

EU Recommendations - Horizontal issues and international conventions

- **Overarching recommendations for Environment and Climate:** BiH is urged to fully implement the Sofia Declaration on the Green Agenda for the Western Balkans, and to strengthen efforts to move towards a circular, climate-neutral, resource efficient and competitive economy.
- Under the lead of MoFTER, and on the basis of an agreed single integrated plan (Q3/2023), BiH should urgently start implementing the BiH Environmental Approximation Strategy (EAS), adopted in May 2017. This should align with EU *acquis* developments and accordingly ensure revision, transposition and implementation of environmental legislation, countrywide. There should be annual reporting on progress.
- Complementing the countrywide BiH Environmental Approximation Strategy, BiH should then adopt the consolidated countrywide Environmental Protection Strategy and Action Plan (Q4/2023), to ensure sound strategic planning in the environment sector and that implementation will take place in a coordinated and harmonised manner.
- BiH needs to ensure harmonised countrywide alignment with the Directives on Environmental Impact Assessment (EIA) and Strategic Environmental Assessment (SEA) (Q4/2023) and considerably strengthen their enforcement, as well as implementation of provisions related to public access to environmental information and public participation in the decision-making process.
- To make progress in the area of environment, enhancing environmental protection and aligning with the EU *acquis*, BiH needs to strengthen its administrative capacities and monitoring systems and clearly improve inter-institutional coordination among relevant authorities.
- BiH needs to provide the - currently lacking - clear, consistent and consolidated information on progress made, to avoid fragmented or separate uncoordinated actions.
- To enhance the implementation of environmental conventions to which BiH is a signatory party and in order to ensure undisputed representation and systematic reporting on behalf of BiH, BiH should urgently formalise a procedure for appointment of the National Focal Point for BiH (Q3/2023).

EU Recommendations - Progress on a countrywide harmonised alignment and implementation of EU *acquis* and efforts to address it in a consistent and coordinated manner in subsector strategies

- BiH is encouraged to improve its existing legislation (including the Water Laws) to further align with EU water related *acquis*, including on urban wastewater treatment, drinking water and floods. This should be done in a coordinated and harmonised manner, also to ensure sustainability of investments, such as on Wastewater Treatment Plants.
- BiH needs to commit to and implement the necessary reforms in this area to complement donors' efforts and enable sustainability and sound management of the water sector.
- BiH should adopt a countrywide strategy on waste management (Q4/2023) to provide a coordinated approach to addressing the country's priorities and to ensure harmonised alignment with the EU *acquis*, which is of particular importance in the context of circular economy and the Green Agenda for the Western Balkans.
- BiH should increase efforts to apply the waste hierarchy principles, including efficiently addressing various waste-streams, and begin preparations (Q3/2023) for legislation to align with the EU Plastic Strategy and Single Used Plastics Directive.
- BiH should develop a countrywide strategy to systematically and efficiently combat air pollution and to align its legislation with the EU *acquis*, in close coordination between all levels of government (Q4/2023).
- BiH should accelerate the establishment of a coordinated and well-functioning countrywide air monitoring network, to provide for reliable data for BiH government and citizens.
- BiH should align with the EU Directive on the reduction of national emissions of certain atmospheric pollutants (Directive (EU) 2016/2284) notably by accelerating improvement of the emission inventories, enabling functioning of Pollutant Release and Transfer Register and the related work on full ratifications and implementation of the Air Convention and its protocols. (Q4/2023)
- BiH should further align with the Industrial Emissions Directive (Q1/2024) and establish a functioning countrywide Pollutant Release and Transfer Register (Q1/2024), enabling public access and the transmission of collected data to the EU institutions.
- BiH should proceed with the ratification of the Protocol on Pollutant Release and Transfer Registers to the Aarhus Convention (Q1/2024).
- BiH should ensure the implementation of the National Emission Reduction Plan and adopt the technical and financial measures necessary for that purpose (Q4/2023).
- In light of its importance under the EU Green Deal and BiH high potential in this area, BiH needs to make progress in the area of nature protection / Biodiversity. For that, BiH needs to step up alignment with EU relevant *acquis* (including the above-mentioned EIA and SEA Directives) and enforce mechanisms for nature and biodiversity protection. (Q4/2023)
- BiH should undertake significant efforts to align and implement countrywide the EU *acquis* on environmental noise. (Q4/2023).

