



GEF-6 PROJECT IDENTIFICATION FORM (PIF)

PROJECT TYPE: Medium-sized Project

TYPE OF TRUST FUND: Capacity Building Initiative for Transparency

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PART I: Project Information

Project Title:	Integrated reporting and transparency system of Bosnia and Herzegovina		
Country(ies):	Bosnia and Herzegovina	GEF Project ID: ¹	9966
GEF Agency(ies):	UNDP	GEF Agency Project ID:	6209
Other Executing Partner(s):	-Ministry of Foreign Trade and Economic Relations of BiH -Ministry of Spatial Planning, Construction, and Ecology of RS -Federal Ministry of Environment and Tourism for FBiH	Submission Date:	Re-submission: May 3 rd , 2018 1 st Submission: December 14 th , 2017
GEF Focal Area(s):	Climate Change	Project Duration (Months)	36
Integrated Approach Pilot	IAP-Cities <input type="checkbox"/> IAP-Commodities <input type="checkbox"/> IAP-Food Security <input type="checkbox"/>	Corporate Program: SGP	<input type="checkbox"/>
Name of parent program:	[if applicable]	Agency Fee (\$)	114,000

A. INDICATIVE FOCAL AREA STRATEGY FRAMEWORK AND OTHER PROGRAM STRATEGIES²

<i>Objectives/Programs (Focal Areas, Integrated Approach Pilot, Corporate Programs)</i>	<i>Trust Fund</i>	<i>(in \$)</i>	
		<i>GEF Project Financing</i>	<i>Co-financing</i>
<i>CBIT</i>	<i>CBIT</i>	<i>1,200,000</i>	<i>150,000</i>
<i>Total Project Cost</i>		<i>1,200,000</i>	<i>150,000</i>

B. INDICATIVE PROJECT DESCRIPTION SUMMARY

Project Objective: Development of Bosnia and Herzegovina's (BiH) capacities to meet the requirements of the transparency framework under the Paris Agreement on Climate Change						
Project Components	Financing Type ³	Project Outcomes	Project Outputs	Trust Fund	<i>(in \$)</i>	
					GEF Project Financing	Co-financing
1. Strengthening the BiH wide Transparency Framework	TA	1.1: Strengthening institutions to improve monitoring and reporting praxis and to	1.1.1: Revise relevant environmental and air protection laws related to monitoring and reporting on GHG emissions	CBIT	740,000	100,000

¹ Project ID number will be assigned by GEFSEC and to be entered by Agency in subsequent document submissions.

² When completing Table A, refer to the excerpts on [GEF 6 Results Frameworks for GETF, LDCF and SCCF](#) and [CBIT guidelines](#).

³ Financing type can be either investment or technical assistance.

		establish a domestic MRV system	<p>1.1.2: Establishment of an inter-ministerial coordination committee with all existing stakeholders (public sector, private sector, civil society, academia, etc.) in order to improve reporting praxis</p> <p>1.1.3. Design and implementation of a domestic MRV system</p>			
2. Tools, training and assistance for meeting the provisions stipulated in Article 13 of the Agreement	TA	2.1: Improvement of GHG inventories and NDC information	<p>2.1.1: Improvement of the GHG inventory development process, including enhanced use of the IPCC 2006 guidelines, data collection and QA/QC.</p> <p>2.1.2: Clarifying key NDC information, e.g. baseline projections including for business-as-usual targets, and assisting in reporting progress towards achieving BiH NDC</p> <p>2.1.3: Integrating gender considerations in NDC and enhanced transparency framework</p> <p>2.1.4: A regional peer</p>		360,000	50,000

			exchange program in place to improve transparency related capacities through best practices and information and lessons learned exchange			
Subtotal					1,100,000	150,000
Project Management Cost (PMC) ⁴				CBIT	100,000	
Total Project Cost					1,200,000	150,000

For multi-trust fund projects, provide the total amount of PMC in Table B, and indicate the split of PMC among the different trust funds here: ()

C. INDICATIVE SOURCES OF CO-FINANCING FOR THE PROJECT BY NAME AND BY TYPE, IF AVAILABLE

Sources of Co-financing	Name of Co-financier	Type of Co-financing	Amount (\$)
Recipient Government	-Ministry of Foreign Trade and Economic Relations of BiH -Ministry of Spatial Planning, Construction, and Ecology of RS -Federal Ministry of Environment and Tourism for FBiH	In-kind	100,000
Recipient Government	Hydrometeorological Institute	In-kind	50,000
Total Co-financing			150,000

D. INDICATIVE TRUST FUND RESOURCES REQUESTED BY AGENCY(IES), COUNTRY(IES), FOCAL AREA AND THE PROGRAMMING OF FUNDS^{a)}

GEF Agency	Trust Fund	Country/Regional/Global	Focal Area	Programming of Funds	(in \$)		
					GEF Project Financing (a)	Agency Fee (b) ^{b)}	Total (c)=a+b
UNDP	CBIT	Bosnia and Herzegovina	Climate Change	(select as applicable)	1,200,000	114,000	1,314,000
Total GEF Resources					1,200,000	114,000	1,314,000

a) Refer to the [Fee Policy for GEF Partner Agencies](#).

E. PROJECT PREPARATION GRANT (PPG)⁵

Is Project Preparation Grant requested? Yes No If no, skip item E.

PPG AMOUNT REQUESTED BY AGENCY(IES), TRUST FUND, COUNTRY(IES) AND THE PROGRAMMING OF FUNDS

⁴ For GEF Project Financing up to \$2 million, PMC could be up to 10% of the subtotal; above \$2 million, PMC could be up to 5% of the subtotal. PMC should be charged proportionately to focal areas based on focal area project financing amount in Table D below.

⁵ PPG requested amount is determined by the size of the GEF Project Financing (PF) as follows: Up to \$50k for PF up to \$2m (for MSP); up to \$100k for PF up to \$3m; \$150k for PF up to \$6m; \$200k for PF up to \$10m; and \$300k for PF above \$10m. On an exceptional basis, PPG amount may differ upon detailed discussion and justification with the GEFSEC.

Project Preparation Grant amount requested: \$20,000					PPG Agency Fee: 1,900		
GEF Agency	Trust Fund	Country/ Regional/Global	Focal Area	Programming of Funds	(in \$)		
					PPG (a)	Agency Fee ⁶ (b)	Total c = a + b
UNDP	CBIT	Bosnia and Herzegovina	Climate change	(select as applicable)	20,000	1,900	21,900
Total PPG Amount					20,000	1,900	21,900

F. PROJECT'S TARGET CONTRIBUTIONS TO GLOBAL ENVIRONMENTAL BENEFITS⁷

Provide the expected project targets as appropriate.

Corporate Results	Replenishment Targets	Project Targets
1. Maintain globally significant biodiversity and the ecosystem goods and services that it provides to society	Improved management of landscapes and seascapes covering 300 million hectares	<i>Hectares</i>
2. Sustainable land management in production systems (agriculture, rangelands, and forest landscapes)	120 million hectares under sustainable land management	<i>Hectares</i>
3. Promotion of collective management of transboundary water systems and implementation of the full range of policy, legal, and institutional reforms and investments contributing to sustainable use and maintenance of ecosystem services	Water-food-ecosystems security and conjunctive management of surface and groundwater in at least 10 freshwater basins;	<i>Number of freshwater basins</i>
	20% of globally over-exploited fisheries (by volume) moved to more sustainable levels	<i>Percent of fisheries, by volume</i>
4. Support to transformational shifts towards a low-emission and resilient development path	750 million tons of CO _{2e} mitigated (include both direct and indirect)	<i>metric tons</i>
5. Increase in phase-out, disposal and reduction of releases of POPs, ODS, mercury and other chemicals of global concern	Disposal of 80,000 tons of POPs (PCB, obsolete pesticides)	<i>metric tons</i>
	Reduction of 1000 tons of Mercury	<i>metric tons</i>
	Phase-out of 303.44 tons of ODP (HCFC)	<i>ODP tons</i>
6. Enhance capacity of countries to implement MEAs (multilateral environmental agreements) and mainstream into national and sub-national policy, planning financial and legal frameworks	Development and sectoral planning frameworks integrate measurable targets drawn from the MEAs in at least 10 countries	<i>Number of Countries: 1</i>
	Functional environmental information systems are established to support decision-making in at least 10 countries	<i>Number of Countries: 1</i>

PART II: PROJECT JUSTIFICATION

1. *Project Description.* Briefly describe: 1) the global environmental and/or adaptation problems, root causes and barriers that need to be addressed; 2) the baseline scenario or any associated baseline projects,

⁶ PPG fee percentage follows the percentage of the Agency fee over the GEF Project Financing amount requested.

⁷ Provide those indicator values in this table to the extent applicable to your proposed project. Progress in programming against these targets for the projects per the *Corporate Results Framework* in the [GEF-6 Programming Directions](#), will be aggregated and reported during mid-term and at the conclusion of the replenishment period. There is no need to complete this table for climate adaptation projects financed solely through LDCF, SCCF or CBIT.

