



BOSNIA AND HERZEGOVINA
MINISTRY OF FOREIGN TRADE AND
ECONOMIC RELATIONS

Sarajevo, 18th October 2019

To: GEF Secretariat

Subject: DIM justification for GEF projects in Bosnia and Herzegovina

In my capacity of GEF Operational Focal Point for Bosnia and Herzegovina (BiH), I hereby give further explanation for implementation of GEF projects in our country. BiH is a country with very complex administrative structure and specificity of the governance structure. The decision making involves the Council of Ministers, two Entities (Federation of Bosnia and Herzegovina and Republika Srpska) and Brčko District, 10 Cantons (further sub-division within one entity of Federation of Bosnia and Herzegovina) which brings us to **14 different government levels and their specific jurisdictions**.

Just for illustration, public infrastructure falls under hundreds of different jurisdictions, along with the complex policy and financing framework for public infrastructure. Even though the MoFTER has coordination role in the environmental issues and is responsible for international reporting it doesn't have sufficient capacities and power of authority to ensure effective dialogue, coordination and synchronization of tasks between the two entities. Decisions related to environment are made on the level of Entities and MoFTER has only limited influence on the same. It is also worth mentioning that government on the state level has not yet been constituted, although the general elections took place in October 2018.

Therefore, currently **there is no one single institution or governmental partner** that can take over responsibility for the overall implementation (management and delivery) of the specific results of GEF projects. Having all of this in mind, UNDP's direct implementation modality (DIM) would be the most realistic modality for implementation of this project in Bosnia and Herzegovina.

Taking into consideration that UNDP Country Office in Bosnia and Herzegovina has implemented **USD 580 million worth of programmatic activities in 23 years**, with 90% direct implementation. UNDP, being recognized by institutions on all levels in BiH is in a position to gather all stakeholders and decision makers striving to overcome potential obstacles and facilitate decision making regarding project implementation, we are confident that the UNDP country office in BiH is fully capacitated with vast experience in the direct implementation modality and may be considered as a risk management mitigation measure, considering the complexity and specificity of the BiH governance structure.

To highlight all said above, the **implementation**, in its **harmonized definition of management and delivery of programme activities to achieve specified results**, is further elaborated in the agency specific strategic document - UNDP Country Programme Document 2015-2020 (approved by the UNDP Executive Board), which under article 24. lists possible implementation modalities and specify that projects supported by vertical funds such as the Global Environment Facility (GEF) and the Global Fund to Fight AIDS, Tuberculosis and Malaria will use the direct implementation modality.

Sincerely,

GEF Operational Focal Point

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