

Public Disclosure Authorized



The World Bank

45194



Public Disclosure Authorized



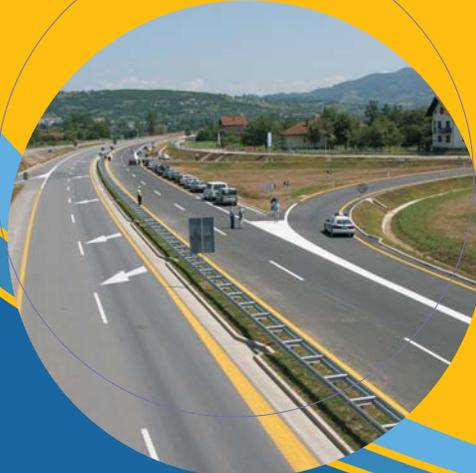
The World Bank

Public Disclosure Authorized



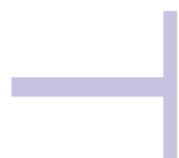
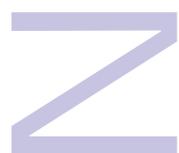
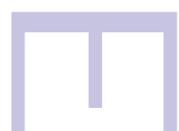
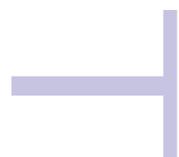
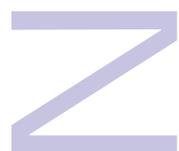
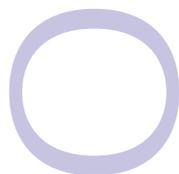
Improving People's Lives in
Bosnia and Herzegovina

Public Disclosure Authorized



Country Brief
June 2008

INTRODUCTION	i
WORLD BANK GROUP	1
COUNTRY PARTNERSHIP STRATEGY (CPS)	2
LIST OF WORLD BANK FINANCED PROJECTS IN BH	3-4
AGRICULTURE	
Agriculture and Rural Development Project	5
Avian Influenza Preparedness Project	6
Small Scale Commercial Agriculture Project	7
Emergency Farm Reconstruction Project	8
EDUCATION	
Education Restructuring Project	9
Emergency Education Reconstruction Project	10
Emergency Education Reconstruction Project II	10
Education Development Project	11
EMPLOYMENT SERVICES	
Second Employment Support Project	12
Emergency Demobilization and Registration Project	13
Pilot Emergency Labor Redeployment Project	13
ENERGY AND POWER GENERATION	
ECSEE - APL3 (Power IV)	14
Emergency Electric Power Reconstruction Project	15
Emergency Electric Power Reconstruction Project II	15
Emergency Gas System Reconstruction Project	16
Emergency District Heating Reconstruction Project	16
Electric Power Reconstruction Project III	17
ENVIRONMENT	
Forest Development and Conservation Project	18
GEF - Water Quality Protection	19
GEF - Forest and Mountain Protected Area Project	20
GEF - Neretva and Trebisnjica Management Project	21
Forestry Project	22
HEALTH	
Health Sector Enhancement Project	23
Basic Health Project	24
Essential Hospital Services Project	24
War Victims Rehabilitation Project	25
LOCAL GOVERNMENTS AND INFRASTRUCTURE	
Community Development Project	26
Solid Waste Management	27
Urban Infrastructure and Service Delivery Project	28
Emergency Housing Repair Project	29
Emergency Public Works and Employment Project	29
Local Development Pilot Project	30
Mostar Water Supply and Sanitation Project	30



31	Pilot Cultural Heritage Project
32	Reconstruction Assistance Project
32	Water, Sanitation and Solid Waste Urgent Works Project

PRIVATE SECTOR DEVELOPMENT

33	Business Enabling Environment Adjustment Credit
33	Emergency Industrial Restart Project
34	Emergency Pilot Credit Project (RS)
34	Enterprise and Bank Privatization Adjustment Credit
35	Local Initiatives Project
35	Local Initiatives Project II
36	Enterprise Export Facility Project
36	Private Sector Credit Project
37	Privatization Technical Assistance Project

PUBLIC SECTOR

38	Land Registration Project
39	Economic Management Structural Adjustment Credit (EMSAC)
39	Public Finance Structural Adjustment Credit
40	Public Finance Structural Adjustment Credit II
40	Transition Assistance Credit

TRANSPORT

41	Road Infrastructure and Safety Project
42	Emergency Transport Reconstruction Project
42	Emergency Transport Reconstruction Project II
43	Road Management and Safety Project
44	Trade and Transport Facilitation in Southeast Europe Project (TTFSE)

SOCIAL SECTOR

45	Social Sector Technical Assistance Credit (SOTAC)
45	Social Sectors Adjustment Credit (SOSAC)
46	Social Insurance Technical Assistance Project (SITAP)
46	Social Sectors Adjustment Credit II (SOSAC II)

OTHER - MULTISECTORAL

47	Emergency Recovery Project
48	Emergency Landmine Clearance Project

Understanding the Project Cycle

KNOWLEDGE BANK

52	Doing Business 2008 Bosnia and Herzegovina
53	Public Expenditure and Institutional Review
54	Country Economic Memorandum
55	Pensions in BH

CIVIL SOCIETY FUND

YOUTH VOICES

PUBLIC INFORMATION CENTER

INTRODUCTION



Marco Mantovanelli
Country Manager

"The purpose of this brochure is to demonstrate the role of the World Bank in improving people's lives in Bosnia and Herzegovina over the last 12 years. The brochure outlines our partnership, financial support and advisory services in Bosnia and Herzegovina. It celebrates successes but also shows challenges that are still in front of us.

The World Bank played an important role in the reconstruction and development of this country after the end of the war. We would like to thank the Governments in Bosnia and Herzegovina at all levels for years of extraordinary partnership that we hope will continue in the coming years. We would also like to thank our international development partners for outstanding collaboration in reconstruction and development of Bosnia and Herzegovina. We are now looking forward to the next partnership phase of our involvement in the country. The success of this partnership will be measured by improved infrastructure and services, increased employment opportunities and better quality of life for the people of Bosnia and Herzegovina. Ultimately we hope this will translate into an accelerated integration in Europe."

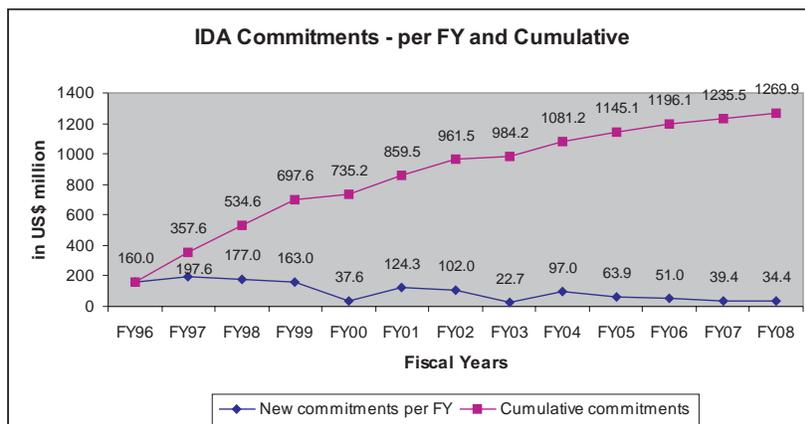
The World Bank's mission in BH is to help grow the economy, create jobs and improve the lives of all citizens, particularly the poor. The World Bank support BH's development strategies with concessional finance for projects as well as with analysis and advice on the country's economic and social challenges.

"THE BANK AT ITS BEST"

World Bank assistance has played a significant role in successful reconstruction and early reforms in Bosnia and Herzegovina (BH). A 2004 assessment by the Independent Evaluation Group found the Bank's support for post-conflict reconstruction in BH to be an example of "the Bank at its best". Approximately 90% of the economic and social infrastructure destroyed by the war has been rebuilt or rehabilitated, supported in part by international assistance - of which the Bank was one of the largest source.

Since 1996, the World Bank has committed over US\$ 1.27 billion to BH through 61 projects.¹ The World Bank and the European Commission successfully organized three donor conferences raising about US\$ 5.1 billion for post-conflict reconstruction of the country. The World Bank assistance in BH ranged from rehabilitation of basic services (water supply, electricity, sewage, heating, housing, roads and bridges), and establishing an accessible health care and education system, to job creation, financial sector reform (banking sector and microfinance) and assistance to BH in the process of the EU integration. In per capita terms, the World Bank assistance program in BH, which consisted of International Development Association (IDA) interest free loans and grants, has been the largest in the history of the organization in any post-conflict country.

¹The amount of US\$ 1.27 billion includes US\$ 25 million of IDA grants and US\$ 18.3 million of GEF grants



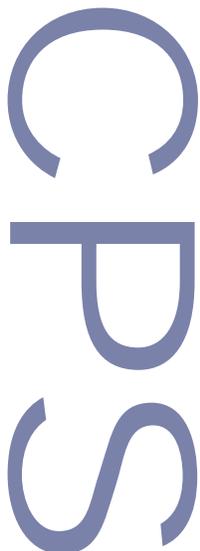
IFC, MIGA and WBI ACTIVITIES IN BH

The World Bank Group has played a significant role in the development story of Bosnia and Herzegovina. In addition to IDA commitments (interest free loans and grants) totaling over US\$1.2 billion, International Finance Corporation (IFC) invested nearly \$250 million, and about \$310 million was provided in guarantees from Multilateral Investment Guarantee Agency (MIGA).

IFC - In July 2005, IFC started a new facility, Private Enterprise Partnership South Europe (PEP-SE). The new facility supports private sector development in the Balkans, including BH, through advisory services for commercial mediation, development of a regional recycling supply chain, introduction of international and EU manufacturing standards, and corporate governance program, and public private partnerships for investment in infrastructure.

MIGA's investment insurance mitigates the political risks the private sector faces when investing in developing countries. At the end of the war in 1995, few banks operated in BH. Those that did, set interest rates very high and required multiple guarantors to co-sign loans, making borrowing next to impossible for the average citizen and for small businesses. Today, the banking sector stands transformed. An influx of activity by foreign banks, purchasing locally owned banks or starting anew, has brought a vibrancy and competitive edge to the moribund industry, spurring a wide range of new economic and consumer activity. Some of the country's top banks (Raiffeisen, HVB, Hypo-Alpe-Adria), in terms of market share, received political risk insurance from MIGA. In addition to banking sector, MIGA issued guarantees to the Coca Cola Beverages Company, International Dialysis Center in Banja Luka, Mercator Shopping Center in Sarajevo, and Coprotect Systems - Orasje.

World Bank Institute (WBI) WBI, with financial support by Austrian Government and in close collaboration with the Bank office in Sarajevo, launched a leadership program in support of BH's Stabilization and Association Agreement negotiations with the EU. Advisory services planned for next year include Gender and Poverty Analysis, Community Driven Development - participatory budgeting; and Private Sector Development and an Internal Audit program designed to support improved governance in BH.



COUNTRY PARTNERSHIP STRATEGY (CPS) FY08 - FY11

The CPS for BH for the period 2008 - 2011 outlines the partnership with BH in support of the country's priorities, including integration with the European Union.

The key principles of the strategy are:

- **Results:** ensure that the World Bank financed activities have a lasting impact and improve lives of people in the country.
- **Flexibility:** the World Bank is open to supporting all options that support reforms and investments where they can make the greatest development impact. The ultimate decision about the allocation of funds for projects lies with the BH authorities.
- **Partnership:** the lending program under the CPS was designed in partnership with the BH authorities, at State and Entity level, and after consultations with other development partners including civil society organizations, media, and the donor community. The CPS program will be implemented in partnership with these stakeholders.

The World Bank Group strategy will support country goals to continue with dynamic economic growth, to reduce poverty, and accelerate EU accession and integration. The CPS evolves around two pillars:

Pillar I - improve the environment for private sector growth and convergence to Europe; and

Pillar II - improve the quality of Government spending and the delivery of public services for the vulnerable.

Through the CPS program, the World Bank will support investments in infrastructure, municipal development, transport and energy sectors, business environment, public sector reform, and social sectors reform. With a mix of financial and non-financial services, the World Bank will support the Government to achieve their development goals of improving infrastructure and the investment climate, increasing the efficiency of public spending, and strengthening service delivery - in particular those directed to the most vulnerable segments of the population.

During the CPS period, the BH will make a transition from borrowing under soft IDA conditions to more commercial, but still relatively cheap borrowing under IBRD conditions. The transition to IBRD Indicates that the World Bank has confidence that the country is moving in the right direction. A base case lending envelope of about US\$ 200 million over the period, could be expanded based on need, demand, and the pace of the reform process in BH.