3) the proposed alternative scenario, GEF focal area⁸ strategies, with a brief description of expected outcomes and components of the project, 4) [incremental/additional cost reasoning](#) and expected contributions from the baseline, the GEFTF, LDCF, SCCF, CBIT and [co-financing](#); 5) [global environmental benefits](#) (GEFTF) and/or [adaptation benefits](#) (LDCF/SCCF); and 6) innovation, sustainability and potential for scaling up.

A. The global environmental problem and/or adaptation problems, root causes and barriers that need to be addressed

Article 13 of the Paris Agreement provides for an enhanced transparency framework aiming to build mutual trust and confidence and promote the effective implementation of the actions identified under the NDCs (National Determined Contributions). Further, paragraph 90 of the Decision 1/CP.21 (Adoption of the Paris Agreement) determines that every country, with additional flexibility for least developed countries, shall report no less frequently than on a biennial basis their progress towards the implementation of their NDCs. These reports shall also include information regarding adaptation efforts and international support received.

Countries, regardless of their level of development, committed to contributing to reducing GHG emissions and to adaptation efforts as laid out in their NDC.

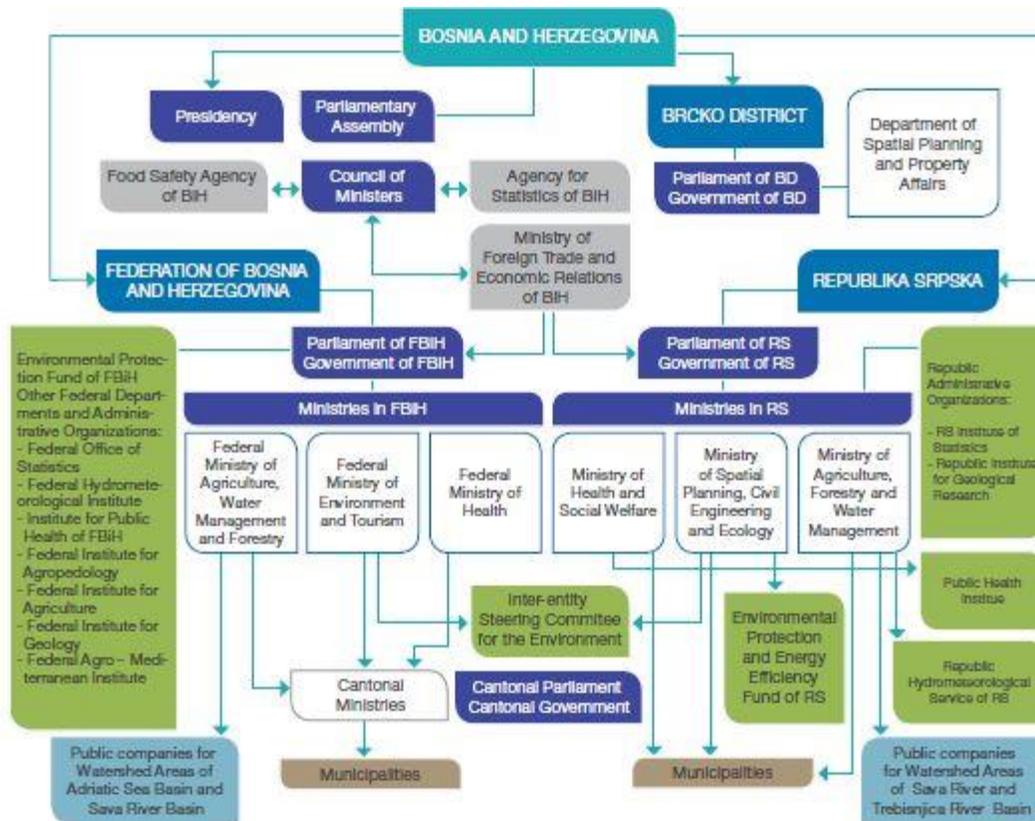
Achieving the 2 degrees target requires an integral transformational process that is based on information about performance of sectoral policies, financial flows and the impact of new adopted technologies, all of which will have to be provided through, inter alia, dynamic and multi-dimensional models and market intelligence to support decision making on a permanent basis.

These transparency provisions and the transformational change approach is causing Bosnia and Herzegovina to face substantial challenges.

Bosnia and Herzegovina (BiH) is a decentralized country comprising two entities (the Republic of Srpska and the Federation of Bosnia and Herzegovina) and Brčko District. The Federation of Bosnia and Herzegovina is sub-divided into 10 Cantons. The two entities and Brčko District manage environmental issues through laws, regulations and standards. The Bosnia and Herzegovina Ministry of Foreign Trade and Economic Relations has overall state responsibility for the coordination of activities and harmonizing of plans of the entities' governmental bodies and institutions at the international level, in energy, environmental protection, development and the exploitation of natural resources.

The institutional structure for the environment is as follows:

⁸ For biodiversity projects, in addition to explaining the project's consistency with the biodiversity focal area strategy, objectives and programs, please also describe which [Aichi Target\(s\)](#) the project will directly contribute to achieving.



source: State of environment report of BiH, 2012.

On climate change the corresponding authorities at the level of entities and Brčko District are as follows: the Ministry of the Environment and Tourism of the Federation of Bosnia and Herzegovina, the Ministry of Spatial Planning, Civil Engineering and Ecology of Republika Srpska (which is the UNFCCC Focal Point), and the Department for Spatial Planning and Property Affairs of Brčko District (BD).

When it comes to the issues related to climate change and overall environment protection, the most important challenge of BiH refers to the empowerment of institutional capacities to adopt and implement relevant strategic and legislative documents. Furthermore, capacity development and implementation of appropriate environment protection and climate change mitigation measures represent significant part of the obligations of BiH during EU accession process. As a matter of priority, the need for an effective coordination mechanism between various levels of government for the transposition, implementation and enforcement of EU laws remains to be addressed, to enable the country to speak with one voice on EU matters⁹.

⁹ Commission staff working document Bosnia and Herzegovina 2012 Progress Report accompanying the document Communication from the Commission to the European Parliament and the Council Enlargement Strategy and Main Challenges 2012-2013 {COM(2012) 600 final} Brussels, 10.10.2012 SWD(2012) 335 final.- p. 8. http://ec.europa.eu/enlargement/pdf/key_documents/2012/package/ba_rapport_2012_en.pdf;

Entities (Federation of Bosnia and Herzegovina and Republika Srpska) and Brčko District of BiH have adopted numerous environmental laws and subsequent secondary legislation in a long-lasting process of harmonization of their environmental legislations¹⁰. Still, achievement of successful harmonization has been possible only through joint actions of environmental administration at all levels in BiH. However, to date, climate change issues have been peripheral to most institutions in Bosnia and Herzegovina thus influencing insufficient number of provisions regulating these issues. Therefore, current strategic and legislative framework need improvements both in the field of its provisions and of its consistent implementation.

Distribution of responsibilities on specific components of environment among different institutions at entity, cantonal and municipal levels conduce the effective monitoring of state of the environment and consistent planning of its protection¹¹.

There are no clearly defined roles of certain ministries in terms of their jurisdiction for enacting, implementing and supervising policies, and measures related to climate change.

In addition, there are no plans for future capacity building, due to limited budgets of relevant institutions, which leads to lack of human and material resources. Significant constraints include the lack of specialized organizational units for climate change within relevant institutions, and lack of professional training and adequate skills for experts to be engaged in the activities to fulfill requirements of the UNFCCC.

Summing it up, the main difficulties apart from lack of resources (human, technical, financial) are lack of adequate expert institutions on any administrative level, such as Environmental Protection Agency, Nature Protection Institute, etc. Existing institutions relevant for environmental issues function separately, and not efficient enough, which entails more adequate functional linkage of existing institutions.

As a consequence, Bosnia and Herzegovina lacks mechanisms to monitor, report, and verify their mitigation and adaptation actions and policies and corresponding finance in a concise and robust manner to be able to generate forecasting scenarios and strategic (economic, investment, technological, among others) information for policymakers needed to support transformational change. The current processes of policy formulation, incentives, and other regulatory instruments required to achieve the de-carbonization of the economy are not defined and coordinated. Therefore, the enhanced transparency framework demands substantial and immediate progress in the countries' domestic MRV systems and strategic low-carbon development planning. Moving from often disintegrated, not consistently updated and different-methodologies-following data collections in the two different entities of BiH and among different sectors - to an integrated and robust system will require means and efforts to set up new transparency governance structures, develop and implement measuring and reporting methodologies, and update, implement, and integrate new data and information flows with pre-defined periodicity.

Concerning the technical barriers, it is important to stress that data collected on emissions are precise and fairly complete for major polluters, such as thermal power plants, heating plants, cement plants, iron and steel production. However, emissions' calculations of the energy sector have to be improved in areas such as: fuel use by industrial sectors for the steel industry, the

¹¹ State of the Environment of Bosnia and Herzegovina, 2012

metallurgy industry, agribusiness (food processing), forestry, the fishing industry, and agriculture; data on emissions from oil refineries in Brod and Modrica; fuel use in aviation, railways, and river transport; data on transported, stored, and refined oil and petrochemicals; data on natural gas transport and T&D losses; if available, data on marine and aviation bunker fuels (these were not available for the TNC); use of Energy balance for the proper calculation of emissions using the Reference Approach; Use of higher tier (Tier 2 and Tier 3) methodology for identified Key categories.

