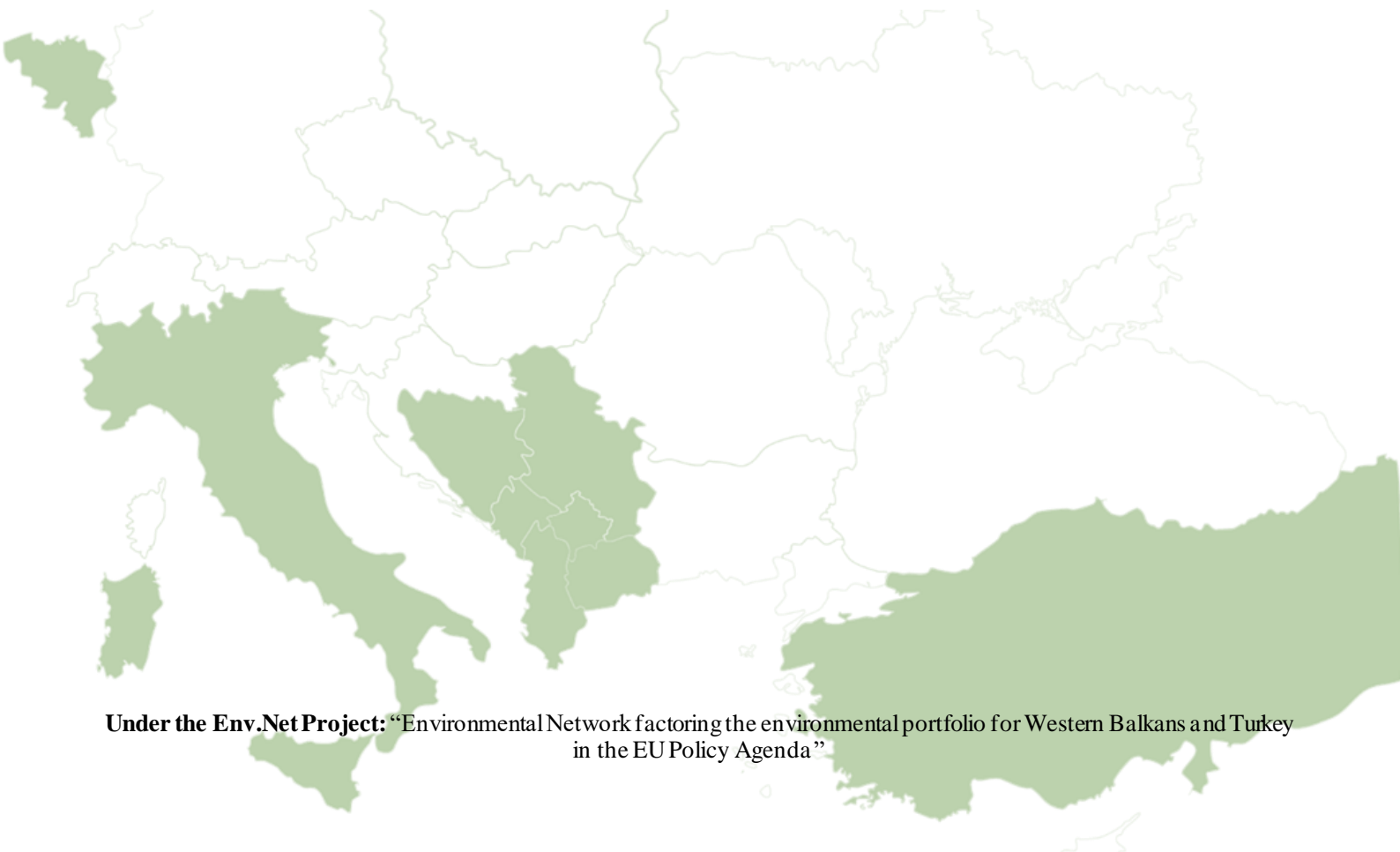


December 2020

Country Specific Report

Written Contribution for the 2020 Bosnia and Herzegovina Annual Report
Chapter 15 & 27



Under the Env.Net Project: “Environmental Network factoring the environmental portfolio for Western Balkans and Turkey in the EU Policy Agenda”

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The views expressed in this publication do not necessarily reflect the views of the European Commission.



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1. Introduction

This initial section is dedicated to present an overall picture of Bosnia and Herzegovina's EU Accession progress made during the last year, with regard to environment, climate change mitigation and energy sector.



Source: EU Data, near_factograph_bosnia_and_herzegovina_october_2020

Bosnia and Herzegovina is a potential candidate for EU membership; application for EU membership was submitted in February 2016. In May 2019, the European Commission submitted and adopted Opinion on Bosnia and Herzegovina's application for EU membership. The Opinion identifies 14 key priorities for Bosnia and Herzegovina to fulfil in order to be recommended for the opening of accession negotiations, in the areas of democracy / functionality, the rule of law, fundamental rights, and public administration reform. In its December 2019 conclusions, the EU Council welcomed the Opinion and

invited the Commission to focus its annual reports on Bosnia and Herzegovina, starting with the one in 2020, on the implementation of the key priorities from the Opinion. Bosnia and Herzegovina continues to implement the Stabilisation and Association Agreement and the meetings of the joint bodies under the agreement took place regularly, except for the parliamentary committee, which has yet to adopt its rules of procedures. The public political commitment of the authorities at all levels of government to the strategic goal of European integration remained to a large extent merely declarative and was not turned into concrete actions. Bosnia and Herzegovina has continued to participate actively in regional cooperation and maintain good neighbourly relations. Progress on alignment with the EU Common Foreign and Security Policy has been made and should be further pursued.

Some steps have been taken in the recent months, amid the COVID-19 pandemic, to address the key priorities from the Opinion. In October 2019, the Council of Ministers adopted an action plan for the implementation of the recommendations from the Commission's 2019 analytical report, whose content was not fully agreed among all levels of government. The Constitutional Court repealed the provision on the death penalty in the Republika Srpska entity constitution, fulfilling part of key priority 10. Legislative amendments following a political agreement in June 2020 should allow holding local elections in Mostar in December for the first time since 2008, thus fulfilling part of key priority 1. In July 2020, all levels of government adopted the strategic framework on public administration reform, contributing to key priority 14. Bosnia and Herzegovina adopted the revised National War Crimes Strategy in September 2020, contributing to key priority 5. Preparations are also ongoing to hold the joint parliamentary committee. Bosnia and Herzegovina needs to move forward on the other key priorities too.

Because of the COVID pandemic, health and social protection systems are burdened and Commission estimates and foresee a drop of between 4 and 6% of Gross Domestic Product (GDP) in the WB region. Thousands of citizens are at risk of losing jobs, and temporary government support measures (unemployment benefits, deferrals/waivers to tax and social security contributions, etc.) have an important fiscal impact. The EU provided essential and unparalleled support to the Western Balkans. This includes financial support of more than EUR 3.3 billion for countries in the region to address the immediate health crisis and resulting humanitarian needs. In the initial response to the COVID-19 outbreak Bosnia and Herzegovina reacted promptly and closely followed global recommendations by introducing mitigation measures to prevent, slow down and control the transmission of the virus. The authorities also increased health system capacities and re-oriented health providers towards COVID-19 designated facilities. The COVID-19 crisis demanded a high level of coordination among all levels of government which proved challenging in practice. The established crisis management bodies acted in their respective jurisdictions, without countrywide harmonisation of decisions and actions.

Bosnia and Herzegovina is overall at an early stage and has some level of preparation regarding its ability to take on the obligations of EU membership and needs to significantly step up the process to align with the EU acquis and implement and enforce related legislation. Limited to no progress was made on the different EU acquis chapters. Particular attention should be paid to the areas of free movement of goods, right of establishment and freedom to provide services, information society and media, agriculture and rural development, fisheries, transport policy, energy, economic and monetary policy, statistics, social policy and employment, enterprise and industrial policy, regional policy and coordination of structural instruments, education and culture, consumer and health protection, and financial control.

The overall legal and regulatory framework for civil society in Bosnia and Herzegovina is broadly in line with the EU acquis. No progress was made in addressing the Opinion key priority 11 on ensuring an enabling environment for civil society, notably by upholding European standards on freedom of association and freedom of assembly. Meaningful and systematic consultations between authorities and civil society remain to be ensured as part of an inclusive policy dialogue. A framework for the transparent funding of civil society organisations is needed.