List of World Bank financed projects in Bosnia and Herzegovina

Active Projects		
	Name of the Project	Original Commitment
1	Agriculture and Rural Development	US\$ 21 million – IDA Credit
2	Avian Influenza Preparedness	US\$ 5 million – IDA Credit
3	Community Development	US\$ 20 million – IDA Credit
4	ECSEE APL 3	US\$ 36 million – IDA Credit
5	Education Restructuring	US\$ 10 million – IDA Credit
6	Forest Development and Conservation	US\$ 7.1 million – IDA Credit
7	Forest and Mountain Protected Areas	US\$ 3.4 million – GEF Grant
8	Health Sector Enhancement	US\$ 17 million – IDA Credit
9	Land Registration	US\$ 15 million – IDA Credit
10	Neretva and Trebisnjica Management	US\$ 6 million – GEF Grant
11	Road Infrastructure and Safety	US\$ 25 million – IDA Credit
12	Second Employment Support	US\$ 12 million – IDA Credit
13	Small Scale Commercial Agriculture	US\$ 12 million – IDA Credit
14	Solid Waste Management	US\$ 26 million – IDA Credit
15	Urban Infrastructure and Services	US\$ 25 million – IDA Credit
16	Water Quality Protection	US\$ 8.9 million – GEF Grant
Sub-total active projects		US\$ 231.1 million – IDA Credits US\$ 18.3 million – GEF Grant
TOTAL ACTIVE PROJECTS		US\$ 249.4 million

Closed Projects		
17	Basic Health	US\$ 10 million - IDA Credit
18	Business Enabling Environment (BAC)	US\$ 44 million – IDA Credit
19	Economic Management (EMSAC)	US\$ 34 million – IDA Credit
20	Education Development	US\$ 10.6 million – IDA Credit
21	Electric Power Reconstruction III	US\$ 35 million – IDA Credit
22	Emergency Demobilization and Reintegration	US\$ 7.5 million – IDA Credit
23	Emergency District Heating Reconstruction	US\$ 20 million – IDA Credit
24	Emergency Education Reconstruction	US\$ 5 million – IDA Credit US\$ 5 million – IDA Grant
25	Emergency Electric Power Reconstruction	US\$ 35.6 million – IDA Credit
26	Emergency Farm Reconstruction	US\$ 20 million – IDA Credit
27	Emergency Gas System Reconstruction	US\$ 10 million – IDA Credit
28	Emergency Housing Repair	US\$ 15 million – IDA Credit
29	Emergency Industrial Restart	US\$ 10 million – IDA Credit
30	Emergency Landmines Clearance	US\$ 7.5 million – IDA Credit
31	Emergency Pilot Credit	US\$ 5 million – IDA Credit
32	Emergency Public Works and Employment	US\$ 10 million – IDA Credit
33	Emergency Recovery	US\$ 30 million – IDA Credit US\$ 15 million – IDA Grant
34	Emergency Transport Reconstruction	US\$ 35 million – IDA Credit
35	Enterprise and Bank Privatization Adj. Credit	US\$ 50 million – IDA Credit
36	Enterprise Export Facility	US\$ 12 million – IDA Credit
37	Essential Hospital Services	US\$ 15 million – IDA Credit
38	Forestry	US\$ 7 million – IDA Credit
39	Local Development	US\$ 15 million – IDA Credit
40	Local Initiatives (Microfinance)	US\$ 7 million – IDA Credit
41	Local Initiatives (Microfinance) II	US\$ 20 million – IDA Credit
42	Mostar Water Supply and Sanitation	US\$ 12 million – IDA Credit
43	Pilot Cultural Heritage	US\$ 4 million – IDA Credit
44	Pilot Emergency Labor Redeployment	US\$ 15 million – IDA Credit
45	Private Sector Credit	US\$ 10 million – IDA Credit
46	Privatization Technical Assistance	US\$ 19.8 million – IDA Credit
47	Public Finance Str. Adj. Credit (PFSAC)	US\$ 63 million – IDA Credit
48	Reconstruction Assistance	US\$ 17 million – IDA Credit
49	Road Management and Safety	US\$ 30 million – IDA Credit
50	Second Electric Power Reconstruction	US\$ 25 million – IDA Credit
51	Second Emergency Education Reconstruction	US\$ 11 million – IDA Credit
52	Second Emergency Transport Reconstruction	US\$ 39 million – IDA Credit
53	Second Public Finance SAC (PFSAC II)	US\$ 72 million – IDA Credit
54	Social Insurance Technical Assistance	US\$ 7 million – IDA Credit
55	Social Sector Technical Assistance Credit (SOTAC)	US\$ 3.5 million – IDA Credit
56	Social Sector Adjustment Credit (SOSAC)	US\$ 20 million – IDA Credit
57	Social Sector Adjustment Credit II (SOSAC II)	US\$ 51 million – IDA Credit ²
58	Trade and Transport Facilitation in SEE	US\$ 11 million – IDA Credit
59	Transition Assistance Credit	US\$ 90 million – IDA Credit
60	War Victims Rehabilitation Project	US\$ 5 million – IDA Credit US\$ 5 million – IDA Grant
61	Water, Sanitation, and Solid Waste Urgent	US\$ 20 million – IDA Credit
Sub – total closed projects		US\$ 995.5 million – IDA Credits US\$ 25 million – IDA Grants
TOTAL CLOSED PROJECTS		US\$ 1,020.5 million
GRAND TOTAL (active and closed projects)		US\$ 1,226.6 million – IDA Credits US\$ 25 million – IDA Grants US\$ 18.3 million – GEF Grant US\$ 1,269.9 million

ACTIVE PROJECTS

AGRICULTURE AND RURAL DEVELOPMENT PROJECT

Objective

The project will strengthen the capacity of the State and Entity-level institutions to deliver more efficient and effective agricultural services to farmers and food producers. The project will also help accelerate the country's eligibility to access support under the European Union Instrument for Pre-Accession Assistance for Rural Development (IPARD).

Expected Results

In addition to meeting the above mentioned objectives, the project will improve ability of the line ministries (Ministries of Agriculture and Water Management) to disburse and track the use of subsidies and rural development funds and to evaluate their impact on the agri-food sectors.

World Bank financing:
US\$ 21 million (IDA Credit)

Credit Effective:
February 27, 2008

Closing Date:
June 30, 2012



Contacts:

World Bank

Ms. Mirjana Karahasanovic
Phone: (387-33) 251-522
mkarahasanovic@worldbank.org

External

Mr. Seid Uzunovic
Ministry of Foreign Trade and
Economic Relations
Phone: (387-33) 209-809
seid.uzunovic@mvtteo.gov.ba

Ms. Amela Ibrahimovic
FBH Ministry of Agriculture,
Water-Management and Forestry
Phone: (387-33) 213-099
a.ibrahimovic@piusum.ba

Ms. Renata Rakic
RS Ministry of Agriculture, Forestry and Water
Phone: (387-51) 338-361
rakic@rsapcu.org



AVIAN INFLUENZA PREPAREDNESS PROJECT

Objective

The objective of the project is to minimize the threat posed to humans and the poultry industry by Highly Pathogenic Avian Influenza (HPAI) infection and other such viruses. The project will help introduce effective control, and response to an influenza pandemic and other infectious disease emergencies in humans.

Expected Results

The project will achieve the following results: i) behavior changes among key veterinary and public health personnel to strengthen preparedness in case of virus outbreaks; ii) improved public awareness on how to prevent spread of infections; iii) introduce mechanisms for timely compensation of farmers for culled birds.

Contacts:

World Bank

Ms. Mirjana Karahasanovic
Phone: (387-33) 251-522
mkarahasanovic@worldbank.org

External

Ministry of Foreign Trade and Economic Relations
State Veterinary Office of BH
Mr. Drago Nedic, Director, SVO
Phone: (387-33) 258-840
drago.nedic@vet.gov.ba

World Bank financing:
US\$ 5 million (IDA Credit)

Credit Effective:
March 27, 2008

Closing Date:
December 31, 2010

World Bank financing:
US\$ 12 million (IDA Credit)

Credit Effective:
July 28, 2003

Closing Date:
December 31, 2009



Contacts:

World Bank

Ms. Mirjana Karahasanovic
Phone: (387-33) 251-522
mkarahasanovic@worldbank.org

External

Mr. Alojz Dundjer
FBH Ministry of Agriculture, Forestry,
and Water Management
Phone: (387-33) 213-099
piusum@bih.net.ba

Mr. Zeljko Vasko
RS Ministry of Agriculture, Water
Resources and Forestry
Phone: (387-51) 338-736
vasko@sapcu.org

SMALL SCALE COMMERCIAL AGRICULTURE PROJECT

Objective

The project is focused on the Southeastern part of the country. The area has a Mediterranean climate, which is favorable for early production of fruit and vegetables, has potential for on-farm irrigation resources and continues to have traditional trade with neighboring countries. The project objectives are to: (i) encourage farmers to adopt more productive and profitable production systems and increase the marketability of their products; (ii) strengthen linkages among farmers and markets through the promotion of private sector investment, and credit for farming, agro-processing and trading; (iii) facilitate the export of agriculture products; and (iv) support measures and investments to strengthen the physical and institutional infrastructure in rural communities.

Expected Results

The increased production and productivity resulting from the project will increase farming and other rural incomes, improve income generating opportunities and subsequently contribute to unemployment and poverty reduction in the Southeastern part of the country.

CLOSED PROJECTS

EMERGENCY FARM RECONSTRUCTION PROJECT

Objective

With war-related massive loss of employment opportunities and dislocation of people, agriculture became an important source of survival after the war. Food production and supply were precariously low and a minimum of food security could be maintained only with large external support. Activities on the farms were severely constrained by the decimated livestock population and lack of machinery and equipment. The objectives of the project were to jump-start agricultural production, improve food security, and create employment and income for the war-affected rural population, including displaced persons. The project was aimed primarily at the private farm sector, with priority given to full-time farmers, and was to have a fast, direct impact on the ground.

Results

During 1996, under IFAD-financing, and in cooperation with the World Bank, the following livestock were imported and distributed: 3,929 cattle (Simmental, Brown-Swiss, Black and White, and Gray Tyrol); 650 Saanen goats; and 701 Mountain Alpine goats. Livestock financed by Saudi Arabia (797 heifers), the Federation BH (505 heifers and 5,000 sheep) and the NGOs (252 heifers) were procured and distributed by the project implementation unit as well. Under Dutch Government procurement and financing (NLG 4.2 million), 946 heifers were imported and distributed to farmers in 1997. In addition to this, the project delivered 2,912 farm tractors and 14 combines to farmers. Also, 1,300 EC-financed tractors were allocated to farmers.

World Bank financing:
US\$ 20 million (IDA Credit)

Credit Effective:
April 1, 1996

Closing Date:
June 30, 1998

Contact: Ms. Vesna Francic; Phone: (387-33) 251-504; vfrancic@worldbank.org

ACTIVE PROJECTS



Contacts:
World Bank
Ms. Zorica Lesic
Phone: (387-33) 251-530
zlesic@worldbank.org

External
Ministry of Civil Affairs
Department for Education, Science,
Culture, and Sports
Ms. Lejla Kadusic
Mr. Milan Rezo
Phone: (387-33) 713-955

EDUCATION RESTRUCTURING PROJECT

Objective

The objective of the project is to increase participation in secondary education programs, and to improve the efficiency of education delivery in general and especially in secondary education.

Expected Results

In order to increase labor market competitiveness of secondary school graduates, the project will help increase a share of enrollment in the first year of four year secondary education vocational programs from 68% in the Federation BH and 73% in the RS to 90 percent in each Entity by March 2011.

World Bank financing:
US\$ 10 million (IDA Credit)

Credit Effective:
April 12, 2007

Closing Date:
March 31, 2010

CLOSED PROJECTS

EMERGENCY EDUCATION RECONSTRUCTION PROJECT

Objective

The project objectives were: (i) to help restore the delivery of effective teaching and learning in primary education during the 1996-1997 school year; (ii) to help build government capacity for planning and implementing education programs at the Entity, canton and municipality levels; and (iii) to facilitate communication and cooperation between the partners in the Federation BH, and, eventually, between education authorities in the Federation BH and Republika Srpska.

Results

28 primary schools were reconstructed with the World Bank financing, and additional 37 schools were reconstructed through parallel financing. 78 different textbooks and other educational materials were delivered to primary schools in the country. Institutional capacity of the Federation BH Ministry of Education was developed to begin planning the education sector reforms.

World Bank financing:
US\$ 5 million (IDA grant)
US\$ 5 million (IDA Credit)

Credit Effective:
August 1, 1996

Closing Date:
September 30, 1998

Contact: Ms. Zorica Lesic; Phone: (387-33) 251-530; zlesic@worldbank.org

EMERGENCY EDUCATION RECONSTRUCTION PROJECT II

Objective

The objectives of the project were to improve access and quality of primary education by reconstructing primary schools throughout the country, including schools which were ready for tendering but for which financing was not available under the first Emergency Education Reconstruction Project.

Results

44 primary schools were reconstructed and equipped. Furthermore, the project financed the emergency provision of textbooks. This financing helped restore the delivery of primary education of acceptable quality. The project also: (i) helped build government implementation capacity to plan and deliver reconstruction and education programs; (ii) piloted a competitive textbook procurement model in which publishers submitted published textbooks for the ministries evaluation and selection; (iii) financed the production of an education governance study; and (iv) helped promote cooperation across the constituent groups.

World Bank financing:
US\$ 11 million (IDA Credit)

Credit Effective:
September 25, 1997

Closing Date:
June 30, 2000

Contact: Ms. Zorica Lesic; Phone: (387-33) 251-530; zlesic@worldbank.org

EDUCATION DEVELOPMENT PROJECT

Objective

The project had the following objectives: (i) to mobilize the professional capacity of teachers to improve the teaching and learning processes, and improve the quality of education to primary school children; (ii) to promote the efficient and effective use of scarce public resources for education in BH by providing public policy makers and decision makers with management tools and information necessary to measure inputs, outputs and outcomes in the education system; and (iii) to promote cooperation and coordination across the three main constituent groups in an effort to reduce inefficient use of public resources and build a professional basis for stakeholder dialogue in the education sector.

