



Functional Review of the Environmental Sector in Bosnia and Herzegovina

Final Report

April, 2005

The present report is composed of the following documents:

1. The Main Report
2. Part II - Technical Annexes (*)
3. Part III - Legal Compendium(*)

(*) Part II and Part III are only available in the Electronic Version on CD-ROM.
Their content is listed in the back of this report.

Disclaimer

The present report represents the Functional Review of the Environmental Sector in Bosnia and Herzegovina elaborated by the experts' team of Agriconsulting S.p.A. of Italy at the request of the European Commission Delegation in Bosnia and Herzegovina. The views and the opinions expressed in the present document are solely those of the Contractor and do not necessarily coincide with the official positions of the European Union and those of the European Commission Delegation in Bosnia and Herzegovina.

The Assignment was carried out during the period September 2004 – April 2005. During the review intense co-operation was sought and established with the relevant Public Administration structures at State, Entities, Cantonal and Municipal Level and with other relevant local parties. The Contractor wishes to express its appreciation to the staff of the above authorities and bodies for their generous assistance and valued technical support that made it possible to carry out the study.

Functional Review of the Environmental Sector in Bosnia and Herzegovina

- The Main Report -

**FINAL REPORT
-PART I-**

THE MAIN REPORT

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GLOSSARY

Aarhus	Aarhus Convention: International convention agreed in Aarhus (Denmark), in force since 30. October 2001 on a) access to information, b) public participation in decision making and c) access to justice in environmental matters linking practically environmental rights to human rights.
Acquis	Acquis communautaire, originally French, now generally used expression (“community achievement”) for the sum of norms and standards valid all over the European Union*
BAT	Best available technology*
BiH	Bosnia and Herzegovina
CARDS	EU Community Assistance, Reconstruction, Development and Stabilisation Programme
CoM	Council of Ministers
DB	District of Brčko
EA	Environmental Agency*
EC	European Commission
ECC	Environmental Consultative Committee
ECD	European Commission Delegation (in Sarajevo)
EEA	European Environmental Agency* (Copenhagen)
EIA	Environmental Impact Assessment*
EIONET	European Environment and Observation Network
EMAS	Environmental Management and Audit Scheme Regulation
EP	European Parliament*
EPR	Environmental Performance Reviews for BiH (UN/ECE)
ESC	Environmental Steering Committee
EU	European Union
FBiH	Federation of Bosnia and Herzegovina
GDP	Gross Domestic Product
GMO	Genetically modified organism*
IEWC	Inter-Entity Water Commission
IMCCESD	Inter-Ministerial Co-ordination Committee for the Environment and Sustainable Development
IPPC	Integrated Pollution Prevention and Control*
LIFE	Environmental Fund of the EU
MoAFWM	Ministry of Agriculture, Forestry and Water Management (RS)
MoAWMF	Ministry of Agriculture, Water Management and Forestry (FBiH)
MoFTER	Ministry of Foreign Trade and Economic Relations, BiH
MoPPE	Ministry of Physical Planning and Environment (FBiH)
MoSPCEE	Ministry of Spatial Planning, Civil Engineering and Ecology (RS)
NEAP	National Environmental Action Plan
NEMS	National Environmental Monitoring System
NFP	National Focal Point
OHR	Office of the High Representative
PAR	Public Administration Reform
PCWA	Public Company for Watershed Area
PRSP	Poverty Reduction Strategy Paper
PRTR	Pollution Release and Transfer Registry
REC	Regional Environmental Centre (for Central and Eastern Europe)

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REReP	Regional Environmental Reconstruction Programme of South-eastern Europe
RS	Republic of Srpska
RBiH	Republic of Bosnia and Herzegovina
SAA	Stabilisation and Association Agreement
NSCESD (UKOOR)	National Steering Committee for Environment and Sustainable Development
SEA	Strategic Environmental Assessment*
ToR	Terms of Reference
UN/ECE	United Nations/ Economic Commission for Europe*
UNDP	United Nations Development Programme
USAID	United States Agency for International Development
WB	World Bank
WID	Waste Incineration Directive
WSC	Inter-entity Advisory Commission for the Coordination of Water Management

* EU terminology

1 EXECUTIVE SUMMARY

1. The present study is the outcome of the project “Functional Review of the Environment Sector in Bosnia and Herzegovina”, executed in the framework of the public administration reform effort of the governments of BiH and financed by the European Union.

2. Review activities took place between September 2004 and March 2005 with the agreed objectives of

- analysis of the functional capacities of the environmental public administration in BiH, in accordance with EU best practices and
- preparing an appropriately prioritised set of recommendations regarding rationalisation and reorganisation of the functional capacities and resources taking into account prevailing governmental expenditure constraints.

3. All state level, entity level, cantonal level, DB environmental authorities and a sample of both FBiH and RS municipalities have been systematically surveyed through two sets of questionnaires, structured interviews, comprehensive scrutiny of the existing relevant legislation and other official documents. Additionally various other institutions responsible for environment related activities and some stakeholders have been visited, and secondary materials reviewed. The Project Steering Committee consisted of representatives of the state and entity government beneficiaries involved and of the ECD.

4. Through the analysis of the EU environmental acquis the project has identified those functions that play a key role in the European environmental administration and applied this set of yardsticks to the BiH context taking well into account, that this country is strongly federal in its political structure. Benchmarking comparisons were made by a number of European countries including federal countries like Germany and Austria.

5. It is widely known that a federal-based structure requires an enormous effort of coordination and that without due coordination (and coordinating mechanisms) in this federalist administrative system environmental administration cannot function effectively. It is also recognised that such increased coordination effort needed, has its additional expenses including in the environmental sector.

6. The environment sector is one of those sectors where interdependence grows fast. In the EU the number of common, supranational regulations has grown to a considerable number and the acquis comprises 145 legislative acts to date. Also in the BiH, there is increasing need for unified standards, harmonised procedures, compatible technical solutions.

7. Recognising the above mentioned facts and trends the project first examined the present system: its structures, distribution of competencies and functions, and its resource endowment always measuring its tasks and its potentials on EU best practice. A number of observations were the result of this analysis:

a) The mandate of the state is very limited. There is no adequate permanent secretariat, not even a technical support unit at state level, so every time environmental issues of state-wide concern are addressed, an inter-entity meeting needs to be called. Periodic or

occasional meetings cannot replace a permanent body in dealing with recurrent issues, nor can committees for instance vote in international fora. The lack of some more solid administrative arrangements at the state level is rather unique in Europe and certainly a major problem for the environmental administration in BiH. It harms in particular country-wide coordination and international image.

b) 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. Consequently, in order to avoid such cases, the definition of competencies and functional responsibilities, the setting of standards and procedures need additional care. Existence of effective vertical consultation and coordination mechanisms is of critical importance.

c) As regards horizontal organisation, the BiH pattern is similar to some other examples in Europe. Environmental administration is scattered: part of it is associated with physical/urban/spatial planning, part of it with water-administration, part of it outsourced to supervised institutions (e.g. water directorates). An environmental agency (central technical support body), has not been established in BiH yet. In the environmental field no formal coordination is being practised, neither among municipalities nor between cantons. On the inter-entity level there are two committees, one for water and one for environment that meet periodically and face a sizeable agenda without the support of a joint permanent and institutionalised secretariat. Legal, institutional traces of cross-sectoral cooperation, a priority matter to EU, have not been really found.

d) All administrative units, all public institutions in the environmental field have their proper mandates that define their respective competencies and functions. These are established by law and reflect in general fairly reasonably the responsibilities one can expect at the level in question, although some shortage has been observed in several instances. Some difficulties arise first through the multitude of laws and bodies, second through the legal conflicts that do occasionally occur (e.g. the environmental framework legislation on Federal and cantonal level) and third, through the enormous gap between the legally defined functions (=administrative work to be executed) and the functions actually discharged.

e) The gap between duties and actual accomplishment of the administration becomes understandable from the analysis of the human resource provisions of the sector. There is a significant gap between the number of posts established and the number of posts actually filled (e.g. at MoFTER 3 instead of 7, at the cantons 22 instead of 42). It has further to be mentioned that there is a very low number of genuinely professional environmental specialists in any of the subject fields, very high number of heads in relation to all professional staff and many officials who are multifunctional by occupation as resources lack for specialists. The benchmarking analysis has shown that some other European countries have significantly higher number as compared to the corresponding BiH administrative levels.

f) There appear to be a general lack of information on costs of the environmental administration. No administrative unit was able to provide a coherent overview of budgetary implications, nor a more detailed information on calculate capital, human resources and operative expenses. The reason for this lies in the fragmentation of the administration and inadequate budgeting process, but also in the general administrative tradition.

g) Overall, although all the fundamental institutional elements of a regular environmental administration system are present, the environmental administration is still undersized and unskilled for the challenges it will have to face. The existing legal provisions reflect concern for the basic functions identified in today's EU. However, for default-proof, client-friendly and internationally recognised, yet cost-efficient delivery this administration needs to get organised more purposefully.

8. The decisive question is how the present administration performs, at domestic and international level. The performance assessment has been made taking into account the key administrative functions of the European environmental acquis. The review has been made key function by key function and the following conclusions obtained:

a) Major deficiencies have been unveiled in the policy area. Although one general environmental policy (NEAP), one general strategy of which environment is one sector (PRSP) and a sub-sectoral strategy (solid waste) document have been produced, generally the policy formulation capacity is weak. Moreover, the project's survey has shown that awareness of these documents among government officials at the various levels is low, their use is limited. The implementation-rate of the measures foreseen envisaged in these documents is equally low (e.g. in case of NEAP implementation of more than half of the measures has not even started two years after adoption of the document). Country-wide more than two dozen policy and strategy documents are outstanding although their adoption is prescribed by law.

b) Performance results are even less encouraging in the legislative field. Although primary legislation has advanced in more recent times also in the sense that it progressed towards European harmonisation, secondary legislation is badly lagging behind. Altogether 289 secondary legislative acts are missing in the country against only 38 acts passed. This blocks implementation at all levels.

c) Separate studies have been made on various aspects of environmental implementation. Environmental monitoring is neither nation-wide nor prioritised, nor comprehensive, but a special project works now on its improvement. Permitting and licensing is very fragmented between the various administrative structures. There are disputes and misunderstandings on the competencies. Procedures are complicated and time-consuming, clients complain of long delays. Also different criteria seem to be applied from place to place. Therefore, national standards, unified procedures (and presumably also adequate staffing) are missing. Modern enforcement concepts and standards, although envisaged by the promulgated primary legislation, are not yet in use. Inspection is supervised from various ends, therefore fragmented and not uniform. Its organisation, professional quality and coverage leave a lot to be desired. Public information activities are scarce. Correspondingly public awareness and participation in decision-making is reportedly very low. While the quality of management and supervision of the various subordinate institutions, agencies and directorates directed and supervised by the environmental administration are not easy to assess, it is certain, that coordination (for instance in the monitoring area) and the direct or delegated management of utility service delivery bodies/companies needs urgent attention for financing of the entire branch is becoming a burning issue.

d) Separate consideration of the international cooperation function showed that BiH's international image is not improved through its environmental performance. Clarification of the country's status regarding some international conventions and agreements is outstanding. A further issue is honouring the international obligations accepted. Observers

concur that a national strategy ought to be elaborated to cover national participation, representation, monitoring, reporting, internal coordination, and above all implementation questions including such important issues as the examination of the economic dimensions of international commitments.

e) Every administrative sector depends on its support function: logistics, finances, human resource provisions. The survey's finding is that the environmental sector, due to its extreme fragmentation is even less adequately served than other sectors. The other striking phenomenon is the chronic understaffing of administrative units generally at all levels to a degree, where competence-divisions, functional description of responsibilities, work programmes, even legal obligations become meaningless.

f) The above systematic examination of the performance proves that understaffing is a serious difficulty for the BiH environmental administration. The principal roots of deficiency are however elsewhere. In the present by the following aspects, as for any standard complex federal setup, cause the failure to perform efficiently

- the absence of certain key instruments of conceptual work and central coordination,
- the lack of will for rationalisation (of work and of resource use) and of cooperative effort at all levels, as well as
- the wide-spread conviction, that the present administration can do better.

9. The sectoral options are clear. Either, the country improves its international performance, or its image will suffer; either other sectors such as transport, mining, energy, tourism as well as modern type of economic instruments and the public opinion will be mobilised in favour of the sector, or the environment sector and its administration will remain a problem for the country. The entire approach needs to be changed.

10. From organisational point of view there are few issues and few alternatives at hand.

- One is the urgent necessity to strengthen the policy-like, the conceptual and strategic type of outputs and the corresponding coordination capacity at the state level.
- The other issue is to organise the implementation work on the national scale, in a more rational, cost-and-effort-saving way. Opportunities for this are also considered on the mentioned place.
- The third issue is to see how the available few resources could be put better at work.
- The fourth, for the long run very decisive question is, how much private and public support could be mobilised behind the in this country not yet much recognised sector.

11. In fact the strategy the project recommends to BiH is to try:

- to create a conceptual capacity at the centre,
- to streamline the work,
- to rationalise the use of human resources,
- to raise cost-efficiency and
- to mobilise citizens, the stakeholders, the public administration itself.

12. Good progress towards the above objectives could be made by the introduction of a reform package consisting of nine measures, notably

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- 01 – creation of a policy and coordination unit at state level (Sector at MoFTER),
- 02 – establishment of an environment agency for providing at all levels environmental professional support,
- 03 – setting up a decision-facilitating inter-ministerial body next to the Council of Ministers,
- 04 – installing a technical advisory body seconding the Environmental Agency,
- 05 – establishing standing environmental working groups at entity including cantonal level,
- 06 – reorganising and merging environmental and water inspectorates,
- 07 – introducing a secondment system to rotate staff between entity and state level,
- 08 – enacting a national comprehensive environmental framework law, and
- 09 – institutionalising municipal consultations ('municipality days').

A tenth measure is also proposed aiming to mobilise the support of the citizens and stakeholders, but such a programme needs longer preparation and additional considerations and should therefore be introduced only gradually.

13. The first four measures aim clearly at the strengthening of the national capacity. The ability to nationally consider, weigh, argue, formulate, strategically articulate, decide upon, coordinate and follow up would be facilitated

- a) by establishment of a Sector for environmental affairs at state level,
- b) by creating a pool for environmental technical expertise able to grasp the implications of international proposals and at the same time monitor national developments and advise whatever administrative body on technical issue, that is creation of the Environmental Agency,
- c) by creating a political body dedicated to environmental issues next to the Council of Ministers to speak for the sector at high level if and when needed and
- d) by forming a technical discussion platform next to the EA where all issues coming from the field and frontline of environment management would be taken up and formulated for ulterior decision-making, if necessary.

14. Three of the four mentioned measures would also impact most positively on work organisation, on clarification of issues and competencies and ultimately on cost-efficiency. The entity level EWGs, for which the catalysing role of the EA will be crucial, will of course contribute to organisation of work, rationalisation of use of human resources, mobilisation as well as overall cost-efficiency improvement. The EWGs will also have an important role in clarifying issues and proposing solutions to the national level, EA as well as MoFTER particularly regarding setting standards, streamlining of legislation, policy and strategy formulation, simplification of procedures, and preparation of models for use country-wide with the adaptations that will be made according to the needs of the autonomous administrative structures.

15. The municipal – and what is not excluded – cantonal and regional consultations have similar purpose focusing naturally mostly but not exclusively on more life-near matters of more practical concern. The core attention should go at all levels to rationalisation of work and the use of resources, to finding new, effective, cost-saving solutions. The measures offer the opportunity to do so, and the know-how concentrated in EA and put at work in these new platforms of cooperation and coordination.

16. The proposed reorganisation of inspectorates, to be fine-tuned by a parallel project of the governments, will have multiple benefits, among them the better coverage, the standardisation, quality assurance and generally, rationalisation of work and cost-efficient use of resources.

17. The recommended rotation of staff will bring the entity level and the state level closer to each other and offer a good opportunity for exchange of information and training.

18. The state level environmental framework law should have clarifying and consolidating effect. Its content needs sound consideration in all corners. It ought to be launched only when it is matured, when momentum has gathered to push a progressive, balanced, comprehensive legislative piece through. The reform, as conceived, can start without this law. However the law will eventually be an essential part of the reform that is to confirm and to consolidate the whole reform process.

19. The proposed reform package does not need public support to start, either. But the sector to heal, and the sectoral administration to reach European level, will need the awareness and participation of the public. This can be generated by targeted actions, taking into account and building upon ongoing activities under existing projects.

20. The report summarises what these reform steps mean for each administrative level. It also suggests some auxiliary measures that should be associated with the main thrust of the reform.

21. What is most important to understand, is that this is a package and that this package does not require any change in any of the BiH constitutions, to start. But it definitely requires joint will to reform and to succeed.

22. The report examines the legal prerequisites as well as the necessary human resources and financial implications. It insists that resource inputs would not make much sense without a thorough reorganisation but that in turn, reorganisation would not be effective enough, it could not bring about the required turn in the environmental administration without some distinctive resource inputs. Compared with the current cost of the entire environmental administration – the precise amount of which no one really knows – the additional input required is minor.

23. The reform would add 59 professionals with a university degree to the existing number and staff hereby the EA (31 experts), strengthen MoFTER by 12 professionals elevating its environmental department to an environment sector, reinforce the entities by 7 professional each and DB by 2. It is proposed to consider transferring 22 of these professional posts from the existing environment-related institutions, so as to cause less financial stress to the budget. Taking into account this financial transfer, the overall yearly cost of the reform would be around 1.050.000 KM per year, when the progressive increase of staff will reach its height.

24. This is a one time reform with gradual implementation through four phases: a preparatory, a structural change, an organisational and a consolidation phase. The reform is scheduled to last 5 years from the point in time when the decision is made to implement it. It is likely to yield its first positive results about 30 calendar months after it starts.

25. The management of the reform will demand professionalism, circumspection and decisiveness. Close monitoring of the implementation is a must. A progress review in 24 months would be desirable.

26. Back in 2003 the European Commission reported to the European Council in connection with the feasibility study of the Stabilisation and Association Agreement between the EU and BiH that BiH's environmental public administration capacity is below requirements. The Environment Performance Review of the United Nations Economic Commission for Europe came in 2004 to similar conclusions. Although the present study confirmed these statements, it offers, at the same time, concrete and detailed advice on how to face the future.

2 INTRODUCTION

A decade after the Dayton agreement that defined the basic public administration structure of this country public administration in BiH seems ‘heavy’, that is: not sufficiently functional and too expensive. While in many other countries, at the base, one public official serves 2.000 inhabitants, in BiH the same indicator is reportedly only around 50 implying that the administration here is 40 times more expensive than elsewhere¹.

BiH, with the support of the international community, made the decision to assess this situation and launched, based on the “Memorandum of Understanding on the Functional Reviews of Public Administration”, signed by the Chairman of the Council of Ministers of BiH, the Prime Ministers of FBiH and RS, the District Brcko, and the Delegation of the European Union in Sarajevo, a countrywide public administration reform exercise.

In this general PAR framework the present report covers the environmental sector or what has been, after consultations and by agreement, included under this heading. There are a number of debatable border areas, but the core of the review concerns the protection and management of environment and water resources. Outside this study’s concern fall the following, from environmental point of view still very important areas: (a) the exploitation - as contrary to protection side – of natural resources (mining, water use for hydro-electric plants and irrigation, etc.), agriculture, forestry and (b) the de-mining issues.

The present functional review addresses the part of public administration concerned with policy and law making, technical information and planning support, administrative procedures in service of clients, financing as well as compliance and inspections.

Not included in this examination are the utility service delivery institutions and operational services of predominantly physical or technical nature such as measuring laboratories, waste collection and waste treatment companies and waste water management companies and companies/agencies for river basin management. Such services are handled by either subordinate specialised institutions or, through outsourcing, by private companies. However, their supervision and coordination, and the contracting of private services are considered as an important function of the public administration, so this aspect is subject to review.

The objectives of the environmental study have been defined in the following way:

- a) Overall objectives (applying to all sectoral PAR reviews):
 - reform of the public administration so that it is capable of efficiently and effectively performing its function as related to the needs of BiH and within its financial means, and which is coherent with BiH’s commitment to EU accession.

- b) Specific objectives (of the environmental PAR review):
 - reform of the public administration related to the environmental sector, in particular
 - its rationalisation and
 - reorganisation of functional competencies based upon
 - thorough and comprehensive analysis
 - in accordance with EU best practices

¹ Regional Information and Communication Technologies Sector Status and Usage Report: Building an Information Society for all, UNDP, Sarajevo, Oct. 2004.

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- prevailing government expenditure constraints, and
- appropriately prioritised

Some more parameters for the present review have been agreed in the Terms of Reference (ToR)², which follows a logical sequence of events.

After the feasibility study done by EU experts in cooperation with BiH officials regarding the possibility of conclusion of Stability and Association Agreement between the EU and BiH, the 2003 report of the European Commission to the EU Council stated that the capacity of the BiH environmental administration is below requirements.

The Environmental Performance Review performed by the United Nations Economic Commission for Europe in 2004 reached similar conclusions and submitted, besides a comprehensive range of substantive recommendations also the recommendation to give priority to strengthening of the administrative capacities.

Targeting the already recognized administrative weakness, the mandate of the present study is precisely to uncover the causes of the deficiencies and to recommend suitable reform measures. Review activities took place between September 2004 and March 2005.

² More details may be found in Annex 1.

3 METHODOLOGY

The classical functional review, envisaged by the ToR, implies systematic examination of the administrative posts in order to assess their 'functionality' as defined by law and the deriving internal regulations. Posts are then modified, amplified, abolished, privatised or new positions created, so as to satisfy the legal mandates.

In the context of the BiH environmental administration a post by post assessment proved to be little purposeful for the following reasons.

First, there is an exceedingly high ratio of posts approved, but not filled. This means, that the need for given positions has been recognised, legally established, but – mostly for financial reasons – many have been for longer periods vacant. There is a considerable discrepancy between the planned and the real situation.

Secondly, in a correspondingly high number of existing, filled posts the incumbents are obliged to discharge multiple functions. This implies that - by definition - the functions involved cannot be discharged fully and to the satisfaction of the standards that the administration itself has set. There is a considerable gap between the required targeted output and the actual performance.

Thirdly, due to the federal and fragmented legal and institutional structure it might occur that certain functions are defined at a given level, posts established and filled, the function properly discharged, yet, in the country as a whole, the environmental administrative function is not effective, or not efficiently or not cost-efficiently discharged due to inconsistencies or the hiatus between the various administrative levels. Following the many disturbances in the public administration system during the past years, the relatively recent origin of the entire legal and administrative framework, moreover the fact that the environmental protection and management as administrative task itself is young and fast changing in general, an examination of the overall competency-functional arrangements is more than desirable.

Fourthly, since the country has decided to orient itself on European practices and to harmonise its legislation, standards and performance with the EU environmental administrative system, the functional review should use the EU best practice yardstick for assessing current and mid-term functional and structural needs.

For these reasons this Review had to use an adjusted methodology. Essentially: it identified and analysed current competencies, functions, structures and real resources (Chapter 4) and conducted then an overall performance assessment, key function by key function using the basic environmental administrative functions and practices of the EU as comparison (Chapter 5).