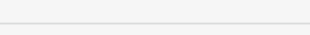

1.1. Environmental Status in Bosnia and Herzegovina

This section is dedicated to highlight main environmental concerns and related developments / news of the environmental portfolio.

As main actor for environmental protection and as environmental defender is civil society sector. For this reason, serious problem is that legislation on public consultations is uneven across the country and there is no strategic framework for cooperation with civil society. Meaningful and systematic consultations remain to be ensured. The legal framework on public consultations needs to be improved and applied consistently. The legislative framework does not fully establish standards for monitoring and reporting on key government planning documents at each level of government, thus preventing public scrutiny over government work. Beyond legislative measures, more efforts are needed to raise awareness on various forms of consultation with the public. It remains key to strengthen technical capacities at all levels of government on how to regularly use public consultations as a tool of policy-making.

The policy-making system in Bosnia and Herzegovina remains fragmented which influence on the environment as well. The Federation entity adopted a set of bylaws regulating annual, three-year and strategic planning. Otherwise, there has been no progress in developing harmonised legal provisions or methodological guidance for countrywide strategic planning. There is still no harmonisation between central planning documents such as the medium-term and annual government programme, framework budget document and action plan for implementation of priorities and no harmonisation of such documents with the sector strategies. Quality review remains insufficient.

Energy Community Secretariat, Bosnia and Herzegovina Summary Implementation

Summary Indicators	Transposition Assessment	Implementation Status	Descriptions
 Electricity		 55%	Implementation in the electricity sector of Bosnia and Herzegovina is moderately advanced.
 Gas		 19%	Implementation in the gas sector of Bosnia and Herzegovina is yet to begin.
 Oil		 20%	Implementation in the oil sector of Bosnia and Herzegovina is yet to begin.
 Renewable Energy		 49%	Implementation in the renewable energy sector of Bosnia and Herzegovina is moderately advanced.
 Energy Efficiency		 48%	Implementation in the energy efficiency sector of Bosnia and Herzegovina is moderately advanced.
 Environment		 48%	Implementation in the environment sector of Bosnia and Herzegovina is moderately advanced.
 Climate		 36%	Implementation in the climate sector of Bosnia and Herzegovina is still at an early stage.
 Infrastructure		 8%	Implementation in the infrastructure sector of Bosnia and Herzegovina is yet to begin.
 Statistics		 89%	Implementation in the statistics sector of Bosnia and Herzegovina is almost completed.
 Cybersecurity		 21%	Implementation in the cybersecurity sector of Bosnia and Herzegovina is still at an early stage.

At the Zagreb Summit on 6 May 2020, EU and Western Balkans leaders agreed that deepening regional economic integration has to be a prominent part of recovery efforts of the Western Balkans. To do so, Bosnia and Herzegovina needs to continue playing a constructive role in building a common regional market, which will be critical to increase the attractiveness and competitiveness of the region. It will help Bosnia and Herzegovina to speed up the recovery from the aftermath of the pandemic.

In Federation of Bosnia and Herzegovina, the new Law on Environmental Protection is in parliamentary adoption procedure. It is foreseen that the relevant by-laws will follow. Amendments to the Law on Environmental Protection were also adopted by the National Assembly of Republika Srpska. In both entities, the new legislation should further align the provisions with the Strategic Environmental Assessment Directive and transpose the amending provisions of Directive 2014/52/EU. However, both laws should be improved in order to ensure that projects likely to have significant effects on the environment are duly assessed before development consent is given.

As one of the priority sector for B&H IPA assistance is environment for which is concluded: Increased compliance with the EU environmental, climate change and energy acquis; improved implementation of the existing environmental and climate change policies, particularly in the waste, water management, industrial emission areas and air quality as well as emissions reduction and energy efficiency.

1.2. Summary of the Report

Key findings from legislation monitoring summarized as executive summary, intended to reach and facilitate main findings for policy maker audience.

(previous findings can be found in the Reports for 2019, and 2018)

Key findings from legislation monitoring in period from October, 2019 up to now are the following:

- Ministry of Energy, Mining and Industry adopts the Rulebook on regular inspections of heating and air conditioning systems (October 2019).
- In Federation of Bosnia and Herzegovina, the new Law on Environmental Protection is in parliamentary adoption procedure.
- The Law on Spatial Planning and Construction of Republika Srpska was amended to transpose requirements of articles 4 of Directive 2012/27/EU on energy efficiency (building renovation) (October 2019)
- Rulebook on minimum requirements for energy performance of buildings was adopted in Federation of Bosnia and Herzegovina (November 2019)
- The EU Council endorses Commission's Opinion in its conclusions, on the EU membership application of Bosnia and Herzegovina (December 2019)
- Bosnia and Herzegovina submitted its fourth Annual Report under the Energy Efficiency Directive to the Secretariat (August 2020)

There is no general environmental protection framework act in BiH. Laws on environmental protection are adopted at entities and district level (Federation of Bosnia and Herzegovina, Republika Srpska, Brčko District). Bosnia and Herzegovina continues to implement the Stabilisation and Association Agreement and the meetings of the joint bodies under the agreement took place regularly, except for the parliamentary committee, which has yet to adopt its rules of procedures. Political and economic dialogue took place regularly via the joint bodies under the agreement, except for the parliamentary committee (SAPC), which has yet to adopt its rules of procedures. The country also participates in the ministerial dialogue between the economic and finance ministers of the EU and the candidate countries, where joint recommendations are adopted.

The EU provided financial assistance to Bosnia and Herzegovina under the Instrument for Pre-accession Assistance (IPA) with a total allocation of EUR 530 million in 2014-2020. The assistance is implemented under direct management by the EU Delegation in Sarajevo. The 2019 and 2020 action programmes include an EU contribution totalling up to EUR 170 million. As part of the response to the

COVID-19 crisis, Bosnia and Herzegovina is benefiting of EUR 7 million for urgent medical equipment and EUR 73.5 million for socio-economic recovery measures under IPA II; negotiations for macro financial assistance (up to EUR 250 million in loans) are ongoing. The EU has supported Bosnia and Herzegovina in migration management with EUR 60.5 million since 2018 in both IPA and humanitarian (ECHO) funds. The adoption of countrywide sector strategies such as on public financial management, energy, and employment remains a key requirement for Bosnia and Herzegovina to benefit fully from IPA funding in the future. Bosnia and Herzegovina benefits from the IPA multi-country and regional programmes and participates in three cross-border cooperation programmes, as well as in transnational cooperation programmes.

Bosnia and Herzegovina participates with IPA support in the following EU programmes: Horizon 2020, Creative Europe, Fiscalis 2020, Customs 2020, Europe for Citizens, Erasmus+, Third Programme for the Union's action in the field of health, and the COSME programme.

Steps have been taken in the recent period to address some of the key priorities from the Opinion: In October 2019, the Council of Ministers adopted an action plan for the implementation of the recommendations from the Commission's 2019 analytical report, although the content was not fully agreed among all levels of government. The Constitutional Court repealed the provision on the death penalty in the Republika Srpska entity constitution, fulfilling part of key priority 10. Legislative amendments following a political agreement in June 2020 should allow holding local elections in Mostar in December for the first time since 2008, thus fulfilling part of key priority 1. Further reforms are needed to ensure that elections are conducted in line with European standards. In July 2020, all levels of government adopted the strategic framework on public administration reform, contributing to key priority 14. All levels of government now need to adopt the related action plan. Bosnia and Herzegovina adopted the revised National War Crimes Strategy in September 2020, contributing to key priority 5. Preparations are also ongoing to hold the joint parliamentary committee. Bosnia and Herzegovina needs to move forward on the other key priorities too.

2. Fundamentals

The citizens' right to access public information is regulated differently at the state and entity level. Whenever the information is asked it must be by mentioning the AARHUS Convention, otherwise the data are not provided. Proactive disclosure is not provided for at any level. Implementation deficits result primarily from administrative silence, delays in replying, incomplete information provided and insufficient institutional responsibilities in dealing with appeals. There are no mechanisms for monitoring whether the laws on free access to information are implemented effectively.

Bosnia and Herzegovina needs to address the 14 key priorities from the Commission's May 2019 Opinion on the EU membership application of the country, in line with the relevant Council Conclusions of December 2019. The Opinion is a comprehensive roadmap for deep reforms in the areas of democracy/functionality, rule of law, fundamental rights and public administration reform. Bosnia and Herzegovina needs to fundamentally improve its legislative and institutional framework, including at constitutional level where necessary, to comply with the requirements of EU membership. Fulfilling the 14 key priorities will allow the country to open EU accession negotiations. By fundamentals it is considered on: democracy (elections, parliament, governance), rule-of-law, human rights. There are still no actions nor revisions of environmental rights, environmental accountability and governance, environmental monitoring, and fight against crime to environment.