Results

The school grants and the teacher training institution grants helped to improve the teaching and learning processes in schools. Evaluation reports show that the quality enhancement grants provided under this project have strengthened the capacity at school level for improvements in the quality of teaching and learning. The establishment of the Standards and Assessment Agency (SAA) and the development of the Education Management Information System (EMIS) contributed significantly to the achievement of the second objective. The development of the pilot per-student formula financing model contributed to the promotion of efficient and effective use of scarce public resources. For the first time in BH all three ethnic groups work together through the SAA to set standards in education and evaluate student's performance through a nationwide testing.

World Bank financing:
US\$ 10.6 million (IDA Credit)

Credit Effective:
October 1, 2000

Closing Date:
December 31, 2004

Contact: Ms. Zorica Lesic; Phone: (387-33) 251-530; zlesic@worldbank.org

ACTIVE PROJECTS

**Contacts:**

World Bank

Mr. Goran Tinjic

Phone: (387-33) 251-518

gtinjjc@worldbank.org

External

Mr. Marko Pejcinovic,

Mr. Amrudin Nurak

PIU SESER - Federation BH

Phone: (387-33) 279-180

Mr. Jadranko Rokvic

Development and Employment

Foundation - Republika Srpska

Phone: (387-516) 221-270

SECOND EMPLOYMENT SUPPORT PROJECT

Objective

The project objective is to provide employment services to 10,000 unemployed people above 40 years of age who are actively seeking jobs. Through provision of these employment services, the project will bring business change in the employment services by focusing the public employment services on providing effective job brokerage services

Expected Results

The project will facilitate delivery of job brokerage services to about 10,000 hard-to-employ active job seekers. Public employment services will focus on job brokerage and active labor market programs and reduce activities unrelated to employment services. The project will also assist the Government introduce adequate legislation for private sector providers of active labor market programs.

**World Bank financing:
US\$ 12 million (IDA Credit)**

**Credit Effective:
December 17, 2004**

**Closing Date:
September 30, 2008**

CLOSED PROJECTS

EMERGENCY DEMOBILIZATION AND REINTEGRATION PROJECT

Objective

The overall project objective was to assist with the long-term economic reintegration of demobilized soldiers and displaced workers into the civilian workforce in order to reduce the burden on families, decrease dependency on eventual social assistance, and increase economic productivity.

Results

The project was particularly successful at providing counseling and job-placement services. Thirty-six contracts were signed with public and private providers, which benefited over 3,000 members of the target populations. Support for education and retraining reached 20,000 beneficiaries. The management assistance component of the project provided support and guidance in setting up the overall institutional framework, including the Entity Employment and Training Foundations which paved the way for the successful implementation of three Bank financed projects.

World Bank financing:
US\$ 7.5 million (IDA Credit)

Credit Effective:
August 28, 1996

Closing Date:
September 30, 1999

Contact: Ms. Zorica Lesic; Phone: (387-33) 251-530; zlesic@worldbank.org

PILOT EMERGENCY LABOR REDEPLOYMENT PROJECT

Objective

The primary objective was to provide ex-soldiers with the means for self-reliant existence. The project focused on supporting the ex-soldiers in their ability to find employment and to create sustainable jobs and businesses, re-deploying as it were, ex-soldiers within the economically active civilian population. The secondary project development objective was to test different active labor market measures to encourage employment generation, small business creation for the benefit of ex-soldiers and provide stimulus to local training, businesses and consultancy firms.

Results

7,278 ex-soldiers were employed thanks to project services. Of the 7,278 who received assistance, 5,405 were provided assistance in self-employment in agriculture, 192 in self-employment in small businesses, 1,493 received on the job training and 188 vocational training. Active labor market programs that were successfully tested under the project were a basis for design of the Second Employment Support Project.

World Bank financing:
US\$ 15 million (IDA Credit)

Credit Effective:
December 5, 2000

Closing Date:
September 30, 2004

Contact: Mr. Goran Tinjic; Phone: (387-33) 251-518; gtinjic@worldbank.org

ACTIVE PROJECTS

**Contacts:****World Bank**

Ms. Vesna Francic
Phone: (387-33) 251-504
vfrancic@worldbank.org

External

Mr. Nedeljko Despotovic
PIU Director EPBiH, Sarajevo
Phone: (387-33) 751-030

Mr. Bozidar Jovanovic
PIU Director EPZHB, Mostar
Phone: (387-36) 335-724

Mr. Milorad Zivkovic
PIU Director EPRS, Banja Luka
Phone: (387-51) 215-658

ECSEE - APL3 (Power IV)

Objective

The countries of South East Europe, including BH, and the European Commission are cooperating to develop a regional energy market, the Energy Community of South East Europe (ECSEE) and integrate it into the internal energy market of the European Union. This project facilitates BH's participation in the ECSEE through investments to improve dam safety; reduce adverse environmental impacts at thermal power stations; replace ageing existing facilities and equipment at hydro-power and thermal power stations; and rehabilitate distribution systems.

Expected Results

Electricity generation maintained at or above base levels in corresponding hydrological conditions and assuming the avoidance of significant shutdowns of equipment not covered by the project. Environmental compliance improved at Kakanj, Tuzla, Ugljevik and Gacko Thermal Power Plants. Dam safety improved at Grabovica, Salakovac, Jablanica, Rama, Trebinje II, Visegrad and Bocac hydropower plants.

World Bank financing:
US\$ 36 million (IDA Credit)

Credit Effective:
April 13, 2007

Closing Date:
December 31, 2010

CLOSED PROJECTS

EMERGENCY ELECTRIC POWER RECONSTRUCTION PROJECT

Objective

The objectives of the project were to: (i) restore electricity services to acceptable levels in the major cities and for vital industries; (ii) to increase coal production in the most efficient mines to supply the fuel necessary for thermal power plants; (iii) reconfigure the electric power network; (iv) enhance the electricity enterprises' institutional capacity and improve their finances; and (v) support power and coal sector restructuring.

Results

Restoration of electricity supply was both urgent as well as vital to the resumption of normal life and economic activity in the immediate post-conflict period. In quantitative terms, electricity production from EPBiH's rehabilitated plants rose by two-thirds, to over 2,400 GWh, by the time of project completion. Coal production doubled between 1996 and 1998 to over 2 million tons, keeping pace with the needs of the power sector. Thus within a two-year period electricity supply returned to acceptable levels in all major towns, meeting one of the crucial preconditions for a resumption of economic growth. Excellent results were also achieved in the financial area as energy losses in the EPBiH distribution system fell sharply and there were major improvements in meter reading, billing, and revenue collection.

World Bank financing:
US\$ 34.4 million (IDA Credit)

Credit Effective:
September 20, 1996

Closing Date:
December 31, 1998

Contact: Ms. Vesna Francic; Phone: (387-33) 251-504; vfrancic@worldbank.org

EMERGENCY ELECTRIC POWER RECONSTRUCTION PROJECT II

Objective

The objective of the project was to restore electricity supply in BH at least cost. The project aimed to help restore BH's electricity generation, transmission and distribution systems to meet at least part of the expected increase in demand within BH, reconnect many consumers who were still without power after the war, and reduce power outages, variations in voltage level, and other quality of service defects.

Results

The project provided support for an extensive reconstruction and rehabilitation of thermal and hydroelectric power plants in both the Federation BH and the RS. The project met its objectives in terms of increasing power supply capacities, strengthening coordination between Elektroprivredas, and made progress towards the restructuring of the sector in both entities. Losses on operations were reduced and revenue collection improved in all three Elektroprivredas. A Coal Sector Restructuring Study was also developed under the project. Electricity policy statement was prepared and entity level Electricity laws drafted.

World Bank financing:
US\$ 24 million (IDA Credit)

Credit Effective:
March 31, 1999

Closing Date:
December 31, 2001

Contact: Ms. Vesna Francic; Phone: (387-33) 251-504; vfrancic@worldbank.org

EMERGENCY GAS SYSTEM RECONSTRUCTION PROJECT

Objective

The objective of the project was to restore a safe and reliable gas supply to BH, and in particular to Sarajevo, by repairing or reconstructing the gas transmission and distribution systems. This included the rehabilitation of the transmission line, distribution network and connections of large users, and disconnection of 34,000 flats as soon as they were reconnected to a functioning district heating system. The second objective was to enhance safety and energy efficiency and reduce environmental pollution by converting self-made gas connections to industry standards.

Results

The project enabled Sarajevo Gas to carry out vital repairs to the transmission pipeline, including the re-installation of cathodic protection and metering. In the distribution system, 48,000 illegal connections were regularized, 11,000 deteriorated pre-war connections were repaired, and new meters installed. With the project's completion, the number of households reconnected reached the target number of 58,000, including many in Sarajevo's severely destroyed refugee-return areas. The rehabilitation of the transmission pipeline, including landmine clearing, was fully accomplished. Technical assistance in billing and collection, and studies on tariffs, sector restructuring and sector development were undertaken to support the enterprise in developing and planning its future activities.

World Bank financing:
US\$ 10 million (IDA Credit)

Credit Effective:
April 17, 1998

Closing Date:
July 31, 1999

Contact: Ms. Vesna Francic; Phone: (387-33) 251-504; vfrancic@worldbank.org

EMERGENCY DISTRICT HEATING RECONSTRUCTION PROJECT

Objective

The project objectives were to: (i) restore district heating services in war destroyed city of Sarajevo by reconstructing both the district heat supply system as well as building internal installations; (ii) enable BH to potentially reduce its gas consumption through fuel switching by Toplane-Sarajevo from gas to fuel oil, which would enhance the country's strategically important security of energy supply; (iii) strengthen Toplane-Sarajevo's institutional capacity; and (iv) initiate network improvements.

Results

Major physical reconstruction started at the beginning of August 1996 and achieved the full reconnection and restoration of heat supply to 45,000 flats. Boiler operations were brought back to full capacity, the network was surveyed and all leaking sections were replaced. In addition, system efficiency was increased, and a preventive maintenance system was introduced at Toplane. The project also contributed to re-start of the Banja Luka district heating system in priority areas.

World Bank financing:
US\$ 20 million (IDA Credit)

Credit Effective:
July 19, 1996

Closing Date:
March 31, 1999

Contact: Ms. Vesna Francic; Phone: (387-33) 251-504; vfrancic@worldbank.org

ELECTRIC POWER RECONSTRUCTION PROJECT III

Objective

The project represents continuation of the post-conflict reconstruction program in the power sector. Its objective is to ensure access to reliable, lower cost electricity, to be supplied with reduced environmental and safety risks, and improved cost recovery by suppliers.

Results

The results of this project were: increased power generation and sales; reduced ambient pollution levels at thermal power stations; reduced transmission and distribution losses; reduced unserved energy due to outages; increased restored and new connections; improved revenue collection; increased gross power flows between the power companies; adoption of the national energy strategy; passage of electricity laws consistent with EU Directives; establishment of an independent regulatory agency.

World Bank financing:
US\$ 35 million (IDA Credit)

Credit Effective:
January 16, 2002

Closing Date:
March 31, 2008

Contact: Ms. Vesna Francic; Phone: (387-33) 251-504; vfrancic@worldbank.org

ACTIVE PROJECTS

World Bank financing:
US\$ 7.1 million (IDA Credit)

Credit Effective:
October 3, 2003

Closing Date:
November 30, 2010

FOREST DEVELOPMENT AND CONSERVATION PROJECT

Objective

The project will assist with the implementation of reforms in forest organization, and management, expected to increase revenues, improve forest management and enhance biodiversity conservation through participatory approaches in forest land use planning.

Expected Results

Forest administration in the Federation BH will be established and operational. National Forest Inventory completed including an assessment of forest resources with priorities for ecosystem protection. Forest Management Information System (FMIS) will be developed, introduced and operational in the RS and at least 5 cantons in the Federation BH.

Contacts:
World Bank

Ms. Mirjana Karahasanovic
Phone: (387-33) 251-522
mkarahasanovic@worldbank.org

External

Mr. Alojz Dundjer
PIU Ministry of Agriculture, Water
Management and Forestry FBH
Phone: (387-33) 213-099

Mr. Zeljko Stojanovic
PIU Ministry of Agriculture, Forestry
and Water Resources RS
Phone: (387-51) 338-363





Contacts:
World Bank
Ms. Vesna Francic
Phone: (387-33) 251-504
vfrancic@worldbank.org

External
Mr. Almir Prljaca
Ministry of Agriculture, Water
Management and Forestry FBH
Phone: (387-33) 443-338

GEF - WATER QUALITY PROTECTION

Objective

The project aims to further strengthen the capacity of local utilities and reduce pollution from municipal sources into the Neretva and Bosna rivers.

Expected Results

The project will facilitate development of a regional approach in pollution reduction, in furthering international cooperation in international waters, and will help reduce pollution from municipal sources into the Neretva and Bosna rivers.

World Bank financing:
US\$ 8.9 million
(Global Environment Fund - GEF) grant

Credit Effective:
November 18, 2005

Closing Date:
February 28, 2011

GEF³ - FOREST AND MOUNTAIN PROTECTED AREAS PROJECT

Objective

The objective of the project is to assist the Government in BH conserving its globally significant biodiversity in critical forests and mountain ecosystems. The project will also help BH on its path towards European Union integration through support to the Government in meeting the EU nature and biodiversity policy (Natura 2000) requirements.

