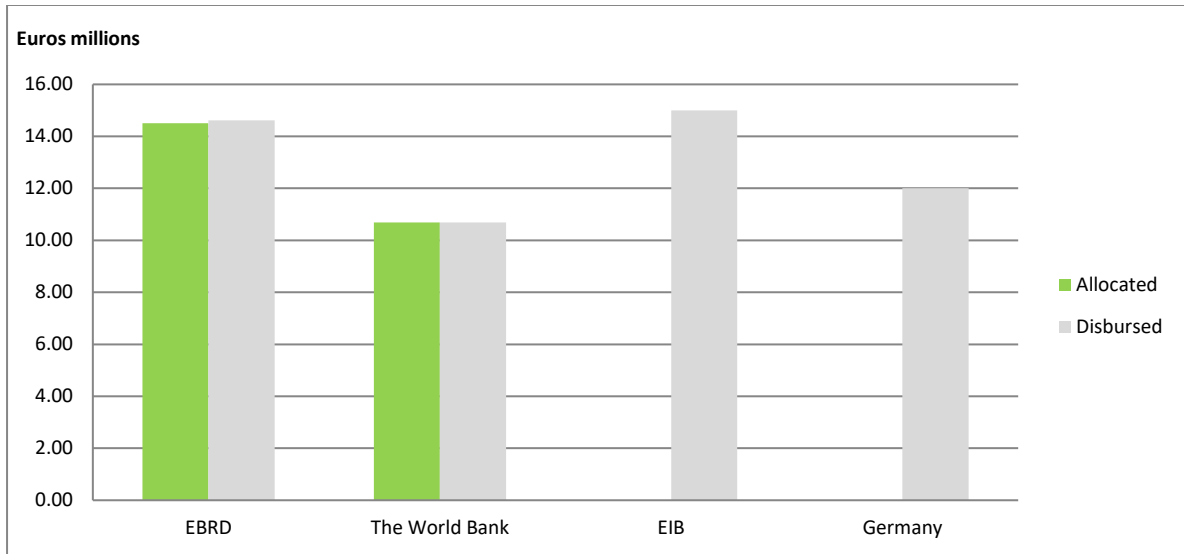


Figure 3.3. presents the structure of total allocated ODA funds per sub-sectors.

Out of total allocated funds in 2021, 66.17% was allocated in 3 sub-sectors: Civil protection (28.1%), Waste management (22.6%) and Water supply and waste water (16.0%). The remaining 33.3% of funds were disbursed to other sub-sectors.

Figure 3.3. Total allocated ODA per sub-sectors in 2021

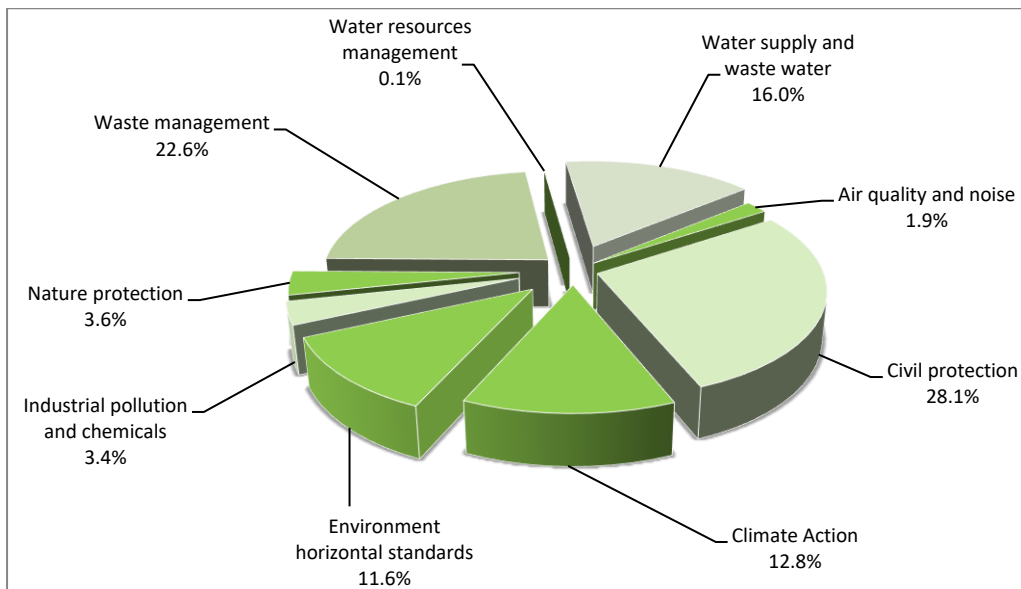
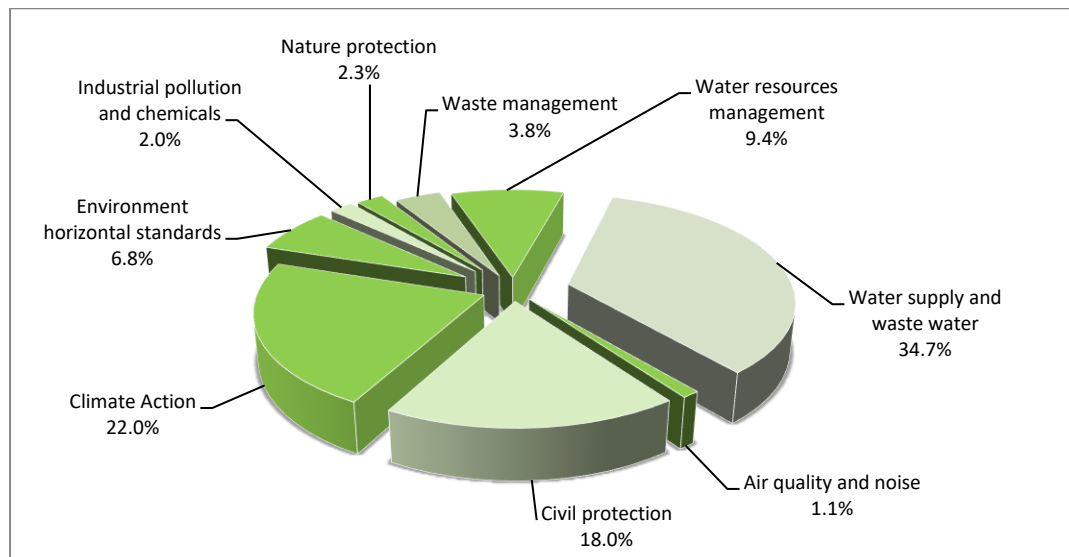