2.1. Environmental Rights

2.2. Environmental Accountability & Governance

2.3. Environmental Monitoring

2.4. Fight against Crime to Environment

3. Obligations of Membership

3.1. Energy (Under Chapter 15)

3.1.1. Security of Supply

3.1.2. Energy Market








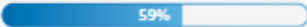

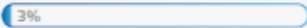
3.1.3. Hydropower

The country remains at an early stage of preparations in the area of Energy. No progress was made and some of the measures introduced (including for the Block 7 Tuzla thermal power plant) represent a step in the wrong direction. Bosnia and Herzegovina needs to make significant efforts in improving cooperation and coordination to start making progress. A fragmented, inconsistent, uneven legislative and regulatory framework prevents the country from moving forward and meeting its international obligations. Bosnia and Herzegovina has yet to adopt concrete, comprehensive and binding action plan(s) in line with climate change commitments.

3.1.4. Renewable Energy

Developments in Renewable energy	Date
Annual Implementation Report 2018/2019, Energy Community Secretariat	November 2019
Bosnia Herzegovina adopts its Third Progress Report for Bosnia and Herzegovina under Renewable Energy Directive 2009/28/EC.	July 2019
Renewable Energy Action Plan of Republika Srpska	Updated October 2018, Adopted March 2016
Renewable Energy Action Plan of Federation of Bosnia and Herzegovina	Updated November 2018, Adopted May 2014
Bosnia Herzegovina adopts its First Progress Report for Bosnia and Herzegovina under Renewable Energy Directive 2009/28/EC.	November 2017
Secretariat submitted draft amendments to Renewable Energy Laws in force of Republika Srpska and Federation, introducing support schemes for renewable energy in compliance with State aid guidelines.	July 2017
Bosnia and Herzegovina adopts National Renewable Action Plan	April 2016
Law on Renewable Energy Sources and Efficient Cogeneration	2013; 2015

Based on the 2017 Progress Report submitted to the Energy Community Secretariat, the country achieved a 36% share of renewable energy sources (RES) in gross final consumption. The number of reported environmental concerns rose, mainly from the non-governmental sector regarding the development of small, dispersed renewable energy projects and in particular small hydro power plants (HPPs). In June 2020, the Parliament (House of Representatives) of the Federation of Bosnia and Herzegovina has urged in a resolution to ban the further construction of small HPPs in the entity. The Federation government was given three months to analyse related legislation and draft law proposals stipulating the protection of rivers and environment, and to review all previously issued permits for already built small HPPs or those approved for construction. Stricter, more coordinated and harmonised legal frameworks introducing market-based support schemes, efficient investment planning as well as registration of projects are needed to warrant the promotion of RES while ensuring that all environmental concerns are duly addressed.

Renewable Energy Indicators	Transposition Assessment	Implementation Status	Descriptions
National Renewable Energy Action Plan			Bosnia and Herzegovina submitted its NREAP and the first and third Progress Reports on implementation of the Renewables Directive to the Secretariat. The country has registered a 35,97% renewables share, however, this is below the 2018 trajectory of 38,4%.
Quality of support schemes			The support scheme is based on administratively set feed-in tariffs in both entities and fixed feed-in premiums in Republika Srpska only. Bosnia and Herzegovina has conducted an analysis to move towards a market-based scheme, however, it is yet to be adopted and implemented.
Grid integration			Connection to the transmission system is regulated by the state regulator, which stipulates that renewable electricity producers connected to the grid pay 50% of the fixed part of the connection costs. On the distribution level, priority dispatch and connection are provided. Renewable power producers who are in the incentive system have a guaranteed offtaker and are released from balancing responsibility, which is not in line with the State Aid Guidelines.
Administrative procedures and guarantees of origin			In order to simplify complex administrative procedures, the recommendations of a 2018 analysis on removing existing obstacles to investment in the energy sector are being implemented. There is no single administrative body. An electronic system for issuing, transfer and cancellation of guarantees of origin is not in place.
Renewable energy in transport			Provisions related to the sustainability of biofuels are still not transposed and the legal framework remains completely non-compliant with Directive 2009/28/EC. The share of renewables in transport is only at 0,44% compared to the objective of 10% in 2020.

As for investing in RES, the framework continues to be cumbersome for issuing authorisations and licensing. The procedures need to be simplified to ensure a more favourable environment for such investments. There needs to be a higher level of transparency and more prudent oversight by the authorities for the disbursement of funds promoting RES. There are serious concerns related to the work of the Operator for Renewable Energy Sources in the Federation of Bosnia and Herzegovina. Responsible authorities should undertake meaningful measures to ensure prudent management and prevent any misuse of available funds. In the Republika Srpska entity, the Law on Renewable Energy and Efficient Co-generation was amended, limiting the growth of incentives to generate electricity from RES and limiting efficient co-generation. The changes to the law removed support for wind projects, which is a step in the wrong direction. A serious reform of the legal framework for renewable energy is needed. Further alignment with EU requirements is necessary for the issuance, transfer and cancellation of guarantees of origins and for the use of minimum levels of energy for RES in new buildings and in buildings undergoing major renovations. Similarly, the legislative framework needs to be aligned with sustainability criteria in order to rectify identified non-compliance with the EU acquis. The Brčko District, which remains without legislation in this area, will receive technical assistance to enable it to develop the required legislation.

Bosnia and Herzegovina submitted its NREAP and the first and third Progress Reports on implementation of the Renewables Directive to the Secretariat. The country has registered a 35,97% renewables share, however, this is below the 2018 trajectory of 38,4%. In May 2020, Bosnia and

Herzegovina sent to the Secretariat a proposal for a market-based support scheme mechanism and all accompanying legal acts prepared by relevant stakeholders. The Secretariat assessed it as generally in line with acquis. Unfortunately, it has not been adopted yet. In September 2020, upon the proposal of the independent system operator (NOS BiH), the State Electricity Regulatory Commission of Bosnia and Herzegovina (SERC) increased the permitted capacity of wind power plants which may be connected to the transmission network (from 460 MW to 840 MW) and solar power plants (from 400 MW to 825 MW). Priority or guaranteed access to the grid for renewable energy producers remains unsecured.

Support schemes and cooperation mechanism

The support scheme is based on administratively set feed-in tariffs in both entities and fixed feed-in premiums in Republika Srpska only. Bosnia and Herzegovina has conducted an analysis to move towards a market-based scheme, however, it is yet to be adopted and implemented. Bosnia and Herzegovina should transition towards a market-based renewables support scheme. The transposition of provisions on the sustainability of biofuels and the establishment of the electronic system for guarantees of origin should also be prioritized-

Integration to the grids

Connection to the transmission system is regulated by the state regulator, which stipulates that renewable electricity producers connected to the grid pay 50% of the fixed part of the connection costs. On the distribution level, priority dispatch and connection are provided. Renewable power producers who are in the incentive system have a guaranteed off taker and are released from balancing responsibility, which is not in line with the State Aid Guidelines.

Administrative procedures and guarantees of origin

In order to simplify complex administrative procedures, the recommendations of a 2018 analysis on removing existing obstacles to investment in the energy sector are being implemented. There is no single administrative body. An electronic system for issuing, transfer and cancellation of guarantees of origin is not in place. In order to simplify complex administrative procedures, the recommendations of a 2018 analysis on removing existing obstacles to investment in the energy sector are being implemented. There is no single administrative body. An electronic system for issuing, transfer and cancellation of guarantees of origin is not in place.

Renewable energy in transport

Provisions related to the sustainability of biofuels are still not transposed and the legal framework remains completely non-compliant with Directive 2009/28/EC. The share of renewables in transport is only at 0,44% compared to the objective of 10% in 2020.