Expected Results

The project will address threats to biodiversity by promoting ecosystem management and by expanding the protected area system to a level reflecting local needs and regional averages. This is especially critical for BH, which has the highest proportion of threatened plant species in any European country, yet less than one percent of its land is currently set aside as protected areas -- a striking contrast to a regional average of 7 percent. The project will focus on improving the management effectiveness of four existing protected areas, bringing two additional sites under protected status, assessing feasibility for another site and promoting sustainable natural resource management and biodiversity conservation activities in or around protected areas. The project will directly support the proposed National Biodiversity Strategy and Action Plan as well as the Government's Medium Term Development Strategy by creating conditions for sustainable and balanced economic development and by promoting poverty alleviation through improved use of protected areas for local livelihoods and tourism.

³ The Global Environment Facility is a 178 member international financing body devoted to global environmental issues that support sustainable development. GEF grants flow to projects in developing countries related to biodiversity, climate change, international waters, land degradation, the ozone layer and persistent organic pollutants. The World Bank Group is one of GEF's implementing agencies and supports countries in preparing GEF co-financed projects and supervises their implementation.

World Bank financing:
US\$ 3.4 million (GEF grant)

Credit Effective:
not yet effective

Closing Date:
April 30, 2013



Contacts:

World Bank
Ms. Mirjana Karahasanovic
Phone: (387-33) 251-522
mkarahasanovic@worldbank.org

External

Mr. Muris Hadzic
FBH Ministry of Environment and Tourism
Phone: (387-33) 212-837
fmobnova@bih.net.ba

Mr. Zoran Lukac
RS Ministry of Planning, Civil
Engineering and Ecology
Phone: (387-51) 339-514
z.lukac@mgr.vladars.net

Contacts:
World Bank
Ms. Mirjana Karahasanovic
Phone: (387-33) 251-522
mkarahasanovic@worldbank.org

External
Ms. Hazima Hadzovic
FBH Ministry of Agriculture, Water
Management and Forestry
Phone: (387-33) 205-620
fmpvode_01@bih.net.ba

Mr. Nebojsa Jaksic
RS Ministry of Agriculture, Forestry
and Water Management
Phone: (387-51) 338-424
n.jaksic@mps.vladars.net



GEF - NERETVA AND TREBISNJICA MANAGEMENT PROJECT

Objective

The project objective is to provide mechanisms for the efficient and equitable water allocation among the users of the Neretva and Trebisnjica River Basin at the transboundary level, and for enhancing the basin ecosystems and biodiversity through improved water resource management. This is a joint operation between BH and the Republic of Croatia.

Expected Results

It is expected that by the project completion a river basin management plan will be prepared and adopted by the two countries, water nutrients and other pollution from municipal and industrial sources in selected municipalities in the basin will be reduced through rehabilitation of several wastewater treatment plants, maintenance of environmental flows and ecosystem health and biodiversity in the basin will be improved, and saltwater intrusion as a result of implementation of a pilot scheme in Neretva Delta will be reduced.

**World Bank financing:
US\$ 6 million (GEF grant)**

**Credit Effective:
not yet effective**

**Closing Date:
December 31, 2013**

CLOSED PROJECTS

FORESTRY PROJECT

Objective

The objectives of the project were to resume sustainable management and protection of forest resources in BH, in order to: (i) ensure the sustainability of the rapid recovery of the wood harvesting and wood processing sectors; and (ii) control the potential environmental impact of this recovery.

Results

The project brought significant environmental and economic benefits for the country. It introduced policy changes in forest management, helped resume sustainable forest management planning and harvesting to provide inputs for the wood industry, and provided road maintenance and forest management equipment to implement and monitor policy and management improvements.

World Bank financing:
US\$ 7 million (IDA Credit)

Credit Effective:
July 20, 1998

Closing Date:
March 31, 2003

Contact: Ms. Vesna Francic; Phone: (387-33) 251-504; vfrancic@worldbank.org

ACTIVE PROJECTS

HEALTH SECTOR ENHANCEMENT PROJECT

Objective

The overall objective of the project is to improve the overall impact on non-communicable diseases as measured by proxy indicators and: (i) enhance health system efficiency through restructuring and strengthening of primary health care along the family medicine model; and (ii) strengthen the sector policy making process through the development and implementation of a system for monitoring and evaluating health sector performance.

Expected Results

The key result of this project will be expansion of family medicine model of primary health care and improvement in quality, efficiency, and access to primary health care services, leading to better health outcomes

World Bank financing:
US\$ 17 million (IDA Credit)

Credit Effective:
April 3, 2006

Closing Date:
December 15, 2010

Contacts:
World Bank
Mr. Michele Gragnolati
Phone: (387-33) 251-509
mraganolati@worldbank.org

Mr. Vedad Ramljak
Phone(387-33) 251-523
vramljak@worldbank.org

External
FBH Ministry of Health
Phone: (387-33) 664-245

RS Ministry of Health
and Social Welfare
Phone: (387-51) 216-599



CLOSED PROJECTS

BASIC HEALTH PROJECT

Objective

The project had three objectives: to establish a primary health care system based on cost-effective interventions; to reduce lost productivity due to preventable illnesses, disabilities and premature deaths; and to improve local and national capacities for managing the health sector. This was the Bank's third health sector operation in the Federation and the second in Republika Srpska.

Results

Primary health care system based on cost-effective interventions - reduction of lost productivity due to preventable illnesses, disabilities and premature deaths was achieved. National capacity for managing the health sector was improved.

World Bank financing:
US\$ 10 million (IDA Credit)

Credit Effective:
September 1, 1999

Closing Date:
June 30, 2004

Contact: Ms. Mirjana Karahasanovic; Phone: (387-33) 251-522; mkarahasanovic@worldbank.org

ESSENTIAL HOSPITAL SERVICES PROJECT

Objective

The project had twin key objectives. The first was to rehabilitate hospital services, restoring them to acceptable functional levels and standards. The second was to commence health-financing reforms. The rehabilitation and restoration of essential hospital services was set in a broader and longer-term context of contributing to moving the hospital sector towards a more modern and ultimately cost-effective sector although achievement of the latter was not a specific objective.

Results

Medical equipment was delivered and installed, hemodialysis consumables distributed to hospitals in both entities. Civil works on the Tuzla clinical center, the pediatric clinic and central sterilization unit in Sarajevo clinical center, Mostar clinical center, Bihac, Jajce, Gorazde, Livno, Travnik, Orasje and Zenica cantonal hospitals were completed. Civil works were also completed for Trebinje, Doboj, Rogatica and Banja Luka health insurance offices.

World Bank financing:
US\$ 15 million (IDA Credit)

Credit Effective:
May 23, 1997

Closing Date:
June 30, 2002

Contact: Ms. Mirjana Karahasanovic; Phone: (387-33) 251-522; mkarahasanovic@worldbank.org

WAR VICTIMS REHABILITATION PROJECT

Objective

The project was prepared in the immediate aftermath of the war. Key indicators set for the project were (i) establishment of a network of 76 community-based rehabilitation centers and related hospital services; (ii) provision to approximately 3,000 amputees with permanent prostheses; (iii) production of prostheses and orthoses in six centers; and (iv) availability of orthopedic and reconstructive surgical services in seven clinical centers and cantonal hospitals.

Results

The community-based rehabilitation component funded investments -largely civil works -for a total of 64 rehabilitation centers (32 for physical rehabilitation and 32 for mental health rehabilitation). The prostheses and orthoses production component funded civil works and provision of equipment (including prostheses) for six prosthetic centers for prosthesis manufacture, fitting, and maintenance. The orthopedic and reconstructive surgery component funded civil works and provision of equipment in the three clinical centers (Sarajevo, Tuzla, and Mostar) and four cantonal hospitals (Zenica, Travnik, Livno, and Bihac). The surgical departments at all sites were renovated and outfitted, and use of the departments began in 1998.

World Bank financing:
US\$ 5 million (IDA grant)
US\$ 5 million (IDA Credit)

Credit Effective:
August 1, 1996

Closing Date:
December 31, 1999

Contact: Ms. Mirjana Karahasanovic; Phone: (387-33) 251-522; mkarahasanovic@worldbank.org

ACTIVE PROJECTS

Contacts:
World Bank
Mr. Goran Tinjic
Phone: (387-33) 251-518
gtinjic@worldbank.org

External
FBH Foundation for
Sustainable Development
Mr. Fejsal Kirlic,
Project Manager
Phone: (387-33) 722-300

RS Investment and
Development Bank
Ms. Slobodanka Dukic,
Project Manager
Phone: (387-51) 221-270



COMMUNITY DEVELOPMENT PROJECT

Objective

The main objective of the project is to improve basic community services in the country's less developed areas through investments in local infrastructure and socially oriented projects and programs.

Expected Results

The project will improve basic services in less developed local communities, and improve governance, and capacity of local governments for delivery of these services. The project also promotes better partnership between citizens and local governments in investment identification and financing. The project so far financed over 400 investments in local infrastructure and services in less developed parts of the country.

World Bank financing:
US\$ 20 million (IDA Credit)

Credit Effective:
March 26, 2002

Closing Date:
August 31, 2008



Contacts:
World Bank
Ms. Vesna Francic
Phone: (387-33) 251-504
vfrancic@worldbank.org

External
Mr. Muris Hadzic
Ministry of Urban Planning
and Environment FBH
Phone: (387-33) 667-801

Ms. Fatima Fetibegovic
Ministry of Urban Housing, Civil
Engineering and Environment RS
Phone: (387-51) 215-536

World Bank financing:
US\$ 26 million (IDA Credit)

Credit Effective:
October 31, 2002

Closing Date:
November 30, 2009

SOLID WASTE MANAGEMENT

Objective

The objectives of the project are to: (i) cost effectively improve solid waste services in participating priority areas; (ii) increase administrative and technical capacity for solid waste management at the local and Entity level; (iii) improve cost recovery in the sector and encourage private sector involvement; and (iv) correct environmental problems and reduce health hazards caused by inadequate waste collection and disposal systems.

Expected Results

The project will improve solid waste disposal by establishing multi-municipal waste management districts, regional landfill sites, and transfer stations. The project will also help reduce the number of wild dump sites. Additionally, the project will strengthen institutions that manage solid waste services.

World Bank financing:
US\$ 25 million (IDA Credit)

Credit Effective:
February 23, 2005

Closing Date:
December 15, 2009

URBAN INFRASTRUCTURE AND SERVICE DELIVERY PROJECT

Objective

The objectives of the project are threefold: (i) improve the availability, quality, and reliability of basic municipal services, in particular, water supply and sanitation; (ii) strengthen the ability of cantonal, and municipal governments to improve management, and institutional capacity for infrastructure development through Urban Management Development Plans, and, (iii) foster deeper social cohesion, through improvements in living conditions.

Expected Results

Improved quality of water supply and other services in participating areas. Enhanced financial viability, sustainability, management, and institutional capacity of participating utility companies.

Contacts:

World Bank

Ms. Vesna Francic

Phone: (387-33) 25 1-504

vfrancic@worldbank.org

External

Ms. Dusanka Divcic

Ministry of Foreign Trade
and Economic Relations BH

Phone: (387-33) 663-713



CLOSED PROJECTS

EMERGENCY HOUSING REPAIR PROJECT

Objective

The project objectives were: (i) to carry out urgent housing repairs to both publicly and privately owned housing; and (ii) to contribute to the development of a framework to sustain the recovery and development of the housing sector through gradual introduction of cost recovery of repair works.

Results

Housing repairs were completed for a total of over 650 public apartment buildings, benefiting some 17,500 flats in the cities of Sarajevo, Mostar, Gorazde, Olovo, Kupres and Novi Travnik. Financing for these works was provided by the World Bank, the EC, the Netherlands, and UNHCR. Repair works of public apartment buildings and houses were generally located within the UNHCR-designated refugee return areas. Concerning private housing repairs, works carried out with the Dutch funds had been completed by the fall of 1996, leading to repairs of 216 private houses in three cities. Under Saudi fund financing, 1,650 houses were repaired. Using remaining Saudi funds, as well as funds provided by Italy and UNHCR, the project implementation unit repaired another 790 private houses.

World Bank financing:
US\$ 15 million (IDA Credit)

Credit Effective:
August 1, 1996

Closing Date:
June 30, 1998

Contact: Ms. Vesna Francic; Phone: (387-33) 251-522; vfrancic@worldbank.org

EMERGENCY PUBLIC WORKS AND EMPLOYMENT PROJECT

Objective

The project was one of the World Bank's first investment projects under the overall framework of the Priority Reconstruction and Economic Recovery Program. The project development objectives were to: (i) create rapid employment for those unemployed as a result of the war; (ii) rehabilitate small-scale public infrastructure and clean-up war-damaged public property; (iii) reinforce the decision-making role and responsibilities of municipal governments in municipal infrastructure project design and management; and (iv) deliver visible impact at the local level in the near term.

Results

In the Federation BH, 450 projects were completed for a total value of KM 28.14 million, creating 30,636 manmonths of employment. A total of 79 municipalities (97.5% of total) received financing under the project. Priority was given to the most war-affected areas and areas where refugees were returning. 248 projects were linked to refugee return. In Republika Srpska, 145 projects were completed for a total value of KM 15.5 million, creating 15,278 manmonths of employment. A total of 56 municipalities (80% of total) received financing. 136 projects were linked to refugee return. The type of projects financed ranged from the cleaning of war damage to rural road repair to repairing water systems and power lines.