Furthermore, data collection and analysis in other key areas should be improved while the capacity strengthening shall continue to be one of the priorities. Onward, several landfills have to have data on waste composition, in order to extrapolate it on the state level, which would enable calculation of reliable degradable organic content (DOC), to move forward from using the default one. More detailed analyses should be undertaken of waste water discharge system all over the country. Furthermore, data on HFCs, PFCs and SF₆ emissions are completely missing, because the operator failed to fill in the questionnaire submitted by the Inventory team, and there was no other source of data. Therefore, the Law or a regulation defining obligations of operators to report and provide data for Inventory compilation should be adopted to be able to collect such type of information in future. There is a need to further improvement of data on fuel characteristics (heating values, content of sulphur, content of carbon, etc.) to be able to calculate national emission factors and to move to the higher tier. Therefore, better cooperation with statistical offices is needed. Statistical offices need to be involved in the Inventory preparation, either as permanent team members, or on ad-hoc basis, when needed. Furthermore, PRTR has to be established and operational while LULUCF inventory has to be established according to the IPCC GPG Chapter 3.

Concerning the mitigations, conducted analysis in five sectors (electricity production, district heating, transport, waste, agriculture/forestry) should be expanded in following areas: review of all relevant sectoral data and relevant policy and legal developments; analysis of mitigation activities at the cantonal, entity, and state levels; mitigation potential in key development sectors assessment, and abatement measures; progress of policies and actions to mitigate GHG from 2010, at BiH, entity and local levels; capacity enhancement on mitigation analysis and modelling etc.

Regarding adaptation, further activities should be focused on the continuation of expansion of modelling with focus on flood and drought threats, improvement of vulnerability analysis and addressing the knowledge gaps in the health and tourism sector. Additionally, modelling should be continuously supported by the identification of appropriate indicators for monitoring climate change and the development of recommendations on a system for collecting data for these indicators in database which should be stored at the entity Hydro meteorological institutes (HMIs).

B. The baseline scenario and associated baseline projects

As a non-Annex I country, BiH is obliged to submit national communications every four years while update reports on greenhouse gas emissions should be prepared and submitted on biennial basis. So far, BiH has prepared and submitted three national communications and two biennial update reports as follows: First national communication under the United Nations Framework Convention on Climate Change (adopted in 2010), Second national communication (adopted in 2013), First biennial update report on greenhouse gas emissions of Bosnia and Herzegovina under the United Nations Framework Convention on Climate Change (adopted in 2015) and Third National Communication and Second Biennial Update Report on Greenhouse Gas Emissions of Bosnia and Herzegovina under the United Nations Framework Convention on Climate Change (adopted by the Council of Ministers of Bosnia and Herzegovina on 23.05.2017 and hence submitted to the UNFCCC secretariat on 13.06.2017)

Most recently submitted BUR and NC

Institutional arrangements

The project “Bosnia and Herzegovina’s Third National Communication under the UNFCCC” was developed and implemented by UNDP CO in BiH in partnership with the Republika Srpska’s Ministry for Spatial Planning, Construction and Ecology, as focal point institution for the UNFCCC convention. The Second Biennial Update Report on Greenhouse Gas Emissions was also developed through the same project. The Ministry of Foreign Trade and Economic Relations of Bosnia and Herzegovina on state level, and the Federal Ministry of environment and tourism and Brcko District were also continuously consulted during the whole process of development of reports and have given their approvals on the final reports. Those institutions have built enhanced partnership and cooperation through project implementation. Technical and academic institutions such as hydro-meteorological institutes, faculties of mechanical engineering and faculties of natural sciences were included during the whole development phase (i.e. hydro-meteorological institutes are listed as authors of TNC and SBUR). Ministries in charge of agriculture, water management, forestry and energy were consulted in the areas directly related to their areas of responsibility.

The Project engaged 48 local experts, most of them employed by relevant public institutions in Bosnia and Herzegovina (i.e. hydro-meteorological institutes, faculties of mechanical engineering and faculties of natural sciences, ministries in charge of agriculture, water management, forestry etc.). All those experts extended their knowledge through researches that they undertook to develop this report thus influencing institutional capacities of responsible institutions in field of climate change monitoring and reporting.

The overall coordination of the project was responsibility of a Project Board, which was constituted of representatives of all the key BiH wide stakeholders. The Project Board was made up of one representative of the each of the following organizations: Ministry of Spatial Planning, Construction and Ecology of Republic of Srpska (Implementing Partner/Chair of the Project Board), Ministry of Foreign Trade and Economic Relations of Bosnia and Herzegovina (member), Ministry of Tourism and Environment of the Federation of BiH (member); and Brcko District Government (member) and UNDP BiH (member). The Project Board and Project Manager ensured that all key stakeholders were informed and involved in the important aspects

of the self-assessment process through a number of consultations, workshops and working meetings which bring together all the interested parties throughout the project lifespan.

Those reports have undergone the regular adoption procedure comprising of submission of the reports to the relevant ministries at state, entity level and Brcko District¹² for their revision and approval. Their comments have been discussed during the Project Board meeting and inserted into the reports. These versions have been delivered as final draft documents to the above mentioned responsible entity-level ministers (Ministry of spatial planning, civil engineering and ecology of Republika Srpska and Ministry of Environment and Tourism of FBiH) and Department for Spatial Planning, Property Rights Matters of the Brcko District for approval. After getting their written approval, reports are delivered to the state level Ministry of foreign trade economic relation of Bosnia and Hercegovina from where it is delivered to the Council of Ministers of BiH for adoption. Such decision delegate authority to the Ministry of Spatial Planning, Civil Engineering and Ecology of Republika Srpska (which is the UNFCCC Focal Point) to submit these reports to the UNFCCC Secretariat.

As a lesson learned from those processes, development of a unified and coordinated system for MRV has been recognized as way to enhance knowledge transfer and increase both stakeholder involvement and awareness amongst policy makers and general public, which would be strengthened through the project activities. Political commitment of responsible governmental authorities has a central, guiding role in acting as motivating actor and providing impetus to action at local level.

Institutions in Bosnia and Herzegovina (as in other countries) are facing with challenges that reduce the capacity of implementation of relevant activities identified within the reports. The key problems are as follows:

- Conflicting and overlapping mandates, poor coordination and lack of an efficient agreement.
- There is no overall supervision of environment and data collection system, resulting in a lack of systematic information on environmental protection.
- For the time being, different institutions are collecting different data without sufficiently developed coordination and unique databases.
- Data exchange and communication between institutions collecting data and governmental organizations is insufficiently developed, and there is no information exchange on existing data.
- Even though there are some data on environmental issues, those figures are either outdated, incomplete or inapplicable.

Current data on the environment, as well as statistical data more generally, are not shared between the entities, which prevents them from getting the complete picture of the links between development activities and environment quality or of indicators that could support and improve decision making.

¹² Ministry of Foreign Trade and Economic Relations, RS Ministry of Spatial Planning, Civil Engineering and Ecology, Federal Ministry of Environment and Tourism and Department for Spatial Planning, Property Rights Matters of the Brčko District

Administrative capacities in the environmental sector are still low. State bodies tackling environmental issues do not have the capacity to apply and/or implement legislative regulations at cantonal, entity and local level. Administrative capacities for environmental issues have not been developed, and there is no staff or funding allocated for this purpose.

GHG inventories

In its inventory elaboration, the Country had the opportunity to count with additional support by the Austrian Environment Agency which allowed to enhance further capacities through peer review and face to face training performed in order to produce subsequent national communications that meet CoP guidelines.

The GHG inventory in Third National Communication (TNC) and Second Biennial Update Report (SBUR) covers a period 2002-2009, and 2012 and 2013 and it displays the possible scenarios for sectors identified as having the greatest potential for GHG emission reductions: power sector, renewable energy sources, district heating, building sector, transport, agriculture, forestry and waste. This report also covers the revision of GHG emissions, as included in the First Biennial Update Report on Climate Change, for 2010 and 2011.

Total emissions in the inventory period vary from 16,170 Gg CO₂eq in 2002 (47.5% compared to the baseline of 1990) to 28,086 Gg CO₂eq in 2011 (82% compared to the baseline of 1990). After 2011, emissions are in decline and in 2013 it was 24,028 Gg CO₂eq, i.e. 70.6% of the emission in 1990. The most significant source of CO₂ emissions is the energy sector, which in this twelve-year period contributed with about 53% of total CO₂ emissions, followed by agriculture (14%), industrial processes (6%) and waste (5%). The share of emissions from other sectors in the total emissions during this period is about 22%.

The inventory has been compiled in line with the inventory development recommendations - UNFCCC Reporting Guideline as per Decisions 3/CP.5 and 17/CP.8, including the common reporting format (CRF) and the Revised 1996 IPCC Guidelines for National Greenhouse Gas Inventories, which specify reporting requirements under Articles 4 and 12 of the UNFCCC (Revised 1996 IPCC Guidelines for National Greenhouse Gas Inventories).