3.1.5. Energy Efficiency


Developments in Energy efficiency	Date
Fourth annual report on the progress achieved towards the national energy efficiency targets	August 2020
In Brčko District, with the technical assistance provided by the Energy Community Secretariat, in 2019 activities related to the preparation of Law on Energy Efficiency of the BD started. The final draft has been prepared and in May 2020 submitted to the Government of the BD for comments.	Pending for adoption
Rulebook on establishment and management of registry for energy performances of buildings	Not adopted / deadline: April 2020
Energy Efficiency Action Plan of Bosnia and Herzegovina	Adoption of NEEAP 2019-

	2021 pending
Regulation on the implementation of energy audits and issuance of energy performance certificates for buildings; Rulebook on minimum requirements for energy performance of buildings in FBiH	November 2019
Law on Spatial Planning and Construction of RS underwent a procedure of amendments to transpose requirements of article 5 of Directive 2012/27/EU on energy efficiency (Official Gazette of RS, 40/13, 106/15, 84/19)	2013, 2019
Ministry of Energy, Mining and Industry adopts the Rulebook on regular inspections of heating and air conditioning systems	October 2019
Bosnia and Herzegovina submitted its third Annual Report under the Energy Efficiency Directive to the Secretariat.	July 2019
At the level of the state of Bosnia and Herzegovina, a decision on the establishment of an energy management system and an information system on energy efficiency was adopted by the Council for Ministers.	June 2019
The Rulebook on an energy efficiency information system was adopted in Federation of Bosnia and Herzegovina	January 2019
Bosnia Herzegovina submits its Second Annual Report under the Energy Efficiency Directive to the Secretariat.	November 2018
ESCO model contracts and the legal gap analysis were finalized and submitted to Bosnia and Herzegovina by EBRD and the Energy Community Secretariat, as a part of an international technical assistance program (REEP Plus).	June 2018
Energy Strategy of Bosnia and Herzegovina until 2035	2018
The Council of Ministers adopted the Action Plan for Energy Efficiency in Bosnia and Herzegovina in the period 2016 - 2018, as the first document in this field, which was prepared by the working group comprised of the representatives of the Ministry of Foreign Trade and Economic Relations, the relevant entity ministries and Brčko District. The Plan was adopted during 123rd Session of Council of Ministers, held in February 2018.	February 2018
Regarding energy efficiency measures in buildings, a comprehensive programme for energy efficiency improvements in the residential sector was launched by the EBRD Green Economy Financing Facility.	November 2017
Government of Republika Srpska in November 2017, adopted the Amendments to the Energy Efficiency Action Plan of RS until 2018.	November 2017
Government of the Federation of BiH adopted Energy Efficiency Action Plan and roadmap for implementation of Directive 2012/27/EU on Energy Efficiency.	July 2017
Federation adopted the Law on energy efficiency, aiming to implement Energy Services Directive 2006/32/EC.	February 2017
Three regulations came into force in Republika Srpska, setting the minimum energy performance requirements for buildings, as well as implementing schemes for energy audits and energy certification of buildings.	January 2016

In the area of energy efficiency, Bosnia and Herzegovina submitted its third Annual Report for Energy Efficiency to the Energy Community Secretariat in July 2019. Limited progress is noted in the reporting period, indicating that the implementation of energy efficiency legislation is not sufficient. Work on a new national energy efficiency action plan has, for the most part, been completed and the adoption of the plan is awaiting political endorsement. The country needs to take additional actions to achieve full compliance, which means transposing the Energy Efficiency Directive and the new Framework Energy Labelling Regulation. The Brčko District will receive technical assistance to develop the required legislative framework for energy efficiency. More comprehensive and coordinated action between all levels of the government is required in order to achieve measurable progress. It is in particular necessary

to adopt uniform secondary legislation at the cantonal level that is fully harmonised with entity-level legislation.

Energy Community Secretariat, Bosnia and Herzegovina Energy Efficiency Implementation

Energy Efficiency Indicators	Transposition Assessment	Implementation Status	Descriptions
Energy efficiency targets and policy measures			The NEEAP 2019 - 2021 has still not been formally submitted to the Secretariat or adopted. The fourth Annual Progress Report was submitted in August 2020, meets the requirements of the Energy Efficiency Directive, and reports on targets for 2020 and 2021 and projections up to 2030. A specific target and policy measures (for building renovation and the energy efficiency obligation scheme) have also been finalized and supported with proposals for legislative changes, but not adopted.
Energy efficiency in buildings			Long-term building renovation strategies have been drafted on state and entity levels, together with necessary amendments to primary legislation (so far only adopted in Republika Srpska). Implementation progressed in Federation of Bosnia and Herzegovina with the adoption of rulebooks for energy performance requirements of buildings and regular inspections of heating and air conditioning systems in November 2019.
Energy efficiency financing			Each entity has established an energy efficiency and environmental fund, which also covers monitoring of implementation and reporting on achieved savings. The adopted energy efficiency laws of both entities and the draft law of Brčko District recognize ESCOs and energy performance contracting. However, the ESCO market is not functioning and important implementation gaps remain in e.g. public procurement, multi-year budgeting and adoption of model ESCO contracts.
Energy efficient products - labelling			No progress took place with respect to the update of the labelling regulation in the reporting period, as required by the Ministerial Council decision adopted in November 2018. To date, only a part of the regulation was adopted back in 2016 in Republika Srpska.
Efficiency in heating and cooling			Bosnia and Herzegovina has 32 district heating systems, covering around 8% of total heat demand in 2018. They are regulated by local self-governments, and the majority charge lump sums per square meter of the heated space (instead of accurate consumption based billing). Modernisation of district heating systems is ongoing, including several biomass-based district heating projects supported by EBRD. The assessment of high-efficiency cogeneration and efficient district heating and cooling potential required by the Energy Efficiency Directive is not yet finalised.

Energy efficiency targets and policy measures

The NEEAP 2019 - 2021 has still not been formally submitted to the Secretariat or adopted. The fourth Annual Progress Report was submitted in August 2020, meets the requirements of the Energy Efficiency Directive, and reports on targets for 2020 and 2021 and projections up to 2030. A specific target and policy measures (for building renovation and the energy efficiency obligation scheme) have also been finalized and supported with proposals for legislative changes, but not adopted.

ESCO market development and financing

Each entity has established an energy efficiency and environmental fund, which also covers monitoring of implementation and reporting on achieved savings. The adopted energy efficiency laws of both entities and the draft law of Brčko District recognize ESCOs and energy performance contracting. However, the ESCO market is not functioning and important implementation gaps remain in e.g., public procurement, multi-year budgeting and adoption of model ESCO contracts.

Energy efficient products – labelling

No progress took place with respect to the update of the labelling regulation in the reporting period, as required by the Ministerial Council decision adopted in November 2018. To date, only a part of the regulation was adopted back in 2016 in Republika Srpska Institutional capacities.

3.1.6. Energy Performance, Classification and Audit in Housing and Industry

Energy efficiency in buildings

Long-term building renovation strategies have been drafted on state and entity levels, together with necessary amendments to primary legislation (so far only adopted in Republika Srpska). Implementation progressed in Federation of Bosnia and Herzegovina with the adoption of rulebooks for energy performance requirements of buildings and regular inspections of heating and air conditioning systems in November 2019.

Efficiency in heating and cooling

Bosnia and Herzegovina has 32 district heating systems, covering around 8% of total heat demand in 2018. They are regulated by local self-governments, and the majority charge lump sums per square meter of the heated space (instead of accurate consumption-based billing). Modernisation of district heating systems is ongoing, including several biomass-based district heating projects supported by EBRD. The assessment of high-efficiency cogeneration and efficient district heating and cooling potential required by the Energy Efficiency Directive is not yet finalised

3.1.7. Energy in Public Services and Mobility Sector


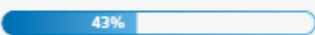

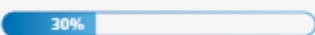




3.2. Environment (Under Chapter 27)

Latest developments in environment	Date
Law on environmental protection of FBiH	September 2019
Bosnia and Herzegovina fulfilled its reporting obligations on pollutants under the scope of the Large Combustion Plants Directive by submitting the relevant information to the European Environment Agency.	August 2019
Ministry of Spatial Planning, Civil Engineering and Ecology of Republika Srpska submitted to the Ministry of Foreign Trade and Economic Relations an amended Rulebook on Measures to Prevent and Reduce Air Pollution and Improve Air Quality.	December 2017
Environmental Approximation Strategy of BiH adopted	May 2017
Law on Air Protection RS	2017
Strategy for protection of biological diversity in period 2015-2020 and Action Plan for implementation adopted	May 2017
The environmental protection strategy of BD BiH 2016-2026	2016
Secretariat gave a positive assessment on Bosnia and Herzegovina's National Emission Reduction Plan.	October 2016
Bosnia and Herzegovina submitted its National Emission Reduction Plan to the Secretariat	December 2015
Law on Environmental Protection RS	2012; 2015

Law on Nature protection	2013
Law on Environmental Protection FBiH	2003; 2009
Waiting for adoption of new updated Law (2019, 2020)	

In Federation of Bosnia and Herzegovina, the new Law on Environmental Protection is in parliamentary adoption procedure. It is foreseen that the relevant by-laws will follow. Amendments to the Law on Environmental Protection were also adopted by the National Assembly of Republika Srpska. In both entities, the new legislation should further align the provisions with the Strategic Environmental Assessment Directive and transpose the amending provisions of Directive 2014/52/EU. However, both laws should be improved in order to ensure that projects likely to have significant effects on the environment are duly assessed before development consent is given. A complaint concerning an alleged breach of the EIA Directive related to the hydropower project Gornja Neretva on the Neretva, Igašćica and Grebenac rivers, was submitted to the Secretariat. The competent authorities must secure early and effective opportunities to the public concerned to participate in the assessment procedures and foster stakeholder dialogue.