Organisation theory states that PA organisations have fundamentally the following key groups of functions:

- > policy function
- > regulatory function
- > executive (implementation, management) function
- > service delivery to clients function, and

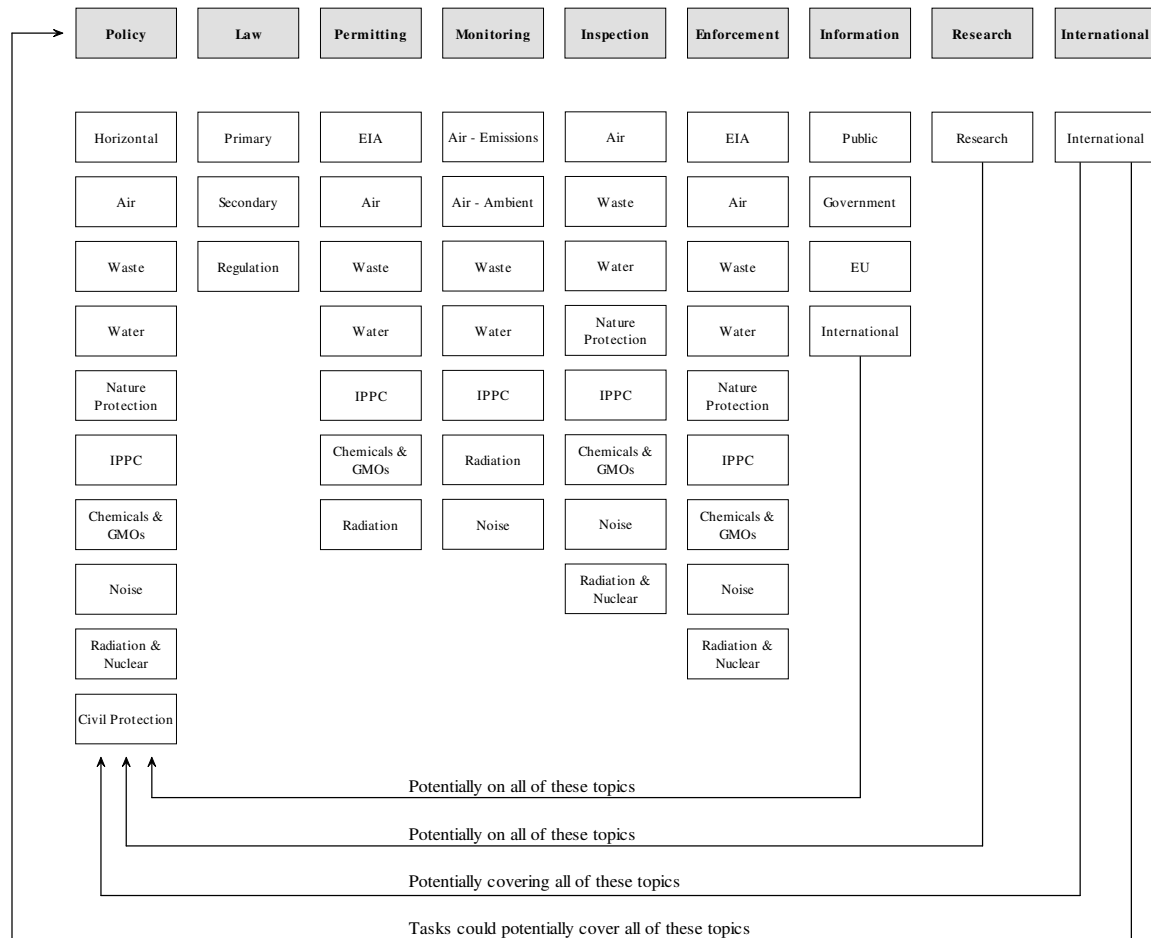
An examination of the environmental functions derived from the EU acquis shows that they are compatible and consistent with the key functions mentioned above. This can be seen in a

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summary of the present environmental acquis categories as provided in Table 3a. This table demonstrates adequately,³ that the environmental functions deriving from the EU environmental acquis are similar to, and fit well into the organisation theory.

In addition to the four key groups, it has to be mentioned that a support function may also be included, as it is an obligatory component of any public administration.

Table 3a Environmental Functions from the Acquis



³ For more details the reader is referred to Appendix 1 of this report.

Thus, combining organisation theory and EU *acquis* categories, the basic environmental functions have been identified as follows:

- > policy
- > law making
- > implementation
 - monitoring
 - permitting/licensing*
 - public utility service delivery*
 - public information*
 - enforcement/ inspection
- > coordination and supervision
- > international cooperation

(The three functions marked with an asterisk* can also be qualified as service to clients.)

The performance review of the environmental administrative functions in BiH (Chapter 5) has followed these criteria in making the assessment. The performance assessment has served as basis for the formulation of the strategic choices (Chapter 6) and for the recommended reform package (Chapter 7).

As regards information collection and data quality it seemed crucial to go back to the original source, that is – instead of relying on findings of others (possibly earlier technical assistance) – to turn to the country's public administration itself for both quantitative and qualitative information. Thus, this report relies fully on first hand information received from BiH officials and BiH official documents.

Essentially the quantitative data and the qualitative information were collected from two subsequent sets of questionnaires filled in by Government officials, structured interviews with government officials at all levels, government documents such as legislative pieces (*corpus legis*), strategy documents, approved budgets, rule books etc. The institutions included all relevant ministries and ministry-like authorities at the state, entity and cantonal levels, as well as a representative sample of 10 selected municipalities, 5 in FBiH and 5 in RS.

There is a wealth of secondary information also available on which the Consultant has relied so as to benefit for the Country's sake from the already accumulated knowledge. These documents, mainly reports of past projects and assessments, or intermediary reporting from ongoing projects related to the sector, have been mainly used to cross-check the own findings and to reinforce the reform proposals already advanced. Due references are made throughout the report. Similarly, the Consultant has made comprehensive but critical use of the results, final or preliminary, of the numerous recent or ongoing environment related projects in this Country.

The recommendations in Chapter 7 are followed by an analysis of the implications of the proposed reform measures in terms of legal prerequisites, human resource allocations and budgetary consequences in Chapter 8. Finally, the phasing in of the reform including a road-map is given in Chapter 9.

4 THE PRESENT ADMINISTRATIVE SYSTEM

4.1 The environment in the constitutions in BiH

4.1.1 Constitution of BiH

Article III of the BiH Constitution defines the responsibilities and the relations between the institutions of BiH and its two constituent Entities: the Federation of BiH (FBiH) and Republika Srpska (RS).

The environment and water sectors are not expressly mentioned in the Constitution, neither in the competencies of the State of BiH nor in those of the Entities. However, according to Article III.3c, “all governmental functions and powers not expressly assigned by the Constitution to the institutions of BiH shall be those of the Entities”. Thus, the environment is under the competence of the Entities. It means that the Entities regulate environmental issues through their laws, regulations and standards.

However, by the Law on Ministries and other bodies of administration of Bosnia and Herzegovina (Official Gazette of BiH, No. 5/03) enacted in March 2003, the Ministry of Foreign Trade and Economic Relations (MoFTER) received the authority to deal with the issues of natural resources including environmental protection at the state level.

4.1.2 Constitution of the F BiH

The FBiH Constitution⁴ establishes the sharing of competencies between the Federation and the constituent cantons as follows:

- Exclusive competencies of the Federation are the general economic, energetic, fiscal and land use policies (Art III.1, b, f and I);
- Joint competencies of the Federation and the cantons are, e.g., health, environmental policies, tourism, and use of natural resources (Art III.2): *(in these fields, the powers of the Federation and the cantons can be executed "jointly or separately, or by the Cantons as co-ordinated by the Federation Government") (Art III.3.1);* and
- Cantons have all responsibilities not expressly granted to the Federation (Art III.4.1); matters likely to concern the water sector are public services, local land use, local energy production facilities, and cantonal tourism.

Environmental policy and use of natural resources, including waters, are the responsibility of both the Government of Federation and Cantons. These responsibilities may be performed jointly or separately, as appropriate, or by the Cantons in co-ordination with the Federation. The Cantons and Federation have a constitutional duty to consult one another in discharging these responsibilities. The Federation has a duty to act with respect for Cantonal prerogatives when enacting and implementing laws that are binding throughout the Federation.

According to the Constitution of BiH, municipalities shall exercise self-rule on local matters. Each municipality shall have a statute, which must be consistent with the Constitution of the

⁴ Official Gazette of F BiH, No. 1/94, 13/97, 16/02, 22/02, 52/02, 60/02, 18/03, 63/03

Federation and the Constitution of its cantons, and conform to any relevant cantonal legislation.

4.1.3 Constitution of the Cantons

The Federation consists of ten cantons. According to the Federation Constitution, the cantons have all competencies not expressly granted to the Federation Government. The cantons exercise their self-government through their own legislatures, executives and judiciaries.

Each of the cantons has its own Constitution and Government. Canton Constitutions must be consistent with the Constitution of FBiH (Art. V.4). Canton Governments are responsible for execution and enforcement of Canton policies and laws, decisions of any Cantonal or Federal Court and any responsibilities assigned to Canton by Federal Government.

Regarding environment, all of the cantonal Constitutions also state that both the Federation and the cantons are responsible for environmental policy, in accordance with the Federal Constitution. The cantonal Constitutions provide for the possibility to establish a Council of cantons in order to co-ordinate and harmonise the policies and activities of common interest. The Cantons have the possibility to transfer their responsibility on environment to the municipalities and/or the Federation. However, no such transfer has been undertaken to date and there is no agreement on the joint exercise of this responsibility between the cantons and the Federation.

The main functions and tasks related to water assigned to the cantons include licensing and allocation of water resources under their competence (drainage, irrigation, water supply, waterways for navigation, hydropower and water protection).

Each canton is empowered to delegate or confer its responsibilities to municipalities in its territory or to the Government of FBiH, (Art V.2)

4.1.4 Constitution of the RS

Republika Srpska is organized as unified entity (without cantons). The Constitution⁵ declared that all state functions belong to the Republika Srpska except those transferred by the Constitution explicitly to the institutions of BiH.

The Constitution consists of provisions regulating the main political, economical and social rights as well as of distribution of competence between RS and its municipalities. Moreover, the Constitution deals with the legal power responsibilities in RS.

Natural resources, designated by law as public goods, are under state ownership. The law shall regulate protection, use, improvement and management of public goods, as well as payment of charges and taxes for their use (Art. 59). The RS protects and supports the reasonable use of natural resources in order to protect and improve the quality of life and environment.

⁵ Official Gazette of RS, No. 6/92, 8/92, 15/92, 19/92, 21/92, 28/94, 8/96, 13/96, 15/96, 16/96, 21/96, 21/02, 30/02, 31/03, 98/03

The Republic provides for systems of public utilities, environmental protection, and international co-operation, except those that are the responsibility of the BiH institutions. The National Assembly sets up the basis for foreign policy and ratifies international treaties and contracts.

4.1.5 Statute of the Brcko District of BiH

By the Final decision of the Arbitral Tribunal for the dispute about Inter-Entity boundary line in the Brcko Area, a new territorial unit, with *sui generis* legal status has been formed in the BiH – the Brcko District of BiH. The District is under exclusive sovereignty of the BiH. According to the Statute⁶, Brcko District is a single administrative unit of local self-government.

According to the Article 70 of Statute of the Brcko District “all entity laws and regulations in effect within the territory of the District at the time this Statute enters into force shall remain in effect to the extent consistent with this Statute, until otherwise determined by the Assembly in accordance with this Statute”.

The Government of District has executive authority. The members of the Government are the Mayor and the directors/heads of departments that compose the Government (art. 46).

4.2 Administrative Structures in BiH

4.2.1 State level

The Law on the Ministries and Other Administrative Bodies of Bosnia and Herzegovina (Official Gazette BiH 5/03, 26/04), enacted in March 2003, assigns responsibilities for environmental protection to the Ministry of Foreign Trade and Economic Relations. Specifically, it gives it “responsibility for operations and tasks within the jurisdiction of Bosnia and Herzegovina relating to the definition of policy, fundamental principles, coordination of activities and harmonizing the plans of the entities’ governmental bodies and institutions at the international level” in agriculture, energy, environmental protection, and the development and the exploitation of natural resources.

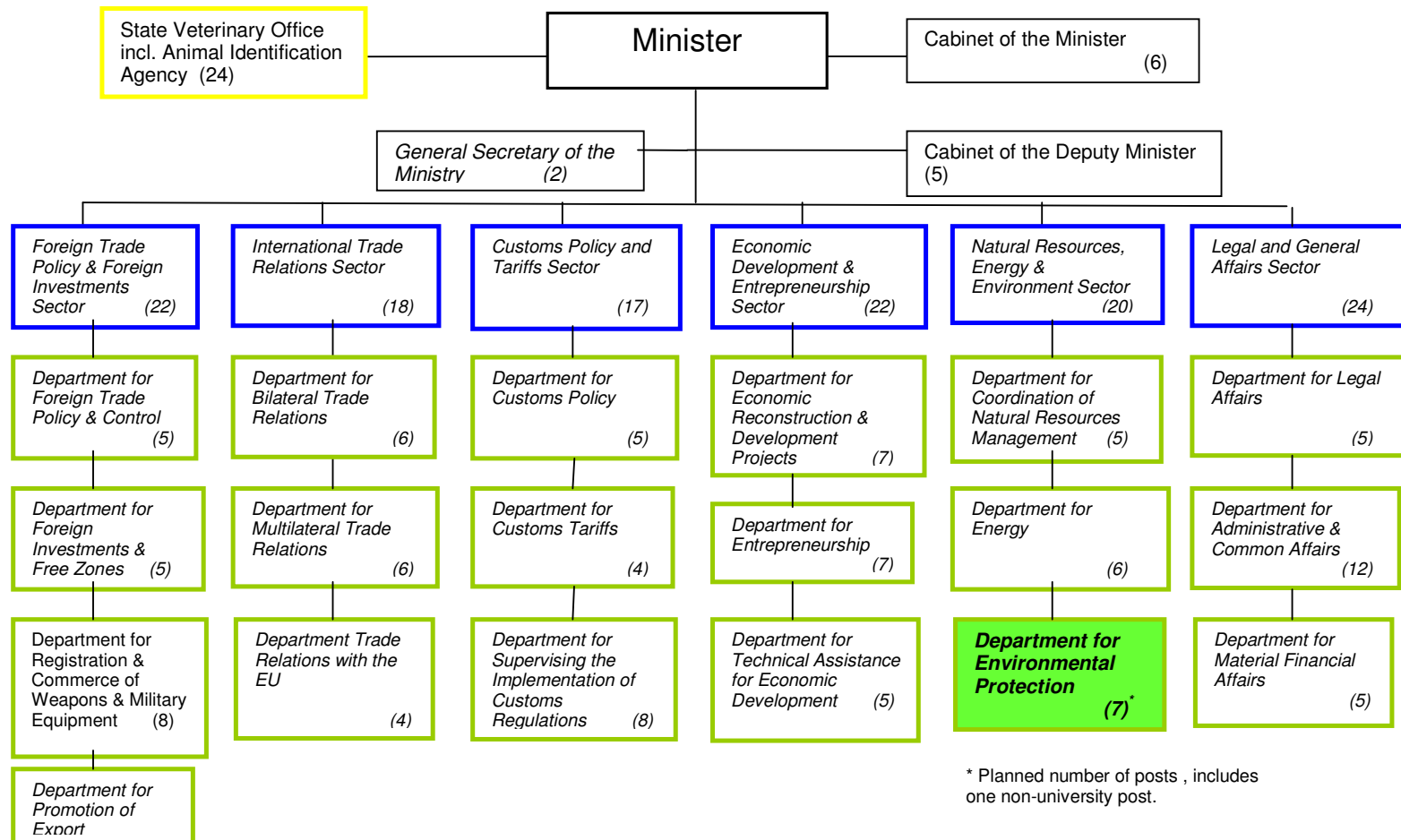
The Ministry of Foreign Affairs, which is responsible for all international agreements and conventions, and the Directorate for European Integration also carry out work related to the environment. In addition, some independent institutions, such as the Institute for Standardization, Metrology and Intellectual Property and the Agency for Statistics, gather and publish environmental information.

The organisational chart of MoFTER is shown here-below as Table 4a. The environmental administration is represented by the department of Environmental Protected within the Natural Resources, Energy and Environment Sector.

⁶ Official Gazette of DB, No. 9/00, 23/00

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Table 4a Organisational chart of MoFTER (as of 01.03.2005): the numbers are planned, not actual staff.



4.2.1.1 National Steering Committee for Environment and Sustainable Development

By decision of the Council of Ministers of 16 May 2002, the National Steering Committee for Environment and Sustainable Development was established at the State level. It has 54 members, including non-governmental organizations, scientists, universities and other stakeholders, in addition to representatives from the two entities and Brčko District. Its secretariat is located in the Ministry of Foreign Trade and Economic Relations. Its work is largely carried out through eight subcommittees on: the protection of the ozone layer, climate change, long-range transboundary air pollution, persistent organic pollutants, biodiversity, land degradation, transboundary waters and transboundary movements of hazardous waste.

Its main purpose is to facilitate work on projects and international agreements.

4.2.2 Entity level

The organization and responsibilities of environment-related ministries in the two entities are similar and prescribed by law: the Law on Federal Ministries and Other Administrative Bodies in the Federation of Bosnia and Herzegovina (Official Gazette FBiH 19/03); and the Law on Ministries in Republika Srpska (Official Gazette RS 70/02, 33/04).

4.2.2.1 Federation of Bosnia and Herzegovina

In the Federation the main authorities responsible for environment and water issues are the Ministry of Physical Planning and Environment and the Ministry of Agriculture, Water Management and Forestry.

The Federal Ministry of Physical Planning and Environment is responsible for preparation of the environmental policy and strategy-related documents, quality standards for air, water, and soil, environmental monitoring as well as supervision of relevant institutions from the environment sector.

The Ministry of Agriculture, Water Management and Forestry (MoAWMF) is responsible for water strategy and policy, the issue of approvals and permits, setting of standards and regulations; and the maintaining of compliance with laws and regulations through licensing and inspections.

There are two watersheds in the territory of the FBiH and for discharging operative functions two public water management companies were set up in Sarajevo and Mostar. One of the functions of MoAWMF is overall control of Public Companies for Watershed Areas.

In addition to the two above-mentioned ministries, several other institutions in the Federation of Bosnia and Herzegovina deal with environmental issues indirectly. These include other ministries, independent administrative offices and institutions, and institutions related to the ministries.

The cantons' environmental authorities are the respective ministries of civil engineering, physical planning and environmental protection and the ministries of agriculture, water management and forestry.

Other ministries with secondary responsibilities for environment are usually the ones dealing with health, industry, energy and mining (or the economy in general), labour and public welfare.

The Federation is divided into ten cantons with 84 municipalities. Municipalities, in accordance with the law, should be responsible for communal activities.

4.2.2.2 *Republika Srpska*

The entity is responsible, together with the municipalities, for ensuring environmental protection. Administration is more centralized in this entity, although there is also a local administration in the 64 municipalities.

In Republika Srpska, the relevant institutions are the Ministry of Spatial Planning, Civil Engineering and Ecology, and the Ministry of Agriculture, Forestry and Water Management.

The Ministry of Spatial Planning, Civil Engineering and Ecology is responsible for policy aspects related to overall environmental protection, management planning and monitoring.

The Ministry of Agriculture, Forestry and Water Management is responsible for water strategy and policy, the issue of approvals and permits, setting of standards and regulations; and the maintaining of compliance with laws and regulations through licensing and inspections.

In Republika Srpska, some other ministries and independent administrative offices and institutions also have environmental responsibilities. Certain aspects are the responsibility of other ministries- for public health, economy, energy and development etc.

The ministry responsible for water resources set up the Water Directorate in its frameworks, entailed with specific responsibilities for planning. The operative functions in designed areas are delegated to the state water companies. Hydro meteorological institute of the RS has been responsible for measuring of the quantitative and qualitative parameters of surface and ground waters, as well as the waters in the atmospheric phase of the hydrological cycle.

The larger municipalities have units for the control of construction, water and waste management and, more recently, environmental inspection.

4.2.2.3 *Brčko District*

The Brcko District Government consists of ten departments. Environment is one of the functions and powers of the District. The Department of Utilities has a logistics unit, with one environmental specialist, directly responsible for environmental protection.

The other departments partially involved in environmental issues are:

- The Department of Public Works;
- The Department of Urbanism, Real Estate Affairs and Economic Development;
- The Department of Health, Public Safety and Community Services;
- The Department of Education; and
- The Department of Agriculture Forestry and Water Management

4.2.3 Inter-entity bodies

There are two institutions responsible for inter-entity coordination in the field of environment and water management, namely: Inter-entity Steering Committee for the Environment and Inter-entity Advisory Commission for the Coordination of Water Management. These two institutions established by the Inter-entity Memorandum of Understanding. Both bodies are formed at parity basis and are under the direct control of their respective governments. The BiH institutions do not have any responsibility or influence on their work.

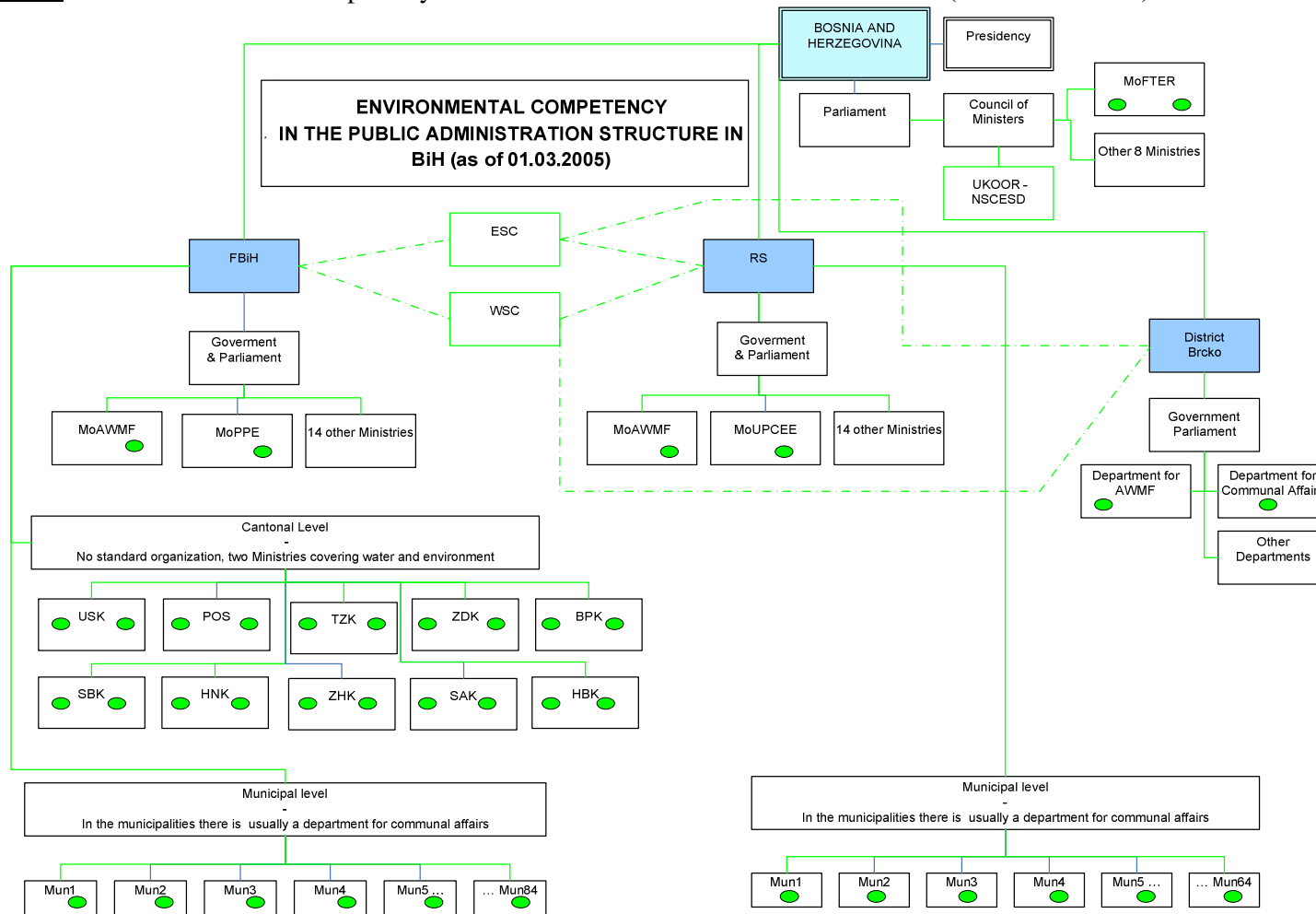
- The Inter-entity Steering Committee for the Environment was established in 1998 specifically to deal with environmental issues delegated to it by the entities. The Committee consists of eight members. Its secretariat services are provided by the local office of the Regional Environmental Centre (REC).
- The Inter-entity Advisory Commission for the Coordination of Water Management is responsible for cooperation on all water management issues among the relevant ministries of both entities. Its goal is to prevent potential disputes in water management. The Commission includes both government officials and private citizens from the two entities, as well as representatives from the donor community and the Office of the High Representative.