NDC and mitigation efforts

Bosnia and Herzegovina submitted its first NDC in October 2015, while the Paris Agreement was ratified 9.02.2017 by the Decision on ratification of the Paris Agreement under the United Nations Framework Convention on Climate Change (Official gazette of Bosnia and Herzegovina – international agreements, No. 01/17).

As expressed in the NDC, BiH's emission reduction commitment uses 1990 as a base year, with a timeframe up to 2030. It is an economy-wide contribution covering the following sectors: energy, industrial processes, agriculture, land use change and forestry (sinks) and waste management, each indicated with specific branches. Onward, the NDC includes information on following GHGs: carbon dioxide (CO₂), methane (CH₄) and nitrous oxide (N₂O).

Due to the granted access of BiH to international development/financial mechanisms and willingness of relevant institutions to absorb and cost-effectively use international mechanisms

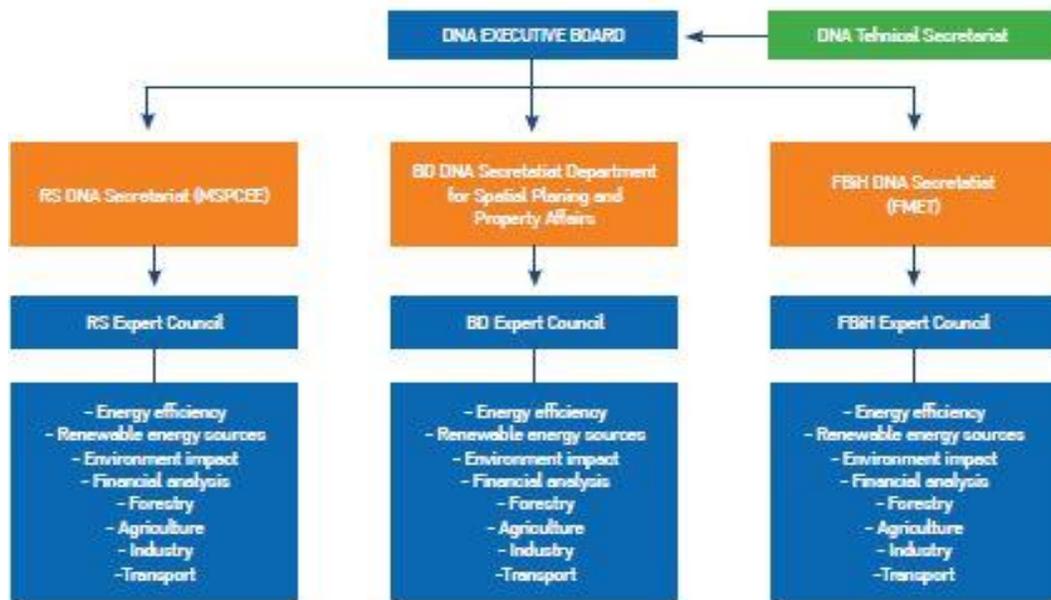
for the mitigation activities, NDC prescribes emission reduction by approximately 23% in 2030 relative to the baseline scenario, i.e. 3% compared to 1990 level. All the values (total emission) provided in the baseline, as well as in the given projections, are calculated without the absorption potential (emission sink) of forestry sector. Although the forestry sector is not included in the presented balance of emissions, it is important to note that the value of sequestration capacity is approximately 6.470 GgCO₂ in 2015 (1990 sinks – 7,423 GgCO₂), and that the emission projections intend to keep it on that level.

In support of climate change mitigation projects, Bosnia and Herzegovina has also established a Designated National Authority (DNA) for the implementation of Clean Development Mechanism (CDM) projects under the Kyoto Protocol of the UN Framework Convention on Climate Change. In 2015, Bosnia and Herzegovina established also a mechanism for approving and submitting NAMAs (Nationally Appropriate Mitigation Actions) to the UNFCCC NAMA registry, which was added to the existing activities of the DNA through a decision by the Council of Ministers. The purpose of this mechanism is to record the demand for international support for the implementation of NAMAs and to facilitate the matching of financial resources, technology and capacity building support with these measures.

In line with the amended Decision, and as presented in the First BUR, the DNA structure is composed of the Executive Board, the DNA Secretariats and the Expert Councils, each with different but closely-related functions.

- The Executive Board of the DNA is made up of appointed representatives from a) the Ministry of Foreign Trade and Economic Relations of BiH, b) the Ministry of Spatial Planning, Civil Engineering and Ecology of RS, c) the Ministry of Environment and Tourism of FBiH, and d) the Department for Spatial Planning and Property Affairs of Brčko District.
 - The Technical Secretariat of the DNA is established as part of the Executive Board within the Ministry of Foreign Trade and Economic Relations, to support the work of the Executive Board.
- The DNA Secretariats are each formed at the entity and Brčko District levels and they define and implement their respective NAMA policies, receive NAMA project proposals to be implemented in the territories of the entities and Brčko District in accordance with their jurisdiction; evaluate and adopt NAMA project documentation; submit NAMA project proposals to the Expert Council and seek expert assessment of project documents, and approve or reject NAMA projects.
- The Expert Councils of the DNA Secretariats in the entities and Brčko District consist of one expert representative for the area that is the subject of the NAMA project from each relevant ministry responsible for the environmental affairs, energy, industry, mining, agriculture, forestry and water management, economic relations and regional cooperation, transport and finance, etc. It is important to note that the areas with the greatest potential for climate change mitigation are defined, along with the identified NAMAs, in the Climate Change Adaptation and Low Emission Development Strategy for Bosnia and Herzegovina, which also represents the first comprehensive NAMA plan for BiH.
- The DNA Structure in Bosnia and Herzegovina is described in the figure below.

DNA structure: SNC, BiH, 2012.



Gaps and needs

As per summary report on the technical analysis of the first biennial update report of Bosnia and Herzegovina submitted on 12 March 2015, information and data collection and management are identified as one of the main challenges to enhance the quality of GHG inventories and provide better transparency when reporting on mitigation actions. It was also noted that information provided in Bosnia and Herzegovina's SNC regarding constraints and gaps related to institutional, legal, financial, technical and human capacity remains relevant for the BUR.

The TTE, in consultation with Bosnia and Herzegovina, identified 19 capacity-building needs related to the facilitation of reporting in accordance with annex III to decision 2/CP.17 and to the participation in ICA in accordance with annex IV to decision 2/CP.17, taking into account Article 4, paragraph 3, of the Convention. The key capacity-building needs prioritized by Bosnia and Herzegovina are summarized as follows:

- (a) Building capacity of institutions and experts involved in data collection, measurement and management, calculating emissions and emission factors, and research and projections of national GHG emissions;
- (b) Developing vertical and horizontal cooperation and coordination among competent institutions as well as information flow between responsible agencies and across sectors;
- (c) Integrating of climate change considerations in sectoral policies and strategies;
- (d) Raising private sector and public awareness regarding problems associated with climate protection and potential impacts of climate change;

- (e) Developing the weak institutional capacity to implement effective and forceful policies, such as economic instruments, that can change the behavior of people and institutions towards environmental protection;
- (f) Reporting information on the progress of implementation of the mitigation actions and the underlying steps taken or envisaged and the results achieved;
- (g) Addressing the lack of effective information networks, as well as standards for the processing and preparation of information to be fed into the network, as the biggest problem in implementing NAMA programmes;
- (h) Establishing an information network between NAMA projects and relevant ministries, in order to increase the flow of information on NAMA activities.

Concerning the limitations and obstacles reported in the TNC (as per Chapter 5 – Constrains and Gaps), suggested measures imply the implementation of various forms of research and building of a system of monitoring climate change impacts. Data exchange and communication between institutions collecting data and governmental organizations is insufficiently developed, and there is no information exchange on existing data. Current data on the environment, as well as statistical data more generally, are not shared between the entities, which prevents them from getting the complete picture of the links between development activities and environment quality or of indicators that could support and improve decision making. Administrative capacities in the environmental sector are still low. State bodies tackling environmental issues do not have the capacity to apply and/or implement legislative regulations at cantonal, entity and local level. Administrative capacities for environmental issues have not been developed, and there is no staff or funding allocated for this purpose. Furthermore, it is necessary to provide financial resources as one of the first steps in implementing these measures. At the same time, it is necessary to work on promoting understanding of the importance of climate change, and a special task is to preserve the established system and capacity, as well as strengthening their values. Members of the existing interdisciplinary expert group are in constant contact, and the group represents the seeds of future institutions that will eventually reach the level required for successful implementation of the activities foreseen by the Communication.

Finally as per current situation related to the NAMA setting in Bosnia and Herzegovina, general recommendations among experts are that it is necessary to improve the environmental integrity and transparency in data collection:

- Enact laws on climate change at entity level
- Designate institutions responsible for climate change activities
- Nominate climate coordinators
- Establish official structure for GHG reporting (inventory, policy, measures)
- Involvement of responsible expert institutions (such as Hydro meteorological institutes, faculties and statistical agencies) in the Inventory reporting
- Delegate responsibility for reporting on measures and policies to the ministries responsible for environment and energy at entity level
- Establish a state-level coordination; probably through Ministry of Foreign Trade and Economic Relations (MoFTER) or any other relevant body (as decided by the responsible institutions).