Energy Community Secretariat, Bosnia and Herzegovina Environmental Implementation

Environment Indicators	Transposition Assessment	Implementation Status	Descriptions
Environmental impact assessment (EIA) and strategic environmental assessment (SEA)			New legislation to transpose of the amendments introduced by Directive 2014/52/EU and for further alignment with the Strategic Environmental Assessment Directive is in the adoption procedure. Further improvements of the Law on Environmental Protection are necessary in order to fully transpose the amendments to the EIA Directive. Challenges related to the environmental assessments of planned hydropower projects should be assessed with the support of the Policy Guidelines on the development of small hydropower projects.
Sulphur in fuels			Legislation for transposing the 1,00% threshold for heavy fuel oil as well as the 0,10% threshold for gas oil is still lacking. A governmental working group with the task to prepare a decision on the quality of petroleum liquid fuels was established, without however a specific timeline. The Ministerial Council declared this as a serious and persistent breach.
Large combustions plants and industrial emissions			New legislation for further alignment with the provisions of the Large Combustion Plants and Industrial Emissions Directives was prepared and is in the adoption procedure. Serious efforts must be made in order to ensure proper implementation of the National Emission Reduction Plan.
Nature protection			The recent Declaration on the Protection of Rivers as well as the conclusions calling for a prohibition of the construction of small hydro power plants on the territory of Federation of Bosnia and Herzegovina is an achievement. The missing secondary legislation for the proper implementation of the Wild Birds Directive must be adopted. The network of protected areas is lacking effective protective measures and administrative capacity that can properly assess the impacts of energy projects on the protected sites.

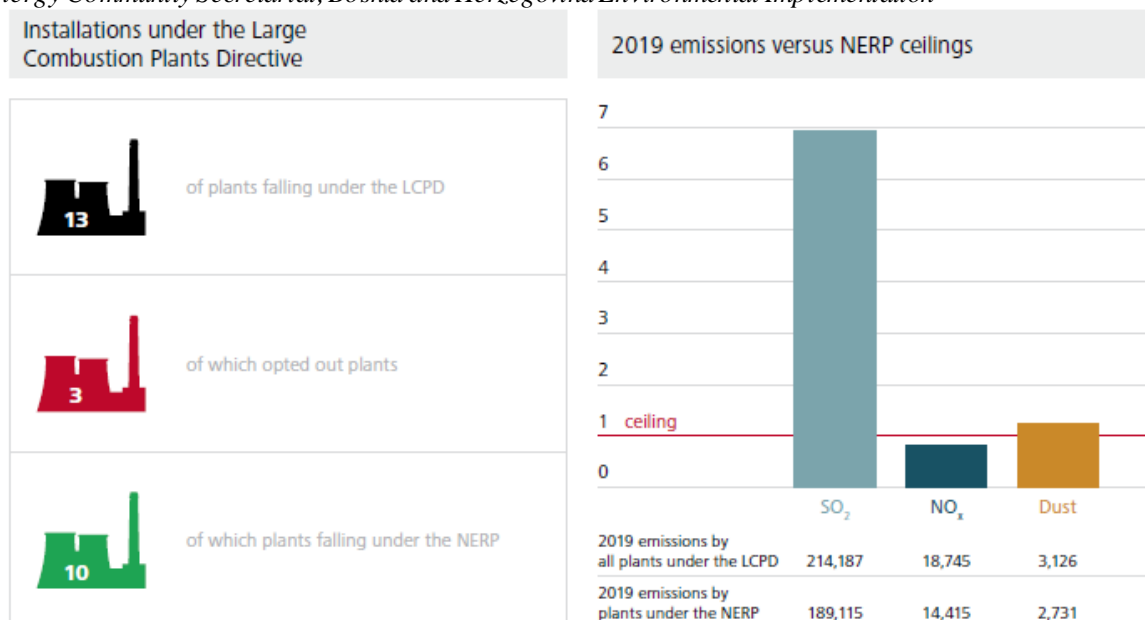
Environmental Impact Assessment / Strategic Environmental Assessment Directive

New legislation to transpose of the amendments introduced by Directive 2014/52/EU and for further alignment with the Strategic Environmental Assessment Directive is in the adoption procedure. Further improvements of the Law on Environmental Protection are necessary in order to fully transpose the amendments to the EIA Directive. Challenges related to the environmental assessments of planned hydropower projects should be assessed with the support of the Policy Guidelines 02/2020-ECS on the development of small hydropower projects.

Sulphur in Fuels Directive

Legislation for transposing the 1,00% threshold for heavy fuel oil as well as the 0,10% threshold for gas oil is still lacking. A governmental working group with the task to prepare a decision on the quality of petroleum liquid fuels was established, without however a specific timeline. The Ministerial Council declared this as a serious and persistent breach (Case ECS-02/13S). As regards legislation on the sulphur content of liquid fuels, some steps are implemented at the level of Federation of Bosnia and Herzegovina. A working group was formed with the task to prepare a draft decision on the quality of petroleum liquid fuels at national level in line with the needs of the oil market in Bosnia and Herzegovina and in accordance with its international obligations. Given the fact that the serious and persistent breach remains unaddressed, the Secretariat had to apply for measures to be taken against the country.

Energy Community Secretariat, Bosnia and Herzegovina Environmental Implementation



Large Combustion Plants / Industrial Emissions Directive

New legislation for further alignment with the provisions of the Large Combustion Plants and Industrial Emissions Directives was prepared and is in the adoption procedure. Serious efforts must be made in order to ensure proper implementation of the National Emission Reduction Plan. Further alignment with Directive 2001/80/EC on Large Combustion Plants and the provisions of the Directive 2010/75/EU on Industrial Emissions is foreseen with the new Laws on Environmental Protection and on Air Protection in the Federation of Bosnia and Herzegovina, which are in parliamentary procedure. Three plants are being opted out, meaning that they can only remain in operation for not more than 20.000 operational hours until December 2023. Based on the current load factor, two plants are expected to reach the limit earlier than the provisioned deadline. The 2019 emissions from large combustion plants under the NERP show compliance with the ceiling for nitrogen oxides, while the ceilings of sulphur dioxide and dust are not complied with. The serious non-compliance with the ceiling on sulphur dioxide elevates the urgent need to secure sufficient financing for proper implementation of the National Emission Reduction Plan.

Nature protection

Alignment with the EU acquis on nature protection, in particular with the Habitats and Birds Directives, is very limited. There is no progress on the pending adoption of the list of potential Natura 2000 sites and secondary legislation. The planning for and investments in renewable energy, including hydro, wind and solar power plants, requires compliance with the EU's environmental legislation, including SEA, EIA and the Birds and Habitats Directives. There has been no progress in establishing a system in Bosnia and Herzegovina for collecting information on and systematically monitoring biodiversity. Bosnia and Herzegovina needs to designate institutions, ensure the necessary human and financial resources and establish structures for implementing the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES). The recent Declaration on the Protection of Rivers as well as the conclusions calling for a prohibition of the construction of small hydro power plants on the territory of Federation of Bosnia and Herzegovina is an achievement. The missing secondary legislation for the proper implementation of the Wild Birds Directive must be adopted. The network of protected areas is lacking effective protective measures and administrative capacity that can properly assess the impacts of energy projects on the protected sites.