4.2.4. Overall environmental administration structure

The structure of the environmental administration at all levels is illustrated on Table 4b (“environmental competency”). This overview shows that the environmental administration is logically structured, fairly systematic and complete both on the state, on the entity, on cantonal and on the municipal levels. The existence of administrative units for environment at all levels proves that there is awareness of environmental tasks and corresponding responsibilities in the public administration. Moreover, certain inter-entity links are provided through ESC, WSC and UKOOR, and through UKOOR also with the state level.

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Table 4 b Environmental Competency in the Public Administration structure in BiH (as of 01.03.2005)



4.3. Competencies

Many pieces of legislation, at all levels, impact on the environment sector and in particular on the division of competencies regarding and within the environmental sector⁷ 13 relevant laws have been identified at state level, 31 on FBiH, 30 on RS, 13 on DB and altogether 106 laws on cantonal level. (Listing of laws is given in Appendix 2).

These laws define the mandates of the various administrative institutions and within that framework the responsibilities of the divers units, sub-units and individual posts in the respective governments. An overview of the key institutions responsible for environment deriving from these laws and regulations are listed in Table 4c.

The Table 4c does not comprise all existing competencies but only the main ones. Additional details may be found in the Legal Compendium. In particular, with respect to regional solid waste plan, The Republic law in the RS foresees the possibility of establishing such regional plans, in accordance with the Republic waste strategy, if one or more municipalities reach an agreement on such a regional plan.

Table 4c Overview of key institutions and their responsibilities (as of 01.03.2005)

INSTITUTION	MAIN RESPONSIBILITIES
BiH-STATE 13 laws	<ul style="list-style-type: none"> • Defining policies and coordinating activities between the Entity authorities and institutions, at the international level, in the field of environmental protection. • Administering enforcement of the law and other regulations. • Estimating the existence of the public interest in awarding concession based on the initiated offer. • Evaluating the proposed initiative for signing the international agreement. • Delivering proposal for starting the procedure and provides basis for negotiations, to the Council of Ministers.
MoFTER	
REPUBLIKA SRPSKA 30 laws	<ul style="list-style-type: none"> • Preparing the Environmental Strategy, laws and other regulations and acts. • Establishing and managing environmental information systems. • Issuing environmental permits. • Supervising the work of the local administrative units of self-governance in the field of environmental protection. • Keeping records of installations and devices and a register of major accidents reported. • Setting up the environmental quality standards. • Performing inspectional supervision.
MoSPCEE (environment)	

⁷ . The existing set of laws has been collected and presented in Part III-Legal Compendium.

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INSTITUTION	MAIN RESPONSIBILITIES
MoAFWM (water)	<ul style="list-style-type: none"> • Preparing and implementing plans and water balances. • Preparing relevant legal acts (water law and by-laws). • Adopting the general plan for flood protection. • Issuing water guidance, consents and permits. • Organizing the water quality control. • Providing information about their work. • Water supply; hydro melioration. • Inspection control.
BRCKO DISTRICT 13 laws	
Department for Agriculture, Forestry and Water management	<ul style="list-style-type: none"> • Preparing and implementing the water plans and programmes. • Issuing water management acts. • Performing the legal, analytical and supervisory activities related to water regime, water use and protection.
Department for Communal Affairs	<ul style="list-style-type: none"> • Monitoring activities related to the provision of public services, i.e. water supply and sewage systems.
FEDERATION OF BIH 31 laws	
MoPPE (environment)	<ul style="list-style-type: none"> • Establishing and operating the environmental information system and providing data for the monitoring of the state of environment. • Keeping a register of installations. • Cooperating with other ministries in order to ensure professional education and training on environmental issues. • Organizing training for non-governmental organizations. • Providing access to information. • Proposing the Plan for Environmental Protection. • Passes implementing regulation. • Determining environmental quality standards for all types of installations or activities with the BAT. • Establishing the inspection and the control system for installations and devices using dangerous substances. • Performing inspection and monitoring by environmental inspection inspectors.
MoAWMF	<ul style="list-style-type: none"> • Preparing the legislation, strategy and policy documents related to water management. • Conducting monitoring activities. • Carrying out procedure for issuing a concession for water use. • Inspection activities.
HERZEG-BOSNIAN CANTON /LIVNO	
Ministry for Construction, Urban Planning and Environment.	<ul style="list-style-type: none"> • Preparing cantonal legal acts; annual reports on issued permits for installations and equipment. • Preparing solid waste management plan for its area aligned with the Federal strategy for solid waste management. • Adopting cantonal plans for air quality protection for period of least five years. • Proposing areas for protection (as protected landscapes and/or nature monuments). • Keeping a Register of protected areas in the canton. • Adopting Cantonal plan for nature protection for its area.

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INSTITUTION	MAIN RESPONSIBILITIES
Ministry for Agriculture, Water Supply and Forestry	<ul style="list-style-type: none"> • Issuing water management conditions, approvals, permits and orders. • Undertaking measures for the protection from the harmful effects of waters aligned with the plans. • Organizing water management inspection controls the legality, accuracy and timeliness of the settling the accounts and paying the general and special water fees. • Administering supervision of the implementation of this law and other regulations.
RS MUNICIPALITY -MODRICA-	<ul style="list-style-type: none"> • Regulating and organizing communal activities. • Organizing communal police and other monitoring activities. • Undertaking measures for environmental protection. • Issuing ecological permits. • Passing and implementing local environmental protection programmes.
FBIH MUNICIPALITY -BIHAC-	<ul style="list-style-type: none"> • Organizing the provision of communal services. • Municipality gives to the communal service provider responsibility for managing and maintaining of the communal structure and facilities. • Municipality assembly defines measuring unit and proposes the procedure for adopting a water price proposed by the communal provider.

The listing of the responsibilities is based on legal requirements. To what extent they are effectively discharged, is another question. Whether the sum of all these functions would add up to an adequate environmental administration for the country as a whole, is also not granted .

4.4 The resources: human and financial

Upon individual counting the entire set of officials (university or college level) of BiH on state and entity level including BD comprises only 31 professionals in environmental and water administration and 14 inspectors for enforcement and control. Cantons have 42 environmental officials and 22 inspectors. Table 4d shows the human resources actually available at the different levels and in different administrative units.

In the municipalities the counting becomes problematic, because generally one to two officials dealing with environmental affairs have many other duties, so it is very much question of personal judgement how much of their time ought to be counted to environment. Also, the situation can differ from place to place. For instance, Modrica municipality has one environmental official and one inspector, while Bihac has two officials and four inspectors. In one of the analysed cases, has been observed that an environmental inspector covers at the same time forestry, water, agricultural and construction inspection.

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Table 4d Actual staffing situation - Environment and Water Protection (as of 01.03.2005)

Level	Env. experts	Inspectors	Department	Positions
BiH Ministry of Foreign Trade and Economic Relations	3	0	Environmental Protection Sector for natural resources, energy and environment	Advisors (3)
RS Ministry for Spatial Planning, Civil Engineering and Ecology (MoSPCEE)	6	1	Sector for environmental protection	Assistant Minister Associate for planning and construction Associate for conservation of Natural resources & biodiversity Associate for water protection and natural habitats Associate for air and radiation protection Associate for soil protection from solid waste
Ministry for Agriculture, Forestry and Water Management (MoAFWM)	1	8	Water management Sector for Water management	Assistant Minister (filled but mainly water management)
FBiH Ministry of Physical Planning and Environment	11	1	1. Ecology and environment impact assessment Sector for Environment	Assistant Minister-for environment Head of Department Associates (2)
			2. Protection biodiversity and natural ecosystem Sector for Environment	Head of Department Associate Associate for protected areas
			3. Air, water, soil protection and waste management Sector for Environment	Head of Department Associates (2) Officer
Ministry for Agriculture, Water Management and Forestry (MoAWMF)	6	2	Sector for Water management	Assistant Minister Associates (5)
District Brcko	4	2	1. Water management 2. Communal affairs	Head Assistant of Department for Forestry and Water management Public relation officer Associates (2)
TOTAL BiH Entities and State	31	14		
Cantons (example) HB (Livno) Canton	3	1	Ministries of Construction and Environment and of Agriculture, Water Management and Forestry	
Total Cantons	42	22		
FBiH Municipality (example) Bihac	2	4	Department for Communal Affairs and Environment	
RS Municipality (example) Modrica	1	1	Department for Communal Affairs and Environment	

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Based on the survey findings an indicator for environmental administrators per 100.000 inhabitants has been calculated to be 0.08. The comparison shows that the Germany, Finland and Switzerland respectively have in comparison with the corresponding BiH administration:

- at the state level 25-200 time more staff,
- at the entity level about 12 times more staff,
- at cantonal level around 8-18 times more staff.

Figure 4a State level indicator of environmental officials

State level:	PA/100.000
BiH	0,08
Germany	2,39
Finland	17,98
Switzerland	4,90

Figure 4a - 1

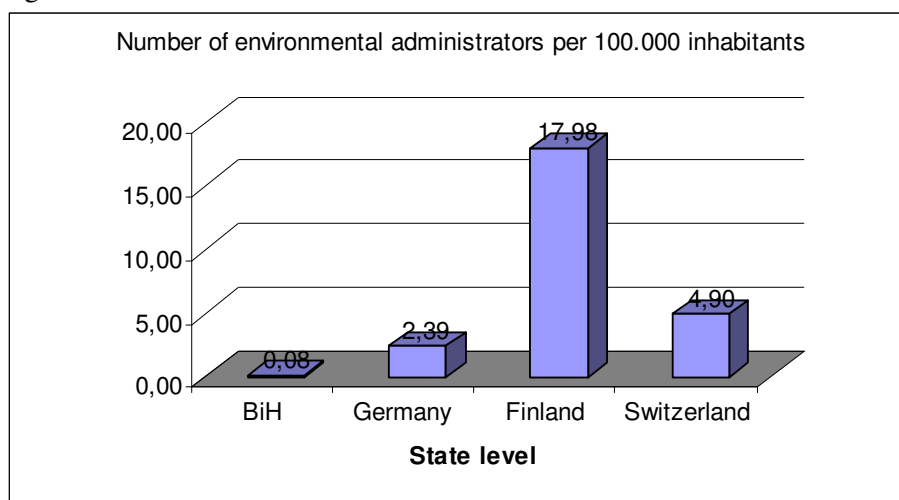


Figure 4b Entity level indicator of environmental officials

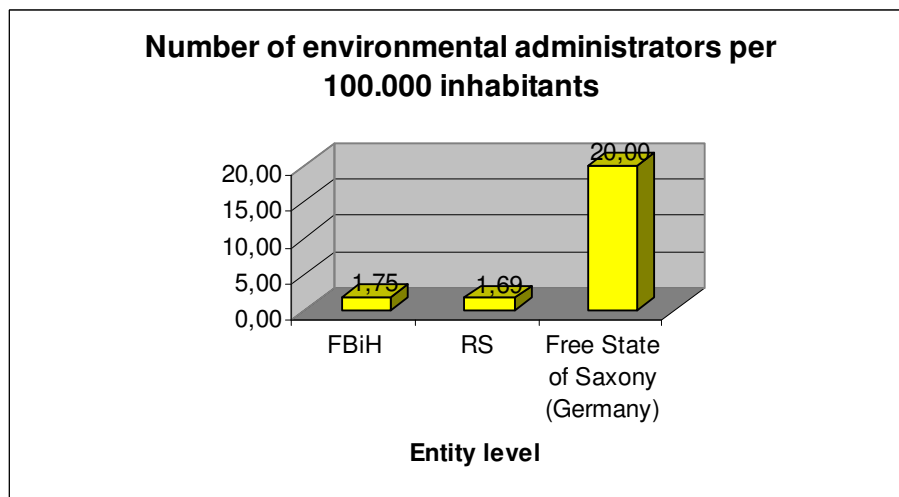


Figure 4c Canton level of indicator of environmental officials

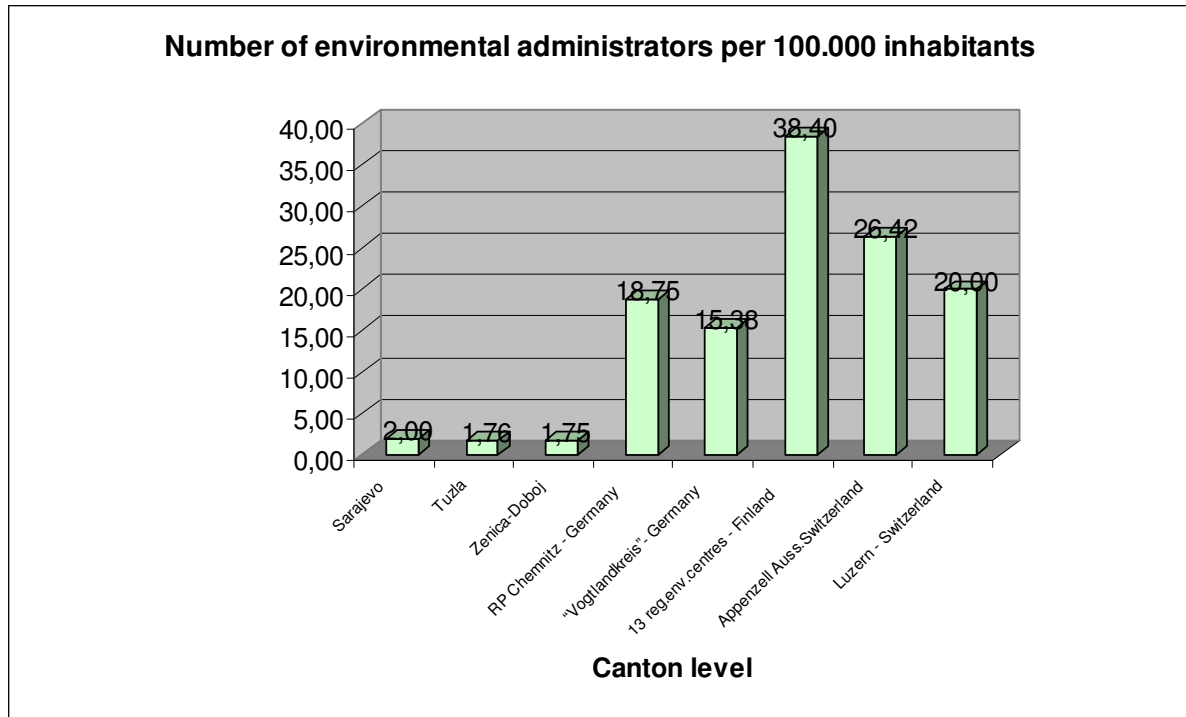
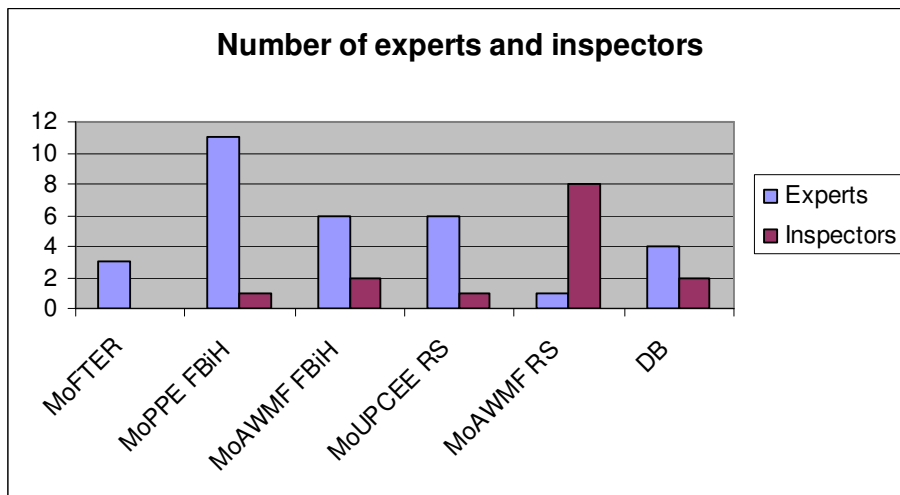
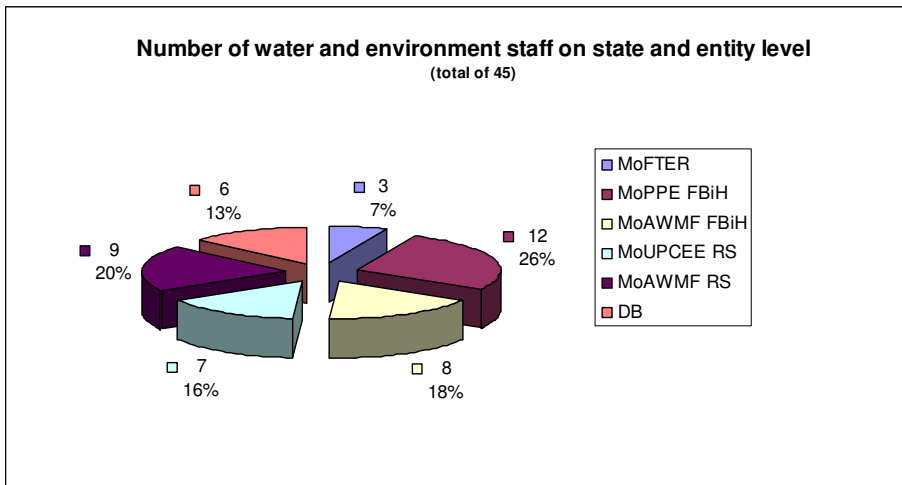
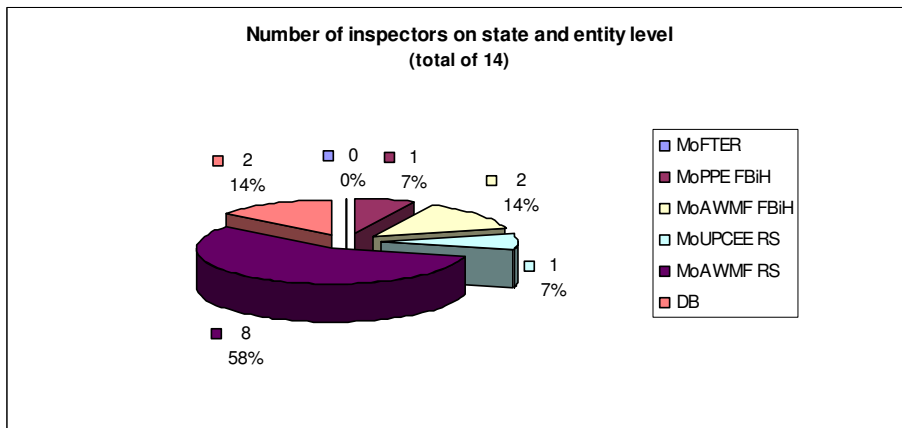
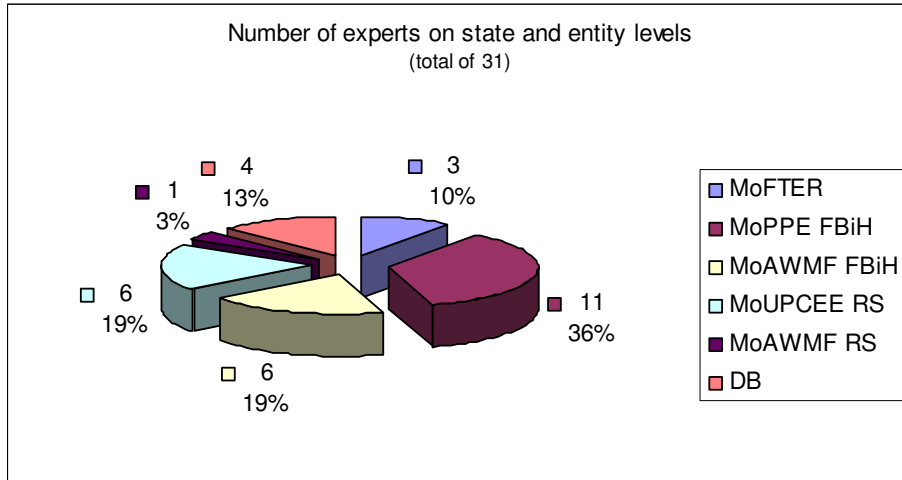


Figure 4d hereunder below provides an overview of environmental administrators and inspectors in BiH. Surprising is the relationship: practically 1/3 of all environmental officials are inspectors.

Figure 4d Environmental administrators and inspectors in BiH



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As part of the survey an occupational analysis has also been conducted. The outcome is the most informative Table 4e hereunder displaying what functions are covered by the government personnel of the State and of the Entities, and how many officials in fact have to cover several functions due to lack of staff.

Frequently even in cases when functions are clearly defined, the work related to the function does not need a fulltime professional, as often is the case in smaller administrative units such as municipalities. So, the professional covers several functions in one person. Sometimes the opposite occurs: the function is bigger than the foreseen number of professionals' capacity, so some others have to help out. Thus, in the practice, for different reasons two or more functions have to be combined by one and the same official, who is not even necessarily a specialist of all these functions. Table 4e in particular reflects the fact that the areas of policy and legislation are not covered by full-time professionals.