Further, current quality assurance and control (QA/QC) in the form of a peer review are implemented only for the GHG inventory of BiH, during documentation, data and results archiving. Data in spreadsheets are checked against reported estimates in final reports.

Published procedures on how to report, document and archive information, following IPCC guidance, are lacking. In summary, some QA/QC procedures are in place for the GHG inventory, but standardized procedures are still lacking for sectoral data and mitigation actions. This is particularly important for mitigation actions developed for reducing emissions associated to key source categories.

C. Proposed alternative scenario, GEF focal area strategies, with a brief description of expected outcomes and components of the project

The CBIT initiative would provide Bosnia and Herzegovina with an overarching structure across all sectors and key institutions that will ensure high quality in its transparency instruments, as well as creating the capacities to foster the improved adoption of MRV related data for policy decisions.

Additionally, it will ensure the establishment of a robust MRV/Enhanced transparency system from its design to its implementation stage, providing the country with robust and reliable data flows that will shape the design and monitoring of mitigation policies and actions consistent with the enhanced Transparency Framework under the Paris Agreement.

The CBIT funding will ensure an improved governance structure in BiH that would define clear roles and responsibilities within the institutions, standardized data protocols and methodologies.

The CBIT funding will also be used to improve the MRV of different key sectors within BiH. For this, new data and data flows will be generated via innovative surveys and studies that will provide periodic information for the development and monitoring of mitigation actions and policies. Moreover, specific training and capacity building in data analysis will provide the sectorial institutions with new tools to tap into data sources that historically have not been gathered.

Component 1: Strengthening the National Transparency Framework

Outcome 1.1: Strengthening institutions to improve monitoring and reporting praxis and to establish a domestic MRV system

Output 1.1.1: Revise relevant environmental and air protection laws related to monitoring and reporting on GHG emissions

In order to develop a sustainable system for the estimation of greenhouse gas emissions and their elimination in the long-term, it is recommended to revise relevant environmental and air protection laws in BiH in accordance with general requirements of the Directive (EU) no. 525/2013 on a mechanism for monitoring and reporting GHG emissions in order to stipulate

preparation and enforcement of secondary legislation which shall primarily establish mandatory data flow system between competent authorities with clear responsibilities and timing.

As indicated in the recently submitted Third National Communication of BiH inventory compliance and reporting system with regards to GHG in Bosnia and Herzegovina has not been established yet. There is neither formal framework nor agreement that defines the establishment of a system of GHG Inventory at the level of BiH, nor formalized role of institutions in these activities. Although in Republika Srpska the Law on Air protection (RS Official gazette, no.124/11) provides that the jurisdiction to conduct a greenhouse gas inventory lies with the republic administrative organization in charge of hydrometeorology, i.e. Hydro meteorological Institute of Republika Srpska, appropriate bylaws that govern the manner of keeping an inventory, its adoption, etc. have not been passed. There is no such jurisdiction prescribed at the level of FBiH, or Brčko District level and procedures for the BiH inventory are not legally prescribed as well.

The Project will review relevant environmental and air protection laws in Federation of BiH, Republika Srpska and BD which needs to be harmonized to prevent gaps and loopholes in development of a sustainable system for estimation of GHG emissions and their reduction in the long-term. This is particularly important as a key requisite for the BiH's EU accession process in terms of compliance with the general requirements of the Directive (EU) no. 525/2013, which requests countries to enable a mechanism for monitoring and reporting greenhouse gas emissions and for reporting other information at national and Union level relevant to climate change.

The related output would directly treat these issues and ensure relevant legislation and secondary legislation are in place in order to comply with these issues adequately, hence contribute to institutional strengthening and in particular to output 1.2 and 1.3. Due to the establishment of an inter-ministerial coordination committee (output 1.2) and domestic MRV system (output 1.3) the project will enhance and promote further cooperation and harmonization of approaches of environmental authorities in BiH in achieving BiH wide transparency framework, through a) analysis of existing legislative framework and results achieved in the implementation of climate action b) incorporation of lessons learned and c) provision of recommendations for adoption of standardized rules and regulations aimed at the establishment of a unified BiH wide transparency framework.

This output is particularly important for BiH's current efforts towards EU accession, as activities within the outputs are on the policy agenda of the relevant institutions. The political commitment and ownership is guaranteed through the endorsement of the Ministry of Foreign Trade and Economic Relations of BiH, the Ministry of Spatial Planning, Civil Engineering and Ecology of Republika Srpska (UNFCCC focal point), the Ministry of Environment and Tourism of the Federation of Bosnia and Herzegovina and the Department for Spatial Planning and Property Affairs of Brcko District for the Project proposal. It is noteworthy to state, that the process of endorsement of any project proposal goes through the process of approval of entity ministries, before the actual endorsement of the state level Ministry (MoFTER) is given; hence the political commitment is already shown at the proposal stage.

Output 1.1.2.: Establishment of an inter-ministerial coordination committee with all existing stakeholders (public sector, private sector, civil society, academia, etc.) in order to improve reporting praxis

Considering lack of coordination among different ministries, as well as other stakeholders in terms of the climate change data and policy making, the establishment of an Inter-ministerial coordination committee will support broad engagement from a broad range of stakeholders, share lessons learned and ensure linkages among key partners in order to serve as an enhanced coordination hub thus leading towards successful and efficient implementation of the enhanced transparency framework. The committee will serve as a platform for information and knowledge management sharing (meeting the obligations of Article 13) so as to efficiently compile data and information in reports and inventories for international review or analysis, on BiH level.

In line with regular procedures of the Ministry of Foreign Trade and Economic Relations of BiH, as coordinating institution in field of environment and climate change in BiH, and in collaboration and agreement with BiH's UNFCCC FP (Ministry of Spatial Planning, Civil Engineering and Ecology of Republika Srpska), a coordination committee will be established.

The committee will consist of representatives of:

- line Ministries such as Ministry of Foreign Trade and Economic Relations, the Ministry of the Environment and Tourism of the Federation of Bosnia and Herzegovina, the Ministry of Spatial Planning, Civil Engineering and Ecology of Republika Srpska and the Department for Spatial Planning and Property Affairs of Brcko District),
- Hydrometeorological institutes, from each of the two entities and the Brcko District
- Statistical agencies from each of the two entities and the Brcko District
- academia,
- civil society and
- private sector.

The coordination committee would be established by nominations of representatives of relevant existing institutions and their representatives and should be supported by the National Focal Point for the UNFCCC, and by the entity and BD governments. The secretariat function of the committee would be conducted by BiH's UNFCCC FP and supported by the project. The PPG phase of the project will clearly identify all of the relevant partners through organization of consultation meetings and identification of suitable approaches in establishment of the committee. During the project implementation, UNDP, in collaboration with the Ministry of Spatial Planning, Civil Engineering and Ecology of Republika Srpska will facilitate and support that this committee meets on regular basis (at least once in four months) and advocate for political commitment and joint development of recommendations for next steps in terms of facilitation and continuation of its functioning after the finalization of project and commitment of its members to support the committee in line with their resources. Apart from data generation, processing, and reporting, the committee would advise on the activities currently lacking within the climate change strategies: measuring progress of climate policies; data-driven policy making and identification of further opportunities.

Output 1.1.3: Design and implementation of a domestic MRV system

Considering the lack of information flow and data inputs among relevant institutions and different layers of government in BiH, the development of a domestic MRV system, including a clear definition of institutional arrangements, and an adjoining knowledge platform, would ensure better data flows and further capacitate the relevant ministries and their staff. Additionally, by strengthening institutional collaboration, this output would directly involve the Hydro-meteorological institutes, different statistics agencies and several data providers which would ensure better communication among the institutions and ensure that relevant data is available and reported on.

A knowledge-sharing platform would host all relevant procedures regarding transparency and data methodologies, serving as a centralized institutional backup for sectoral knowledge. The knowledge platform will be hosted by BiH's UNFCCC FP (Ministry of Spatial Planning, Civil Engineering and Ecology of Republika Srpska) in cooperation with Ministry of Foreign Trade and Economic Relations, the Ministry of the Environment and Tourism of the Federation of Bosnia and Herzegovina while other institutions in BiH will be gradually empowered to facilitate information flows among them while making strategic use of those data, which in turn will strengthen the business case for the usefulness and sustainability of such MRV system. Further, the sustainability of the knowledge platform will be assured also through the revision of relevant regulations (Output 1.1), which will be expected to include legally binding obligations for the use, maintenance and financial sustainability of such system.

The availability of sectoral methodologies for data generation and analysis for everyone would circumvent the problem associated with knowledge accumulation in single individuals. The platform could include an establishment of a digital library for methodologies and models associated with data generation, processing, measuring, and reporting.