World Bank financing:
US\$ 10 million (IDA Credit)

Credit Effective:
August 1, 1996

Closing Date:
June 30, 2000

Contact: Mr. Goran Tinjic; Phone: (387-33) 251-518; gtinjic@worldbank.org

LOCAL DEVELOPMENT PILOT PROJECT

Objective

The project development objectives were to: (i) strengthen the institutional and financial capacity of local governments to provide improved municipal infrastructure and services in response to citizen demand, and (ii) initiate, on a pilot basis, the development of a municipal credit market to provide a long-term source of financing for creditworthy municipalities for infrastructure investments.

Results

The first key achievement of the project was an improved ability of the participating local governments to identify and design priority projects, and to make sound capital investments. In contrast with immediate post-conflict reconstruction phase, when massive investments in infrastructure were made with little attention to building capacity of local governments as promoters of local development, this project aimed at changing the mind-set of the local governments from bystanders to creators of preconditions for growth in their respective areas. The prospect of obtaining a loan created an incentive for local governments to strengthen their institutional and financial capacity so as to meet the requirements of lenders in order to borrow for improved municipal infrastructure and services. 28 loans were made to municipalities by participating commercial banks.

World Bank financing:
US\$ 15 million (IDA Credit)

Credit Effective:
September 1, 1999

Closing Date:
May 31, 2005

Contact: Mr. Goran Tinjic; Phone: (387-33) 251-518; gtinjic@worldbank.org

MOSTAR WATER SUPPLY AND SANITATION PROJECT

Objective

The two major objectives of the project were: (i) to create a unified water supply and sanitation utility for the city of Mostar; and (ii) to improve water supply and sanitation service.

Results

Mostar Water Supply Utility was reunited and fulfilled one of the core objectives of the project. In addition, tariffs were harmonized for all citizens of Mostar for the first time since the war. Project achievements include: construction of the reservoirs and water distribution schemes at Humi I and Gradina; improvement of water supply network at Orlac, and Humi II; reconstruction of Rades and Radobolja water supply system; rehabilitation of sewer and water supply networks in the Old Town within the framework of the reconstruction of the Old Bridge; installation of the hydraulic modeling software; and installation of the new software for business information system to harmonize two different accounting systems.

World Bank financing:
US\$ 12 million (IDA Credit)

Credit Effective:
December 12, 2000

Closing Date:
June 30, 2005

Contact: Ms. Vesna Francic; Phone: (387-33) 251-504; vfrancic@worldbank.org

PILOT CULTURAL HERITAGE PROJECT



LOCAL GOVERNMENTS AND INFRASTRUCTURE

Objective

The project's development objective was "to improve the climate for reconciliation among the peoples in BH through recognition and rehabilitation of their common cultural heritage in Mostar". Further, "reconciliation among the peoples was described as a prerequisite for economic revitalization and social cohesion in the country's post conflict situation". A special dimension of the stated objective was that it was "to be pursued through a unique cultural support partnership that included the local community, national and regional governments, UNESCO, the World Monuments Fund (WMF), and the Aga Khan Trust for Culture (AKTC)".

Results

The reconstruction and re-opening of the Old Bridge contributed to the reconciliation of war-divided people living on the banks of Neretva river. Mostar residents from both banks now meet again in the Old Town to attend concerts, exhibitions and various other cultural events. In addition to rebuilding the graceful arch of the bridge and its towers, the project restored other damaged monuments helping to preserve the character of Mostar's historic cobble-stoned Old Town. Tourism has picked up, boosting the local economy. Even before the bridge's reconstruction, the war-shattered and ethnically divided town of Mostar was visited by 20,000 -25,000 tourists every year, coming to see the historic bridge's broken span. Some 300,000 tourist visits were registered in 2004, 450,000 in 2005 and 750,000 in 2006. Tourism has triggered new construction, the opening of new hotels, restaurants and pubs, and other businesses in Mostar and its surroundings. In July 2005, Mostar's Old Bridge and surrounding Old Town were registered on UNESCO's list of historic monuments.

World Bank financing: US\$ 4 million (IDA Credit)	Credit Effective: December 3, 1999	Closing Date: December 31, 2004
---	--	---

RECONSTRUCTION ASSISTANCE PROJECT

Objective

The project was designed to address some of the most urgent post conflict reconstruction needs in Republika Srpska. The project had four primary objectives: (i) assist economically-disadvantaged and war-affected farmers restart and strengthen their farming activities; (ii) increase the quality and quantity of habitable public housing stock; (iii) restore water, sanitation and solid waste services to a level that would satisfy basic human needs, mitigate public health risks and support the restart of economic activity; and (iv) improve the reliability, availability and quality of electricity supply.

Results

A total of 180 apartment buildings benefited some 4000 flats in fourteen municipalities were repaired, utilizing World Bank, Japanese and the Netherlands financing. 55 tractors were purchased and delivered to farmers. 336 land-cultivators were distributed to farmers in seven municipalities (Italian TF). Under IFAD-financing, 3,876 heifers and 7,218 sheep had been imported and distributed in 1998 and 1999. Water supply services were improved in 14 municipalities. Garbage trucks and waste collection containers were provided to 11 municipalities. Six power stations and transmission lines were rehabilitated. Telecommunication systems in the distribution network and new information system were rehabilitated and installed.

World Bank financing:
US\$ 17 million (IDA Credit)

Credit Effective:
April 17, 1998

Closing Date:
March 31, 2001

Contact: Ms. Vesna Francic; Phone: (387-33) 251-504; vfrancic@worldbank.org

WATER, SANITATION AND SOLID WASTE URGENT WORKS PROJECT

Objective

The project aimed to rapidly improve water, sanitation and solid waste services and remove risks to public health.

Results

This emergency project, supported by the World Bank and several other donors, financed 58 contracts for civil works and provision of equipment for a total value of US\$ 20.9 million. The project improved water, sanitation and solid waste services in 26 participating municipalities.

World Bank financing:
US\$ 20 million (IDA Credit)

Credit Effective:
May 1, 1996

Closing Date:
June 30, 1999

Contact: Ms. Vesna Francic; Phone: (387-33) 251-504; vfrancic@worldbank.org

CLOSED PROJECTS

BUSINESS ENABLING ENVIRONMENT ADJUSTMENT CREDIT

Objective

The objective of this project was to improve the investment climate and promote domestic and foreign investment and private sector growth. Objectives of the reform program supported by this credit were to reduce those administrative and regulatory barriers that would have the most critical near-term impact on the three phases of business development: business entry, business operations, and business exit.

Results

BAC provided direct budget support in exchange for reforms that improved the business environment. The first tranche of the credit worth US\$ 20 million was disbursed in 2002. The second tranche was disbursed in December 2007. Legislative and institutional enhancements achieved under this project contributed to the reduction of burden to businesses. Electronic business registration system was established bringing the overall number of days required to start business operations down from 80 days in 2002 to 29 days in 2007. Streamlined entity inspections reduced the average number of inspection days per business down to 9.94 in the Federation BH and 7.46 in the RS (as per a May 2007 survey of 210 firms). Changes and amendments to the bankruptcy and liquidation laws, establishment of the Registry of Movable Pledges, strengthening of FIPA and abolishment of obligatory membership in the chambers of commerce were also achieved under the framework of BAC.

World Bank financing:
US\$ 44 million (IDA Credit)

Credit Effective:
August 15, 2002

Closing Date:
December 15, 2007

Contact: Mr. Haris Mesinovic; Phone: (387-33) 251-533; hmesinovic@worldbank.org

EMERGENCY INDUSTRIAL RESTART PROJECT

Objective

The objective of the project was to help restart industry and production in BH by attracting foreign private finance to restart viable parts of the BH industrial and commercial sector and thereby assist in restoring employment and production during a period when BH was struggling to gain a measure of political stability in the immediate aftermath of a destructive war. The objective included assisting BH enterprises to re-establish links with foreign partners thereby diversifying their sources of supply and improving their access to markets.

Results

During the life of the project, 26 guarantees/ insurance policies were issued totaling KM 39,627,235 in support of enterprise development and to attract new investment to BH. A new corporation owned by BH was created called the Investment Guarantee Agency (IGA). The project involved partnership arrangements with external institutions; firstly ING Bank of Amsterdam which backed up the obligations of IGA under issued guarantees with standby letters of credit which were fully cash backed using funds from the World Bank credit and grant funds from the other donors, and later with private market insurance companies from Lloyd's of London who also had the benefit of access to funds under the credit and from donors to pay claims but who in return agreed to issue policies of insurance for values up to four times the amount of the available World Bank and donor funds.

World Bank financing:
US\$ 10 million (IDA Credit)

Credit Effective:
March 1, 1997

Closing Date:
December 31, 2003

Contact: Mr. Loyd Edgcombe; Phone: (1-202) 458-5982; ledgcombe@worldbank.org

EMERGENCY PILOT CREDIT PROJECT(RS)

Objective

The primary objectives of the project were to: (i) restart and expand private enterprise activities in Republika Srpska by way of resource transfer through medium-term loans from commercial banks; and (ii) improve credit management capacity and loan administration skills of banks in the RS, laying the foundation for more ambitious banking reforms under subsequent privatization-related projects.

Results

115 loans totaling KM 15.5 million were approved. These loans were extended to private enterprises in 25 towns and villages and had a significant demonstration effect. Financing extended under the project covered most of the economically important sectors in the RS including: wood processing, floors and furniture; light industry with textiles, leather, garments and footwear; building materials, doors, windows, chemicals and detergents, plastic, rubber and glass products. Food production and processing was represented with animal and chicken food, meat and poultry, eggs, milk and milk products, mushrooms, herbs, and food processing. About half of the approved sub-projects had an export development component concerning countries which originated from the former Yugoslavia, and 20% were expected to export to the European Union. The sub-projects significantly increased output and profitability of the final beneficiaries by an average of 80%. About 500 new permanent jobs were created.

World Bank financing:
US\$ 5 million (IDA Credit)

Credit Effective:
August 1, 1998

Closing Date:
June 30, 2000

Contact: Phone: (387-33) 251-500; mail_to_bosnia@worldbank.org

ENTERPRISE AND BANK PRIVATIZATION ADJUSTMENT CREDIT

Objective

The overall development objective of the credit was to help initiate the privatization process for enterprises and banks in BH. To meet this overall objective, the credit was to help the Government implement the first phase of a privatization program, which consisted of establishing the necessary legal and institutional framework and privatizing selected enterprises and banks.

Results

This budget support credit facilitated essential legislation for the privatization of banks and enterprises and by the end of 2002 all state-owned banks in the RS and the Federation BH were privatized (over 95% of banking assets in both Entities). Small-scale privatization was also essentially completed in both the RS and the Federation BH. Securities Commissions were established in both entities and have licensed and were supervising Privatization Investment Funds, a vehicle for mass privatization. Stock exchanges were operating in both entities. Bank supervision agencies were established to actively monitor their respective banking sectors. A state-level Deposit Insurance Agency became fully operational in October 2002.

World Bank financing:
US\$ 50 million (IDA Credit)

Credit Effective:
September 29, 1999

Closing Date:
May 31, 2002

Contact: Phone: (387-33) 251-500; mail_to_bosnia@worldbank.org

LOCAL INITIATIVES PROJECT

Objective

The project objectives were to: (i) provide access to credit to economically-disadvantaged and war-affected, specifically low-income micro-entrepreneurs who had no access to credit from the commercial banking sector; (ii) facilitate the development of independent, financially-viable micro-finance institutions that will provide credit to low income entrepreneurs over the long-term; (iii) create an appropriate legal environment for the provision of credit and savings services to low-income entrepreneurs

Results

The project has achieved the following results: 129,807 loans disbursed to micro-entrepreneurs throughout the country helping to create or sustain over 180,000 jobs. Total number of active clients was 29,486. Portfolio at risk in June 2002 was 0.71% (30 days past due). 50% of borrowers were women. 26% of borrowers were displaced persons and returning refugees. The law on microcredit organizations (MCOs) was adopted in both entities.

World Bank financing:
US\$ 7 million (IDA Credit)

Credit Effective:
March 1, 1997

Closing Date:
June 30, 2000

Contact: Phone: Mr. Goran Tinjic; (387-33) 251-518; gtinjc@worldbank.org

LOCAL INITIATIVES PROJECT II

Objective

Building on the achievements of the first Local Initiatives Project which helped kick-start the development of the microcredit sector in BH, the Second Local Initiatives (Microfinance) Project was to increase the scale, financial viability and social impact of microcredit services. In this regard, the overall development goal of the project was to address the urgent need to raise incomes, develop businesses and create jobs, through provision of credit and other financial services to low-income people. Specifically, the project was to: (i) finance the growth and institutional development of high-performing microfinance institutions; and (ii) support the transition of the microfinance sector towards sustainable sources of financing.

Results

The project has significantly influenced a large pool of entrepreneurial poor, and had a positive impact on clients' businesses and employment (impact assessment showed that microcredit services helped create and/or sustain more than 200,000 jobs), and has further strengthened institutional capacity of partner MCOs to provide high-quality credit services to low-income clientele. New law on MCOs was adopted in both entities allowing for further development of the sector.

World Bank financing:
US\$ 20 million (IDA Credit)

Credit Effective:
March 26, 2002

Closing Date:
June 30, 2005

Contact: Mr. Goran Tinjic; Phone: (387-33) 251-518; gtinjc@worldbank.org

ENTERPRISE EXPORT FACILITY PROJECT

Objective

The primary objective of the project was to support sustainable economic growth by facilitating and expanding viable export activity thereby reducing the economy's dependence on aid.

Results

The primary objective of the project, to support sustainable economic growth by facilitating and expanding viable export activity was achieved in a most satisfactory manner. The project was estimated to have supported exports valued at EUR 275 million.