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Table 4e Human Resources according to functions (as of 01.03.2005)

Environmental function	Policy	Legislation	Implementation			Combining more functions	Total
			Coordination, supervision guidance	Service to clients	Inspection		
Administrative level	Number of professionals (university or college degree)						
STATE							
MoFTER						3	3
ENTITY							
FBIH							
Water			1	2	2	3	8
Environment			4	3	1	4	12
RS							
Water					8	1	9
Environment			1	2	1	3	7
DISTRICT of Brcko							
Water							
Environment			1	2	2	1	6
BiH TOTAL			7	9	14	15	45

In fact, the occupational analysis of the staff of the upper layers of public administration in BiH revealed that out of 31 professional environmentalists only 16 officials can concentrate on one or two functions, the other 15 combine actually, on the state and entity level, several functions in performing their environmental duties.

The survey ran into difficulty regarding collection and analysis of budgetary expenditures. Government officials themselves are not informed about the proper costs as their environmental unit is only part of bigger administrative structures, and no separate cost accounting seems to be kept.

Combining information on financial expenditures from the questionnaires received from assessed institutions on different levels allowed to make an educated estimation of the approximate average cost of a university/college level professional working place:

- at State and BD level this is 34.000 KM per year and
- at Entity level it is 26.000 KM per year.

According to these calculations the total budgetary costs of the present environmental administration are as follows:

- | | |
|-----------------------------------|------------------------|
| - State level | 102.000 KM per year |
| - Entity level including DB | 1.140.000 KM per year |
| - Cantons | 1.664.000 KM per year |
| - Municipalities (rough estimate) | 7.696.000 KM per year. |

4.5 Outcomes of the analysis

1. The mandate of the state level administration is limited. There is a serious risk that it becomes a severe bottleneck in the overall national interest. Recognizing the fact that the State, according to the BiH constitution, cannot be 'functional' in environmental matters, the 2003 Law on Ministries and other Bodies of Administration of BiH has already introduced some functions, mainly regarding international cooperation and the necessary coordination. Yet, the practised measure of limitation of state competencies is unique in Europe. The competencies of state governments of other federal countries like Austria, Germany or Switzerland exceed by far those of BiH.

2. With up to three levels of autonomy (BiH, FBiH, cantons) and up to four administrative levels (BiH, FBiH, cantons, municipalities) the country's environmental administration and notably its regulatory, executive and control aspects are very complex. Potential consequences are the need for enormous cooperative efforts including additional costs (cost-inefficiency), considerable delays and gaps in administrative coverage as well as unequal application of standards. Four layers of administrations occur also elsewhere in Europe. They have however the advantage of decades of long cooperative praxis, of the mutually recognised central coordination and of the much exploited central professional/secretarial support for matters of joint interest. In this sophisticated way vertical collaboration can be mutually supportive.

3. As concerns the horizontal organisation of government work the pattern in the two entities is that administration for water is associated with agriculture and forestry while environmental protection co-habits with urban/spatial/physical planning. The situation is similar in most of the cantonal administrations. In DB and in the majority of municipalities environmental matters are associated to public works and utility services. This approach to horizontal organisation prevails also in Europe, as further illustrated in Box 4a. at the end of this chapter.

4. In principle all administrative units, all institutions in the environmental field do have their mandates based on legal provisions. Competencies and functions are also detailed in secondary documents such as the 'rule books'. This corresponds to European practice. However anomalies occur however in two respects. First, a great part of the secondary legislation necessary for the implementation of the primary environment related legislation enacted in RS three, in FBiH two years ago, and in DB a year ago, has not been elaborated yet. So competencies are not really defined yet. Secondly, even in cases where competencies would be clear on paper, the tendency to confusion is considerable due to the great number of laws, the multitude of regulating bodies and the differences in provisions valid from place to place. In sum: there is too much room for misinterpretation, so that neither the clientele nor often the officials find their way regarding the competencies and functions.

5. An analysis of the description of functions points at a mixed experience. A number of descriptions seem to be incomplete, imbalanced or imprecise, the most however reflect the intended duties fairly correctly. A general characteristic is that the higher in the administrative hierarchy a body finds itself, the more complete its gamma of functions is. The lower a body in the institutional hierarchy figures, the more its functions are limited to the implementation type of duties. But this is natural, and the same in EU countries.

6. In a country, where extreme federalism is being practiced, vertical and horizontal coordination and communication mechanisms would be of particular importance. A number

of these would be formal, appearing on organisational charts and with proper terms of reference. However, a number is more difficult to trace because these coordination and communication lines are not institutionalized.

The survey also revealed that presumably there are not enough of these informal cooperation and communication contacts; their absence obstacles cross-institutional cooperation.

In the environmental context the inter-entity committees merit special attention. Both, the Environmental Steering Committee as well as the Advisory Commission on Water have merits in facilitating and furthering inter-entity environmental cooperation.

Seen from the European angle unusual is, that these bodies cover fields of responsibilities, like 'cooperation with the EEA', where in normal circumstances a permanent secretariat, in fact one single permanent executive secretariat would be necessary to deal with the continuous business. Such secretariat does not exist for either of the committees. Thus the periodical efforts of the committees potentially lack follow-up in respect of internal as well as external affairs.

Another difficulty is the absence of a permanent and procedurally clear-cut and tight backup for preparation of technical discussion or position papers. Decision makers, who are part of both committees possibly partly waste their time are unable to go deep enough into technical issues due to lack of proven technical evidence. In sum: the arrangements for neither of the committees seem suitable for efficient performance given the non-availability of a joint secretariat that would raise joint issues, elaborate joint pre-decision position papers and follow-up joint business at home or abroad.

7. Looking at human resources four elements become apparent. **First**, the very low number of specialists in any of the environmental fields (waste, air-emissions, noise, nuclear radiation, etc.); **Second**, the low number of environmental professionals at large compared with the number of chiefs; **Third**, the frequency of multi-functional occupation of administrators; **Fourth**, the significant gap between the number of posts established and the number of posts actually filled.

The first three elements are typical for underdeveloped administrations either because only emerging or because understaffed. The fourth phenomenon is simply that of lacking finances.

8. The last observation concerns the financial in-transparency of the sector not necessarily in the negative sense that the administration' financial practices are obscure, non-controlled or non-disclosed, but rather to say, that data on the costs of environmental administration are very scarce. As environmental administrative activities are extremely spread and are mostly only part of bigger units whose main responsibility belongs to some other sector, it is generally difficult to keep separate account and even problematic to make separate cost-calculations. With the integrated type of administrations similar is the experience in European countries – special research to this effect has been made in Saxony and Upper Austria – this however cannot discourage the administration from making future efforts for a more effective cost-accounting.

9. Assessing overall the existing environmental administration, its legal framework, structures and the way its competencies and functions are defined, one cannot avoid noticing the overall functional inefficiently (duplications, gaps etc.). The situation is aggravated by the relative lack of resources in the sector.

The question really is, how efficiently this system is able to perform. The answer to this question is to be found in the next chapter.

Box. 4a.

There is no recommendation from the EU how members should get organised horizontally. Several countries combine environment and water with spatial planning and some others with sustainable development.

Table 4f hereinafter provides an overview as to where within the governmental structure the environmental administrations are situated in 30 European countries. In all countries but Croatia and the Netherlands water and environment figure in the same ministerial portfolio. In fact, in Netherlands the water management aspect is covered by the Ministry of Transport and Waterworks, while water quality/protection goes together with the environmental portfolio. Only in Austria, Cyprus, Malta and the UK environment and water is administered by the same ministry as agriculture. More information may be found in Appendix 1.

Generally it can be stated, that the BiH case is well within the European parameters. It occurs also in Europe, that different principles/ practices apply for the institutional organisation at various administrative levels just like in BiH on the state and entity level. In Austria e.g. environment and water are associated within the “Life-Ministry”, that is with agriculture, food and forestry at the federal level while in Upper Austria, one of the member countries of that federation, environment falls into one and the same portfolio with energy, price control and consumer protection, while agriculture, food and forestry are placed somewhere else.

Some nuance should be remembered, however. Water means in most countries water management. In this report, from environmental point of view, the water protection aspects are of interest. Both areas, water protection and water management are however so interwoven, that it is difficult to separate one from another. Water exploitation is distinct from water protection, while water management could be interpreted as including both. Only the structure in the Netherlands reflects this distinction clearly.

The experience of the Netherlands shows that what counts is the will of sectors, or sub-sectors to cooperate. If there is will to cooperate, it becomes less important whether environment and water or located within one ministry or not.

Returning to BiH, at the bottom of the administrative hierarchy the 148 municipalities, - 84 on the Federation side and 64 on the RS side, - are mostly concerned with management of water supply, solid waste disposal and sewage. This is delivery of utility services to citizens either by contracting/outsourcing or, as in the most cases, under own – the municipality’s – management. The various administrative services operate under the mayor’s authority and mostly little specialisation can be expected in terms of functional division of responsibilities.

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Table 4f European Environmental Ministries

Country	Envir.	Water	Spatial Planning	Agri	Forest	Sust. Dev.	EPA
Austria	+	+	(+)	+	+	+	+
Belgium	+	+			+		
Denmark	+	+	+			+	+
France	+	+	+			++	+
Finland	+	+	+			+	+
Germany	+	+				+	+
Greece	+	+	+			+	
Ireland	+	+	+			+	+
Italy	+	+					+
Luxemb.	+	+	+		+	(+)	
Netherl.	+	(-)	+			(+)	(+)
Portugal	+	(+)	+				
Spain	+	+					
Sweden	+	+	+			++	
UK	+	+	(+)	+		+	+
Cyprus	+	+		+			
Czech R.	+	+					
Estonia	+	+					
Hungary	+	+					
Latvia	+	+					
Lithuania	+	+	+				
Malta	+	+		+			
Poland	+	+					
Slovakia	+	+					
Slovenia	+	+	+				+
Bulgaria	+	+					
Croatia	+		+				+
Romania	+	+					+

5. THE PERFORMANCE OF THE SYSTEM

The present chapter addresses the decisive issue whether and how the present environmental administration satisfies the requirements in domestic and in the international contexts. Its performance in this regard can be best assessed by reviewing the administrative results produced to date in BiH as they relate to the key environmental administration functions as defined in Chapter 3 on methodology.

5.1 The policy function

The ability of a public administration to formulate coherent policies and strategies, and to implement them, is a key indicator of administrative capacity. The UN/ECE Environmental Performance Review report states that “neither the State nor the entities have an environmental policy”, it admits however, that some important programmes for environmental action have been prepared and adopted in recent years.

NEAP was the first document focusing on environmental issues, adopted in both entities early 2003, but not yet in the DB. The paper, prepared with World Bank support by ministry officials, scientists and NGOs in both entities in parallel, set out to design a longer-term environmental action plan for the entire country. It identified 8 priorities: water resource management and waste water treatment, sustainable development in rural areas, environmental management (information systems, integral planning and education), protection of biological and landscape diversity, waste and waste management, economy and sustainable development, public health and de-mining. It gave impulse for development of numerous project proposals. It fell, however, short of a proper action plan as it did not designate responsible actors for the actions to be carried out. As such it gives orientation, but remains at the level of general directions and it has little effect on the distribution of functions and the structure of public administration.

More impact is attributed to the Poverty Reduction Strategy Paper (Mid-Term Development Strategy of BiH 2004-2007) adopted early 2004. It is a general document addressing most economic and social issues, which covers also environment and water. Although, it follows the priorities listed by NEAP, it is more concrete in designating the necessary follow-up. An overall strategy for the environmental sector; however, it is yet to be written.

Another important document, covering a narrower field, is the Solid Waste Management Strategy (2001).

The preparation of a number of strategies and plans is required by law. However, none of the required documents have been adopted so far. The Box 5a lists the outstanding policy and strategy papers per entity. The requirement for preparation of these plans derives from the promulgation of the EU-type environmental laws and affects visibly the administrations involved. While the elaboration of the primary legislation has been produced (with the support of technical assistance), secondary legislation elaboration and implementation is largely lagging behind.

Box 5a Outstanding policy and strategy papers-per entity

FEDERATION BIH

Government of FBiH

- Implementation Plan of the Nature Protection Strategy

FBiH Ministry for Physical Planning and Environment

- Federal environmental strategy
 - Federal strategy for water protection
 - Federal strategy for nature protection
 - Federal strategy for waste management
 - Federal strategy for air protection

FBiH Ministry for Agriculture, Water Management and Forestry

- Strategy of Water Management
- Water Management Plans for Watershed area for Sava river and Adriatic sea

River Basin District Body

- Protection plans for river basin districts

Cantons

- Cantonal Environmental Plans (for Sarajevo Canton in preparation)
- Nature protection plans
- Cantonal Air Quality Action Plan
- Waste Management Plans

Municipalities

- Municipal waste management plans

REPUBLIKA SRPSKA

RS Ministry for Physical Planning, Civil Engineering and Ecology

- Strategic plan for environmental protection
 - Strategy on nature protection
 - Strategy of the solid waste management
 - Republic Strategy of Air protection
 - Regional plan for waste management

RS Ministry for Agriculture, Forestry and Water Management

- Strategy of Water Management
- Water Management Plans for the Watershed Areas of the Sava river and the Adriatic Sea

National assembly of RS

- Strategy for water protection

Municipalities and towns

- Local plans of waste management
- Local program for air protection

Brcko District

- Strategy of environment protection
- Strategic plan for environment protection

- Nature protection strategy for BiH
- Report on emission inventories for air pollutants

The entity laws on environmental protection also require preparation of Local Environmental Action Plans (LEAPs), which has been handled by the two entities differently. While in RS the compilation of such plans has been made obligatory by law for every municipality, the Federal law obliges only cantons to prepare such plans while each canton has the liberty of prescribing to municipalities, or not, the adoption of such a local plan. The actual situation is as follows: 3,6 % of municipalities have prepared a LEAP in FBiH, and 1,6 % in RS, 9,5% are on the way of preparing a LEAP in FBiH, and 4,7 % in the RS. In the other municipalities nothing has happened yet, DB did not even issue any instructions to this effect.

The quality of the policy/strategy documents prepared varies. In particular PRSP and NEAP are somewhat vague and not fully respondent to the actual reality.

The most serious weakness of the existing policy and strategy documents is that they are not specifically endorsed and integrated by the ministries responsible for sectoral policies: transport, energy, agriculture, tourism and others. Implementation of environmental policies will not be possible without integrating environmental concerns into sectoral policies. This principle, fully recognized and endorsed within the EU through the instruments of the Cardiff process, is still missing in BiH.

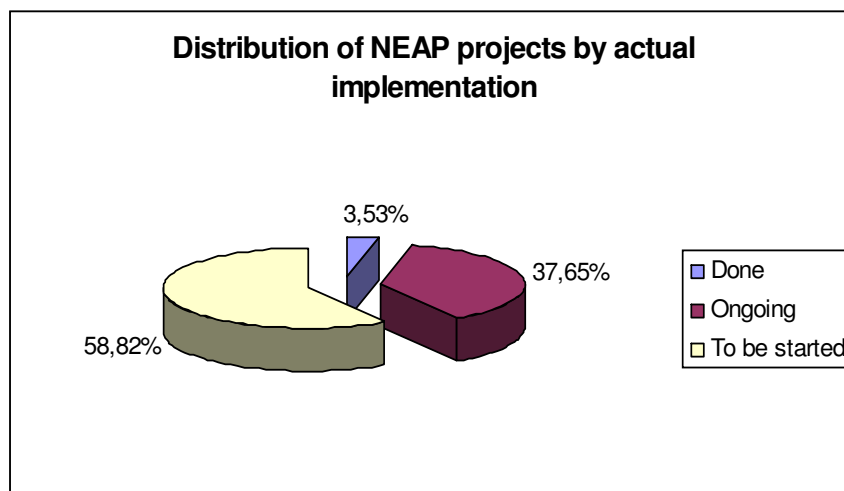
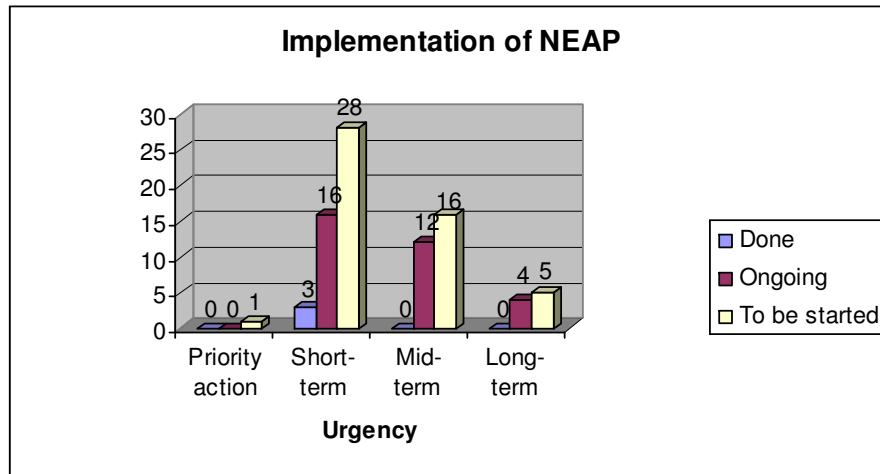
Little encouraging is the use and implementation of the two major adopted documents. As the survey shows, not more than one third of the cantons is aware of the PRSP and only two third of NEAP. Municipalities do not use these documents at all in their work, even cantons only to a negligible degree.

There is no comprehensive environmental policy at the State level and there is no institution which would be entirely dedicated to the environmental issues and environmental protection, either from the policy/legislation point of view, or from the technical point of view, or from the implementation point of view. The only State ministry delegated with environmental issues – MoFTER, is sporadically dealing with the environmental aspect, and mainly with regard to the international relations. There is still no law on environment at State level, which would establish the legal framework for environmental policy on state level and at the same time establish the legal basis for the state environmental policy.

A related issue is the implementation of the policies already adopted. The measure by measure evaluation of NEAP, done for the purpose, and displayed in the Table 5a, indicates, that from the actions required by NEAP 3,6 % have been executed after two years of the adoption of this document. 37,6 % of the measures are ‘ongoing’ and 58,8% have not been started yet.

Table 5a Implementation of NEAP (as of 01.03.2005)

Urgency category	Done	Ongoing	To be started
Priority action	0	0	1
Short-term	3	16	28
Mid-term	0	12	16
Long-term	0	4	5
All categories	3	32	50
% of tasks	3,6 %	37,6 %	58,8 %



A further shortcoming of environmental policy in BiH is that it makes insufficient use of economic and fiscal policies. First, an economically-socially feasible and balanced policy package is missing in respect of payments for services provided by the environment sector. Second, the policy for use of economic instruments ought to be amplified, so as a) to really modify the behaviour of people and institutions towards better environmental protection by providing incentives for reduction of pollution and b) to raise sizeable revenue for investment in environmental quality improvement. At present some economic instruments do exist and work to some extent, for example charges and fees for water management. Others are not working at all; for example no charges are being collected from enterprises for the emission of air pollutants. Their performance is not monitored. Basically the institutional capacity is weak for running an effective and forceful policy.

5.2 The legislative function

The State, the Entities, BD and all 10 cantons of FBiH have invested legislative powers implying, that in a relatively small country, 14 authorities legislate.

Legislation at various levels exists also in other federal countries, like in Austria, Germany or Switzerland, but having longer standing federal traditions, at present presumably less conflicts of interest and more practice in legislative cooperation. This, together with massively higher availability of resources, might make the difference. It allows in those countries a relatively smooth legislative functioning while in BiH delays are frequent.

In BiH like in other countries the principle applies that a given law of the lower level authority has to be in harmony with that of the higher level authority. It comes potentially to conflict, when the lower level authority adopts a given law before the higher level authority does as provisions might differ. This has happened for instance in case of the adoption of a number of cantonal environmental laws before the federal environmental framework law came into force.

Laws specifically targeting the environmental sector do not exist at the state level yet. The Entities and DB have, however, prepared and partly also adopted a set of environmental laws in 2002, 2003 and 2004 respectively. These regard a) environmental protection; b) air protection; c) water protection; d) waste management; e) protection of nature; and f) the establishment of an environmental fund (NB a new water law is under discussion at present). The adoption of this set of laws in both entities has been a great step forward.

This specifically environmental legislation is to considerable extent harmonised with the EU acquis. It introduces environmental impact assessment and strategic environmental assessment as new elements of environmental management. Similarly, the draft New Water Law, as proposed under an ongoing CARDS project⁸, aims at fulfilling the requirements of the EC Water Framework Directive.

The above mentioned laws prescribed adoption of sub-laws and defined responsibilities of different bodies in this respect. The necessary secondary legislation is however lagging behind by one to two years, so that currently a great part of the legislation is still blocked for use in practice. At present, only 38 secondary acts have been enacted whereas 289 acts are missing as illustrated by Table 5b.

This huge legislative backlog is not surprising in view of the fact that not a single environmental legislation specialist could be identified on the job in government service at any level. However, adding staff is not the only solution. What is also needed is avoiding duplication and setting priorities before embarking on even more secondary legislation.

Table 5b Summary of the status of implementation of environment-related secondary legislation at entity level (as of 01.03.2005)

ADOPTED LAWS	ACTS required for implementation of adopted laws	
	No. of adopted to date	No. to be adopted

⁸ CARDS Project «River Basin Management Programme»

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ADOPTED LAWS	ACTS required for implementation of adopted laws	
	No. of adopted to date	No. to be adopted
I Conclusion relating to RS:		
1. Law on Environment Protection	1	0
2. Law on Air Protection	0	14
3. Law on Waste Management	0	15
4. Law on Nature Protection	0	10
5. Law on Water Protection	0	20
6. Law on the Fund for Environment Protection (Enacting sub-laws is not envisaged)	0	0
7. Water Law	12	11
TOTAL	13	91
II Conclusion relating to F B&H:		
1. Law on Environment Protection	1	23
2. Law on Air Protection	7	7
3. Law on Waste Management	5	15
4. Law on Nature Protection	0	13
5. Law on Water Protection	0	25
6. Law on the Fund for Environment Protection	0	5
7. Water Law	12	13
TOTAL	25	100
III Conclusion relating to BD:		
1. Law on Environment Protection	0	26
2. Law on Air Protection	0	15
3. Law on Waste Management	0	24
4. Law on Nature Protection	0	14
5. Law on Water Protection	0	19
TOTAL	0	98
Conclusion relating to B&H:		
1. Republic of Srpska	13	91
2. Federation of B&H	25	100
3. Brcko District	0	98
TOTAL	38 acts	289 acts

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In the medium-term future, it is foreseeable that the administration will be confronted with the even larger challenges, when the envisaged approximation to EU membership will require the transposition and implementation of the whole environmental acquis without exception. Table 5c, a summary of the EC legislation by environmental sub-sector, shows the Herculean task represented by this challenge. It should be also kept in mind, that the environmental acquis represents a moving target, with constantly evolving requirements and numbers of new legislation.