In addition, it will serve as a database for GHG input data, emissions, and GHG mitigation and adaptation scenarios to be used for future reporting. This would be fully supported by a development of climate software including the development of mutual, functionally connected, web and desktop application. The purpose of this software would be to enable establishment of a climate information system based on three-tier architecture (database, server, application).

Main components of the software would be the following:

- Service and tools for automatic transfer of data on greenhouse gas emissions and other climate parameters into the centralized database using internet protocols.
- Web services for presentation and preparation of reports on climate parameters and greenhouse gas emissions in cartographic and tabular form.
- Services for automatic interpolation of existing data and automatic generation of maps on climate and greenhouse gas emissions and their presentation on geoportal.
- Desktop tools for automatic connection with database and integration of collected data into the adopted climate models with prediction of different scenarios.

The abovementioned committee would actively be involved in creation, maintenance and improvement of the software, and ensure that all relevant persons and/or institutions have access to all relevant information.

Apart from it, the platform would include links to all contents in close relation to GHG issues, such climate data, statistical data, water quality and quantity data, etc.

Component 2: Tools, training and assistance for meeting the provisions stipulated in Article 13 of the Agreement

Outcome 2.1: Improvement of GHG inventories and NDC information

Output 2.1.1: Improvement of the GHG inventory development process, including enhanced use of the IPCC 2006 guidelines, data collection and QA/QC.

This aggregated output will include the following priorities:

1) Improving QA/QC system to be used in future reporting.

This activity would provide assistance in establishment of clear QA/QC Program and Plan. This activity would lead to improvement of future reporting through establishment of a clear QA/QC system among institutions and key stakeholders.

The activity would assist in development of QA/QC procedures as well as proper organizational structure for their implementation, in terms of official defining and nomination of institutions in charge of climate change monitoring and reporting, with clear definition of roles and responsibilities for each institution involved. This would enhance inter-sectoral cooperation, and contribute to improved horizontal (entities and BD) and vertical (state-entities (BD)-cantons) collaboration, harmonizing the institutional coherence on all levels, and would enable BiH to plan adequately the low carbon development.

2) Improving data collection practices and emission calculations, in close collaboration with the statistical institutions.

As per TNC recommendations, this activity would aim to provide assistance in developing alternative calculation methods based on expert judgment, drivers and/or cluster analysis in cases when emission sources or sinks have occurred, but activity data could not be obtained. Therefore, this activity would aim at harmonization of data of statistical methodology with IPCC methodology requirements to the extent to which the methodological requirements of the IPCC coincide with the requirements and standards of the relevant statistical methodology.

In terms of improving MRV systems of different key sectors within BiH, this activity would provide new data access and data flows through generation of innovative surveys and studies that will provide periodic information for the development and monitoring of mitigation actions and policies. Moreover, specific training and capacity building in data analysis will provide the sectorial institutions with new tools to tap into data sources that historically have not been gathered. As recognized in the TNC, there are still several areas in the energy sector where data collection methodology can be improved. Some of the areas are: data on fuel use by industrial sectors for the steel industry, the metallurgy industry; data on emissions from oil refineries in Brod and Modrica; fuel use in aviation, railways, and river transport; data on transported, stored, and refined oil and petrochemicals; data on natural gas transport and T&D losses; if available,

data on marine and aviation bunker fuels (these were not available for the TNC); use of Energy balance for the proper calculation of emissions using the Reference Approach; Use of higher tier (Tier 2 and Tier 3) methodology for identified Key categories.

3) Enhanced support to national institutions in the use of 2006 IPCC guidelines and on the implementation of good practices for the improvement of the GHG inventory.

The implementation of the Fourth National Communication and Third Biennial Update Report is expected to start in May/June 2018 and will last for 4 years. The FNC is planned to be submitted to the UNFCCC by December 2021 while the TBUR will be submitted by December 2019 and it will include data on GHG emissions for 2017.

Therefore, the implementation plan of the FNC and TBUR project is fully aligned in terms of implementation of component 2 (Tools, training and assistance for meeting the provisions stipulated in Article 13 of the Agreement) and in **particular with this output**, which thus will support work on inventory to be included in the two aforementioned reports.

Having in mind that BiH will start using the IPCC 2006 Guidelines in its next GHG inventories and in an effort to enhance reporting and internalize processes, this activity **will expand the reach of the trainings, supporting a quick implementation of such guidelines, to a wide range of experts, including but not limited to ministries and institutions on state, entity and cantonal level in BiH, hydro-meteorological institutes, academia, private sector (e.g. industry and energy companies), statistical offices and civil society engaged in data analysis.**

Further, recipients of support under this activity will be trained also on the needed data for each tier, how to use emission factors and activity data, design and apply QA/QC procedures and develop uncertainty analysis. Customized trainings will be delivered to different sectors (such as transportation, energy sector, industry, agriculture, buildings, services, etc.) in order to have a higher impact and in line with different interests and level of familiarity with issues related to GHG inventory that could vary between different stakeholders/sectors.

Additionally, this activity will not only train stakeholders dealing directly with the GHG inventory but it will also be dedicated to support training of trainers. Training sessions and material used for those purposes will be further documented by creating a series of training packages/modules easily accessible to other interested users, such as civil society, universities, industry, private sector.

This activity will be significantly wider and more ambitious than the focus of FNC/TBUR, as the latter will be limited to provide general training on the 2006 guidelines to a core group of experts from agencies participating in the GHG inventory process, i.e. hydro-meteorological institutes and statistical agencies at the entity level.

This activity thus will finally also directly support the work foreseen under the other activities of this outputs (improvement of QA/QC system and data collection practices) by providing trainings to stakeholders once the aforementioned enhancements are in place, so to support their quick adoption. During the PPG phase, such training plans will be further expanded and detailed, based

on continuous interactions and discussions with the broad range of stakeholders mentioned above.

All these efforts will be instrumental to support wider group of stakeholders in understanding better the requirements of the guidelines and the importance of GHG inventories thus supporting a higher participation and engagement in the use of the knowledge platform as per output 1.1.3 and increasing the country's capacity to meet the requirements of the transparency framework under the Paris Agreement on Climate Change.

Output 2.1.2: Clarifying key NDC information, e.g. baseline projections including for business-as-usual targets, and assisting in reporting progress towards achieving BiH NDC

The output will include the following activities:

- 1) Review and revision of baseline projections of BiH's NDC using the 2006 IPCC guidelines, as projections were originally developed with previous IPCC methodologies (i.e. 1996 and 2003 GPC),
- 2) Support the establishment of the NDC national implementation plan, which is currently in the making, by supporting a broad participation, as well as training, by the private sector and civil society in the review and adoption of the specific sectorial targets.
- 3) Design and implementation of reporting templates and common guidelines to be adopted by three tiers of national stakeholders (public, private and financial sector) which will in turn improve the aggregated national data reported on support received and provided in future NCs/BURs, starting from those under implementation (4NC and 3BUR).
- 4) A series of training for public servants on key elements of NDC and the transparency framework to ensure ministries staff are fully aware of what is needed to track climate progress and support received

Output 2.1.3: Integrating gender considerations in NDC and enhanced transparency framework

This output will support the gender improvements in BiH made through the gender centres in both entities (RS and F BiH), ensuring gender equality and empowerment of women in the NDC and enhanced transparency processes. An emphasis will be given to analysis and disaggregation of impacts, beneficiaries, and interventions by gender. It will also support capacity building of the key gender institutions in BiH in their assistance on data collection and disseminating gender disaggregated data. This will contribute to higher gender responsiveness in the thematic issues of the project and fulfilment of BiH commitment towards a more gender empowerment processes.

Output 2.1.4: A regional peer exchange program in place to improve transparency related capacities through best practices and information and lessons learned exchange

Having in mind the similar situation that the region is facing in terms of climate change practices, transparency and reporting, a regional peer-exchange programme, initially supported by the UNDP/UNEP Global Support Program for NCs and BURs, would be strengthened in order to enhance the sharing of practices, exchange of information and lessons learned leading to enhancement of technical and institutional capacities, which are instrumental to meeting the

provisions stipulated in Article 13 of the Agreement. Such platform will be a virtual community supported by vis-à-vis meetings once/twice a year and limited inside the Balkans.

The output will facilitate the process of identification and communication with relevant institutional representatives from the region (Serbia, Croatia, Macedonia, Montenegro, Albania).

A network of relevant national institutional representatives and stakeholders would then be established, which would exchange inputs both virtually (on a continuous basis) and in person (once/twice a year) and on country specific practices and lessons learned.

This output will also focus on the exchange of experiences on the integration of gender and climate transparency, as per the initial regional meeting supported by the GSP and realized in Skopje in December 2017 (<http://www.un-gsp.org/event/regional-workshop-supporting-integration-gender-considerations-mrvtransparency-processes>)

The regional peer exchange program will be led and managed by the inter-ministerial coordination mechanism who will also act as the counterpart to neighbouring countries, also with the objective of spreading BiH' lessons learnt to others. This output will financially support both regional meetings to be held in Sarajevo (kick off meeting on gender and climate is expected to be held in November 2018) as well as limited missions inside the region. Virtual coordination will happen at no cost and will be further facilitated by the GSP.