3.2.1. Water Quality and Management

On water quality, the country still lacks a consistent and harmonised countrywide strategy and investment plans on water management that would include implementing legislation and monitoring. There is no water policy for Bosnia and Herzegovina. The sustainability of investments in the supply of water and in the management of urban waste water continues to be an issue. A consistent legal framework needs to be in place addressing water services to provide for sustainable investments. Regarding the growing development of hydropower investments, Bosnia and Herzegovina as a matter of urgency has to better enforce SEA, EIA, nature protection and water-related provisions of the EU acquis in order to adequately address growing environmental concerns. Specific plans for implementing EU legislation on drinking water, urban waste water and flood risk management are still to be adopted. A 'Roof report on river basin management plans' needs to be adopted for Bosnia and Herzegovina. An action plan for flood protection and river management in Bosnia and Herzegovina for 2014-2021 is being implemented. Flood hazards and risks are being mapped for the entire country.

Latest developments in water management	Date
Water Management Plan for the Sava River Basin in the period 2016-2021, FBiH	May 2018
Federation of BiH: Urban Waste Water Treatment directive 91/271/EEC have been transposed by the Order on conditions for wastewater discharge to natural recipient or to public sewage (Official Gazette of FBiH 4/12) Republika Srpska: Transposition of the Urban Waste Water Directive 91/271/EEC is considered fairly advanced	2012 and 2001
Law on water management RS	2006; 2009
Law on water management FBiH	2006

3.2.2. Climate Change


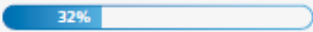

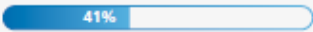
Developments in Climate	Date
National Energy and Climate Plans	Draft under preparation
Bosnia and Herzegovina officially launched a national working group to work on its NECP. The national working group is meeting regularly.	February 2019
Framework energy strategy until 2035 adopted at BiH level by the Council of	August 2018

Ministers	
As a non-Annex I party to the United Nations Framework Convention on Climate Change (UNFCCC), BiH ratified the Paris Agreement.	March 2017

The level of alignment with the EU climate acquis remains limited. Bosnia and Herzegovina is currently revising its 2013 national climate change adaptation and low emission development strategy covering 2013-2025, which is consistent with the EU 2030 framework on climate and energy policies. Its implementation and integration into all relevant sectors should be a priority. Bosnia and Herzegovina is working on a national adaptation plan (NAP) which will identify the necessary resources and set timelines for implementing climate change-related policies and strategies. The focus will be on sectoral approaches, on aligning with the EU climate acquis and on building institutional capacities in the medium term. The development of an integrated national energy and climate plan (NECP) for Bosnia and Herzegovina, in line with the 2018 Energy Community recommendation and related policy guidelines, is underway.

As for the UN Framework Convention on Climate Change (UNFCCC), the fourth national communication and the third biennial update report on greenhouse gas emissions are in preparation. Bosnia and Herzegovina ratified the Paris Agreement in 2017 and should now give priority to implementing its national determined contribution (NDC). NDCs are being revised together with their implementation plan. There is no progress on alignment with the EU climate acquis, which includes the EU Monitoring and Reporting Regulation, the directives on fuel quality, ozone depleting substances, fluorinated gases, carbon capture and storage and other relevant legislation. Ratification of the Kigali amendment to the Montreal Protocol on substances that deplete the ozone layer is pending. To progress in aligning with the EU climate acquis and its implementation, Bosnia and Herzegovina needs to move away from a project-based approach. The country's administrative capacities should be significantly reinforced at all levels of government, covering all relevant sectors to ensure meaningful implementation of the required measures.

Energy Community Secretariat, Bosnia and Herzegovina Climate Implementation

Climate Indicators	Transposition Assessment	Implementation Status	Descriptions
National greenhouse gas emissions monitoring and reporting systems			Bosnia and Herzegovina still needs to define the system for GHG emission data collection and processing, quality assurance and control of input data, a reporting and monitoring system and the national legislation defining systems for policies, measures and projection.
National Energy and Climate Plans (NECPs)			Drafting of the NECP of Bosnia and Herzegovina is ongoing. No draft has been submitted to the Secretariat for comments by the cut-off date of this report.

Low Carbon-development Strategies Adopt Low-Carbon Development Strategies

A Climate Change Adaptation and Low Emission Development Strategy was adopted by the Council of Ministers in 2013, covering the period 2013 – 2025. It is currently being updated. Its integration into all relevant sectors is very slow, mainly due to the lack of knowledge and institutional capacity. Bosnia and Herzegovina is working on a National Adaptation Plan (NAP) which will identify the necessary resources and set timelines for implementing climate change-related policies and strategies. The focus will be on sectoral approaches, aligning with the climate acquis and building institutional capacities in the medium term. This constitutes an initial step in setting the general policy course for low-emission and climate resilient development; integrating more specific policies, measures and projects into sectoral strategies; and identifying existing opportunities for adaptation and mitigation actions to attract international support.

Bosnia and Herzegovina still needs to define the system for GHG emission data collection and processing, quality assurance and control of input data, a reporting and monitoring system and the national legislation defining systems for policies, measures and projection.

Alignment with the EU acquis on industrial pollution control and risk management is very limited. The Pollutants Release and Transfer Register (PRTR) still needs to be fully operational for Bosnia and Herzegovina. This includes enforcing the obligation to report to PRTR country wide, enabling public access to and the integration of the collected data and its transmission to the EU institutions. The PRTR Protocol to the Aarhus Convention remains to be ratified. Bosnia and Herzegovina needs to further align with the Industrial Emissions Directive (IED) and the Directives on Eco-labelling and Eco-Management and Audit Schemes (EMAS). Bosnia and Herzegovina is not aligned with the EU Directive on the control of major-accident hazards involving dangerous substances (Seveso III).

Bosnia and Herzegovina has launched a national working group for developing the National Energy and Climate Plan (NECP). Most of the relevant institutional representatives have been nominated for all five thematic working groups. The legal basis needed for the NECP and entity energy and climate plans adoption is supposed to be defined by the two energy ministries of the entities and at state level. In parallel with the NECP, entity energy and climate plans will be developed. It is strongly recommended that the processes for the development of entity and integrated NECPs are streamlined. For the preparation of the analytical basis of the NECP, the Government of Bosnia and Herzegovina relies on international donors and external experts. While drafting has started, the Secretariat has not yet received the draft NECP.

3.2.3. Horizontal Legislation

Environmental Impact Assessment / Strategic Environmental Assessment Directive

Horizontal legislation to a limited extent is aligned with the EU acquis. Bosnia and Herzegovina needs to align with the EU environmental acquis at all levels of government in a harmonised and coordinated manner and strengthen administrative capacities for efficient implementation. The countrywide environment approximation strategy adopted in 2017, and supplemented by more specific environmental approximation programmes for the entities and the Brčko District, needs to be updated and fully implemented. The plan for implementing and monitoring this strategy remains to be adopted. The sub-sector strategies at state and entity level, which are few in number, broadly remain non-harmonised between the entities for the respective areas covered, leaving the environment sector unevenly covered across the country. The countrywide environmental protection strategy for Bosnia and Herzegovina is now being developed. This will encompass sub-sector strategies for waste and water management, air quality and nature protection. The provisions of the environmental impact assessment (EIA) and strategic environmental assessment (SEA) have not been fully transposed in the legislation at entity level. Considerably stronger enforcement of SEA and EIA is needed to ensure that environmental concerns are adequately addressed when planning investments. The country remains without a standardised system or methods for gathering, transferring and reporting environmental data. A draft strategy also remains to be adopted to monitor the management and reporting of environmental data. There has been no progress in improving the public's access to information and its participation in the decision-making process. The legal framework regulating environmental inspections needs to be improved in line with the relevant EU acquis, and implementation needs to be enforced. Capacities need to be considerably strengthened. There has been no progress in aligning with a number of horizontal environmental directives such as the Directive on Environmental Liability, the Directive on Infrastructure for Spatial Information in the European Community (INSPIRE) and the Directive on Environmental Crime. The procedure for appointing national focal points for Bosnia and Herzegovina and for determining their functions concerning the implementation of environmental conventions to which the country is a signatory party, remains to be formalised and systematised.