Figure 3.4. presents the structure of total disbursed ODA funds per sub-sectors in 2021. Out of total allocated funds in 2021, 74.7% was disbursed in three sub-sectors: Water supply and waste water (34.7%), Climate action (22.0%) and Civil protection (18.0%).

Figure 3.4. Total disbursed ODA per sub-sectors in 2021



Ten major projects in the sector that allocated or disbursed funds in 2021, are listed below:

PROJECT TITLE	Development partner	Total project value (EUR mil)
EMERGENCY FLOOD RELIEF AND PREVENTION	EIB	110.00
WATER AND SANITATION RS	EIB	62.50
WATER AND SANITATION FEDERATION BIH	EIB	60.00
Water Supply and Sanitation Modernization Project	The World Bank	51.50
Credit Program for energy efficiency improvements in residential housing	Germany	37.00
Water Supply and Waste Water Programme in BiH II	Switzerland	24.37
Green Economic Development – Environment	UN	19.64
WASTE WATER COLLECTION AND TREATMENT ZENICA	Switzerland	18.29
Toplana Zenica GET Project	EBRD	18.00
Waste Water Collection and Treatment in Gradiska	Germany, Switzerland	14.07

All projects are available in the Development Partners Coordination Forum Database, via the following link: <http://dmd.donormapping.ba/dmd/faces/dmdPublicStart>

Future activities

Bosnia and Herzegovina should continue with further improvement in the area of Environment and climate policy through aligning legislation and by-laws with the norms and standards of the European Union and building and strengthening capacities in this area. Based on the responses of BiH Institutions from all levels of government and DCF members who participated in preparation of this Report, as well as the recommendations of the European Commission, further efforts should be made in the following period:

- continue activities on implementation of the Environmental Approximation Strategy of Bosnia and Herzegovina / EAS BiH, and accordingly improve the legal framework, strengthen administrative capacities and improve the coordination of institutions at all levels of government in BiH;
- draft and adopt the Environmental Protection Strategy and Action Plan for BiH until 2030 and onwards (*BiH ESAP 2030+*);
- continue the implementation of activities based on the signed international conventions and protocols in the field of environment;
- initiate implementation of the Paris Climate Agreement by establishing policies and measures to achieve the Nationally Determined Contribution (NDC), adopt and implement the Climate Change Adaptation and Low Emission Development Strategy for Bosnia and Herzegovina;
- develop an integrated energy and climate plan of Bosnia and Herzegovina in line with the Energy Community recommendations;
- achieve sustainable water management by strengthening the capacity of institutions, improving the strategic and the legal framework with the European legislation, implementing planning documents, improving monitoring and raising awareness of water protection;
- continue investing in further expansion of the water supply, collection and waste water treatment system in BiH;
- implement Programs of measures from the Water Catchment Area Management Plans in BiH and Flood Risk Management Plans;
- further improve and harmonize the legal framework in BiH with the EU legislation in the field of management of special waste categories;
- establish a functional and harmonized monitoring network for air quality in BiH and draft the Program for improvement of the air quality in BiH;
- constantly renew the protection and rescue equipment at all levels of government in BiH.