EU Recommendations - Union Civil Protection Mechanism (UCPM)

- As a participating state of the Union Civil Protection Mechanism (UCPM), BiH should actively participate in the activities under the Mechanism (trainings, exercises, meetings of the expert working groups, applying for projects), including registering capacities in the civil protection pool.
- BiH should implement its existing internal procedures to coordinate when sending international assistance (Q3/2023).
- BiH should finalise ratification of the Administrative Agreement on joining the UCPM (Q2/2023).
- BiH should report on the follow-up and implementation of the set of targeted recommendations of the Peer Review Report with short-, medium- and long-term horizon. (Q3/2023)
- BiH shall take the necessary steps to introduce of the European Single Emergency Number 112. The Entities' and Brcko District governments should adopt the Feasibility study 112 (to be finished in July 2023, so Q3/2023) and its recommendations. In parallel, BiH should take the final steps to establish the legal basis and undertake all other necessary steps to be ready to implement the 112 European single emergency number. (Q4/2023)

EU Recommendations – Climate action

- To ensure a strategic approach on systematic alignment with the climate *acquis* and its effective implementation, BiH should draft (Q4/2023) and adopt (Q2/2024) a Climate Law.
- BiH should prioritise alignment with the Governance Regulation (Q2/2024), MRV-legislation (Q2/2024) and the EU Emissions Trading System.
- BiH needs to take into account all relevant strategies and respective plans, particularly in the energy sector, to facilitate the implementation of the Paris Agreement and enable decarbonisation of the country's economy, in line with the objectives of the Green Agenda for the Western Balkans, to which it has committed.
- BiH needs to finalise and provide the draft integrated national energy and climate plan (NECP) to the Energy Community Secretariat by 30 June 2023 and adopt it, in line with the Energy Community's recommendations (Q2/2024).
- BiH should urgently report on the implementation of the updated National Determined Contribution (NDC) 2020-2030 under the Paris Agreement (Q2/2023).
- In order to not miss the opportunities of the green transition, BiH should focus on a coal phase-out and investment in renewables, improve and strengthen its administrative structure and the inter-institutional cooperation on climate change, in order to step up climate action in a sustainable manner, beyond the current project-by-project basis. This applies in particular to the implementation of the Nationally Determined Contribution which is country/economywide. Awareness raising activities should also increase.

EU Recommendations - Regional Development

- BiH needs to strengthen the institutional and administrative capacity in terms of programming, implementation, monitoring and evaluation of EU funds to improve its level of preparedness to implement the EU Regional Policy.
- BiH has to improve the process of prioritisation of planned intervention in the context of programming EU funds, and in particular adopt as soon as possible the required single project pipelines on energy (Q3/2023) and review the single project pipeline for environment (Q3/2023) to make sure that they are in line with the goals of the Green Agenda for Western Balkans.
- BiH should urgently adopt the overdue countrywide Regional Development Strategy to valorise the development potential of all regions and to reduce the regional and local disparities in BiH (Q2/2024).
- BiH should become more active in all macro-regional strategies (EUSAIR and EUSDR), embed them into its national and regional development strategic documents and implement them by all available sources of funding (Q2/2024).

EU Recommendations - Energy Community Treaty obligations

- BiH should proceed with developing its integrated National Energy and Climate Plan (NECP) in consultations with all relevant stakeholders and submit the draft plan to the Energy Community Secretariat for review by 30 June 2023, addressing inter alia in an integrated way renewable energy targets, policies and measures under the “decarbonisation of the economy” dimension of the NECP, and should adopt it by Q2/2024.
- BiH should urgently align its legislation at State level in the field of electricity and gas with the Third Energy Package and Clean Energy Package, thus preventing further delays in opening of energy markets, unbundling and market coupling, establishing a day-ahead and intraday electricity markets, and making further progress in connectivity reform measures (Q3/2023). The State level legislation must be followed by fully harmonised entity laws (Q1/2024).
- BiH needs to rectify all identified violations of the EU and Energy Community Treaty acquis and in particular as concerns State Aid and to end immediately all financing to new coal infrastructure that are subjects of infringement procedures (Q1/2024).
- BiH needs to join the regional guarantees of origin platform, in order to enable additional revenue to the renewable energy producers. Even though the electronic registries were created and can be utilized by the energy regulators, the designated issuing bodies still have not signed the direct agreements with the service provider to enable the system to operate. (Q2/2023)
- The new elected FBIH Parliament needs to adopt set of laws (law on energy, law on renewables energy resources and law on electricity) in light of all the benefits that the adoption of these laws would bring for the country (Q4 2023)
- BiH needs to adopt and implement a comprehensive building renovation strategy to improve energy efficiency and demand reduction measures, including required legislation, and incentives for private sector and households. (Q4/2023)
- BiH needs to align with and implement the Risk-preparedness Regulation to increase resilience in the event of another energy crisis (Q4/2023).

EU Recommendations - TEN-E and Connectivity

- BiH should proceed, in close coordination between all levels of government and in consultation with civil society, with implementing the state-level and entity action plans under the countrywide framework energy strategy, with the aim to reflect the goals of clean and sustainable energy transition in its energy strategy and energy mix. BiH should pay particular attention to environmental and climate change concerns and related acquis obligations, such as effective Environmental Impact Assessments and Strategic Environmental Assessments, with regard to all ongoing and planned investment projects in the area of energy generation.