As countries from the Region have several legal inheritance similarities, comparable sizes and shared interest toward EU accession, such exchange is expected to provide valuable inputs which could then be easily adopted in each participating Country.

This output will also provide inputs and will coordinate strongly with the CBIT Global Coordination Platform, jointly implemented by UNDP and UNEP.

D. Incremental/additional cost reasoning and expected contributions from the baseline, the GEFTE, LCDF, CBIT and co-financing

Current practice concerning monitoring, reporting and verification of mitigation and adaptation actions in Bosnia and Herzegovina lacks concise and robust approach which implies close cooperation and data exchange among responsible institutions from all levels in the Country. Through this project, the CBIT initiative would provide Bosnia and Herzegovina with mechanisms to ensure high quality in transparency instruments, capacity development to foster establishment and adoption of MRV system by ensuring an improved governance structure in BiH that would define clear roles and responsibilities within the institutions, standardized data protocols and methodologies.

Having in mind current situation regarding capacities of relevant institutions from all levels in BiH, in-kind contribution of responsible ministries from State and entity levels (Ministry of Foreign Trade and Economic Relations of, Ministry of Spatial Planning, Construction and Ecology of RS and Federal Ministry of Environment and Tourism) in the amount of 100,000 USD is intended for the realization of first component of the Project (Strengthening the BiH wide monitoring and reporting system and transparency framework). Reasoning for such approach is in the fact that main outcome of this component refers to strengthening of BiH wide institutions to improve monitoring praxis and use its results to lead the low carbon development

processes and informed decision making. Furthermore, in-kind contribution of Hydro-meteorological institute in amount of 50,000.00 USD is intended for the realization of second component of the project (Elaborating and implementing training and assistance for meeting the provisions stipulated in Article 13 of the Agreement) as country-specific trainings for capacity building on IPCC guidelines and MRV are planned to be realized within this component.

The proposed CBIT project is closely related with “Bosnia and Herzegovina’s Fourth National Communications/Third Biennial Update Report to the UNFCCC” as it intends to overcome shortcomings in information sharing, data collection and management related to monitoring, reporting and verification of mitigation and adaptation actions and improve transparency framework under the Paris Agreement on Climate Change. Therefore, similar stakeholders will be involved in realization of these two projects (Ministry of Foreign Trade and Economic Relations of BiH, Ministry of Spatial Planning, Construction and Ecology of RS, Federal Ministry of Environment and Tourism and Department for Spatial Planning and Property Affairs of Brcko District together with Hydro-meteorological institutes of both entities). As similar stakeholders will be involved both in preparation of FNC and TBUR and implementation of CBIT project, such approach will enable generation of CBIT project inputs into the process of preparation of FNC and TBUR thus increasing the overall quality and efficiency of climate change reporting system in BiH.

Coordination with stakeholders from government and non-government sectors will enable exchange and dissemination of information on development of new climate-related projects in BiH. Furthermore, CBIT project will cooperate with other relevant UNDP climate change projects such as: “Technology transfer for climate resilient flood management in Vrbas River Basin”, “Regulatory Framework for Tariff Setting in Water Supply and Sewerage Services in Bosnia and Herzegovina” and “Disaster Risk Reduction Initiative in Bosnia and Herzegovina”.

E. Global environmental benefits

The global environmental benefits targeted by this project will flow from the improved coordination and capacity to monitor and report action to address the drivers and impacts of climate change in a transparent manner. This project supports enhancing the capacity of Bosnia and Herzegovina to implement Paris Agreement and mainstream its provisions into national and sub-national planning, financial and legal frameworks in order to integrate measurable targets into relevant strategic planning and build functional environmental information systems to support establishment of transparent decision-making system.

The project supports both the upgrade and establishment of transparency frameworks and immediate progress in domestic MRV systems. Over time, this system will help moving from disintegrated, not consistently updated data collections within the Country and among different sectors to an integrated and robust system of information which enable generation of forecasting scenarios and preparation of strategic information (such as economic, investment, technological) for policymakers. To achieve this, project will support setting up new transparency governance structures, develop and implement measuring and reporting methodologies, and update, implement, and integrate new data and information flows with pre-defined periodicity.

The project directly supports Bosnia and Herzegovina to adopt transformational shift towards low-emission and resilient development. As a result, global environmental benefits can also be expected in the form of enhanced contributions from Bosnia and Herzegovina to collective

global efforts to work towards aggregate emission pathways consistent with holding the increase in the global average temperature to well below 2 degrees Celsius above pre-industrial levels.

F. Innovation, sustainability and potential for scaling up

The proposed project is innovative in the light of the integration of the components below into BiH' enhanced transparency framework, in a way that previous NCs and BURs had not been able to achieve:

- (1) Development of a MRV system targeted towards informed policy making
- (2) Improvement of climate data
- (3) Creation and institutionalization of a technical climate planning unit

Further the project will allow the sustainability of its actions by enhancing and embedding the enhanced transparency framework into BiH institutionality, thus engaging appropriately a wide range of stakeholders into the provisions of the Paris Agreement, including senior policy makers. Through CBIT, institutions will significantly increase their ownerships over the MRV processes already in place (while so far UNDP had to play a key coordinating role in previous NCs and BURs) and will gradually dedicate their resources (human and financial) to make such framework fully sustainable before the project ends. A full engagement by key institutions will also drive a scaling up -at all levels- of the measures included in this project.

2. Stakeholders. Will project design include the participation of relevant stakeholders from civil society organizations (yes /no) and indigenous peoples (yes /no)? If yes, identify key stakeholders and briefly describe how they will be engaged in project preparation.

Project implementation will involve the representation of different array of stakeholders as follows: Ministry for Foreign Trade and Economic Relations, which oversees environmental issues at the country level; it will also include two entity-level ministries (the Ministry of Spatial Planning, Construction, and Ecology of RS and the Federal Ministry of Environment and Tourism for FBiH).

- Several other state and entity level institutions will play key roles in the implementation of project activities. The two entity-level hydro-meteorological institutes (HMIs) have an important role in providing climate data and climate projections, as they are responsible for hydro-meteorological data collection. In Republic of Srpska, the HMI is also tasked with the creation of a GHG inventory for that entity. The entity-level ministries responsible for environment (the Ministry of Physical Planning, Construction, and Ecology of RS and the Federal Ministry of Environment and Tourism for FBiH) are important considering their role related to elaboration of the GHG Inventories and in sectoral emissions projections and mitigation scenarios.
- Furthermore, entity-level statistical institutes are also important stakeholders considering their important role as information providers for the GHG inventories. It will also be very important to support the close cooperation of the statistical agencies with the entity-

level HMIs in order to move towards the systematic, ongoing collection of high-quality emissions data.

- The following sectoral ministries at entity level will also benefit from capacity strengthening activities under the project: the Federal Ministry for Energy, Mining and Industry, RS Ministry for Industry, Energy and mining, Federal Ministry for Agriculture, Water Management, Federal Ministry of Transport and Communication, and RS Ministry of Transport and Communications. The technical staff from the above ministries will take part in capacity building activities for identification, preparation and implementation of different activities, while decision makers will play a key role in prioritization of identified measures.
- Research institutions (the Agricultural Institute and Economics Institute) and academia (the Faculties of Mechanical Engineering and Faculties of Sciences in both entities) will play a key role, especially in relation to capacity building and information sharing activities.
- Private sector and academia will also have an advisory role in identification of mitigation actions and their environmental, social and economic impacts. Stakeholders from private sector include representatives of energy industry (hydropower plants) and the petrochemical, metallurgical, and mining industries.
- Regarding CSO, there have been so far limited opportunities for civil society engagement in BiH due to financial, human resource and political constraints. In order to find a solution to this situation, civil society and ownership and thus organizations will be invited to play a role in the inter-ministerial committee, as mentioned under Outcome 1., when needed and relevant. Consequently, participation in committee will enhance the CSOs capacities to cooperate with governmental bodies and to advocate for their higher involvement in the climate-related policy agendas constantly improving the transparency framework in BiH. The civil society will be represented via the most active organizations in the environmental and climate change thematic areas in BiH which would be specifically identified through the consultation process during the PPG phase.

3. *Gender Equality and Women's Empowerment.* Are issues on [gender equality](#) and women's empowerment taken into account? (yes /no). If yes, briefly describe how it will be mainstreamed into project preparation (e.g. gender analysis), taking into account the differences, needs, roles and priorities of women and men.

An active involvement of women in the design of the BiH transparency and reporting mechanisms will be ensured. Additionally, it tackles cross-cutting structural issues generated by the gender gap, such as inequality and poverty. Gender disaggregated data as part of the MRV system will help visualize these problems and directly associate them with climate change, the different sectors, and policy-making.

Gender will be mainstreamed through project preparation by integrating recommendation of the Gender responsive national communications toolkit. The toolkit works for making the process of reporting more transparent in terms of whose involved, whose views are represented, gender-differentiated risks, and the types of support men and women need to influence climate adaptation, mitigation, policymaking and reporting (<http://www.un-gsp.org/news/gender-responsive-national-communications-toolkit>).