Table 5c Summary of the EC legislation by Sector

SECTOR	Directives	Regulations	Decisions	Total
Horizontal ¹	5	2	0	7
Air Quality	18	1	10	29
Waste Management	17	3	8	28
Water Protection	11	0	1	12
Nature Protection	4	6	1	11
Industrial Pollution Control and Risk Management ²	6	2	7	15
Chemicals and Genetically Modified Organisms	8	5	4	17
Noise	10	0	0	10
Nuclear Safety and Radiation Protection ³	5	3	0	8
Civil Protection ⁴	0	1	7	8
TOTAL	82	23	39	145

5.3 Implementation function

5.3.1 Environmental monitoring

The monitoring of the state of environment in BiH does not provide regular, comprehensive and reliable information on the state of water, waste-water, air, solid waste, soil and nature protection, radiation and noise/vibration at the state, entity and municipal level. A comprehensive network does not exist yet. Monitoring activities are fragmented and in the complex structure environmental information does not flow satisfactorily. Information is usually stored within each institution that collects it, not reaching others. For example only about 1/3 of the required priority data are transmitted from BiH to EIONET.

An overview of the present monitoring arrangements is offered in Table 5c hereunder.

A comprehensive proposal for the improvement of the country-wide monitoring system is expected from the CARDS financed environmental monitoring project.

The above mentioned deficiencies are certainly caused partly by the incompleteness of infrastructure (lack of modern equipment), partly by shortage of personnel. On the other hand, duplications in data collection seem to occur. This again points the lack of a strategic approach and to the inefficiency of organisation of the environmental monitoring. It would seem necessary to develop a country-wide and prioritised comprehensive data collection, analysis and dissemination system, the implementation of which would be organised from the state level to ensure uniformity and fast transmission of data to internal as well as to international users.

There is an obvious need for a body in charge of all-over environmental information management. That body could also coordinate environmental data base management, environmental statistics and reporting, including to international bodies keeping, with BiH's reporting obligations.

It is significant that BiH does not participate in the UN/ECE Working Group on Environmental Monitoring and Assessment although it would benefit from assistance for capacity building in turn.

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Table 5d Overview of environmental monitoring responsibilities in BiH⁹

AREA		LEVEL	BiH	REPUBLIKA SRPSKA	FEDERATION OF BIH	BRCKO DISTRICT
WATER	Surface water	NONE		Hydro-Meteorological Institute. Directorate for waters. Institute for Waters	Public Companies for Watershed Areas of Sava and Adriatic sea (PCWAs). Federal Meteorological Institute	Not available.
	Ground water					
	Coastal					
	Lakes					
	Drinking water					
			NONE			
				RS Power utility company	Tuzla Directorate for Waters.	
AIR	Air Quality			Utility companies for their own record. Public Health Institutes (PHIs) conducts supervision on contractual basis with the public utility companies.		
	Emissions			Hydro-Meteorological Institute Institute for Protection of Ecology Banja Luka.	Federal Meteorological Institute. Directorate for Environmental Protection of Tuzla Canton. PHIs of Zenica, Sarajevo and Mostar Canton.	Department for Agriculture, Forestry and Water.
SOLID WAISTE	Municipal waste ^a					
	Industrial waste ^a					
	Hazardous waste ^b					
TERRES-TRIAL Environment	Soil monitoring			Currently no register of polluters or emission inventory. Only Federal Meteorological Institute produces some national emission values.		
	Nature monitoring			NONE		
				NONE		
				Canton Sarajevo and Central Bosnia adopted their Laws on protection from Noise; Canton Sarajevo on contractual basis cooperates with the Institute for Architecture, Urbanism and planning, which is conducting monitoring.		
NOISE						
RADIATION ^c				H-M Institute; Ministry of Health PHIs	Ministry of Health	

a Public utility companies should provide data to the entity statistical institutes, but most of them don't execute that task. Also, entity statistical institutes should process the received data on municipal waste, but they don't execute that task due to need for improvement in the data collection and processing methodology.

b -executed on the contractual basis by private organizations or by a polluter itself

c some activities done by the RS Republican Institute for Public Health; monitoring of radiation caused by use of the depleted uranium ordinances and lightening rods disposed at the construction sites. Public Health institutes were not subject of the environmental review.

⁹ The Table reflects the situation prior to the implementation of preliminary proposals under the ongoing CARDS project on the development of a National Environment Monitoring System

5.3.2 The environmental permitting/licensing function

Some sort of permit for the use of environmental resources is a requirement everywhere in BiH. The new Environment protection laws contain principle obligations on integrating permitting. Authorities issue environmental permits on the base of project documentation. Requirements are however not uniform and the procedural steps for obtaining them also differ. The stepwise approach is usual, circular administrative procedures are frequent and the more modern, integrated approach is not in use yet. Clients complain of long waiting periods and complicated procedures.

One reason for the delays is certainly understaffing. Other, probably more important aspects are: the missing administrative rules, missing threshold values, the complexity of procedures, the confusion about the competencies especially in cases of larger, more complex establishments and the difference in rules from one legislative region to another. The standardization of rules, simplification of procedures could contribute to improvement of the situation even if, in the given complicated federative administrative structure it is not easy to find rational solutions.

5.3.3 The public utility service delivery function

By its immediate importance for daily life this branch attracts potentially much public attention. The PRSP itself addressed criticism on conditions of management of public utilities' infrastructure. In fact, there is evidence that the existing conditions of both financial and administrative management are not fit for the future. Neither in the realm of water related services nor in solid waste management are chances good for ensuring sustainability if new approaches are not introduced.

At the municipality level the public administration system is still often directly involved in water supply, waste-water treatment and solid waste management. Although the privatisation process has started, it practically got stuck again because of inappropriate dealings. Delegating public utility management to private companies has not been spread yet enough in BiH. Thus the public administration – essentially the municipalities – continue to carry executive responsibilities while under the current circumstances it does not seem feasible to raise enough funds for the investments urgently needed for public utility equipment. The contributions from domestic taxpayers through the state budget are unlikely to be sufficient for funding expensive water and waste treatment plants.

It is imperative to develop state-wide policy on delegated management and financing of the water, waste-water and solid waste sector as fragmented local rules and practices may negatively influence the willingness of the private sector to enter the market. Not adequately regulated public-private dealings between the politicians and managers open the way to irregularities, hinder supervision and control. Standard contracts for the various types of outsourcing could be helpful: service contracts, management contracts, lease contracts, concessions, joint ventures, etc. in support of the municipalities.

In sum, it will be necessary to develop and implement a strategy for sustainable financial and administrative management of public utilities. It will be important to assist centrally and in the above mentioned very practical ways the municipalities in their effort to adequately

manage public utility service delivery. The mechanisms for providing this type of support currently exists only on a pilot project basis¹⁰.

5.3.4 The public information function

The norms of the Aarhus Convention, granting every citizen the right of free access to information and the right to participation in environmental decision-making are well anchored in the entities' legislation. Much of the necessary secondary legislation necessary is however not yet in force.

Government offices do recognise their duties regarding the public information function. Most of them also designated officials in charge. However, NGOs asked, stated that the information received from the public agencies was in general not fully satisfactory. Slowness in replies and lack of skill of staff are mentioned as causes.

Public responsibility for environment is not well developed yet. This is demonstrated by the reportedly high rate of non-payment of municipal fees, inappropriate waste-disposal and little scrutiny of the public-private bodies responsible for aspects of environmental management.

Public interest for environmental issues is small. This is also reflected in the programme of the media. There are over 100 NGOs with environmental focus registered by REC. They could represent a considerable force, if mobilised for a cause. The general public does not understand however sufficiently yet, that private society could and should be an ally of the public administration in enforcement of order and the law.

Public education has not engaged itself for environment to a significant degree yet. An environmental communication strategy will be needed to mobilise both formal and informal education for environmental objectives and programmes.

5.3.5 The enforcement function

The new laws in environmental protection require in both entities both environmental impact assessment and strategic environmental assessment procedures. This would in principle involve early notification, screening, public participation and access to information as well as to decision-making. However, procedural issues have not been addressed yet, so enforcement of the legal provisions is not possible.

In the past, enforcement through control has been given much emphasis. This is proven by the high number of inspectors as compared to the total number of professionals in environmental administration.

There are entity inspectors, cantonal inspectors and municipal inspectors with divers mandates based on different legislative documents. They neither use standard inspectoral procedures nor standards as inspection parameters. Misunderstandings concerning competencies also occur. Some places are covered by a number of inspectors, some others by none. In FBiH out of 10 municipalities 3 have neither water nor environmental inspectors, in RS 16 municipalities do not have water inspectorate. In RS most inspectors are used not only for water, but also for sanitary, civil engineering, forestry and agricultural inspection. This dilutes efforts with respect to water quality.

¹⁰ CARDS Project «Support for Improved Waste Management».

As there is no inspectorate at state level that can draw lessons from the inspectors' report for improvement of policy, legislation, procedures or organisation of work. Moreover, inspectors report to the same ministry or administrative body, that are responsible for issuing the environmental or water permits/licenses, therefore a conflict of interest may arise.

The inspectors represent a considerable group of human resources in comparison with the total of environmental and water officials. Regrouping them in more focused and efficient way as a professionally independent corps with possibly regional sub-divisions seems therefore a matter of priority.

5.3.6 Coordination and supervision function

Inter-administrative coordination and interaction is essential for an effective, efficient and smooth functioning of the public administration. It critically depends on the readiness to communicate in a pro-active way.

The need for vertical coordination is closely related to the EU-widely accepted subsidiarity principle. Horizontal coordination aims to avoid artificial barriers between policy areas where cooperation is required to achieve the desired result.

Where a hierarchical relationship between different levels of administration exists, supervision through "command and control" is the classic but not always the most successful approach. In other cases, where a hierarchical relationship does not exist, coordination between administrative units with common substantive goals becomes a must.

Analysis of the answers to the questionnaires revealed that 50% of responding institutions estimated the vertical coordination to be good, 23% to be weak and 27% to be poor. Cantons in particular seem confused with respect to the quality of coordination.

For the environmental sector administration both horizontal and vertical coordination are of vital importance. Moreover, the administration has a number of important supervision tasks with respect to subordinate bodies. Having a cross-cutting character, coordination and supervision are indispensable for appropriate execution of all main environmental administrative functions, as has become clear under: policy, legislation, monitoring, permitting, public utility service delivery, public information, enforcement. Examples of unsatisfactory coordination performance have been already given in the corresponding sections. Here some areas are given where particular need exists to improve the performance of coordination and supervision.

Inter-sectoral coordination. At the 1998 Cardiff Summit, the European Council invited the Transport, Energy and Agriculture Councils to define strategies of their own on this point with a view to coordinate the policies in environment, agriculture, industry, transport for the sake of environmental sustainability. The Cardiff process, the goal of which is to integrate environmental concerns into economic sectors, necessitates the establishment inter-sectoral coordination mechanisms between various ministries. Apart from *ad hoc* consultations, such a mechanism does not exist yet in BiH. Examples of particular need to act include *transport* (management of air quality in relation to transport); *agriculture* (obligation under the new Common Agricultural Policy in the EU to take in consideration environmental sustainability in farming); and *energy* (introduction of renewable energy sources that contribute significantly to environmental quality, has a high priority in the EU).

Coordination of utilities' service delivery. At present there is no other authority with respect to the provision of the basic waste and water services than the municipality, however small. Waste collection and management services are provided by a specialized company, often as part of a compound public utilities company in the municipality. Small municipalities often do not have the necessary capacities for these tasks. The Solid Waste Management Strategy calls for an approach to municipal waste disposal that relies on a multi-municipality district.

The inter-municipal coordination is developing under pilot conditions through Waste Management Boards, whereby the cantons involved are voting participants. A vertical link with the entity ministry as permitting authority will exist in two ways under the new Waste Law: only regional landfills will be allowed; closure of a landfill will require approval for a Conditioning Plan.

River Basin Management. In FBiH, two Public Companies (for the Sava river and the Adriatic watershed areas), and in RS the Directorate for Water, have been responsible for water management. In the pipeline of reforms, the EU/CARDS River Basin Management Programme has helped develop the draft of a new Water Law, which would entail a new organizational setup for river basin management, including a financing model for the water sector, and which has been agreed upon by both Entity ministries, and the State ministry responsible for water management affairs. The set-up provides for the establishment of four Entity Agencies for water that will be implementing organizations of the 2 River Basin Districts (for Sava and Adriatic Sea), together with a number of branch offices. The proposed divisions of responsibilities at Entity, Cantonal and Municipal levels have been agreed upon in principle and incorporated in the new draft Water Law. This law would represent a major step towards meeting the standards of the EC Water Framework Directive (WFD), thus securing the ecological, quantitative and qualitative functions of water.

According to the draft Water Law, the new Agencies will commence operations within 6 months of entering into force of the law. However, the detailed tasks of the Agencies still need to be well-defined, clearly allocated and made transparent. The organizational design needs to be strategically linked to service delivery with a clear picture of the kinds of services the agencies will deliver, i.e. clear understanding and agreement on «who does what» at national, entity, cantonal and municipal levels, all in keeping with the draft Water Law. The design also needs to provide for inter-agency communications and a means of dealing with problems that may arise across inter-entity-boundaries. This coordination task could be most appropriately be assigned to a future State Environment Agency.

5.3.7 Support functions

Support services provide for resources, financial and human, as well as for operational logistics including IT and transport. These are part of any administration. They allow smooth functioning of the substantive work. From the environmental aspect they would not be anything particular in normal circumstances. However, in the current context they do merit attention.

Information on the support-services constitutes is hardly accessible in respect of the environmental administration as no unit is self-contained or a bigger structure for which accounts and books are kept separately. In these circumstances neither expenses are easily identifiable nor is it possible to judge with accuracy the efficiency of performance. Considering the big gap between planned and actually available human resources, a similar gap in availability of equipment and funds is suspected. Such shortages would definitely

hinder operations at large and will lead to professional inefficiency. In such cases improvisation will be the most frequently used tool for running the environmental administration.

Another aspect to keep in mind is the role of financial and managerial control. Although not specifically targeted in the many interviews held, no single mention has been made of financial audit, let alone management audit, and little even about the monitoring of implementation of the entire environmental protection programme.

Contrary to the above mentioned logistic and operational aspects, where little hard evidence can be produced regarding the deficiencies of support for the environmental administration, evidence is at hand as concerns human resources. Table 5d hereunder compares the number of professional posts actually filled at the state, entity and canton levels with the posts approved, that means established, but vacant. It indicates, that at state level half, at cantonal level over one third of the (few) positions are vacant.

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Table 5e Summary of Human resources current / planned
Environmental and water protection professional staff excluding inspectors
(as of 01.3.2005)

LEVEL	CURRENT Professionals per Sector		PLANNED Professionals per Sector		TOTAL Environment + Water Professionals	
	Environment	Water	Environment	Water	Current	Planned
BIH	3	0	6	0	3	6
RS	6	1	7	4	7	11
FBIH	11	6	22	6	17	28
BRCKO	1	3	No data	3	4	No data
Entities and BD sub-Total	18	10	N/A	13	28	N/A
Una-Sana	1	1	3	2	2	5
Posavina	1	2	2	5	3	7
Tuzla canton	4	2	6	4	6	10
Zenica-Doboj	2	2	2	3	4	5
Bosnia-Podrinje	2	2	2	2	4	4
Central- Bosnia/Travnik	1	1	1	4	2	5
Hercegovina- Neretva	5	3	5	7	8	12
West Herzegovina	4	1	4	2	5	6
Sarajevo Canton	4	1	7	1	5	8
Herceg-Bosnian Canton (Livno)	1	2	2	3	3	5
CANTONS- sub- Total	25	17	34	33	42	67

5.4 The international cooperation function

The distribution of competencies regarding international cooperation is extremely complicated granting the right to international initiatives even to cantons. This results in considerable coordination requirements delays and difficulties in entering international agreements. The only safety clause at hand is that without the consent of the State Parliamentary Assembly no international agreement can be signed at any level. If the respective constitutions are to remain intact, the only remedy seems to be in self-restriction and circumspect handling of consents by the State Parliamentary Assembly itself.

Former Yugoslavia was a very active participant in environmental international affairs. BiH as state was to succeed Yugoslavia as party to a number of international conventions following the legal tradition and global legal principles. However, the entities have different opinions on the issue, so that BiH's position remains ambivalent. Similarly open is the issue in cases of international conventions ratified by RBiH during the war period. It follows, that the clarification of adherence is outstanding in respect of a number of international agreements. These cases ought to be re-examined one by one, - not on the basis of what has or has not happened in the past from the legal point of view, but on the basis of merit of adherence to the convention/ agreement, -then a decision made accordingly.

Another issue is, that according to experts, adhesion to some additional conventions would be of advantage to the country, but no action has been taken yet in order to become a party. Until recently when BiH has finally adhered, the best example of that was the Convention on Cooperation for the Protection and the Sustainable Use of the Danube River.

A serious shortcoming in the administration of international obligations is the failure of fulfilling reporting obligations, the omission of designation of a national focal point and the non-execution of monitoring duties.

In sum: the underlying defect is inability of the administration to oversee and manage Multilateral Environmental Agreements. Good management would require a national strategy for international environmental cooperation, setting of priorities in view of the obligations, the estimation of the expected costs of implementation through the years, a cost-benefit analysis prior entering the international obligation, clarification of internal institutional responsibilities, and due reporting to the decision-making and supervisory state and entity bodies.

5.5 Conclusions

The performance of the environmental administration has been subjected to scrutiny in the present chapter on hand of delivery under the key functions.

1. Major deficiencies have been unveiled in the policy area. Although the administration has produced one country-wide sectoral policy document and one multisectoral (and at the same time environment-related) strategy document, as well as one sub-sectoral (solid waste) strategy paper, it is generally considered, that although useful, these documents (except solid waste) have a rather limited scope.

Moreover, their use is limited and their implementation is very much behind schedule. Policy making is hampered by a lacking strong mandate at state level and by scarcity/absence of policy specialists at all levels. The various administrative bodies responsible also failed to agree on a possible division of the task that could have alleviated the workload heavy enough due to the existence of the various administrative layers.

2. The legislative work suffers currently from an evident delay, particularly in elaboration and adoption of the secondary legislation without which progress comes to a halt. Business therefore in many cases (e.g. EIA, permitting, licensing, enforcement, etc.) still continues to be done on the basis of old rules and regulations despite the existence of modern primary legislation. Country-wide 289 secondary legislative acts are missing. The current staff, practically none of them specially assigned to legislative work, is by far overburdened and has little chance to clean up the arrear. The strongly federal structure of the country constitutes a special challenge to legislation. Lack of consultation, lack of preventive cooperation, the unrestrained or uncontrolled use of possibilities of autonomy, sometimes interest conflicts lead to delays, misunderstandings, legal conflicts, duplications and waste of time, hence cost-inefficiency.

3. The situation is not much better in the implementation field. Environmental monitoring is not comprehensive yet. Permitting and licensing is fragmented. Competencies are not clear and misleading for the clients. Procedures are complicated and usually time-consuming. Inspection may be potentially biased due to fragmentation between the various administrative units, not equal in coverage and not standardised. Public access to environmental information is limited and public participation in environmental decision-making weak.

4. The evaluation of the delivery against the international cooperation function reflects the deficiencies of the national internal administration. Conflicts of opinion and/or unproductive legal debates prevented the clarification of BiH's status versus a number of international conventions/agreements. In respect of several agreements the reporting and other obligations are not fulfilled. Moreover, in a number of cases, the implementation is not monitored. In general, the country fails to examine the full (economic) dimensions of international commitments. A strategy for international cooperation and implementation of commitments is yet to be formulated. Despite recent strengthening of the state level, the weakness of national coordination and the elaboration of national concepts remains a visible problem just as in the policy formulation area.

5. In fact, the shortcomings pointed out in respect of the legal framework, administrative structures, distribution of competencies, functional definitions and the resources indicated in the previous chapter reappear here in form of deficiencies in delivery in an amplified manner. Reason for this is twofold. On one hand the requirements are higher, this time of the EU acquis type. On the other hand conditions are by any standards far from conducive to effective and cost-efficient performance. The sector is understaffed, lacks specialists (technical as well as legal and economic), misses public as well as cross-sectoral support (it itself ought to mobilise). Also its fragmented set-up and strong dependence on autonomous decisions of the federal levels reduce its ability to regenerate. The most important factor of a breakthrough would be presumably organisation: organisation of work and work-force. For both there is need for a concept. However, there is no central capacity – neither technical nor in coordination terms - to overview the issues at stake.

6 STRATEGIC CHOICES

6.1 The sectoral options

The key conclusion of the foregoing chapter is that environmental management is deficient in this country. What is worse, the capacity to manage is lacking. In this situation the following options need to be considered:

- either the country improves its international performance, or its image abroad will continuously suffer,
- either this country advances in environmental management or environment remains a constraint in the process of EU accession,
- either the country chooses for sustainable development by making the citizens conscious of environmental issues, the managers of big polluting enterprises responsible, the sectoral ministries supervising the exploitation branches aware and proactive for environmental protection, or the environmental public administration will be condemned to everlasting Sisyphean work,
- either the environmental sector will be capable enough to arrange for economic instruments to protect the sector on one hand and to create sectoral income on the other, or this sector will be unable to cope with the financial challenges and remain a problem sector for ever.

There are basic choices to be made here. It should be remembered, that the road of resignation never leads into the future. This is why this sector has no other sustainable option but to reform.

The vision for the future is clearly that of a sustainable development:

- Improved environmental protection levels throughout the territory of BiH;
- Environment and water sector administrations integrated at all levels and well coordinated in terms of policy, legislation and implementation;
- Key environment and water legislation harmonised with EU legislation and EU standards; successful preparation of negotiations for EU accession in the environment and water sector.
- Comprehensive policy on sector financing, economic incentives and market mechanism for the protection of natural and water resources adopted and implemented;
- Mechanisms for ensuring sustainable development through integration of environmental concerns into other sectors in place;
- Institutional capacities for environmentally sustainable development fully available at State, Entity, Canton and Municipality levels.

These objectives should guide the sector into the administration reform.

6.2 The organisational alternatives

The main deficiencies identified in the foregoing chapter themselves show the direction for the necessary reform. The present chapter summarises what major changes are needed and what could be the possible solutions.

a) The issue of the “head”

Every country has to be able to send representatives abroad with all available information about the entire country regarding the given subject matter; her/his credentials carry the weight of the whole knowledge and intention of the country; when she/he accepts obligations in the name of his/her country, there is a guarantee of cooperation from the country she/he represents. This applies in particular to federal countries, like Austria, Germany or Switzerland. Despite their federal structure, at a given point the autonomous parts make a joint decision. For preparing this decision and for following it up they make use of a joint policy-making body that prepares background documents and handles administrative coordination.

In all countries there are moments of decision, that concern the entire population and such country-wide decisions are taken regarding each important aspect of economic and social life, including the environmental issues. All arrange for some sort of central place of preparatory thinking and coordination, including environmental matters. Normally there is a permanent secretariat or ministry in charge of such jobs, at the centre: at state level. This does not prevent initiatives originating in other parts, on other federative levels and does not hinder exercising democratic veto rights should that become necessary. All countries have a central apparatus, a “head”, in modern times also in respect of the environment.

From the environmental angle BiH lacks of a centre currently. This is the most important choice to make.