EU Recommendations - Internal Energy Market

- BiH should take concrete steps towards long overdue structural reforms at entity level, such as legal and functional unbundling of distribution system operators with the provisions of the Third Energy Package, including the separation of distributed generation and functional unbundling (Q4/2023). In addition, Republika Srpska needs to continue with phase-out of the regulation of generation prices (Q2/2024).
- BiH should adopt (Q1/2024) and enforce a new law for adequate restructuring, certification and operation of the Transmission System Operator, as well as to ensure the possibility to tender for a Nominated Electricity Market Operator (NEMO) (Q3/2023) to develop day-ahead and intraday electricity markets.
- BiH should increase its efforts to replace the currently acting BiH Electricity Transmission Company (TransCo) management by appointed and operational management structures (Q3/2023). This includes the position of the General Director and respective managements and supervisory board structures, including the appointment of supervisory board members of the Independent System Operator (ISO) whose mandates have expired.

EU Recommendations - Renewable energy

- BiH should align with the EU *acquis* on renewable energy sources, in order to establish a legal framework at State level that coordinates and defines respective responsibilities of national, regional and local administrative bodies for authorisation, certification and licensing procedures (Q2/2024).
- BiH should exploit and invest in hydropower in a responsible manner, in constructive dialogue between all stakeholders including civil society, as well as in compliance with EU rules and procedures, particularly the environmental *acquis*, and with due respect to the general principles of transparency, legal certainty and accountability. It should take into account the cumulative impact of small hydropower plants on water management and nature (continuous).

EU Recommendations - Energy efficiency

- BiH should prioritise the adoption of the National Energy and Climate Plan that will include energy efficiency targets and measures (Q2/2024, prioritise the adoption of the long-term building renovation strategy (Q4/2023) and complete alignment with the Energy Efficiency Directive and the Framework Energy Labelling Regulation (Q2/2024).

EU Recommendations - Nuclear safety and radiation protection

- BiH is encouraged to accede to the European Radiological Data Exchange Platform (EURDEP). (Q4/2023)

EU Recommendations - Connectivity agenda

- BiH should intensify its efforts to implement the agreed connectivity reform measures in the areas of transport and energy.
- BiH should increase the efforts to close the financing gap for the Corridor Vc motorway. A plan shall be developed by end of 2023.
- BiH should continue efforts to achieve a Rail Border Crossing Agreement and Protocols in negotiations with Croatia (Q2/2024)
- BiH still should transpose the ITS Directives in road, rail and inland waterway sectors, establish a countrywide system for road crash data collection and secure sufficient budgetary resources to address the maintenance needs of both rail and road core network (Q2/2024)
- BiH should increase efforts to deliver on the commitments contained in the Transport Community Treaty and its Annex I.

EU Recommendations - BiH Framework Transport Strategy and Action Plans

- BiH should continue, as a matter of urgency, implementing the Framework Transport Strategy and its Action Plans in close coordination between all stakeholders and share its annual implementation reports with the Commission (Q3/2023).
- BiH should adopt the updated BiH Framework Transport Strategy (Q1/2024).

EU Recommendations - Road transport

- BiH should inform about its plans and activities with regard to developing a road toll system in compliance with the EU *acquis* on the interoperability and integration of electronic tolls and as regards the charging of vehicles for the use of certain infrastructures by end of Q4/2023.
- BiH is invited to support the EU in the European Agreement concerning the work of crews of vehicles engaged in international road transport (AETR) regarding the implementation of the smart tachograph and alignment of the relevant provisions of AETR with modified provisions on driving and resting times introduced by Mobility Package 1 (adopted in July 2020) by 3Q 2023.
- BiH should strengthen road safety management through the establishment of a lead Road Safety Agency (Q4/2023) and fully implement the other actions set out in the Road Safety regional action plan, including a comprehensive national road safety strategy for the Second Decade of Action for Road Safety (Q1/2024).
- BiH should fully align its legislation with the EU *acquis* on transport of dangerous goods (Q2/2024).

EU Recommendations - Rail transport

- BiH should make the best use of the technical assistance provided in view of bringing the BiH Law on Railways in line with the 4th package EU Railway Directives. The regional rail action plan developed in the framework of the Transport Community should be instrumental to conduct the reform process in BiH at national level (Q4/2023).
- In the view implementation of EU technical specifications for interoperability (TSIs), BiH should continue reviewing against TSIs and cleaning up of national rail technical and safety rules in line with the EU *acquis* and the prerogatives of the EU Agency for Railways (ERA) (continuous).
- BiH should increase efforts to improve the independence of the Railway regulator, the National Safety Authority and the National Investigation Body by end 2023.

EU Recommendations - Maritime and inland waterways transport

- BiH should adopt its state-level legislation on inland waterways navigation in compliance with the EU *acquis* and proceed with implementing the cross-border Framework Agreement for improving the Sava river navigability (Q1/2024).

EU Recommendations - Air transport

- On aviation, BiH should continue to ensure adequate organisation and allocation of sufficient resources to the Civil Aviation Authority for safety oversight and security, to take up findings of the European Union Aviation Safety Agency.
- BiH is also encouraged to speed up drafting and adopting its Aviation Law to align with the EU aviation *acquis* in accordance with the European Common Aviation Area Agreement by Q1/2024.

EU Recommendations - Passenger rights (all transport modes)

- BiH should make further progress towards the implementation of the EU *acquis* on passenger rights in all modes of transport by Q4/2023.