3.2.4. Air Quality

Latest developments in air quality	Date
Law on Air protection RS	2011; 2017
Law on Air quality FBiH	2003; 2010

Alignment with the EU *acquis* on air quality remains limited. A well-functioning countrywide air quality monitoring network still needs to be established together with the programme for air quality improvement. Air quality plans for areas where levels of pollutants exceed limit values still need to be adopted. Air quality management needs to be addressed in a harmonised and consistent countrywide manner to efficiently combat air pollution and reduce as quickly as possible the levels of pollution in exceedance of the limit values in a number of cities. Progress is needed also in addressing national emissions of main pollutants and establishing national emission inventories and reporting. Bosnia and Herzegovina should develop a national strategy towards decarbonisation and cleaner energy production. No progress has been made in aligning with the EU *acquis* when it comes to reducing the sulphur content of certain liquid fuels (the limiting value for the sulphur content of heavy fuel oil being 1%). The country remains in serious and persistent breach of the Energy Community Treaty as stipulated in the Decision of the Energy Community Ministerial Council from 2018. There has been no progress on alignment with EU legislation on volatile organic compounds (VOC). There are no accredited bodies in Bosnia and Herzegovina for monitoring VOC emissions. Main emission sources in Bosnia and Herzegovina are the coal-power plants, industry, household heating and transport.

In its Nationally Determined Contribution (NDC) under the Paris Agreement, Bosnia and Herzegovina aims to achieve emission reductions of 2% by 2030, compared to the business-as-usual scenario. This would mean 18% higher emissions compared to 1990. The NDC is currently being updated. Work on the Fourth National Communication and the third Biennial Update Report to the UNFCCC has been ongoing since 2018. Rules on the development of GHG emission inventories are primarily stipulated by the air protection laws of the two entities. They are not yet in line with the requirements of Monitoring Mechanism Regulation (EU) 525/2013. The country should strengthen institutional capacities and formally define competences and responsibilities in this area. This includes the establishment of a GHG inventory system at national level. As a base for a future Long-term Strategy, the first draft strategy and roadmap with an action plan for the period 2020 - 2030 was developed in 2020. The adoption of the strategy is envisaged only by April 2022.

Bosnia and Herzegovina has launched a national working group for developing the National Energy and Climate Plan (NECP). Most of the relevant institutional representatives have been nominated for all five thematic working groups. The legal basis needed for the NECP and entity energy and climate plans adoption is supposed to be defined by the two energy ministries of the entities and at state level. In parallel with the NECP, entity energy and climate plans will be developed. It is strongly recommended that the processes for the development of entity and integrated NECPs are streamlined. For the preparation of the analytical basis of the NECP, the Government of Bosnia and Herzegovina relies on international donors and external experts. While drafting has started, the Secretariat has not yet received the draft NECP.

Large Combustion Plants / Industrial Emissions Directive

Further alignment with Directive 2001/80/EC on Large Combustion Plants and the provisions of the Directive 2010/75/EU on Industrial Emissions is foreseen with the new Laws on Environmental Protection and on Air Protection in the Federation of Bosnia and Herzegovina, which are in parliamentary procedure. Three plants are being opted out, meaning that they can only remain in operation for not more than 20.000 operational hours until December 2023. Based on the current load factor, two plants are expected to reach the limit earlier than the provisioned deadline. The 2019 emissions from large combustion plants under the NERP show compliance with the ceiling for nitrogen oxides, while the ceilings of sulphur dioxide and dust are not complied with. The serious non-

compliance with the ceiling on sulphur dioxide elevates the urgent need to secure sufficient financing for proper implementation of the National Emission Reduction Plan.

National greenhouse gas emissions monitoring and reporting systems
Bosnia and Herzegovina still needs to define the system for GHG emission data collection and processing, quality assurance and control of input data, a reporting and monitoring system and the national legislation defining systems for policies, measures and projection.

National Energy and Climate Plans (NECPs)
Drafting of the NECP of Bosnia and Herzegovina is ongoing. No draft has been submitted to the Energy Community Secretariat for comments by the end of November, 2020.

3.2.5. Noise and Light Pollution

Latest developments in Noise protection	Date
Law on noise protection FBiH	2012

Law on noise protection is adopted only in Federation of BiH, while in Republika Srpska “the noise” is regulated within the Law on environmental protection, stating that noise protection should be regulated with specific act, but without specifying the relevant and responsible body for implementation. Significant further efforts are needed to align with the EU acquis on environmental noise.

3.2.6. Waste Management

Latest developments in waste management	Date
Draft of the Waste management plan of Republika Srpska	September 2019
Law on packaging waste	2018
Decision on requirements for transboundary transport of hazardous waste	September 2016
Law on waste management RS	2013; 2015; 2018
Law on waste management FBiH	2003; 2009; 2017
Law on nuclear waste	2009

A consistent countrywide strategy for waste management has yet to be developed. Due to its administrative order, Bosnia and Herzegovina needs to ensure a coordinated and harmonised countrywide approach in dealing with waste management. This needs to be reflected both in the legislative framework and its strategic approach. The environmental protection strategy that is under development could provide for this. Bosnia and Herzegovina needs to align with the Landfill Directive, including by adopting a directive specific implementation plan and by closing down or rehabilitating non-compliant landfills. Substantial efforts and awareness-raising measures are required to reduce waste generation and promote reuse and recycling. Alignment is required with the EU acquis on sewage sludge, batteries, packaging, polychlorinated biphenyls/ polychlorinated terphenyls and end-of-life vehicles.

Waste management Strategy of Republika Srpska is adopted for period 2017 – 2026. In Federation of BiH, the Law on environmental protection was adopted by Parliament at the end of 2019, and still waiting for approval of House of People. Thus, the Plan of FBiH for waste management is not updated, and the “old” version is adopted for period 2012 – 2017. In the Federation entity, cantons are obliged to develop and subsequently implement their own cantonal waste management plans (7 out of 10 have done so). In terms of the legislative framework, waste management is implemented primarily through entities

and Brčko District laws on waste management. In the Federation entity, waste management is a shared responsibility with cantons. Some of the cantons have their own legislation on waste management. Due to the administrative order of Bosnia and Herzegovina, the country needs to ensure a coordinated and harmonised countrywide approach in dealing with waste management. This needs to be reflected both in the legislative framework and its strategic approach. Insufficient human and financial resources hamper the development of legislation and its implementation. Bosnia and Herzegovina needs to align with the EU acquis on sewage sludge, batteries, packaging, polychlorinated biphenyls/polychlorinated terphenyls and end-of-life vehicles. It also needs to align with the Landfill Directive, adopt a respective Directive Specific Implementation Plan and close or rehabilitate non-compliant landfills. Substantial efforts and awareness raising measures are required to reduce waste generation and promote reuse and recycling.

In BiH the legislation in force is the Decision on requirements for transboundary transport of hazardous waste in accordance with the Convention on Transboundary Movement of Hazardous Waste and its Disposal. Decision was adopted by the Council of Ministers on 22nd of September 2016. According to statistical data, there are 91 landfills in BiH. Sanitary landfills are located in Sarajevo, Banja Luka, Bijeljina, Tuzla and Zenica. There is no landfill tipping fee or tax, which means there is no incentive to reduce the waste sent to landfill or for the establishment of alternative waste treatment options, such as recycling. This also means that the cost of waste disposal and the environmental impacts are not covered by the system. For the recycling of municipality solid waste just a limited number of activities, involving about 100,000 residents (less than 3% of the population) are in operation. Recyclables separated from the mixed municipal waste amount to approximately less than 5% of the total municipal waste mass where 20-25 % of waste paper, 1% of plastics, and less than 1 % of glass was actually segregated and collected. At least 95% of the collected mixed municipal waste is thus landfilled, mostly at non-sanitary disposal sites. Capacity to manage industrial and hazardous waste remains to be strengthened.

3.2.7. Chemicals and GMO's

On chemicals, Bosnia and Herzegovina's alignment with the EU REACH Regulation concerning the registration, evaluation, authorisation and restriction of chemicals is uneven. It requires harmonisation at all levels of government and strengthening the administrative capacities necessary for its effective implementation. The EU Regulation on Classification, Labelling and Packaging of substances and mixtures (CLP) needs to be implemented. Relevant bodies responsible for receiving information to formulate preventative and curative measures should be appointed. Bosnia and Herzegovina needs to align with EU legislation on asbestos and on the protection of animals used for scientific purposes. Bosnia and Herzegovina, as a party to the Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade, needs to progress with its implementation. Progress is required in acceding to the Minamata Convention.

3.2.8. Civil and Animal Protection

Regarding civil protection, thanks to IPA support, the country is preparing, to become a participating state of the Union Civil Protection Mechanism (UCPM). Establishing secure trans-European services for telematics between administrations (sTESTA) is a pre-condition for connecting to the Common Emergency Communication and Information System (CECIS) of the European Commission in view of the Union Civil Protection Mechanism membership.