World Bank financing:
US\$ 12 million (IDA Credit)

Credit Effective:
October 1, 1999

Closing Date:
December 31, 2004

Contact: Mr. Loyd Edgecombe; Phone: (1-202) 458-5982; ledgecombe@worldbank.org

PRIVATE SECTOR CREDIT PROJECT

Objective

The principal objective of the project was to promote the private sector development by improving access to finance for the private sector in Republika Srpska. In addition, the project was expected to play an active role in shaping the development of the banking sector and markets in Republika Srpska.

Results

The project has effectively fulfilled its objectives. It has improved access to term credit for investment and working capital finance for the private sector, both by providing IDA funding and by improving banks' capacity to appraise and manage the credit risk. Investments financed by the project have increased the earnings and profitability of private enterprises, as well as their employment and income generation capacity. The banks were encouraged to focus on less developed regions. In many cases, the impact of the project was further enlarged through spill-over and demonstration effects. Better management of credit risk has increased banks' self-confidence and thus willingness to extend credit from their own funds, further increasing the beneficial effects of the project. Reduction of credit losses, due to more effective management of credit risk, was another beneficial factor allowing/contributing to the reduction of interest rates and better credit terms for the private sector.

World Bank financing:
US\$ 10 million (IDA Credit)

Credit Effective:
June 17, 2002

Closing Date:
June 30, 2005

Contact: Phone: (387-33) 251-500; mail_to_bosnia@worldbank.org

PRIVATIZATION TECHNICAL ASSISTANCE PROJECT

Objective

The objective of the project was to help accelerate large scale privatization through the tender sale of state-owned enterprises. Specifically the project was to: (i) assist in the tender sale of state-owned enterprises; (ii) help prepare the legislative and regulatory frameworks required for divesting utility and other monopoly companies that deliver public services (such as communications, water, gas, district heating, waste collection and disposal, railways, etc); (iii) render holding companies and large enterprises privatizable by "unbundling" them and performing preparatory steps so that they could attract potential buyers as separate entities; and (iv) help bring voucher privatization to a successful conclusion by setting up a transparent and regulated market place for future shareholders.

Results

Project objectives were met only partially and significant portion of the credit remained undisbursed. However, the institutions and the know-how to proceed with privatization were strengthened and could lead transparent process provided that there is political will.

World Bank financing:
US\$ 19.8 million (IDA Credit)

Credit Effective:
May 31, 2002

Closing Date:
August 31, 2006

Contact: Mr. Haris Mesinovic; Phone: (387-33) 251-533; hmesinovic@worldbank.org

ACTIVE PROJECTS

World Bank financing:
US\$ 15 million (IDA Credit)

Credit Effective:
April 16, 2007

Closing Date:
March 31, 2011

LAND REGISTRATION PROJECT

Objective

The project seeks to facilitate the orderly development of transparent land markets, through the registration of real estate rights, and complementary policies that enable transactions to be made with security and efficiency. It will help remove current impediments to investments in urban areas, and, also prod property titles in rural areas.

Expected Results

As a result of the project, there will be a reduction in the time it takes to register transactions and an increase in the number of registered transactions. The amount of money borrowed by mortgagors may increase if other factors in the banking sector and general economy continue progressing. Both registration and cadastre systems will be available 'on-line' to the professional community and for general enquiries by the public. Customer satisfaction surveys will be used to confirm that systems operate transparently and efficiently.



Contacts:

World Bank

Ms. Mirjana Karahasanovic
Phone: (387-33) 251-522
mkarahasanovic@worldbank.org

External

Ms. Ediba Tafro
Ministry of Justice FBH
Phone: (387-33) 213-151 ext. 253

Mr. Dusko Radosevic
Ministry of Justice RS
Phone: (387-51) 339-349
d.radosevic@mpr.vladars.net

CLOSED PROJECTS

ECONOMIC MANAGEMENT STRUCTURAL ADJUSTMENT CREDIT (EMSAC)

Objective

The objective of the project was to support fiscal policy reform program for the transition from post-conflict and aid-dependency to self-sustained growth. The project was specifically aimed at: (i) reducing the excess burden of government in the economy while increasing expenditure efficiency; and (ii) improving financial and budgetary management in the public sector.

Results

Project objective was only partially achieved and only the first tranche of the credit in the amount of US\$ 10.6 million was disbursed in December 2004, while the second tranche in the amount of US\$ 23.4 million was cancelled in December 2006. However, the project helped intensify policy dialogue on public spending efficiency and many activities envisaged under the project have been implemented recently (for example law on internal audit).

World Bank financing:
US\$ 34 million committed
US\$ 10.6 million disbursed (IDA Credit)

Credit Effective:
June 15, 2004

Closing Date:
December 31, 2006

Contact: Mr. Orhan Niksic; Phone: (387-33) 251-500; oniksic@worldbank.org

PUBLIC FINANCE STRUCTURAL ADJUSTMENT CREDIT

Objective

The primary objective of the project was to support the transition from reconstruction to the restoration of sustained growth. The main policy areas supported by the project included: (i) ensuring financing of the State through the preparation and adoption of consistent 1998 budgets of the State and Entity Governments and through the development and implementation of a transfer mechanism that would provide a regular and predictable flow of funds to the State budget for meeting its obligations; (ii) the creation of policy and institutional foundations for sound external debt management at the State and Entity levels as well as an external debt servicing mechanism through the State; (iii) administrative reforms to improve efficiency and transparency of government budgetary operations at both the State and Entity levels; (iv) initiation of reform and harmonization of tax policies and administration within BH; and (v) initiation of reform in the pension system.

Results

The project met most of its key objectives and substantially achieved its development impact. The PFSAC marked both the beginnings of policy dialogue between the State and the Entities as well as between the Entities themselves, and coordinated implementation of policy reforms by the State and the Entity governments. These achievements enabled the authorities to deepen and extend the PFSAC reforms under each component through the follow-up operation, PFSAC II.

World Bank financing:
US\$ 63 million (IDA Credit)

Credit Effective:
July 1, 1998

Closing Date:
June 30, 1999

Contact: Ms. Sebnem Akkaya; Phone: (1-202) 473-2346; sakkaya@worldbank.org

PUBLIC FINANCE STRUCTURAL ADJUSTMENT CREDIT II

Objective

The overall objective of the project was to help create conditions for sustainable economic growth through a strengthening of public finances. Reform of public finances was seen as vital to establishing the credibility of policies to undertake successfully the transition to a market economy, complete the recovery from the conflict of 1992-95, and lay the basis for a robust private sector supply response. Strengthened fiscal capacity was also the cornerstone on which country creditworthiness was to be built.

Results

Inter-entity harmonisation of tax policies and systems was implemented as envisaged with the outcome of higher revenue yields, greater efficiencies and reduced distortions. Intergovernmental financial reforms have clarified the attribution of revenues and improvements in public service delivery have taken place. Pension funds were financially sustainable and more efficiently administered. Reforms in budget management and the establishment of the audit system led to clear results: gains in transparency and accountability, closer relationship between priorities of public policy and budgets. Finally, the entities have adopted improved external debt management systems resulting in more secure budget control and oversight.

World Bank financing:
US\$ 72 million (IDA Credit)

Credit Effective:
December 3, 1999

Closing Date:
December 31, 2002

Contact: Ms. Sebnem Akkaya; Phone: (1-202) 473-2346; sakkaya@worldbank.org

TRANSITION ASSISTANCE CREDIT

Objective

The project was designed to provide quick-disbursing funds for fiscal and balance-of-payments assistance. It was targeted for supporting the establishment of a functioning Federation BH, one of the two Entities that constitute Bosnia and Herzegovina under the Dayton Accords. A viable Federation BH was recognized as a key building block for realizing the ethnic reintegration envisaged by Dayton. The project's purpose was to support two main development objectives: (i) postwar economic reintegration and institution building by the State and Federation BH governments; and (ii) economic and employment growth, by reinitiating economic transformation interrupted by the war in the key areas of enterprise and banking reform.

Results

The Federation Customs Authority was established as a single institution under procedures established and supervised by European Union advisors. The Federation BH Tax Administration was established, and significant progress in reform of public finances was achieved. The Federation Banking Agency was established, and the Federation BH payments system was moving toward unification. A legal framework for privatization of banks and enterprises was presented to the Parliament, and the Federation Privatization Agency was established.

World Bank financing:
US\$ 90 million (IDA Credit)

Credit Effective:
September 5, 1996

Closing Date:
December 31, 1996

ACTIVE PROJECTS

ROAD INFRASTRUCTURE AND SAFETY PROJECT

Objective

The project objectives are to reduce user costs on the priority sections of the trunk and regional roads, to improve road safety, and to modernize road maintenance practices.

Expected Results

About 240 km will be rehabilitated during the project period. The project is expected to improve road safety by increasing the quantity and quality of safety outputs (e.g., policing operations, promotional activities, systematic engineering treatment, and data collection).

World Bank financing:
US\$ 25 million (IDA Credit)

Credit Effective:
not yet effective

Closing Date:
December 31, 2011

Contacts:
World Bank
Ms. Vesna Francic
Phone: (387-33) 251-504
vfrancic@worldbank.org

External
Mr. Ljubo Pravdic
Road Directorate FBH
Phone: (387-33) 213-369
pljubo@jpdcfbh.ba

Mr. Mladen Lazendic
Road Directorate RS
Phone: (387-51) 309-128
mlazendic@putevirs.com



CLOSED PROJECTS

EMERGENCY TRANSPORT RECONSTRUCTION PROJECT

Objective

The project aimed to reconstruct and repair urgent high priority links and services in the transport system, particularly roads, bridges, tunnels, the railways, Sarajevo airport, and urban transport.

Results

Road sector: World Bank administered funds permitted rehabilitation of 19 road sections, 13 bridges, 2 tunnels and 2 electric locomotives. In addition, 3 bridges and 8 road sections were completed under the EBRD part of the project. Finally, USAID supported the rehabilitation of about 20 local road sections. Overall, about 1,300 km of the main and regional networks and about 40 bridges were rehabilitated. Railways sector: the Railway Commission was established and passenger traffic was developing, notably between Sarajevo and Capljina. However, travel speed remained at about 50km/h on average. Civil aviation sector: the runway of the Sarajevo airport was repaved and the control tower rehabilitated. Urban transport sector: around 150 buses and mini-buses were delivered, as well as spare parts and workshop equipment.

World Bank financing:
US\$ 35 million (IDA Credit)

Credit Effective:
June 1, 1996

Closing Date:
June 30, 1999

Contact: Ms. Mirjana Karahasanovic; Phone: (387-33) 251-522; mkarahasanovic@worldbank.org

EMERGENCY TRANSPORT RECONSTRUCTION PROJECT II

Objective

The project had five main objectives: (i) removing critical infrastructure bottlenecks; (ii) resuming operation on the major transport networks; (iii) ensuring sustainable development of the transport sector and related institutions; (iv) rebuilding the local contracting and consulting industry; and (v) supporting Republika Srpska economic program.

Results

Works were completed on twelve road sections and six bridges in the Federation BH, and ten road sections and 2 bridges in Republika Srpska. Fifteen tipper trucks have also been delivered to Republika Srpska.

World Bank financing:
US\$ 39 million (IDA Credit)

Credit Effective:
September 1, 1997

Closing Date:
June 30, 2000

Contact: Ms. Mirjana Karahasanovic; Phone: (387-33) 251-522; mkarahasanovic@worldbank.org

ROAD MANAGEMENT AND SAFETY PROJECT

Objective

The project's development objective was to improve traffic flow and reduce accident rates on the country's road network through rehabilitation of priority road sections associated with identified poor road condition and accident "black spots."

Results

As planned, over 520 km of roads were rehabilitated with high economic rates of return. Traffic on the sections increased moderately and travel times were reduced. In the Federation BH, fatal and injury accidents reduced from 6,216 in 2002 to 4,914 in 2006. The total accident rate per 10,000 vehicles reduced from 5.11 to 4.43 over the same period. In Republika Srpska, fatal and injury accidents reduced from 2,381 in 2002 to 2,139 in 2006. The total accident rate per 10,000 vehicles reduced from 6.4 to 5.6 over the same period.

World Bank financing:
US\$ 30 million (IDA Credit)

Credit Effective:
October 16, 2002

Closing Date:
June 30, 2007

Contact: Ms. Vesna Francic; Phone: (387-33) 251-504; vfrancic@worldbank.org



TRADE AND TRANSPORT FACILITATION IN SOUTHEAST EUROPE PROJECT (TTFSE)

Objective

The border crossing problem, by its nature, requires coordinated and mutually reinforcing action in many areas. The project therefore aimed to integrate the efforts of the European Commission, Southeast European Cooperative Initiative (SECI) and the World Bank Group for: (i) physical improvements to border crossings, (ii) technical assistance to strengthen the customs administrations, (iii) computerization of procedures at the border crossings and electronic filing of customs declarations, (iv) improved exchange of information between the border control agencies and the business community using a web-site; and (v) training for the business community through seminars and distance learning.