Additionally, the project will, directly through one of the activities (2.1.3), support the gender improvements in BiH ensuring gender equality and empowerment of women in the NDC and enhanced transparency processes. It will also support capacity building of the key gender institutions in BiH in their assistance on data collection and disseminating gender disaggregated data.

4.Risks. Indicate risks, including climate change, potential social and environmental risks that might prevent the project objectives from being achieved, and, if possible, propose measures that address these risks to be further developed during the project design (table format acceptable).

Risk

Project Risk	Rating	Mitigation
Ministries have limited number of technical experts at their disposal due to budgetary constraints	High	Capacity building activities implemented by CBIT will increase the number of MRV experts in key institutions
Poor project coordination and limited alignment among governments of BiH	Low	On the top-down level, UNDP is an experienced GEF implementing agency and has a solid and long-standing relation with the Ministry of Foreign Trade and Economic Relations of BiH, as the GEF Operational Focal Point. This will help ensure the timely implementation of the project. Relevant partner ministries will appoint a dedicated focal point amongst its staff that will coordinate the implementation on the ground.
Impact Risk	Rating	Mitigation
Imperfect retention of capacities in ministerial staff	Low	The risk is considered low for three reasons: (I) overall turnover amongst technical staff in the ministries tends to be low; (II) the capacity building activities will be directed towards a group of relevant employees within each ministry, ensuring that a wider range of employees will receive the training and, thus that the capacity will be retained; (III) the development of the knowledge management platform will ensure that the technical knowledge provided by the project will be ingrained in the institutions.
Ministerial technical staff capacity for data generation and processing is limited	Low	The project's capacity building process is designed to consider the complete chain of data analysis: Data generation tools, data processing instruments and training in the usage of the new and existing data flows for policy assessment and design. Moreover, the knowledge management platform will guarantee that the acquired knowledge will remain in

		the institution.
Sustainability of the regional peer exchange program	Low	Objective is to create a virtual community supported by occasional vis-à-vis meetings. As all Balkan countries have the ambition to join the EU, such collaboration scheme is expected to be embedded in the long term inside EU schemes.
Sustainability of the knowledge platform	Medium	The project will initiate the establishment of inter-ministerial coordination committee which will be hosted by the UNFCCC Focal point in cooperation with other relevant ministries. UNDP will additionally ensure and support this committee during the project implementation and advocate for political commitment and joint development of concrete recommendations for next steps in terms of facilitation and continuation of its functioning after the finalization of project and commitment of its members to support the committee in line with their resources.
Sustainability of the climate software	Medium	The project will initiate and facilitate the functioning of the knowledge platform thus supporting active involvement of its members in creation, maintenance, and improvement of the software, and ensure that all relevant persons and/or institutions have access to all relevant information. Besides, legally-binding obligation for maintenance of knowledge platform, probably prescribed by relevant by-law or rulebook, should include detail description of data flows and data inputs and definition of jurisdictions and responsibilities of all institutions involved in the knowledge platform which will directly contribute to the sustainable maintenance and usage of climate software.
Political authorities may not prioritize the obligations defined under the Paris Agreement.	Low	Obbligations defined under the Paris agreement and EU access requirements will support the strengthening of a BiH wide enhanced transparency framework to be highly-ranked on the political agenda.

5. *Coordination.* Outline the coordination with other relevant GEF-financed and other initiatives.

The proposed CBIT project is closely aligned and coordinated with “Bosnia and Herzegovina’s Fourth National Communications/Third Biennial Update Reports to the UNFCCC” whose PIF was recently approved by GEF, as it intends to overcome shortcomings in monitoring, reporting and verification of mitigation and adaptation actions that have been recognized and reported in previous Communications of the BiH.

In particular, inputs generated by the CBIT project will provide feedbacks and key information to the implementation of the third BUR and fourth National Communications, which will be expected to improve substantially their quality.

At the time being, no other transparency related project is expected to happen in BiH.

6. *Consistency with National Priorities.* Is the project consistent with the National strategies and plans or reports and assessments under relevant conventions? (yes /no). If yes, which ones and how: NAPAs, NAPs, ASGM NAPs, MIAs, NBSAPs, NCs, TNAs, NCSAs, NIPs, PRSPs, NPFE, BURs, INDCs, etc.

As this project intends to deal with limitations and obstacles reported in the TNC/SBUR (i.e. insufficient data and information exchange between institutions collecting data and governmental organizations), it is important to stress its consistency with the national climate change reporting documents. Further this project is directly consistent with BiH's NDC as its component 2 is inter alia aimed at improving BiH's capacities to track its progress. As mentioned BiH has adopted the Strategy for Climate Change Adaptation and Low Emission Development Strategy for Bosnia and Herzegovina (in 2013) as the first BiH strategic document relevant for climate change issues. The project will contribute to solving priorities identified in the Climate Change Adaptation and Low Emission Development Strategy given in the table below:

Planned Outputs for delivering the Adaptation Strategy of the Climate Change Adaptation and Low Emission Development Strategy for Bosnia and Herzegovina	Related project component where the output is addressed
Strengthened cross-government and sectoral coordination, through building the capacity of the Inter-entity body for environment, as the coordinating body for the implementation of the strategy. (capacity building and support for meetings, workshops).	Component 1: Strengthening the BiH wide Transparency Framework
Improved understanding and awareness of climate change, risks, vulnerability and adaptation approaches in key institutions through capacity building (a programme of training events for staff from government, research and civil society organizations on thematic topics).	Component 2: Tools, training and assistance for meeting the provisions stipulated in Article 13 of the Agreement
Processes for climate risk/vulnerability screening and incorporation for development policies and plans developed and implemented (consultancy and training workshops).	Component 2: Tools, training and assistance for meeting the provisions stipulated in Article 13 of the Agreement (Output 2.1.1: Capacity building of existing relevant institutions and implementation of good practices for joint GHG inventory in place, activity 1) Capacity building of existing relevant institutions on the use of 2006

	IPCC guidelines and on the implementation of good practices for the improvement of the GHG inventory and Output 2.1.4: A regional peer exchange program in place to improve transparency related capacities through best practices and information and lessons learned exchange)
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7. *Knowledge Management.* Outline the knowledge management approach for the project, including, if any, plans for the project to learn from other relevant projects and initiatives, to assess and document in a user-friendly form, and share these experiences and expertise with relevant stakeholders.

The project adopts two core knowledge management approaches: (1) Dissemination and maintenance of on-line based database and learning forums; and (2) Promotion of knowledge sharing culture and coordination with other relevant sectors. Knowledge products will be fully translated into local languages for better dissemination and integration. The project aims to promote knowledge sharing culture and coordination for data collection and analysis in both Bosnia and Herzegovina, in the region and globally (via related CBIT proposals). Nationally, this includes an enhanced coordination among existing databases of line ministries, local governments, and non-governmental sector on climate change related data.

The project implementing team will benefit from the information and lessons-learned generated by other similar UNDP/CBIT initiatives as well as from the CBIT Global Coordination Platform. During the project, social media will be used to augment the outreach, and associated tools, findings, or manuals, will be posted for public consumption.

PART III: APPROVAL/ENDORSEMENT BY GEF OPERATIONAL FOCAL POINT(S) AND GEF AGENCY(IES)

A. RECORD OF ENDORSEMENT¹³ OF GEF OPERATIONAL FOCAL POINT (S) ON BEHALF OF THE GOVERNMENT(S):

(Please attach the [Operational Focal Point endorsement letter](#)(s) with this template. For SGP, use this [SGP OFP endorsement letter](#)).

NAME	POSITION	MINISTRY	DATE (MM/dd/yyyy)
Mirko Šarović	Minister, GEF Political Focal Point	MINISTRY OF FOREIGN TRADE AND ECONOMIC RELATIONS	NOVEMBER 22 ND , 2017
Senad Oprašić	GEF Operational Focal Point	MINISTRY OF FOREIGN TRADE AND ECONOMIC RELATIONS	NOVEMBER 22 ND , 2017

¹³ For regional and/or global projects in which participating countries are identified, OFP endorsement letters from these countries are required even though there may not be a STAR allocation associated with the project.

B. GEF AGENCY(IES) CERTIFICATION

This request has been prepared in accordance with GEF policies¹⁴ and procedures and meets the GEF criteria for project identification and preparation under GEF-6.

Agency Coordinator, Agency name	Signature	Date (MM/dd/yyyy)	Project Contact Person	Telephone	Email
Adriana Dinu, UNDP GEF, Executive Coordinator		Re-submission: 05/03/2018 1 st Submission: 01/14/2017	Damiano Borgogno	+90 850 288 2629	damiano.borgogno@undp.org

C. ADDITIONAL GEF PROJECT AGENCY CERTIFICATION (APPLICABLE ONLY TO NEWLY ACCREDITED GEF PROJECT AGENCIES)

For newly accredited GEF Project Agencies, please download and fill up the required [GEF Project Agency Certification of Ceiling Information Template](#) to be attached as an annex to the PIF.

¹⁴ GEF policies encompass all managed trust funds, namely: GEFTF, LDCF, SCCF and CBIT