In this respect rationally only one position can be taken. As an inter-entity committee cannot vote in an international meeting in the name of BiH because one vote only will be admitted, so are inter-entity or other committees poorly suited to formulate policies or draft legislations. While committees do decide what are the salient points of a law, what are the major lines of policy documents, who alone receives the mandate to represent, usually there are permanent and knowledgeable central offices, which actually prepare these decisions. This type of central service is missing – or needs to be strengthened – in BiH. By the nature of things, obviously at state level.

It can be argued whether this needs to be a ministry. Following some European examples it could be a ministry for environment and sustainable development although neither the critical mass of environmental issues nor the general administrative development has reached the stage in this country where such a big innovation would seem justified at present. In particular, a ministry for environment sustainable development would have as task not only environmental protection proper, but also the coordination of activities aiming at the integration of environmental concerns in all relevant sectors. Therefore to establish such a ministry would require achieving a consensus among all ministries that are relevant for environmental protection, especially those responsible for energy, transport, industry, agriculture and tourism. Therefore, the establishment of a ministry for environment and sustainable development remains an interesting but not an immediate, short-term strategic option.

One could also suggest merging environment with agriculture, like it is in Austria and in the UK, Malta and Cyprus, and propose establishment of a joint ministry at state level particularly in view of the fact that agriculture is a serious candidate for a new state ministry. Negotiations with the EU are barely feasibly, if this centralisation of information, capacity of fast decision and manipulating room for negotiations do not materialise in one single body, not to speak

about the delicate and complex programme and financial management required for the aid and subsidy schemes following in suit. However, cohabitation with an exploitation -ministry like agriculture is far from ideal for environment due to the inherent conflicts of interest. Besides, that ministry would become probably too big, a sort of super-ministry and might therefore blow up beyond the existing administrative proportions. So, merging with agriculture is a less desirable alternative.

Presently MoFTER is the central caretaker for environment in BiH with a clear but narrow and poorly articulated mandate. Institutionally environment is represented in MoFTER by one department, but married with energy and natural resources management in the same sector. As the principal concern of these two other departments has to be the economics of exploitation that goes sometimes at the detriment of environment, cohabitation in the same sector is neither attractive nor natural. One could however elevate the environment, with more clearly articulated terms of reference, to an administrative 'sector'. This modest promotion would certainly not lead to administrative imbalance within the state government nor in the federal set-up, yet it would elevate the subject of environment to next-to-ministerial level and allow corresponding augmentation of resources. Also, a new inter-ministerial coordinating body to be created could support the structure politically by pushing major issues for decision up to the CoM whenever the need arises. On the substantive side this new MoFTER 'sector' could be supported additionally by a technical support institution, of which more will be said in the following. In this way the 'sector' within MoFTER would be anchored in technical matters coming from the field on one hand and have the political clout to reach high-level solutions on the other hand.

b) The issue of "agenda"

What needs to be done, the 'agenda' of a country at various levels, has to be composed everywhere from two ends: i) from the field, the front line, where daily problems force lower and then progressively higher ranking authorities to ad hoc responses, later to some ruling and more systematic solutions; ii) from the top, that receives impulses and pressures from the international scene and from other sectors, and senses, from a birds' eye view, the densification of problems urging for country-wide solutions, at home. In any country priorities need to be set, the agenda organised, instances of cooperation agreed and functional procedures developed. Someone must have the command even if others might retain their veto-rights.

What options are open for BiH in this respect ? To start with, the best is always a two-way process: from the grass-root up and at the same time from the top down. Ensuring the free flow of information by institutionalising both vertical and horizontal professional communication. In a well functioning administration a legislative frame, refined for taking into account local, regional or federative considerations, defines the fundamental order, attributes basic competencies to selected administrative units. These structures in charge use steering mechanisms, cross-structural working groups and committees to contribute to collective knowledge until opinions are sufficiently crystallised for priority setting and organisation of the work-programme. BiH needs a bit more of this.

A State framework law is needed to lay down in a comprehensive way what can and what needs to be done in the environmental field in BiH. Moreover, a central actor is needed as already explained above, whose main task is to organise the country's agenda. In fact, the framework law itself should ensure that a central body does set national priorities.

The environmental administrative work in BiH needs to be organised much better. Only if the two entities and the other autonomous structures agree on the concept of how basic issues and work organisation should be handled, how it could be rationalised, can improvement be achieved. The basic functions of environmental administration have to be thought through jointly as to how they will 'function' in-between and through the various administrative units.

The option is whether one tries to bring about the necessary rationalisation with or without constitutional changes.

In the European Union, which is a multi-country structure, basic policy for environment is formulated at community level and basic standards are set by the different community legislative acts (regulations, directives, decisions, etc.). The EU also created an environmental operational centre, the European Environmental Agency, through which the common agenda is organised.

The globalising tendency of environmental issues and the absolute need for maximal cost-efficiency press also BiH towards unlimited rationalisation on one hand. On the other hand due respect has to be paid to the values enshrined by the federal form of government. Thus, at this point of time presumably neither the transfer of all powers related to environmental affairs to the state level, nor the other extreme, namely the limitation of powers to the smallest autonomous bodies offers an acceptable solution. Already the present legal situation is a compromise solution. However, in view of the unmanageability of the rapidly growing environmental work BiH will have to decide at this crossroads whether or not to augment the responsibility of the state, so as to allow the now urgently necessary level of joint policy, country-wide legislation and rational work organisation.

This can be arranged in various ways. One could envisage a formal adjustment of constitutions. It would be possible, alternatively, that recognising the common interest, the two entities and DB delegate certain specific responsibilities voluntarily to the state (e.g. formulating joint basic principles, setting common standards, etc.). A third option would be to use the existing narrow legal room offered by the Law on Ministries and Other Bodies (5/03) to formulate a wider interpretation of MoFTER's current mandate.

In any case, performance of the environmental administration will not improve without better work organisation and the foundations of a more efficient organisation of work cannot be laid against the constituting autonomous structures. It can be done only with them, in cooperation. Environmental administration will be a permanent collaboration. This will be however much facilitated, if basic principles for the overall approach, standards for the performance, competencies for the work, and procedures for execution are adequately regulated and a common, central instance established for organisational and coordinating services.

c) The issue of "resources"

As functions are many but the resource base is lean, again, BiH has a choice to make. Essentially, either it tries to put a sufficient number of environmental specialists at every crossroads where the various autonomous structures would require to duplicate decision-making and implementing services or, in view of the scarcity of human resources including know-how and funds for operational purposes, one single pool of professionals would be

created to serve the various administrative structures of the country as need arises, on priority basis.

BiH cannot afford the solution of paying and duplicating dozens of specialists at the entity, DB, and at cantonal/regional centres. In the present resource situation, the country should staff one proper professional centre for environmental matters. But this one centre – following European examples an operational environmental agency, a technical support body - has to be established, otherwise the backlog of work will only increase at all levels. The question is therefore not whether to establish it or not, but how and where to establish it.

If the policy and coordination centre is, by definition, in the capital, there are good reasons for locating the Environmental Agency elsewhere, following some successful decentralisation examples in Europe.

Repeating policy documents, replicating legislative acts might also be a duplication of work. To save effort overall, the thinking pieces, - policies and laws, - could be formulated at higher level – after early consultation and in due coordination with lower level autonomous bodies – and thereafter only the necessary adaptation to the specific requirements be made at the level where it is required, at the entities and cantons. Part of this ‘pioneer’ work would be performed at the Sector at MoFTER once, and then used, to the extent possible, in all parts of the country.

d) The issue of “support”

When public awareness and understanding for environmental issues is low and the situation is not much better in circles of entrepreneurial and public service decision makers, the question is how successful could in these circumstances even a professionally competent and relatively well organised environmental civil service be. On the long run the environmental battle can only be won, if general support is behind the professional effort.

Public support, public participation however can be generated. This has to start simultaneously with forcing cross-sectoral policy exchange and mobilising the ordinary citizens on the street. BiH, under pressure also from abroad to gear up its environmental management capacities, has now to make the decision, what effort and resources it dedicates to this. The cost-saving way this analysis runs, there will have to be more effort, more self-discipline and internal organisation, than just the input of huge financial or human resources. In this respect, one of the most essential desiderata is to create institutionalised mechanisms for cooperation of stakeholders and officials among all economic sectors. One example is the recently established Association for Environmental Management. Another would be the proposed inter-ministerial IMCCESD. Such mechanisms should oblige the stakeholders to submit key sectoral decisions to joint screening with respect to their environmental sustainability. This would ensure growing awareness und understanding that a healthy environment is a pre-condition for economic revitalisation of the country. This basic choice in favour of practical internalisation of environmental principles has to be made country-wide, if the reform is to become sustainable.

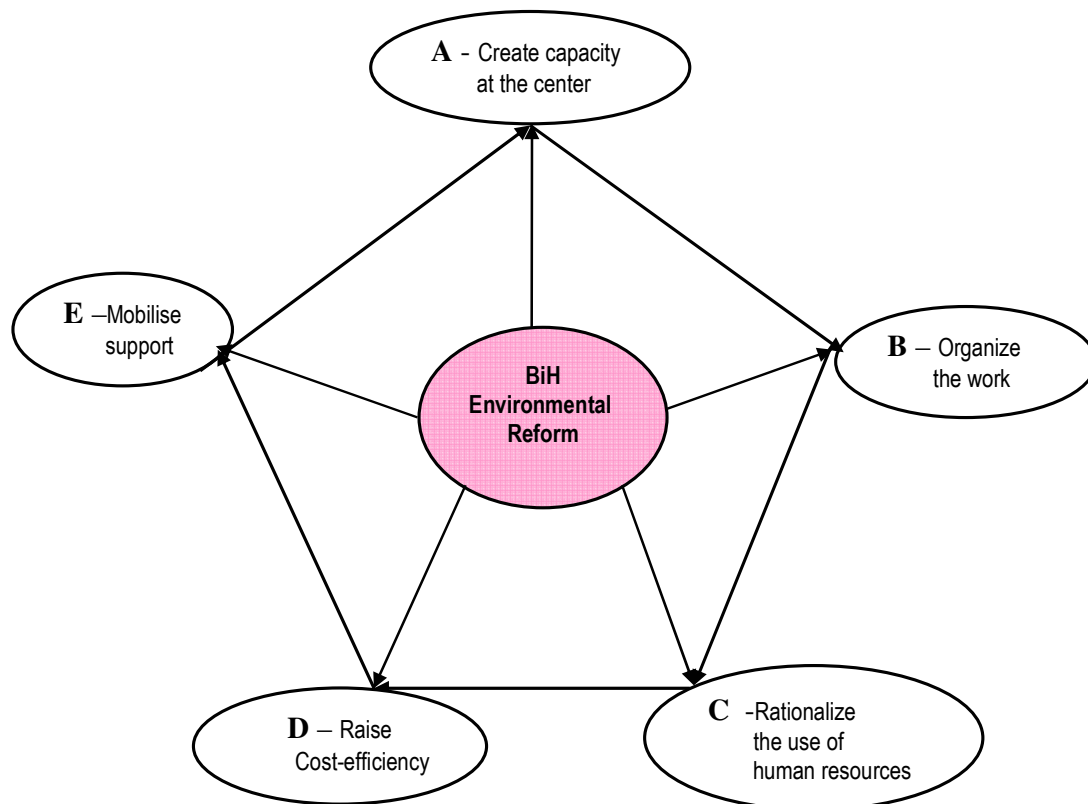
7 THE REFORM MEASURES RECOMMENDED

Reflecting the nature of current deficiencies the Reform should impact in five dimensions:

- A) - it should create a central conceptual capacity,
- B) - it should result in streamlining the work,
- C) - it should lead to rationalisation of the use of human resources,
- D) - it should raise cost-efficiency and, last but not least,
- E) - it should mobilise citizens and stakeholders for environmental progress.

The more these objectives will be achieved, the better the reform will work. For the essence of the reform, its underlying concept is reorganisation.

Table 7a The Reform Concept



It is recommended, that the reform be carried out through nine (9) administrative measures, which should be the following:

- 01 - creation of a policy and coordination unit at state level
- 02 - establishment of an environmental agency for specialised professional support
- 03 - setting up a decision-facilitating body next to the Council of Ministers
- 04 - installing a technical advisory body serving the Environmental Agency
- 05 - using environmental working groups at the entity level
- 06 - reorganising the inspectorates
- 07 - introducing a secondment system to rotate staff between the entity and state level
- 08 - enacting a comprehensive environmental framework law, and
- 09 - institutionalising municipal consultations .

The summary description of each of these catalysing measures is provided below:

7.1. Recommended measures

Reform measure no. 01:

transformation of the present Department for Environmental Protection into a new Sector for Environmental Protection in MoFTER;

This new sector will have three departments.

TOR

1) Department for policy and legislation

- monitoring of implementation and formulation of environmental policy including the development of economic instruments and comprehensive sectoral financing policy;
- development and coordination of environmental strategies;
- setting policy rules for certification (laboratories, experts);
- drafting and processing state level legislation;

2) Department for EU accession and international agreements

- preparation and negotiation of international conventions and agreements in the environmental field;
- assessment of the requirements and costs of implementation of international obligations;
- monitoring of the implementation of agreements and conventions,
- elaboration and up keeping of a national strategy for international environmental cooperation;
- designation and coordination of focal points for international cooperation;
- coordination of due national reporting to all international fora;
- preparation of documents and data for the various EU negotiations;
- coordination of the approximation to the EU acquis of environmental law and policies, natural resource management and pollution control;

3) Department for inter-sectoral and inter-entity coordination and technical assistance

- preparation and negotiation of technical assistance agreements;
- preparation and maintenance of a mid-term strategy for technical assistance;
- as national focal point/secretariat coordination and management of GEF assistance;
- managing the partnership to the EU CARDS and LIFE facilities;
- arranging for and facilitating inter-entity harmonisation and cooperation;
- promoting inter-sectoral cooperation (mining, industry, spatial planning, energy, agriculture, transport, tourism etc.);
- serving as secretariat for the (new) Inter-Ministerial Coordinating Committee;
- supervision of the (new) EA;
- fulfilling the tasks within the NEMS.

The structure of MoFTER after the reform is shown hereunder in Table 7b.

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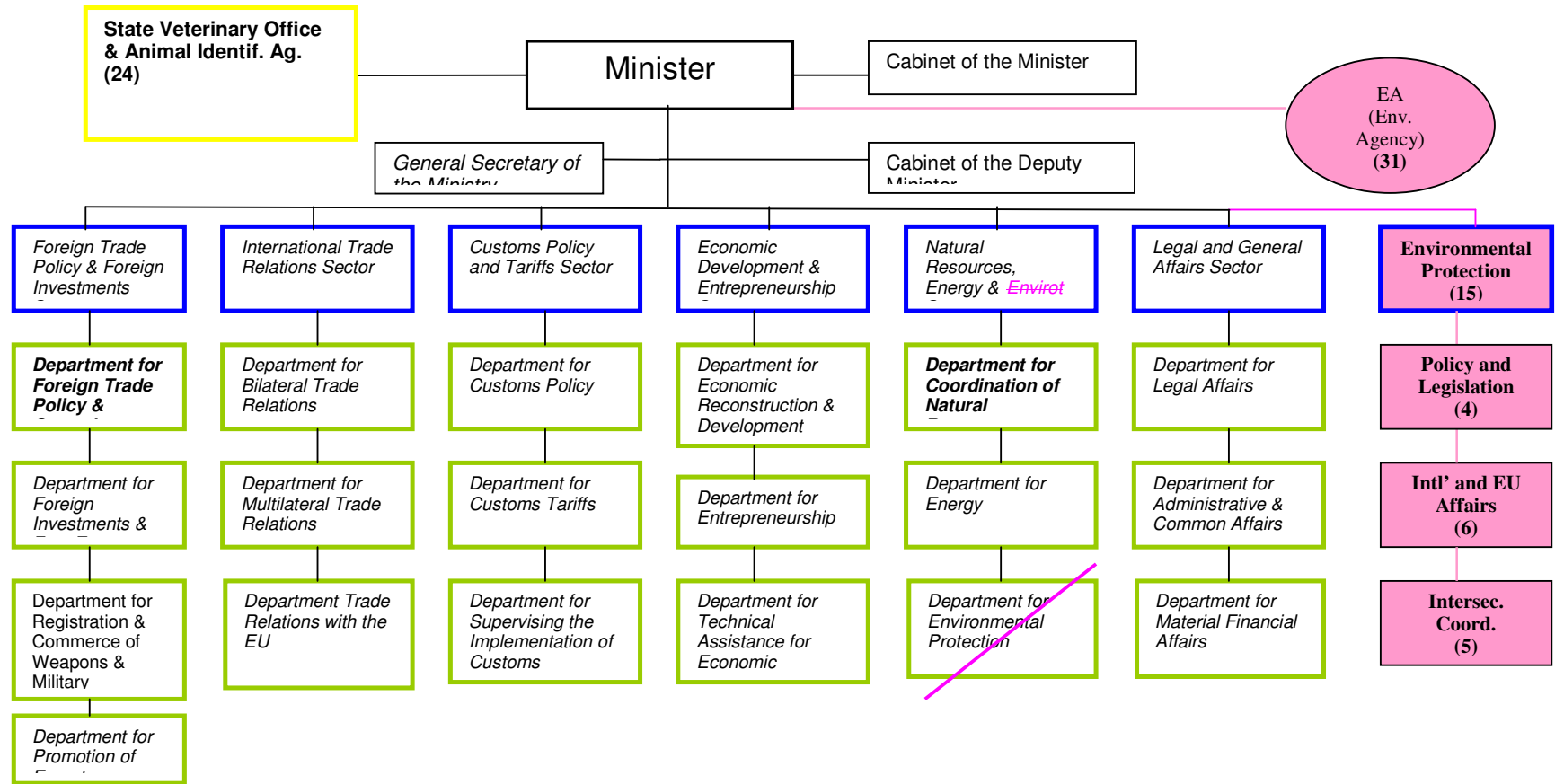


Table 7b

Organisational chart of MoFTER – After the Reform

Reform measure no. 02: establishment of an Environmental Agency (EA)

Legal status “organ” of MoFTER (like currently the Veterinay Office is an organ of MoFTER, or the Directorate for Civil Aviation an organ of the Ministry of Communications and Transport) implying that EA reports to the Minister of MoFTER and receives its budget through MoFTER

Location: Banja Luka

TOR

1) Division for environmental performance

- collection, assessment and dissemination of environmental data including GIS; periodical preparation of the State-of-Environment Report;
- reporting, as appropriate, in coordination with MoFTER, to international bodies, convention-governing bodies and the European Environmental Agency;
- coordinating and facilitating the country-wide implementation of provisions of conventions and other international agreements;
- coordination of environmental monitoring and liaison with EIONET by hosting the NFP of the National Environmental Monitoring System;
- monitoring of the implementation of environmental legislation;
- monitoring of the financial performance of the environment sector;
- assessment of environmental impact of exploitation sectors (industry, mining, agriculture, energy, transport, tourism, etc.) and elaboration of proposals for incorporation of environmental concerns into policies of these sectors;
- harmonisation of entities’ plans for the management and protection of waters, air, land, forests as well as management of waste and chemicals (POPs, ODS, transboundary pollutants and dangerous pesticides); supervision of the implementation thereof;
- provision of technical support to MoFTER regarding GEF assistance;
- serving as Secretariat of the (new) Environmental Coordinating Committee;

2) Division for advisory services

- Providing advisory/consultant services to authorities and institutions on state and entity level regarding:
 - * formulation of environmental policy and strategies,
 - * preparation of setting environmental standards and norms;
 - * management and protection of environment and natural resources and natural heritage,
 - * preparation of primary and secondary legislation including the streamlining of procedures,
 - * implementation of environmental legislation,

- Developing methodologies to facilitate a common approach to
 - * environmental management;
 - * environmental impact assessment incl. transboundary cases,
 - * strategic environmental assessment,
 - * environmental inspections;
- Coordination of operational bodies such as entity water agencies, etc.;
- Arrangements for training, capacity building, awareness raising, public information;

Reform measure no. 03: establishment of an

Inter-Ministerial Coordination Committee for Environment and Sustainable Development (IMCCESD)

Legal status: advisory body to the Council of Ministers

TOR

- Inter-sectoral integration of environmental protection into other sectors at both state and entity level (Cardiff spirit) as prerequisite for ensuing sustainable development;
- Initialisation and clearance of legislative concepts and draft laws, including SEA;
- Initiation and clearance of policy and strategy documents;
- Initiation and clearance of the strategy for international cooperation and clearance of such agreements;
- Supervision of implementation of international agreements, fulfilling tasks with regard to NFP.
- Conceptual preparation and clearance of strategy and preparation of documentation for negotiations with the EU;
- Designation of state-wide focal points for international cooperation for each international environmental agreement and with the EU;
- Arrangements for inter-entity exchange of views and negotiations on key environmental issues;
- Arrangements for public participation in handling environmental issues;

Chair: Minister of MoFTER

Members: *ex officio:

- Ministers for Environment and Water from FBiH
- Ministers for Environment and Water from RS
- Department Head for Environment, DB
- Director of EA

* upon invitation depending from agenda:

- all ministers from State and Entities (+DB) responsible for sectoral exploitation
- Director of DEI

Secretariat: Head of Environment Sector, MoFTER

Venue: at MoFTER, if not otherwise decided

Meetings: - half-yearly or more often if required by special agenda
- once a year special meeting with representatives of stakeholders' associations

Mandate of the Secretariat:

- Convenes meeting following IMCCESD or MoFTER minister decision
- Prepares background material
- Distributes agenda and background material
- Prepares and distributes minutes

Reform measure no. 04:

establishment of an Environmental Consultative Committee (ECC)

Legal status: technical advisory body to the EA

TOR:

- Advising the EA at technical level
- Suggesting environmental issues for the attention of the State
- Fulfilling tasks within the NEMS

Members:

- * Permanent:
 - 6 high level technical officers/professionals from each of the Entity/DB substantive ministries/departments
 - Heads of the 3 MoFTER environmental departments
- * On special invitation (depending on the agenda of the meeting):
 - Donors or international projects' representatives
 - Expert representatives from professional or business associations or NGOs
 - Representatives of environment-related institutions

Secretariat: Director of EA

Meetings: At the EA, if not otherwise decided
Quarterly, if not otherwise decided

Mandate of the Secretariat:

- Convening the meeting and distributing the background material
- Elaborating the background material and the agenda,
- Preparing and distributing the minutes

Reform measure no. 05:

establishment of Environmental Working Groups (EWG) in the entities

Location:

- Mostar for FBiH
- Banja Luka for RS

TOR

- in general
 - Harmonisation of policies and practices
 - Consideration of common issues
- during the reform
 - Arrangements for elimination of the legislative backlog
 - Elaboration of rational and client-friendly administrative procedures
 - Review and reorganisation of work, where possible, on regional basis
 - Review of HR availability and shortages
 - Preparation of an environmental strategy
 - Awareness actions and mobilisation of the public for environmental causes

Participants:

- Professionals of environment and water protection from the respective ministries of the entity
- For FBiH: professionals from the respective ministries in the cantons, depending on the agenda.
- Two representatives of EA
- Experts of the TA project

Chair: assistant ministers of environment and water, alternating

Secretariat: the EA officer responsible

Reform measure no. 06:

Establishment of a joint environmental and water (as well as sanitary, forestry, agricultural and food etc.) inspectorate under direct supervision of the head of Government in the entities.