Results

Physical reconstruction of border crossings was completed and significant improvement were recorded at pilot sites since then. Entry processing times at Orasje dropped from 92 minutes in February 2003 to 15 minutes in April 2005; at Raca, those dropped from 73 minutes to 16 minutes. At the clearance facility in Grude, 30 percent of trucks were cleared in less than 15 minutes in April 2005. Trade facilitation activities, hosted by the Foreign Trade Chamber and the BIHPRO committee (a public-private committee for trade and transport facilitation) were completed. Training through 48 seminars offered 1,155 participants of SME's to refresh their skills on topics such as Incoterms, methods of payment, business ethics, commercial transaction documents and transport operations. The project supported the establishment of a Distance Learning Course for Road Transport Operators, in partnership with the Chamber and the International Road Transport Union.

World Bank financing:
US\$ 11 million (IDA Credit)

Credit Effective:
February 22, 2001

Closing Date:
September 30, 2005

Contact: Mr. Nikola Kerleta; Phone: (387-33) 251-514; nkerleta@worldbank.org



CLOSED PROJECTS

SOCIAL SECTOR TECHNICAL ASSISTANCE CREDIT (SOTAC)

Objective

The overall objectives of the project were the provision of a sustainable system of social protection that targets spending more effectively on the poorest. The project objectives were to be achieved through: (i) strengthening institutional and budgetary mechanisms for development and prioritization of social policy in BH; (ii) improving the policy framework for generation of productive employment; (iii) improving the impact and efficiency of the social safety net, in particular focusing programs on the needs of the poorest; (iv) improving public information and consultation about the objectives and elements of social policy reforms; and (v) strengthening the social statistics base in order to ensure that social policy is formulated on a well-informed basis.

Results

The SOTAC successfully supported social sector reforms by providing essential input to the preparation of the social safety net and cash transfer reform.

World Bank financing:
US\$ 3.55 million (IDA Credit)

Credit Effective:
April 30, 2001

Closing Date:
June 30, 2004

Contact: Mr. Vedad Ramljak; Phone: (387-33) 251-523; vramljak@worldbank.org

SOCIAL SECTORS ADJUSTMENT CREDIT (SOSAC)

Objective

Project objective was to reduce poverty in the most effective manner by increasing social well being and supporting an improved framework for increased incomes and opportunities. Project was intended to achieve this by: (i) supporting development of institutional and budgetary mechanisms for development and prioritization of social protection policy and programs; (ii) improving the policy framework for generation of productive employment opportunities; (iii) initiating improvements in the impact and efficiency of the social safety net, in particular focusing on the needs of the poorest; and (iv) strengthening the social statistics.

Results

A comprehensive reform of the core Labor law in each Entity was achieved. The reforms which were introduced made labor markets in BH substantially more flexible. The project supported the formation for the first time of social protection commissions in each Entity which developed both budget framework paper inputs and drafted social protection strategies, both of which for the first time include a framework for prioritizing social protection spending, both cross-sectorally and intra-sectorally. The project supported new legislation on unemployment benefits and active labor programs, which were a key elements of the social safety net in BH. The first nationally representative Living Standards Measurement Survey was conducted.

World Bank financing:
US\$ 20 million (IDA Credit)

Credit Effective:
April 30, 2001

Closing Date:
May 31, 2001

Contact: Mr. Vedad Ramljak; Phone: (387-33) 251-523; vramljak@worldbank.org

SOCIAL INSURANCE TECHNICAL ASSISTANCE PROJECT (SITAP)

Objective

The objective of the project was to strengthen the effectiveness and efficiency of health and pension insurance systems by provision of high quality technical assistance and training to help implement existing reforms and to help design options for future social insurance reforms.

Results

SITAP made a substantial contribution to improving provider payment mechanisms in primary health care facilities; reform of the Basic Benefit Package; and health facilities rationalization. Consultations, study tours and discussions resulted in commitments by both Entities to improve social and pension insurance mechanisms. However, to date there were limited measurable improvements in effectiveness and efficiency but the real project impacts should be manifested over time as improved policies and practices were implemented.

World Bank financing:
US\$ 7 million (IDA Credit)

Credit Effective:
October 3, 2003

Closing Date:
December 31, 2007

Contact: Mr. Vedad Ramljak; Phone: (387-33) 251-523; vramljak@worldbank.org

SOCIAL SECTORS ADJUSTMENT CREDIT II (SOSAC II)

Objective

The objective of the project was to support reforms in cash transfer, labor programs and social protection towards programs which protect the poorest and most disabled in a fiscally sustainable manner.

Results

While the project objectives were not achieved and the credit was cancelled in 2006, it triggered some important policy dialogue on targeting of social benefits. SOSAC II agenda is subject of an ongoing policy debate about "need based" vs "right based" allocation of social benefits, that now involves government agencies, associations of veterans, war invalids, civil victims of war, associations of disabled persons, trade unions and employers.

CLOSED PROJECTS

EMERGENCY RECOVERY PROJECT

Objective

This was the first World Bank supported project in BH aimed to (i) help establish the governance structure required by the BH constitution, (ii) help restore BH severely damaged productive capacity, (iii) rehabilitate key infrastructure facilities, and (iv) ease the hardship faced by vulnerable groups in the immediate post-war period.

Results

A large number of contracts for a total of US\$ 111.0 million were executed under the World Bank funding and through funds administered by the World Bank. For key government institutions, technical assistance and equipment were provided, including start-up capital and auditing for the establishment of the Central Bank, programs to consolidate the Federation BH and cantonal Privatization Agencies, the Federation BH Banking Agency and the Tax and Custom Administrations. Salary supplements to the State and Federation BH helped the establishment of the administration between February 1996 and February 1997. Repairs to government buildings were completed, including the High Court building, Statistical Agency building, Ministry of Foreign Affairs, Presidency, Palace of Justice, Parliament, Tax and Customs Administration building, and other buildings totaling US\$ 12.5 million. Included are the facilities at Lukavica which were repaired and used as an alternate meeting place for the Council of Ministers. Under the line of credit, by January 1998, 275 loans were approved, for a total of KM 52.2 million. This credit line was then turned over to the Federation Investment Bank. Contracts for a total of US\$ 11.8 million of critical imports in the power sector were completed. This included repairs to the Salakovac hydro power plant. The first unit started generation on November 16, 1996, the second in mid-January 1997 and the third in March 1998. In the transport sector, contracts worth US\$ 10.7 million for imported construction equipment were completed. Farm inputs components were supplied directly by bilateral donors. Under the Emergency Social Fund, initial funds of KM 28 million covering every municipality in the Federation BH were disbursed, providing 5 quarterly payments to 130,000 poorest households of about KM 37 each. A survey of household income and expenditures carried out throughout the entire Federation BH found that targeting of benefits was appropriate. Foster parents, hosting about 2000 children without parental care, were supported for 12 months. Emergency repairs to orphanages and institutions for disabled valued at US\$ 1.1 million were completed. Finally, four sets of contracts for projects to the disabled, totaling 5 million KM were completed, financing emergency assistance, health and rehabilitation treatment, improvement of housing, training, and other programs for the disabled.

World Bank financing:
US\$ 15 million (IDA grant)
US\$ 30 million (IDA Credit)

Credit Effective:
March 1, 1996

Closing Date:
June 30, 1998

Contact: Ms. Vesna Francic; Phone: (387-33) 251-504; vfrancic@worldbank.org

EMERGENCY LANDMINE CLEARANCE PROJECT

Objective

The project was viewed as the first phase of a broader Mine Action Program, the objective of which was to reduce as much as possible the uncertainty related to the presence of mines. The objectives were to: (i) establish institutional structures to plan and regulate demining; (ii) protect the most vulnerable groups, primarily through mine awareness programs; (iii) expand BH's mine clearing capacity; and (iv) carry out mine-clearing in support of most urgent reconstruction and recovery and to enable the restoration of essential public services.

Results

The project was very efficient in surveying and clearing minefields. Overall, a territory of 6.5 square kms was surveyed and cleared under the project (about 60% of the total surface surveyed/cleared in BH through 1996-1998) while this World Bank financed project expenditure was only 30% of the total resources spent for demining in the country (about US\$22 million).

World Bank financing:
US\$ 7.5 million (IDA Credit)

Credit Effective:
September 1, 1996

Closing Date:
September 30, 1999

Contact: Phone: (387-33) 251-500; mail_to_bosnia@worldbank.org

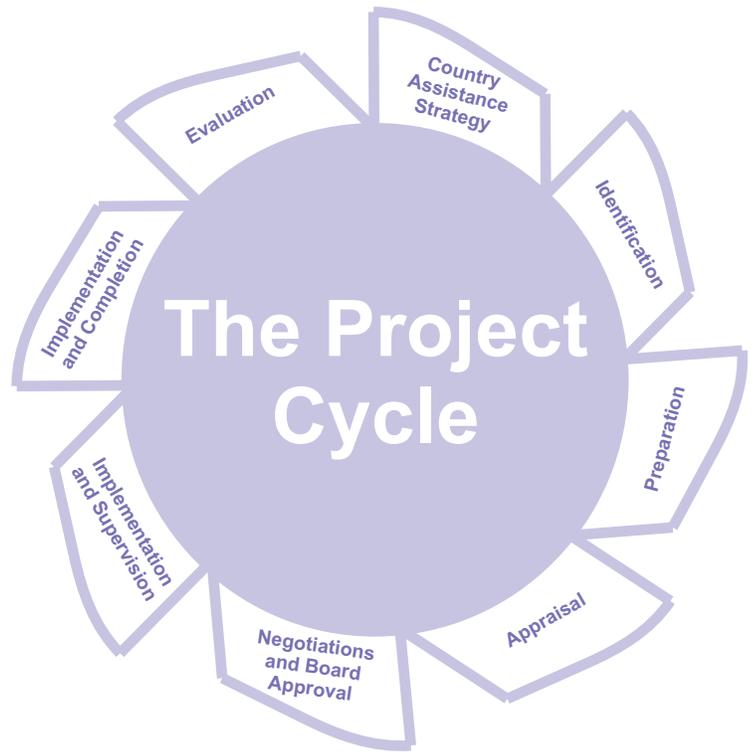
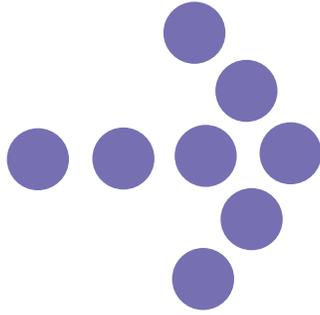
For details about all World Bank financed
projects in Bosnia and Herzegovina
please visit our web site:

www.worldbank.ba/projects&programs

"THE BANK AT ITS BEST"



UNDERSTANDING THE PROJECT CYCLE



1. How the Process Begins

In low-income countries, the Bank uses the Poverty Reduction Strategy (PRS) approach which involves widespread consultation and consensus building on how to boost development. Under this process, a national poverty reduction strategy is prepared by the country, creating a framework for donors to better co-ordinate and align their programs behind national priorities. The government consults a wide cross-section of local groups and combines this with an extensive analysis of poverty in the country's society and its economic situation.

2. The Identification Phase

The Bank's Country Assistance Strategy (CAS) forms the blueprint for its assistance to a country. In low-income countries, the CAS is based on the priorities identified in the country's Poverty Reduction Strategy Paper (as outlined above). The goals outlined in the CAS guide the priorities of the Bank's lending program and are a useful source of information for interested stakeholders and businesses wishing to identify potential future areas of Bank lending. During the identification phase, Bank teams work with the government to identify projects which can be funded as part of the agreed development objectives.

3. The Preparation Phase

This part of the process is driven by the country that the Bank is working with and can take anything from a few months to three years, depending on the complexity of the project being proposed. The Bank plays a supporting role, offering analysis and advice where requested. During this period, the technical, institutional, economic, environmental and financial issues facing the project will be studied and addressed - including whether there are alternative methods for achieving the same objectives.

4. The Appraisal Phase

The Bank is responsible for this part of the process. Bank staff review the work done during identification and preparation, often spending three to four weeks in the client country. They prepare for bank management either Project Appraisal Documents (investment projects) or Program Documents (for adjustment operations) and the Financial Management team assesses the financial aspects of the project.

5. The Negotiation and Approval Phase

After Bank staff members have appraised the proposed project, the Bank and the country that is seeking to borrow the funds, negotiate on its final shape. Both sides come to an agreement on the terms and conditions of the loan. Then the Project Appraisal Document (PAD) or the Program Document (PGD), along with the Memorandum of the President and legal documents are submitted to the Bank's Board of Executive Directors for approval. The appropriate documents are also submitted for final clearance by the borrowing government which may involve ratification by a council of ministers or a country's legislature. Following approval by both parties, the loan agreement is formally signed by their representatives. Once this has occurred, the loan or credit is declared effective, or ready for disbursement, after the relevant conditions are met, and the agreement is made available to the public.

6. The Implementation and Supervision Phase

The implementation of the project is the responsibility of the borrowing country, while the Bank is responsible for supervision. Once the loan is approved, the borrowing government, with technical assistance from the Bank, prepares the specifications and evaluates bids for the procurement of goods and services for the project. The Bank reviews this activity to ensure that its procurement guidelines have been followed. If they have, the funds will be disbursed.

7. The Implementation Completion Report

At the end of the loan disbursement period (anywhere from 1-10 years), a completion report identifying accomplishments, problems, and lessons learned is submitted to the Bank Board of Executive Directors for information purposes.

8. The Evaluation Phase

Following the completion of a project, the Bank's Operations Evaluation Department conducts an audit to measure its outcome against the original objectives. The audit entails a review of the project completion report and preparation of a separate report. Both reports are then submitted to the executive directors and the borrower. They are not released to the public.