Bosnia and Herzegovina is encouraged to implement the recommendations of the TAIEX peer review carried out in 2018. There is a need for more systematic horizontal cooperation and enhanced vertical coordination, including on standardisation, statistics, rescue resources, professional training and risk assessment methodologies. Operational resources should be allocated at the municipal level, with specialised rescue units complementing these resources at cantonal and/or entity levels for disasters of larger scale or complexity. The Covid-19 pandemic highlighted the need to strengthen the legal framework and institutional capacities as well as human and financial resources of civil protection authorities also with regard to health emergencies. One risk assessment for the country, systematic

inspections, the establishment of civil protection stakeholder associations and civil protection education, including first aid training, will help to foster Bosnia and Herzegovina's resilience when facing disasters. The introduction of the 112 European unified emergency number (for police, ambulance and firefighters) is recommended.

3.2.9. *Circular Economy*

Circular Economy (CE) become recognized in recent years in Bosnia and Herzegovina. Since the European Green Deal and Green Agenda for Western Balkan been presented, BiH starts to move forward in that direction, because of the pre-accession interest to become EU member.

Having these achievements and instructions from the EU and the EC, BiH should work in line with the Green Agenda for WB. The major issue is related to coal transitions. Investment and loan taken for Block 7 of Tuzla's thermo-power plant are not in line with the Green Deal and Green Agenda. European Union adopted the new Green Deal with clear guidelines and plans of the EU, which means the decarbonisation of all sectors, especially energy, and no later than 2050. It means de-carbonization until 2035 or 2040, with deadlines being moved because funds are being adopted to speed up the process.

The Circular Economy (CE) concept is developed in more depth in 2020. The European Green Deal was announced and presented in December 2019, while in 2020 it was broadened to more extent. The CE concept enables to each country to reach higher ecological standards, and decrease negative influence of economic activities of natural resources usage. The CE is in line with presented European Green Deal. The EU will provide financial support and technical assistance to help those that are most affected by the move towards the green economy – so-called Just Transition Mechanism. It will help mobilise at least €100 billion over the period 2021-2027 in the most affected regions. The Western Balkan and Turkey regions are included as the most affected.

For the Bosnia and Herzegovina, and whole Western Balkan and Turkey areas, the European Commission presented its Plan. On 7th of October, 2020, the European Commission adopted a comprehensive Plan for the Western Balkans with the aim of fostering the region's long-term economic recovery, supporting green and digital transition, and supporting regional integration and convergence with the European Union. The main goal of the Economic and Investment Plan is to encourage the long-term economic recovery of the region and regional economic integration, and it is forecasted that the total IPA budget for period 2021-2027 will be 9 billion euros. It will support the green and digital transition in the Western Balkans, the implementation of the reforms needed to make progress on the EU path and bring the region closer to the EU single market. All this should lead to sustainable economic growth and job creation.

The changes in Law remained the same as in 2019. There is no specific term "circular economy" in entities and district laws and policies. In Republika Srpska, it is mentioned in the amendment of the Law on waste management of Republika Srpska (July 2019) – as the EU Directive 2008/98/EZ on waste was changed in 2018. The responsible Ministry incorporated new terms such as reuse of products, green backyards, program of producers extended responsibility, recycling yard, waste management centre and unregulated land field. In the same amendment, the responsibility is set on the local self-government units (cities and municipalities). Duties are specified for: development of separate waste collection systems, arranging ways to collect all types of waste, identifying locations for recycling yards, green yards and landfills, including larger waste collection sites, covering the costs of cleaning and rehabilitation of wild dumps, organizing educational and public awareness raising campaigns on eco-friendly waste management, as well as organizing public cleaning activities.

Since the whole year was marked with pandemic COVID-19, civil society organizations, companies and experts, mainly organized online events, sessions and discussions where the CE model is presented to wider audience in order to make clear approach and understanding the differences between linear and circular economy models. Because of pandemic many businesses remained closed because of inability to financially endure the whole situation.

Best practices examples of supporting circular economy principles in Bosnia and Herzegovina presented following companies: Elektro-Tim Company, EKOPAK, City of Neum, Initiative "Because It Concerns

Us", City of Zvornik, landfill "Eko-sep", company "23. Mart", Heinrich Böll Foundation, INTERA Technology Park, ZEOS eco-system, "Omorika Recycling", Aida Commerce, ALBA, CBOS, FORTIN, BH RECYCLING, GRIZELJ Sarajevo, ADRA, Mozaik Prijateljstva.

3.2.10. Wildlife and Nature Protection

The recent Declaration on the Protection of Rivers as well as the conclusions calling for a prohibition of the construction of small hydro power plants on the territory of Federation of Bosnia and Herzegovina is an achievement. The missing secondary legislation for the proper implementation of the Wild Birds Directive must be adopted. The network of protected areas is lacking effective protective measures and administrative capacity that can properly assess the impacts of energy projects on the protected sites.

Wild Birds Directive

Legislation that will impose effective measures against the deliberate killing or hunting of wild birds, deliberate destruction or damaging of nests and eggs and/or removal of their nests is still not in place in Federation of Bosnia and Herzegovina. In Republika Srpska, serious efforts must be made for improving the assessment of energy projects that might have significant impacts on protected areas.

The Federation lacks the competent bodies and adequate administration capacities necessary for the successful implementation of the measures in the protected areas. The entity has identified these issues in their Strategy and Action Plan for biodiversity protection, covering the period between 2016 and 2020. In Republika Srpska, the 2025 Biodiversity Strategy recognizes the need to establish a national ecological network and an inventory of Natura 2000 areas. However, the number of protected areas as well as the capacity for their management is low.

4. Conclusions and recommendations

Bosnia and Herzegovina is overall at an early stage and has some level of preparation regarding its ability to take on the obligations of EU membership and needs to significantly step up the process to align with the EU acquis and implement and enforce related legislation. Limited to no progress was made on the different EU acquis chapters.

Bosnia and Herzegovina needs to fulfil obligations in the areas of democracy / functionality, the rule of law, fundamental rights, and public administration reform in order to be recommended for the opening of accession negotiations. In its December 2019 conclusions, the EU Council welcomed the Opinion and invited the Commission to focus its annual reports on Bosnia and Herzegovina, starting with the one in 2020, on the implementation of the key priorities from the Opinion. Bosnia and Herzegovina continues to implement the Stabilisation and Association Agreement and the meetings of the joint bodies under the agreement took place regularly, except for the parliamentary committee, which has yet to adopt its rules of procedures.

Some steps have been taken in the recent months, amid the COVID-19 pandemic, to address the key priorities from the Opinion. In October 2019, the Council of Ministers adopted an action plan for the implementation of the recommendations from the Commission's 2019 analytical report, whose content was not fully agreed among all levels of government.

The country remains at an early stage of preparations in the area of Energy. No progress was made while some of the measures were introduced (including for the Block 7 Tuzla thermal power plant) represent a step in the wrong direction. Bosnia and Herzegovina needs to make significant efforts in improving cooperation and coordination to start making progress. A fragmented, inconsistent, uneven legislative and regulatory framework prevents the country from moving forward and meeting its international obligations. In the coming year, Bosnia and Herzegovina should in particular: adopt gas and electricity legal frameworks compliant with the third energy package; intensify its efforts to implement connectivity reform measures to support the functional operation of the regional market; adopt state- and

entity-level legislation on renewable energy and energy efficiency in line with the obligations stemming from the Energy Community Treaty.

Bosnia and Herzegovina is at an early stage of preparation or has some level of preparation in the area of environment and climate change. Limited progress was achieved during 2020. A countrywide harmonised approach in strategic planning needs to be ensured to address alignment with the EU environmental acquis at all levels of government in a consistent and comprehensive manner, including on air quality. Significant efforts are needed on implementation and enforcement. In the coming year, Bosnia and Herzegovina should in particular: implement the countrywide environmental approximation strategy, and accordingly enhance the legal framework, strengthen administrative capacity and monitoring systems, and improve inter-institutional coordination among all relevant authorities; formalise the procedures for the appointment and functions of the national focal points (NFP) for Bosnia and Herzegovina for the implementation of all environmental conventions to which Bosnia and Herzegovina is a signatory; start implementing the Paris Agreement by putting in place policies and measures to deliver on its nationally determined contribution (NDC), update and implement the climate change adaptation and low emissions development strategy, and develop an integrated national energy and climate plan (NECP) in line with the Energy Community recommendation.

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