Details: details of the measure are not presented at this stage given the fact that a separate World Bank financed project is dedicated to this task; a few remarks however:

- the necessity of separating inspection out of the sectoral ministries stems from the fact of possible conflict of interests
- it is assumed - and supported - that the Slovenian model is followed (grouping inspectors of all branches into one body reporting directly to the Government)
- the need for special environmental (including water) inspectorate is stressed
- regional organisation of inspectorates is recommended under entity supervision
- technical inspectoral standards should be set and procedural models elaborated at EA ensuring at least a minimum of national uniformity, and then adapted to the extent required to needs of the entity.

Reform measure no. 07:

establishment of a rotational system of secondment/detachment

Allowing entities to second staff for an agreed period (2 or 3 years) to MoFTER and EA and replace them when the period is over; this detachment/rotation system provides for entities insight into state level activities and an opportunity for on the job training

Details:

By 2010 there will be altogether 3 posts in MoFTER and 13 posts in EA of this type. The programme starts in 2006 with 5 detachments to EA and continues with another 3 detachments to the three departments of the Environment Protection Sector in MoFTER; in this way MoFTER would also benefit from impulses from the entities.

Reform measure no. 08:

enactment of an environmental framework law at state level
as already decided by the Council of Ministers

Details:

MoFTER has been entrusted with this task and some work is ongoing; this Report has not been called to present a legislative text, realises however the importance of a legal document that would lay down the fundamentals of state responsibility, define unequivocally and rationally mutual competencies, would elaborate the rules of internal cooperation and identify among others the priority objectives of the sector. It would further define the rights and obligations of citizens and as such establish the much needed basic order in the environmental

field facilitating thus also the task of the environmental public administration. Points for possible inclusions into the environmental framework law are listed for consideration in Appendix 3.

It should lay the formal basis for the establishment and financing of an Environmental Agency. At the same time it should establish the principles and mechanisms for integrating environmental concerns into other sectors and lay the basis for a comprehensive system of financing and economic incentives for optimizing demands and minimizing pollution and losses of natural resources. Such a law will also help in complying with the requirements of EU and international conventions to which BiH is a Party.

Reform measure no. 09:

“Institutionalisation of a municipality day”

Purpose: To bind in the first line, the local utility service delivery officials into the Broader environmental professional circuit

Form : One day meeting half-yearly (if possible later quarterly)

Venue: Changing, organised on regional basis

Secretariat: EA

Participants:

- Two specialists from EA and the TA project
- Two officials from entity (or entities); in Federation also cantonal representatives
- 30 to 50 environmental specialists from various municipalities on regional basis

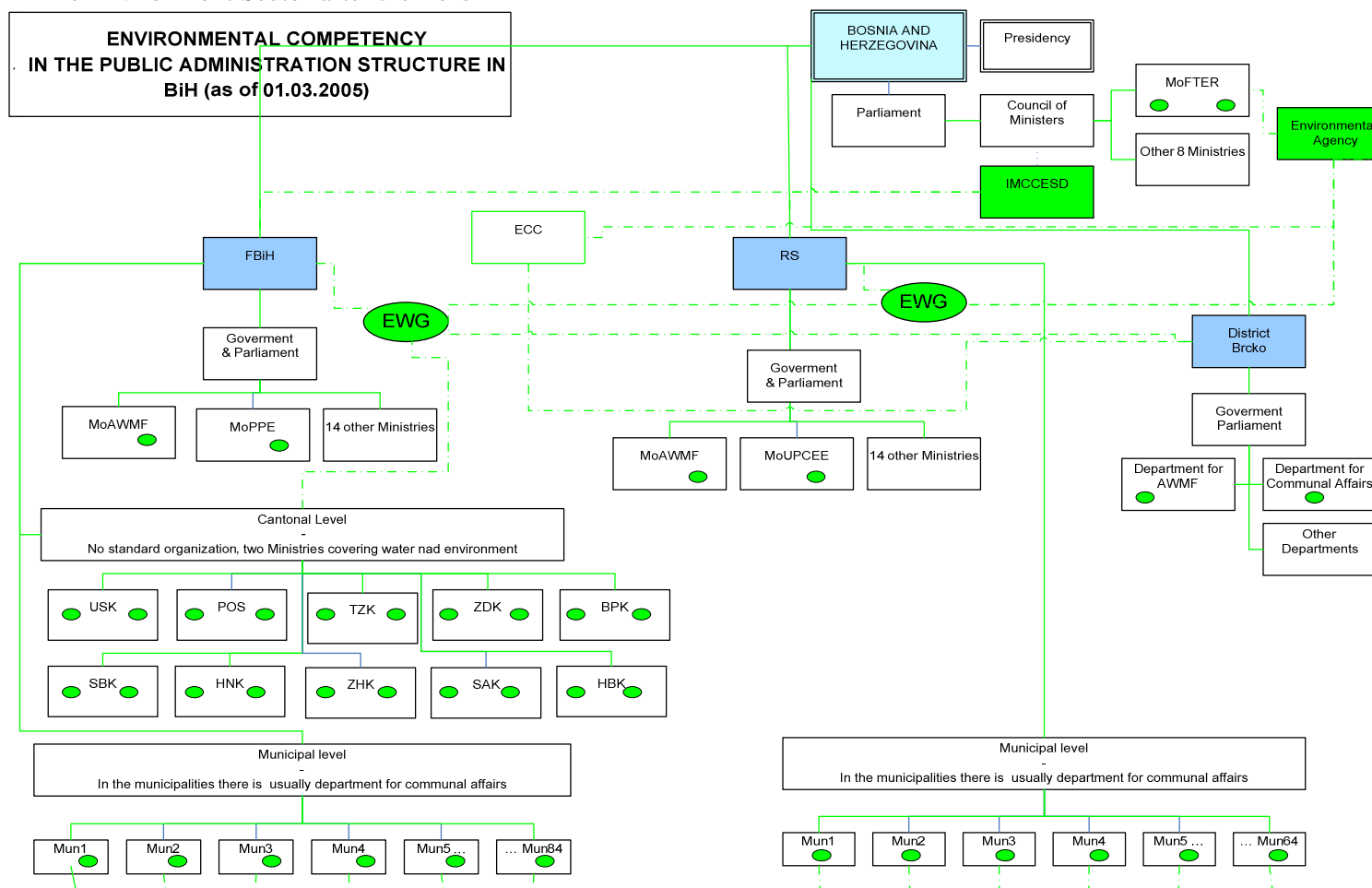
Agenda:

- 90 minutes training (on a given subject), use of written material, use of module 1 and module 2 described in TA proposal
- 60 minutes discussion on common issues, identification of problems and solutions
- 60 minutes dissemination of central information, international news

The organisation of the public administration of the environment sector after the reform is illustrated hereunder in Table 7c.

Functional Review of the Environment Sector in Bosnia and Herzegovina

Table 7c The Environment Sector-after the Reform



Overall Comments on the Recommendations

Some comments might be appropriate in this place justifying changes and explaining novelties. The strengthening of MoFTER's policy and coordinating role (measure 01) was in the air quite a while. It would be detrimental to continue the image-damaging poor performance in international circuits and hamper the accession process. The difference will now be that MoFTER's role will be solidly founded along the functions listed under measure 01. Corresponding to its multiple duties and increasing workload MoFTER's environmental staff grouped in the Environment Protection Sector will be augmented.

For MoFTER's effectiveness it is crucial a) to communicate effectively with other sectoral ministries, b) to anchor its authority on entity consent and find with national or international issues easy access to the CoM. The weight of a group of interested ministries is important in this respect. This is why establishment of IMCCESD (measure 03) has been proposed. With respect to the pioneer role and the achievements of UKOOR, this huge body of very mixed composition is not suited to carry the weight and to present matured enough cross-sectoral proposals to the CoM for highest political decisions. The new body is smaller, composed essentially of entity- and state-level decision-makers representing various sectors, which will be listened to in critical moments.

IMCCESD is to hold an open session yearly so as to give access to the public through representatives of semi-public/semi-private associations, who might have important things to say about environment-related matters or/and whose support the government might need to carry through critical measures in the economy or social life.

IMCCESD will be supported by the MoFTER Environment Protection Sector as secretariat. IMCCESD should be put in the position to deliberate on the basis of in advance prepared professional background documents and proposals formulated for ministerial decision.

IMCCESD puts of course the existence of ESC and WSC in question. It is entity decision to eliminate or to maintain them. Again, possible old merits of these committees do not necessarily justify their survival in the future. As also they were bigger gatherings of both decision-makers and experts and stakeholders and others, deliberations could not by definition, be very productive..

In its turn the MoFTER secretariat will receive professional support from EA (measure 02). EA is structured to be in position to provide support to policy decision-making on one hand and to environmental implementation work at all levels on the other hand. EA is a service institution which is not an obstacle to handle certain professional coordinating and catalysing functions itself. It will be in better position to do so, if it maintains close relationship with environmental professional circles. It now can do so as it will regularly be meeting experts and technologists in the proposed, clearly technical, ECC (measure 04). EA as secretariat to ECC will have to be as efficient as the MoFTER Sector to IMCCESD: agenda and discussion-papers for meetings dispatched in advance, outcome of each meeting documented, follow up action executed.

Under the line the ESC and the two other huge, mixed committees (WSC and UKOOR) will be replaced by two smaller, manageable specialised ones: one of technical advisors and another one of decision-makers. This will result in more effective division of work, faster decision-making and follow-up actions strengthened leadership for the sector.

The proposed EWGs (measure 05) are of different nature. Their vocation is to get down to the entities and cantons the state level information, the professional, specialised knowledge in turn for information on implementation issues and knowledge of the ground. The EA will have to be a vehicle of this information flow and the guarantor of mutual benefit. Entities (and cantons in FBiH) should thus be updated on all crucial issues of national interest. Also, they have to receive powerful support for their implementation work, e.g. in eliminating the backlog of secondary legislation. The Working Groups should also serve to systematically review and provide advice on adjustment of work organisation.

Similar intention is behind the institutionalisation of the “municipality day” (measure 09). If handled properly, municipalities will find increasingly the professional contacts that will help them equipping themselves for carrying out their duties and help also in bringing their concerns to the attention of higher level authorities.

The recommendation regarding the reorganisation of inspectorates (measure 06) is an obvious one. Already the Agricultural PAR remarked that it would be most advantageous to convert the police (control) state into a state supporting development. Constructive forces are needed to enhance development these days, and less the inspecting/controlling/punishing attitude of the old socialist style. This does not diminish the honour of inspectors, does not destroy the value of their circumspect work and does not eliminate the future need for the control function. It just emphasises that a rationally organised, regionally grouped and independent inspection network inspired by a new approach might better serve the environment and BiH state interests.

The advocated secondments (measure 07) between the state and the entities might be an unusual practice for BiH. Its mutual advantage for entities and the state is, however, non-negligible. The natural, mutual suspicion to the other level of administration will be diminished as information and know-how is exchanged, human contacts and professional camaraderie grow. The benefits of this measure are worth the small administrative headache its implementation will cause at the beginning.

Last but certainly not least attention is drawn onto the environmental framework law (measure 08). Its significance cannot be overestimated. If well formulated, it could bring fundamental order into the environment sector by

- defining public and private rights and responsibilities,
- setting out state and other competencies
- summarising principles and main policy lines.

The danger is its complexity. This report rates that the quality of this laws is more important than the speed by which it is drafted and passed.. For this reason the competent authorities might decide to establish the EA first by a short separate law, obtain approval for institution of IMCCESD, start the reform process and then use this momentum for debating the principles underlying the new framework law for which Appendix 3 contains some thoughts.

Theoretically there should be a measure no. 10 . This would concern the mobilisation of public support for the environment sector, It would be possible for instance to start up and maintain a publicity campaign or an action programme associated with REReP or project EkoMrezaBiH. It is not too early to initiate such a programme but it maybe too early to institutionalise it.

Therefore this measure will have to be left dormant until the reform yields its first results – policy centre at MoFTER, EA, and EWGs. EA could then start up a programme after appropriate consultations and proceed to its institutionalisation once the consultations yield satisfactory results.

Having reviewed the proposed measures it seems opportune to turn back to the concept proper of the reform. The nine administrative measures described above are to jointly promote the **five cardinal imperatives** of the reform mentioned earlier:

- The creation of a conceptual (leading and coordinating) capacity at the centre,
- Better organization of the work,
- Rationalisation of the use of human resources,
- Raising the sector's and its administration's cost-efficiency and
- Mobilisation of support for protection of the environment.

For achieving the first imperative a number of concrete measures are being proposed: the strengthening of MoFTER, establishment of EA, the creation of one decision-making and one technical advisory committee. All serve the identification and crystallisation of the one State wide will, its expression towards the outside world, its better articulation in legislation and action programmes. The sector can and will become self-conscious by discovering its ability to monitor, analyse, and – progressively – organise. Through channels like EA, the EWGs, the 'secondment'- mechanism and the institution of 'municipality day' this capability will trigger down to lower levels, provide feed-back and bear their fruits in due course.

The second imperative will be achieved partly through the improved allocation of competencies and functions, partly through better perception of the work at the different administrative levels and its more effective organisation. The environmental framework law will clearly assign rights and obligations, MoFTER will ensure coordination regarding state and international business, EA will ensure coordination at the technical level, EWGs will contribute to elimination of the backlogs at entity level. In fact, if MoFTER and EA will perform well and in time, legislative work could be simplified by them. They would elaborate the key points for the necessary legislative pieces and entities, cantons, would just do the adaptation to local conditions, if necessary at all. In this way one could avoid the situation from the past, that a canton legislated first just to find that this act is in conflict with the federal legislation that has been made later. Work can be streamlined also by EA setting standards that will then be readily used country-wide. The reorganisation of the inspectorate also aims at better organisation and more effective coverage of work. Streamlining licensing and permitting procedures is another target of the reform. In sum, the division of work could be improved if the state would focus on formulation of policies, regulations and standards while lower level administrative units would concentrate efforts on implementation. This does not imply that entities and cantons give up their prerogatives to legislate. It means only that they confine themselves as far as possible to work that cannot be done by others for them. For work that can be done or at least facilitated by MoFTER and EA, particularly EA, they would rely on these institutions.

The third imperative is the rationalisation of the use of human resources. Again, this goes hand in hand with streamlining of the work. Essentially, professionals should be used for work that no one else does (avoiding duplications) and for work considered as priority. Also, with some more officials in the sector and EA becoming a storehouse of environmental information and knowledge, with increasing division of work, environmental generalists, to

date perhaps overloaded ‘multifunctional civil servants’, obtain a chance to become professional specialists. To facilitate this process targeted capacity building will be important. In order to support the reform, training programmes will have to be organised for the various administrative levels and the different categories of officials. A technical assistance is proposed in [Appendix 4](#) to this end.

Further, it would be beneficial also for the environment sector, if some recommendations of the System Review regarding for instance public information, IT use, and capacity building/training would materialise under organisation of the competent central authorities. Of particular interest would be for general productivity of the administration to provide some training in issues and practices of good governance. Such task ought to be tackled centrally, perhaps by the Civil Service Commission, who could commission a motivating training programme for the intention of the entire public service.

The fourth imperative for the sector is to become increasingly cost-efficient. This happens automatically whenever the use of human resources and organisation of work is rationalised. There are however opportunities beyond that. One aspect is the permeation of other sectors by environmental principles, a sort of cross-sectoral policy integration. The most efficient way of environmental protection being the prevention of environmental harm, influence on other sectors in the sense of preventing harm raises the own sectoral efficiency. Consequently the policy preparation efforts of the MoFTER Environmental Protection Sector and the decisions of IMCCESD on inter-ministerial level could have great impact on efficiency and cost-efficiency of the environmental sector. Further the new MoFTER Policy Department is called to formulate economic instruments that on one hand result in incentives leading to protection of the environment and on the other hand raise income in form of fines or taxes/charges that will all contribute to the profitability of the sector.

The fifth imperative is to continue create a sectoral consciousness. The citizens, the managers in all business branches and equally the officials in all branches of the public administration have to be aware that they have the right to a balanced, healthy environment and in turn have the obligation of refraining from all kind of pollution, moreover to participate in protection of nature and environment. Only if this spirit of common concern reaches the grassroots as well as the civil servants can the reform would ultimately succeed. Everyone has a function in this environmental business. From here stems the right to free information on environmental matters and the right to participation in environment-related activities. Public authorities have a non-negligible role in their relation with civil society organisations for ensuring environmental sustainability. They can and should contribute to consensus building. Much work has been done already to advance the institutionalisation of these aspects, so far mainly within technical assistance projects¹¹. However it is understood that mobilisation of public – and public administration – support for environmental objectives must be taken up in a proactive way as own responsibility by the reformed administration. It is one of the inherent duties of all new posts and structures created. The dormant 10th measure is designed for this purpose.

¹¹ Reference is made to the CARDS project «Support for Capacity Building for Environmental Management BiH». This project established a communication network; communication coordinators at entity level, and in 110 municipalities; it publicised many environmental issues in the media; helped establish the Association for Environmental Management; and organised the CARDS Awareness Platform

7.2 Institutional changes at the various levels

This chapter does not present new ideas regarding the reform. It intends to recapitulate the meaning of the proposed nine reform measures for the state, the entities, the cantons and municipalities. It will interpret the changes.

a) Changes at the state level

Functions

The functions of the state have undergone wider interpretation. Next to leadership in international affairs and broader, more consequent coordination in internal affairs, - functions that are to be further clarified and strengthened by the environmental framework law, - the state, in the form of EA, also dedicates resources to central support of environmental efforts at entity, cantonal and municipal levels.

Structures

The present Department for Environmental Protection has been elevated to Sector having itself three departments: one for policy and legislation, one for EU accession and international agreements and one for inter-sectoral and inter-entity coordination and technical assistance.

Another significant improvement is the establishment of an Environmental Agency reporting directly to the Minister of MoFTER. This agency will have two divisions reflecting its main functions: one for environmental performance and another one for provision of advisory services.

The Agency will be supported by a technical advisory body, the Environmental Consultative Committee whose task is to deliberate and give advice and guidance on all technical issues with the assistance of outside experts and specialists in seek of solutions to be then elaborated on by EA for own use in support of all administrative levels or to be submitted further to MoFTER and IMCCESD for possible decision.

IMCCESD, supported by the Secretariat from MoFTER, will serve as decision-making body and inter-mediator to the CoM. Moreover, it is an instrument for cross-sectoral integration of environmental policies.

Resources

By 2010, 15 officials will coordinate environmental affairs in MoFTER. Currently there are 3. This should put MoFTER in a position to improve BiH's image in international fora and to improve the country's chances in SAA negotiations. Furthermore policy impulses including in the economic area can be expected from MoFTER as well as systematic handling of inter-entity and inter-ministerial issues.

The availability of 31 professionals to EA by 2010 aims at creation of a specialist group that can monitor and coordinate all technical matters and provide, at the same time, technical-substantive support to all in need. With 31 professionals only and without technical facilities (laboratories, special equipment) the Agency will still lack technological capacity. As mentioned elsewhere, although EA would host the Focal Point for EIONET, the 31 proposed specialised professionals do not include the monitoring specialists needed for the running of the NEMS However, to create that is not matter of another public administration review, but

rather question of absorptive capacity, availability of the necessary funds and adequate organisation. This should be arranged in due time, when the reform works.

b) Changes at the entity level

Functions

The proposed reform does not imply formal change in the basic functions of the entities, but their re-orientation towards implementation. Their mandate, hence their functions remain the same. The enlargement of activities at the state level means moreover that:

- they can expect a more able and proactive partner on the state level and
- they can draw on the support and expertise becoming available at EA.

It is important to note, however, that through the reinforcement of the policy and legislative capacities at state level, the availability of professional know-how and advising at EA and in general through an increased specialisation and division of work, entities would waste resources, if they would try to duplicate what the state does and offers. So, in practical – not in legal – terms, entities are now called to reorient some of their autonomous activities towards implementation. Formulation of policies and strategies should follow the overall framework already elaborated at the state level, legislation focusing onto the entity-specific needs. Efforts going into the development of special entity procedures for permitting for example, or into any technical solution would neither correspond to the streamlining of work nor to the rational use of human resources principles. Nor would this be called a cost-efficient course of action.

In sum, entities, also cantons, would concentrate on implementation. Their very essential input into policy and strategy formulation should be made through jointly established channels at the conceptualisation stage, through ECC and IMCCESD, and even in the earlier stage, through working contacts through the EWGs and the direct contacts with the MoFTER Departments.

Structures

At entity level little change in structures is foreseen. There are of course the inspectorates, in the RS clearly an entity responsibility, in the Federation shared between the entity and the cantons. Understandably, the reform intended to do two things: first, separate the inspectors from the mother ministry, so as to avoid the conflict of interest existing through the fact that staff of a ministry inspects what the staff of the same ministry did or authorised. Admittedly there are advantages of inspectors serving in the same ministry. They usually are familiar with the cases to be inspected and in the ministry they work in a professional environment that promotes exchange of information and professional advancement. On the other hand, being in the same ministry facilitates irregularities and obscures transparency. The second objective was to save man-power, yet at the same time ensure equal geographical coverage of inspection. Therefore the regional organisation of environmental inspection is suggested under entity supervision and responsibility. Groups of inspectors under a chief inspector would report to the head of the entity government. Proposals for detailed arrangements will follow from the draft law on inspectorates through a separate project.

A new institution at the entity level will be the EWG. These groups should function as think tanks; no power of decision, no formal obligations, just a working group pulling together the environmental officials from the respective ministries of physical planning and

agriculture/water (including in FBiH the cantonal officials), drawing on the know-how of EA, furthering concentration and cooperation and coming up with ideas for solutions. Environmental strategies, common approaches, joint activities could result.

The secondment mechanism should be seen as an opportunity. It is an administrative nuisance at the beginning to arrange the details. In effect, however, the entity buys itself into the state level administration, in both, MoFTER and EA. In turn it gains insight, access to information and know-how, and ensures continued training of those who are detached as well of those who will cooperate at home with those who return from secondment.

Resources

The two entities have to second to MoFTER 3, to EA 19 professional posts. The two entities receive each 7 additional posts, DB two. If these additional resources will be used profitably, the sector will become strong enough to itself fight for what it needs in a later stage.

c) Change at cantonal and municipal level

Functions

The only two changes for the cantons regarding functions are in the inspectoral setup and through participation in the EWG. Inspections in the future should be organised from the entity level. Since they should be organised on regional basis, in practical terms the change is limited. Who decides on workprogramme and to whom the inspectoral report is addressed, will be decided in due course considering the recommendations of the WB project. The separation of the inspectors from the mother ministry is however a strong recommendation of this report and is likely to affect the cantonal competency or at least cantonal structures. The functions of cantons and municipalities are otherwise not touched.

Despite the state and entities putting more emphasis on policy making and strategy formulation, regional and local units still have an important planning function. The LEAP is considered as an important conceptual tool, yet few of the cantons and municipalities have prepared one to date. This is a classical task for which support could be demanded from the EWGs and the EA. The participation of the cantons in the EWG for FBiH is essential as this would ensure the necessary coordination of policies, legislation and administrative practices among the cantons and with the Federal level.