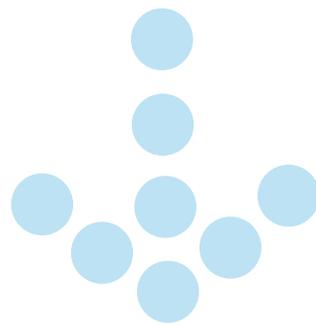
MORE THAN JUST THE MONEY



In addition to financial support for development, the World Bank provides analytic and advisory services that are equally valued by our counterparts. The most relevant pieces of analytic work in Bosnia and Herzegovina are described on the following pages



www.doingbusiness.org



Country: Bosnia and Herzegovina

Region: Eastern Europe & Central Asia

Income category: Lower middle income

Population: 3,908,458

GNI per capita (US\$): 2,980.00

The Doing Business series of annual reports investigate the regulations that affect business activity. Regulations affecting 10 aspects of a business operations (see Table) are measured to analyze economic outcomes, identify needed reforms and determine which ones worked, where and why. The indicators of the time, cost and effort to meet government requirements in business startup, operation, trade, taxation, and closure are used to produce rankings that permit comparison of regulatory environment among very different economies. The latest edition: Doing Business 2008 ranks 178 economies on the ease of doing business based on these 10 indicators of business regulation.

The Doing Business Index is calculated as the ranking on the simple average of country percentile rankings on each of the 10 topics covered in Doing Business 2008. All topics are weighted equally. The ranking on each topic is the simple average of the percentile rankings on its component indicators.

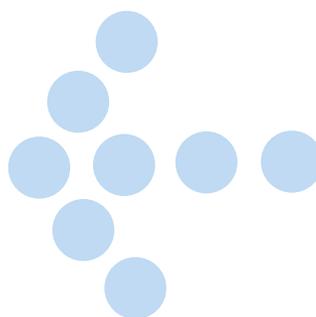
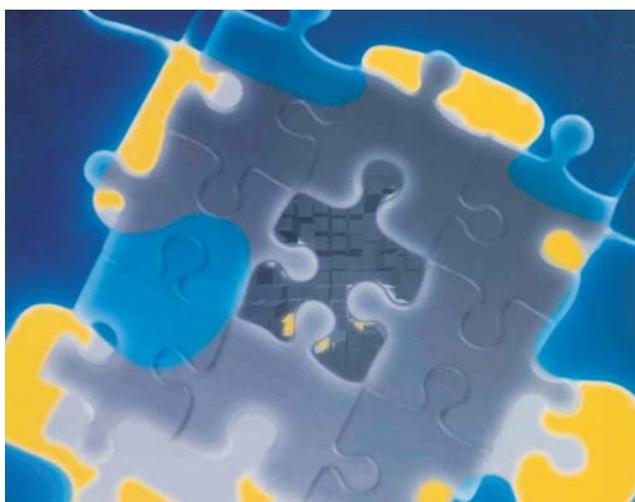
The Doing Business data are collected in a standardized way. To start, the Doing Business team designs a survey which is based around a standardized and basic business case to ensure comparability across countries and over time. Surveys are administered through more than 5,000 local experts, including lawyers, business consultants, accountants, government officials and other professionals routinely administering or advising on legal and regulatory requirements, in the course of several (typically 4) rounds of interaction with the Doing Business team and with appropriate checks for reliability and robustness of data.

Since 2003 Doing Business has inspired or informed over 113 reforms around the world.

BH results in Doing Business 2008

Ease of...	Doing Business 2008 rank	Doing Business 2007 rank	Change in rank
Doing Business	105	105	0
Starting a Business	150	147	-3
Dealing with Licenses	150	150	0
Employing Workers	114	115	+1
Registering Property	144	143	-1
Getting Credit	13	12	-1
Protecting Investors	83	81	-2
Paying Taxes	142	143	+1
Trading Across Borders	53	67	+14
Enforcing Contracts	126	125	-1
Closing a Business	61	69	+8

PUBLIC EXPENDITURE AND INSTITUTIONAL REVIEW

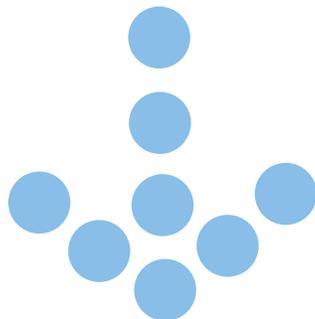


In 2006, the World Bank prepared the Public Expenditures and Institutional Review (PEIR), which was a comprehensive and in depth review of public expenditures and institutions that also offered specific recommendations to improve the efficiency of specific categories of government expenditures. The document has revealed a large degree of fiscal consolidation and stability improvements in recent years.

Nevertheless, the document clearly indicated that the level of public expenditures in BH is still high by international comparison and that, in addition, the analysis of expenditure composition by economic categories and functions has revealed a large degree of institutional and expenditure redundancies and inefficient expenditure practices. To a degree, institutional redundancies and related expenditures are a consequence of the complex political structure of BH. However, the analysis also showed that a large degree of existing inefficiencies could be largely improved within the existing constitutional framework.

The PEIR has, among other, assessed social, health and pension expenditures, remuneration of public officials and public investments, and analyzed the fiscal implications of planned institution-building to strengthen the capacity of the central government. The document also assessed the outcomes of the associated functional expenditures and has compared both the expenditures and their effects with those of the broader region and OECD countries.

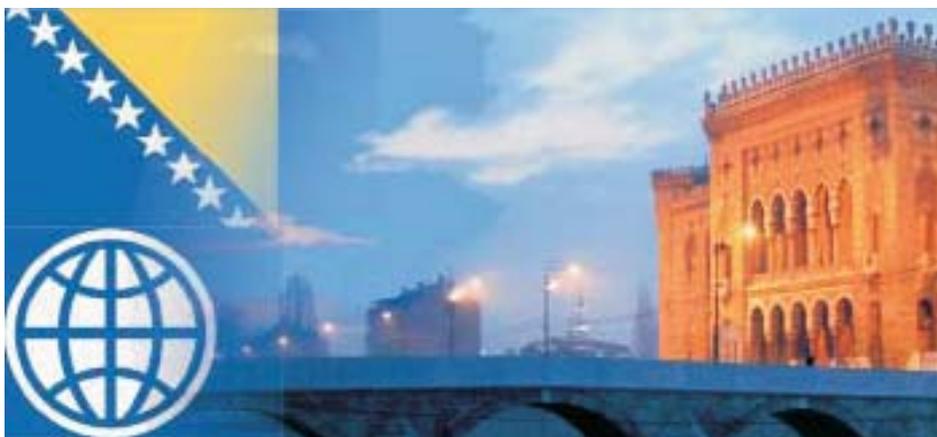
www.worldbank.ba/peir



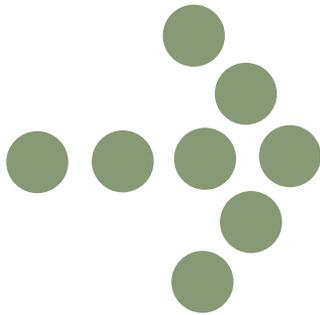
www.worldbank.ba/cem

The World Bank is currently engaged in the development of the Country Economic Memorandum (CEM) for Bosnia and Herzegovina. Two rounds of discussions were held with the authorities at the State and Entity levels in BH, aimed at determining the economic policy areas, where the authorities would want the World Bank to undertake a thorough analysis and explore options for policy development. While a number of different topics surfaced out, a few topics were on top of the agenda for both entities and the State.

Following internal discussions in the Bank and a second round of discussions with the authorities, two topics were chosen for the study, both under the broad theme of trade, integration, and convergence. The first topic will analyze patterns of trade, make an assessment of BH's revealed competitive advantages and key constraints to growth of most promising export and import-substituting sectors of the BH economy. The second topic will focus on the agriculture sector or, analyzing key constraints to the development of those sub-sectors, where BH has a competitive advantage to increase production for both exports and domestic market. The study will evaluate the functioning of the market for agricultural land and efficiency of government support programs to the sector.



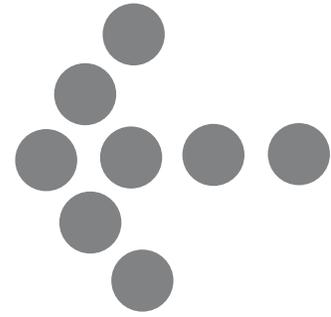
PENSIONS IN BH



In recent years the World Bank has engaged with the BH authorities on the issue of Pension Insurance through the Social Insurance Technical Assistance Project (SITAP) and the BH Pension System Note a piece of Economic and Sector Work, delivered in 2006.

SITAP, which closed in December 2007, had the objective to strengthen the effectiveness and efficiency of health and pension insurance systems by provision of high quality technical assistance and training to help implement existing reforms and to help design options for future social insurance reforms. For the pension insurance component, the project helped develop a policy reform framework for the pension component through consultancy services targeting both policymakers and technicians and via study trips to countries in the region and beyond. Much needed training to the Pension Fund staff in actuarial analysis skills was also provided.

BH Pension System Note sought to provide an evaluation of the current pension system and to provide some possible reform options which, inter alia, aim to harmonize parameters across the two entities and remove the most obvious disincentives in the current systems. The particular usefulness of the Note is that it contains a brief overview of the current demographics and charts the implications thereof on the financial status of the pension funds. It also provides projections of the financial and social consequences of today's parameters, while making international comparisons.



www.worldbank.ba/csf

General Information About the Program:

The Civil Society Fund complements and facilitates the social development agenda of the World Bank by providing grants through Country Offices to civil society organizations. The purpose of the Civil Society Fund is to support activities whose primary objective is civic engagement - to strengthen the voices of the most vulnerable groups and promote the inclusion of a broad array of citizens' initiatives in development policies and processes. Like in all other countries, the Civil Society Fund in BiH is taking place once every year. Initial launch usually takes place in February/ March and competition remains open for at least three weeks. Selection process and distribution of funds is finalized by early May, while winners have to submit their Final Reports by September the follow year

Who and What Can Be Financed Under Civil Society Fund:

Only registered non-governmental organizations can receive funds through Civil Society Fund. One organization can submit several projects. They will all be reviewed independently. The activity should take place within one year from when the grant is awarded. Selected projects can promote public consensus and local ownership for reforms and for national poverty reduction and development strategies by creating knowledge-sharing networks, building common ground for understanding, encouraging public-private cooperation, and sometimes even diffusing tensions.

What Cannot Be Financed Under Civil Society Fund:

Civil Society Fund can not fund: private or state companies, organizations or institutions, research programs, formal academic training programs, operational projects, ongoing institutional core support, scholarships, fellowships, study programs, individuals applying on their own behalf, or non-legal entities.

How Much Money Is Being Distributed:

Civil Society Fund are usually awarded in the range from US\$3,000 to US\$7,000 per organization (currency exchange rate). They rarely exceed \$10,000 for each grant and they rarely fund more than half of the proposed budget for an activity as this program prefers projects with additional contributions from other sources.

About Selection Process:

Civil Society Fund are being awarded following a highly competitive process, which is necessary having in mind the usual high number of applications and limited amount of funding available. Winning projects will be selected by a mixed commission made of representatives of the World Bank as well as non-governmental organizations and youth.



Youth Voices Group was established in 2004 as an internal youth consultative body within the World Bank Country Office in BiH. The main purpose of this group of young people, who were selected following a very competitive process, is to ensure that the World Bank financed operations in BiH take into consideration priorities of young people. Activities of the Youth Voices Group are organized through three thematic areas, mirroring the key priorities of youth in BiH: employment; education; youth policy development. Over the last four years, members of the Youth Voices Group provided inputs to several projects in the above mentioned areas and were consulted during desing of the new four year Country Partnership Strategy for BiH.

Learn more about the [Youth Voices Group](http://www.yvgbih.com) at www.yvgbih.com.

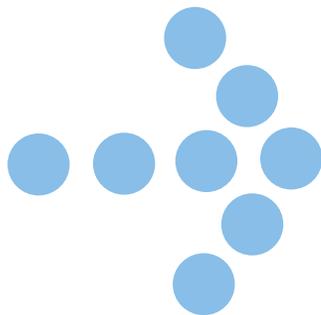
Here you can find:

- Free access to online and print publications and operational documents of World Bank Group, International Institutions, government and NGOs;
- Free access to special collection to CD-ROM and Videotapes;
- Free access to online information on development research and data;
- Free access to online World Bank databases:
 - * World Development Indicators, with more than 600 development indicators, with time series for 208 countries;
 - * Global Development Finance, with more than 200 debt and financial flows indicators for the 135 countries that report debt to the World Bank;
 - * E-library, providing access to full text books;
- Participation in roundtables and similar events, where you can discuss issues and topics you care about.

No fee is required to use the PIC services

e-PIC

e-PIC is a new virtual library of the World Bank. Here you can find information on development data, reports, and World Bank activities in Bosnia and Herzegovina and also around the globe.



Opening hours:
Monday to Friday
9 a.m. to 5 p.m.

Address:
School of Economics and Business
Trg Oslobođenja 1/III (E-net Center)
71 000 Sarajevo

Contact:
Telephone: (387-33) 251-880
E-mail: bosniapic@worldbank.org
<http://www.worldbank.ba/pic>





**The World Bank
Country Office Bosnia and Herzegovina
Fra Andjela Zvizdovica 1/B/17
71 000 Sarajevo, Bosnia and Herzegovina
Tel: (387-33) 251 500 Fax: (387-33) 440 108**

<http://www.worldbank.ba>