Structures

Apart from the inspection arrangement and the cantonal participation in the EWG, there is no change in the institutional setup of cantons and municipalities.

This reform does not exclude that EA forms one or two additional working groups also with cantons or with possible regional groupings in RS for that matter. This should be decided during the reform process and take duly into account the speed of build-up of the EA service capacity.

Resources

It would be easy to recommend that considering the rising trend in favour of environment every municipality should have two and every canton perhaps 3-4 more environmental professionals. No doubt, more work could be done or the same work better. But this would

completely miss the main point of this reform. The reform is about arranging for a qualitatively better performance with less or hardly increased resources. In this scenario the thrust of the reform can't but be directed towards the development of an environmental concept, towards the building of a coordinating, harmonising, catalysing force that is called in turn to organise details.

Two consequences follow for both cantons/regional units and municipalities. First, they have to exercise a very circumspect approach to definition of priority work, a very selective policy in choosing what tasks are taken on as own effort. If the state and the entities strive at streamlining of work and rationalisation of human resources use, it might be purposeful to follow these trends. Secondly, it might be beneficial to make use of guidance from entities and the state. Many procedures, methods, models, will be developed by EA in the future and it might be practical, more cost-efficient to use these ready made, custom-tailored tools than to venture into own initiatives.

Observers are astonished to see the big gap between planned and actual/existing environmental posts at the cantonal as well as at the municipal level. The existence of these planned but not actually filled posts proves that the environmental need has been already recognised. Funds are however missing. But they are rare also for the reform. Perhaps, as a first step, some of these posts could be filled and through efficient organisation and EA help better utilised.

Municipalities are of course on the first line front as concerns delivery of utility services to citizens. They should exercise early and strong pressure on EA and activities like the solid waste management programme to come up with usable formula and solutions for their concrete problems.

d) Change at all levels

Auxiliary measures are listed here as it is certain, that they would complement/support the reform at all administrative levels.

(i) Capacity building

Capacity building of individuals and institutions has theoretically several instruments: adding resources, facilities, developing IT capability and what ought to be stressed here most: massive training. As mentioned a project proposal for technical assistance is attached in Appendix 4 as accompanying measure to this reform. This measure would be very desirable.

(ii) Good governance

Respect of certain basic administrative rules and procedures can decide the quality of public administration of a country. The degree of respect of them is also an indicator of modernity.

This set of rules/principles/practices is known under the name of good governance and covers in common understanding the following components:

- the rule of law,
- transparency,
- equity,
- effectiveness/ efficiency and
- accountability

This is not the place to develop what is generally anyhow known, but it is certainly the right place to state, that even a well-conceived reform will fail, if the public administration system neglects these norms. Good part of inefficiency in BiH stems from here. Consequently the present reform recommendations would not be complete, if the need for explanations and training in respect of good governance principles would not be emphatically underlined. The problem is not specific to environmental administration at all, rather, it is so general that everything but a campaign and tailor-cut training organised by the government centrally would come short of satisfactory results.

From the environmental angle one important improvement would be, for instance, to break accounts further down so that also for smaller administrative units and part of the bigger administrative units, it would be possible to keep track of expenditures.

(iii) Management audit

All serious organisations, private or public, are subjected to financial audit. Governments have their special mechanisms for this. What they however seldom practice, is management audit, that is reviewing performance effectiveness. The introduction of management audit in environmental administration would be desirable.

(iv) The environmental performance review (EPR)

Regarding the report prepared by the United National Economic Commission for Europe on the state of environment and environmental management in BiH, two recommendations can be made at this place: a) that the report be translated into the local languages because it offers numerous insights and b) that numerous sound policy recommendations be considered for implementation.

7.3 Appreciation of the major changes

The foregoing proposals for reform are straightforward and clear-cut. It is a package and to be handled as such. If properly managed, it will be effective.

The set of measures submitted requires no change in any of the constitutions. It respects federal autonomies at all levels:

- international representation is vested in MoFTER anyhow,
- establishment of the indispensable state level bodies is within the possibilities of the current legal frame
- the improved distribution of work respects entity, cantonal and municipal rights, moreover enhances their chances for effective performance

The reform would result in superior performance on the international stage. It would create the capacity for leadership functions in policy making, strategy formulation and effective coordination, that was badly missing to date. The legislative function could be, with some discipline at entity and cantonal level, successfully discharged while with support from the EA all administrative levels could raise implementing efficiency.

The legal and resource-conditions of implementation are enumerated in following chapter.

8 IMPLICATIONS

There are certain preconditions of the implementation of the recommended reforms, notably of legal, financial/budgeting and human resources management nature.

8.1 Legal prerequisites

8.1.1 Establishment of a separate Sector for Environmental Protection in MoFTER

According to Article 22 of the Law on Ministries and Other Bodies of Administration of BiH and article 52 of the Law on Administration of BiH the internal organisation of ministries and administrative organisations shall be governed by *the Rule Book on Internal Organisation*.

The Rule Book on Internal Organisation of the Ministries shall be passed by the ministers, and that of administrative organisations shall be passed by the managers of the administrative organisations.

Prior to passing the Rule Book on Internal Organisation, the Minister or the manager of the administrative organisation must obtain the opinion of the Minister of Justice. The Rule Book on Internal Organisation shall be considered passed when approved by the Decision of the Council of Ministers.

Conclusion: MoFTER could amend the existing Rule Book on Internal Organization and establish a separate sector for Environmental Protection

8.1.2 Establishment of an Environmental Agency (depending from MoFTER)

The legal base for establishment of environmental authorities at the BiH state level does not exist at the moment. But the legal base could be a new law (on Environment or Agency) on state level preparation of which has in fact already been suggested by the Council of Ministers. This law should define the legal status of environmental authorities, their responsibilities in accordance with the Environmental Laws of the entities, relevant bodies, the way of financing and other issues relevant for work and function of the future body.

Art. 47 of the Law on Administration of BiH defines that “administrative bodies shall be established by a law which will be adopted by the BiH Parliament on the proposal of the Council of Ministers”.

Taking into account that the environment is not expressly mentioned in the Constitution of the State of BiH a direct Constitutional base for Environmental Law adoption does not exist. However, the Constitutional base for adoption of the Environmental Law (on state level) could be Articles III 5a. and IV 4a. of the Constitution of BiH.

According to Article III.5a, "BiH shall overtake responsibilities for such other matters as are agreed by the entities". For that purpose "additional institutions may be established as necessary to carry out such responsibilities".

The entity constitutions neither contain provision which allow delegation of entity responsibilities to the State level nor provision which forbids them. However, entity competencies are already delegated to the state level by the entity governments' decision in some other sectors like education, defence, electricity, veterinary and the judiciary system.

Article IV 4 a. defines that BiH Assembly shall have responsibility for "enacting legislation as necessary to implement decisions of the Presidency or to carry out the responsibilities of the Assembly under constitution".

The Council of Ministers of BiH adopted a decision on May 16, 2002 ordering the Ministry of Foreign Trade and Economic Relations to draft an Environmental Law at the State level. This law should be enacted by the State Parliament and should also establish the conditions to be met by the Environmental Agency in performance of its activities. Enactment of this Law would represent the legal framework for environmental issues, handled at the State level.

In fact both entities have already adopted their environmental laws and determined the existence of the inter-entity body and its responsibilities. It means that both entities have already agreed to assign some responsibilities to a body on state level.

Conclusion: The future Environmental Agency (EA) should be established by the Law at State level. It is also necessary to amend the existing Law on Ministries and Other Bodies of Administration of BiH.

8.1.3 Establishment of the Inter-Ministerial Coordinating Committee for Environment and Sustainable Development (IMCCESD)

Article 17 of the Law on the Council of Ministers of BiH defines that "in exercising its rights and duties, the Council of Ministers shall adopt decisions, conclusions and resolutions, draft and proposed laws, analyses, information materials, strategic documents, programmes, agreements, protocols and other acts.

Conclusion: This Committee would be established by a decision of the Council of Ministers.

8.1.4 Establishment of the Environmental Consultative Committee (ECC)

The legal base for the establishment of the above mentioned Committee (ECC), which would provide technical advice to the EA, could be the same law by which the EA will be established. This law will define the relevant bodies of the future EA and their respective role.

8.1.5 Strengthening of the entity bodies

The internal organisation of the Ministries and administrative organisations shall be governed by *the Rule Book on Internal Organisation* of the respective entity/ministry/government.

8.1.6 Human resources

In case of BiH establishing new institutions on the bases of delegated responsibilities from the entity to the State level a vacant position can be filled by internal or external transfer of civil servants from entities to state administration or by the public announcement (Art. 1 of the Amendment of the Law on Civil Service in Institutions of B&H- O.G. No. 17/04, originally published in O.G., No. 12/02, amendments 19/02, 35/03, 4/04, 17/04, 26/04, 37/04 refer.) Thus, secondment of personnel from the entity level to the state level does not require further legislation.

It follows from the foregoing that

- MoFTER has to amend its Rule Book for the establishment of Environment Protection as sector;
- A law has to be enacted by the BiH Parliament for creation of the EA (and its technical advisory body (ECC));
- A decision of the CoM is required for replacement of UKOOR by IMCCESD;
- The entity governments have to amend their respective Rule Book for establishing an increased number of posts (and also for receiving seconded staff from their various institutions, and
- Secondments from the entity level to the state level can be arranged by simple administrative decisions of the administrative bodies concerned

The establishment of the EA – that has to be covered by law – the option is to either incorporate the provision into the planned environmental framework law, the ideal solution, or to pass a short special law just to this effect, to allow fast action independently from the drafting of the rather complex environmental framework law, and incorporate the EA law later, in due course, into the general environmental framework law. The latter course of action seems preferable.

8.2 The human resource allocations

As the benchmarking analysis in Appendix 1 illustrates, environmental administration in BiH has 30 to 50 times less specialists at the state level than other European countries have. Global and exact comparisons are difficult to make as often these professionals in BiH as well as abroad are assigned to various administrative units. They do not always work in easily recognisable groups. Also their costs are difficult to separate. Despite these accounting difficulties the massive professional handicap of the environmental sector in BiH is obvious.

At present 45 professionals were counted in the higher level environmental administration in BiH. The reform will add 59 persons to bring the total to 104 professionals engaged in the sector by 2010. This is over 131 % increase. However, in absolute terms, and measured by the need, a modest increase. Moreover, it will be affected progressively, in three steps, in 2006, 2008 and 2010, so as to avoid overstretching the absorptive capacity.

Care has been taken, that all for BiH important environmental specialists be covered and that their recruitment schedule reflects the professional priorities.

Table 8a summarizes the changes by function and administrative level; Table 8b per year of increase and level.

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Table 8a Human resources according to functions – before and after the reform

Environmental function	Policy		Legislation		Implementation						Combining more functions		Total	
					Coordination , supervision guidance		Service to clients		Inspection					
	Administrative level		Now	2010	Now	2010	Now	2010	Now	2010	Now	2010	Now	2010
STATE														
MoFTER		4		2		9					3		3	15
Environmental Agency							31							31
ENTITY														
FBiH														
Water					1	1	2	3	2	2	3	4	8	10
Environment		1		1	4	5	3	5	1	1	4	4	12	17
RS														
Water						1		1	8	8	1	1	9	11
Environment		1		1	1	2	2	4	1	1	3	3	7	12
DISTRICT of Brcko														
Water						1								1
Environment				1	1	1	2	2	2	2	1	1	6	7
BiH TOTAL		6		5	7	20	9	46	14	14	15	13	45	104

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Table 8b Future Allocation of Posts

Unit year	MoFTER			EA		FBiH		RS		BD		Total	
	pol	int'l	coor	ep	as	E	W	E	W	E	W		
2005	1	1	1	0	0	8	12	9	7	0	6	45	
2006	1	2	2	6	6	3	0	3	0	1	0	24	
2007													
2008	1	1	1	7	7	1	1	1	1	1	0	22	
2009													
2010	1	1	2	1	4	1	1	1	1	0	0	13	
sub-totals	4	5	6	14	17	13	14	14	9	2	6	104	
Total	MoFTER			15	EA	31	FBiH	27	RS	23	DB	8	104
<i>of which:</i>													
own budget				12	12	27		20		8		82*	
seconded				3	19	0		0		0		22	

Notes

- * of which 37 posts are new and 45 existing
- **bold** figures signify seconded posts
- own budget= posts to be newly established (except the ones existing)
- seconded= posts transferred from the budget of entity institutions; they will be filled with professionals seconded by the entities on the basis of 2 or 3 years rotation (=every second or third year a new specialist is sent by the entity)

Legend

- po = policy and legislation department
- int'l= EU accession and international agreement department
- coor= inter-sectoral and inter-entity coordination and technical assistance department
- ep = environmental performance department
- as = advisory services department
- E = environmental department
- W = water department

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Table 8c Staffing of the Environmental Agency
Specialisations and Schedule of Recruitment

Specialty	2006	2008	2010
Air quality	x		
Air emission management + fuel quality		x	
Climate change		x	
Water quality	x		x
Integral water management	x		
Soil and ground water protection		x	
Classification + safe handling of chemicals	x		
Safety of industrial plants		x	
Hazardous waste management	x		
Urban waste management	x		x
Packaging and packaging waste		x	
Shipment of waste		x	
Biodiversity (fauna, flora), GMOs	x		
Protected areas	x		
Forest protection		x	
Ionising radiation			x
Noise/vibration + non-ionising radiation		x	
Pollution monitoring + good laboratory practice	x		
Data handling	x		
Environmental data assessment		x	
EIA	x		
SEA			x
Environmental management incl. transboundary		x	
Standard setting and regulations	x		
International environmental law + cooperation		x	
Environmental economics + financing		x	x
Public information		x	
Training		x	
Total	12	14	5

Note: the proposed professional specialties are chosen to secure the fulfilment of the tasks assigned to the two divisions of the future Environmental Agency. Their substantive basis is derived from various sources and considerations, but mainly

- *the selected EU legislation of relevance to BiH, as discussed in Appendix 1 (Excursion into Europe)*
- *the present and envisaged obligations of BiH under international agreements, as discussed in Annex 3 (International Environmental Cooperation Function)*
- *the recommendations of UNECE EPR.*

It should be emphasised that the proposed number of 31 professionals/specialists does not cover the needs for the development of a National Environmental Monitoring System, as that is addressed within a still ongoing separate CARDS project.

The utilisation of professional specialties for the execution of the various specific tasks of the two EA's divisions (see 7.1) should be detailed in the future Business Plan of EA.

8.3 Budgetary consequences

It is important to consider from where the financing of the 59 additional professionals posts proposed under the Reform, comes from.

Examination of saving potentials is an obligatory part of any functional review.

In a young, underdeveloped, dispersed sector there is in principle little hope for identifying saving opportunities. Yet they have been found at least in two places: in legislation and in inspection, where rationalisation will eliminate existing duplication. Most unfortunately, these savings will not materialise in cash, because these resources are at the same time needed to improve the institutional equilibrium. Inspectors will have to be transferred horizontally to more effectively and more evenly cover the geographic areas given. Legislators, hidden to date in the multifunctional administrator group, and anyhow not sufficiently specialised to date, will have to be reorganised partly to form units serving primarily legislation, partly to focus on policy and strategy work. In any administration, at an early stage of development a few persons deal with many aspects of the work. At an advanced stage of development specialisation starts and contributes to increased effectiveness. This will be a normal progress in BiH, too.

The only place where some ‘available’ professionals are suspected is in the “neighbour’s garden”: in institutions, that do not belong strictly spoken to the public administration setup although they, too, are financed by public budget. In fact, the various environment-related public institutions in the two entities, presented in [Annex 08](#), together do have more than 100 professionals on board (Public Enterprises for watershed area of the Sava River Basin and the Adriatic Sea basin and Federal Meteorological institute in FBiH, Directorate for Water and Hydro-meteorological institute in RS). It is found that these earlier establishments might second some posts, and specialists, to the entities for own use or for further secondment to the two state level bodies to be created. Proposals made in this sense are quantified in [Table 7b](#) presented above.

Due to conflicting information on past and present budgetary provisions and actual costs related to environmental administration at the different levels and locations it has been decided to use throughout this Report standard figures. These are calculated on the basis of information obtained from official sources during the survey. The average cost computed is the cost of one university/college level official including all related personnel expenses (pension, tax, etc. both employee’s and employer’s share) plus the related average investment/equipment and operational costs. The thus obtained 34.000 KM per person per year have been used as unit cost for state level and for DB posts, while 26.000 KM per person, per year, for the two entities.

This Report worked with professional units and for calculation of the (approximate) budgets the number of HR units has been multiplied by the above mentioned figures. On this basis the price-tag attached to the Reform reads 1.478.000 KM per year (by the year 2010), minus the ‘value’ of the 22 professionals, who will be provided from the various environment-related institutes. As these 22 professional posts are presently at public charge, their cost will not appear as additional expense, so that the Reform will cost altogether only around 906.000 KM per year. The environment sector cannot be more modest.

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One may remark, that Croatia's recently established EA has 17 posts at present and still growing. The BiH EA is projected to have 31 professionals in 6 years from now.

This Reform tries to bring about a qualitative change without exceeding quantitative demand on public finance.

One important point should be added here although it belongs in fact to staffing and general reform-considerations: the posts indicated in Table 7b as 'seconded', should not be transferred from the entities to the state. They should remain entity property. Entities could then rotate periodically (ca. every two or three years) the incumbents, so that:

- Their (entity) professionals get an insight into state-level business,
- Professionals are trained on the job and could, once back at home, transmit the experience gained by training others in turn.

	MoFTER	EA	FBiH	RS	DB	Total
Year						
2006	5	12	3	3	1	24
2008	3	14	2	2	1	22
2010	4	5	2	2	0	13
Total new posts	12	31	7	7	2	59
Existing posts	3	0	20	16	6	45
Posts in auxiliary institutes	3	19	0	0	0	22

9 THE PHASING-IN OF THE REFORM

9.1 The approach

Organisations under constant reform-stress do not produce much. Therefore the reform should be introduced once. However, it should then be amplified by adding more resources and covering more substantive ground during the following years.

In fact, the reform proper will begin with all the structural changes envisaged and be followed up by internal organisation of work, elaboration of procedures, team and capacity building. Some aspects of the present reform, e.g. reorganisation of inspection, can materialise later only as their fine-tuning will depend also on the outcome of parallel but separate efforts.

The earliest possible date for the start of structural changes is 2006, because the reform measures need preparation. The lead time is estimated to be 12 to 18 months, if the political will is there. If the reform is to happen:

- Concrete political decisions have to be made, presumably on state and entity level,
- Legal preconditions met and
- Respective budgetary provisions made.

Thereafter physical arrangements - establishing offices, moving officials - will also take their time before substantive work on environmental issues can start.

Roughly estimated, preparations should take no more than 18 months, the introduction of structural changes including the physical moves 6 months, organisation/reorganisation of work (exact definition of jobs, setting operational objectives, establishment of work programmes) down to the lower ranks to trigger through another 12 months, integrating additional staff and covering new, second priority areas of work, new initiatives to be valorised and reaching a cruising speed another 24 months. Thus, the one time reform will in fact last around 5 years even if its first benefits should materialise in 30 months after the political decision to reform is made.

The provision of some technical assistance could greatly facilitate the reform. A short term advisory mission would be useful to help in preparing the legislative amendments that are prerequisite to this reform. A larger scale, longer project again would assist in the first effort of institutional and work organisation as well as in the much needed capacity building. Appendix 4 provides a brief write-up for both technical assistance proposals.

9.2 Road-map of the reform

Environmental Public Administration Reform

ENVIRONMENTAL PUBLIC ADMINISTRATION REFORM

TIME	ACTION	ACTOR
2005		
A PREPARATORY PHASE		
April	finalisation of reform concept	Consultant
April	acceptance of report	ECD-BiH Gov.
May	overall planning	MoFTER
June- August	decision in principle by governments concerned	BiH+entities
September	overall planning	entities
September	drafting of necessary legislative changes	MoFTER
	> law on EA in any case (if no framework law)	
	> environmental framework law, if possible	
September	short advisory assistance to legislative drafting	ECD
Sept.-Dec.	preparation of budgets for env.+water	
	> for MoFTER Env. Sector	MoFTER
	> for EA	MoFTER
	> for FBiH E+W departments	FBiH gov.
	> for RS E+W departments	RS gov.
	> for DB E+W departments	DB gov.
October	elaboration of technical assistance plans	MoFTER/ECD
Dec.	approval of respective budget	parliaments
2006		
January	preparation of technical assistance (TA) package	MoFTER/ECD
January	introduction of necessary legislative changes	MoFTER/CoM
	amendment of rule	
February	books	MoFTER/entities
February	Council of Ministers decision on IMCCESD	MoFTER
April	adoption of necessary legislative changes	parliaments
	> law on EA in any case (if no framework law covering it)	
	> environmental framework law, if possible	
April	preparation of 2007 budgets	BiH+entities
May	recruitment of new staff for MoFTER and EA	MoFTER
	> for MoFTER 5 new (to the existing 3) out of own budget; EA 12 new on secondment from entities	EA
	> entities receive 3 new staff each from secondment	entities
	DB one new	

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**B/ STRUCTURAL CHANGES
PHASE**

June	establishment of	
	> Sector for Environmental Protection	MoFTER
	> Environmental Agency (EA)	MoFTER
June	secondment of staff to MoFTER and EA	entities
June	additional staff to FBiH+RS+BD E+W units	entities
June	physical installations	MoFTER/EA entities
September	technical assistance starts	EA
October	inauguration meeting of ECC	EA
November	inauguration session of IMCCESD module 1 training-seminar	MoFTER
December	concept for public support campaign	EA/TA project
December		EA/TA project

2007

C/ ORGANISATIONAL PHASE

January	introductory training for environmental managers MoFTER, EA and top level entity staff	EA
February	workshop for stocktaking of BiH environmental efforts preferably with ECD/CARDS support and participation of others, hosted by EA/TA project	EA/MoFTER
March	establishment EWG FBiH, RS, DB	EA
April	preparation of 2008 budgets	BiH + entities
April	module 2 training-workshop	EA/TA project
May	reorganisation of inspections (anticipated)	BiH + entities
May	start of public support campaign open session of IMCCESD	EA/MoFTER/entities
May	workshop on the environmental management strategy of the entities	MoFTER
June	module 1 training seminar for all EWG members	EA + DB + RS + FBiH
July	EWG of RS	EA/TA project
September	EWG of FBiH	EA/TA project
October	EWG of BD	EA/TA project
November	module 2 training-workshop for all EWG members	EA/TA project
December		EA/TA project

2008

D/ CONSOLIDATION PHASE

June	> MoFTER receives 3 new staff on secondment from the entities	MoFTER/ entities
	> EA receives new staff: 7 own + 7 secondment	EA/entities
	> each entity hires 2 new staff, DB one	entities

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- > EWG sessions for each entity every 6 months
- > training is repeated periodically for always lower level environmental professional groups
- > training is amplified for higher level staff with more special training content

2009

2010

- | | |
|---|-------------|
| > MoFTER recruits 4 new specialists | MoFTER |
| > EA recruits 5 new staff | EA/entities |
| > the two entities recruit each 2 new specialists | entities |

EWG = Environmental Working Group (of each entity)