

STATUS OF PROJECTS IN EXECUTION – FY05
SOPE
REGION: EUROPE AND CENTRAL ASIA
COUNTRY: BOSNIA AND HERZEGOVINA

Operations Policy and Country Services
SEPTEMBER 23, 2005



Report on the Status of Projects in Execution - FY05
Region: Europe and Central Asia
Country: Bosnia and Herzegovina

Introduction

The Status of Projects in Execution (SOPE) Report for FY05 provides information on all IBRD/IDA projects that were active on and beyond June 30, 2005. Thus it bridges the gap in information available to the public between the Project Appraisal Document, disclosed after the Bank approves a project, and the Implementation Completion Report, disclosed after the project closes.

The World Bank has issued a SOPE Report every year as an internal communication to the Board of Executive Directors. Now, in accordance with the Bank's revised disclosure policy, the SOPE Report is also available to the public. By publishing this improved report, we have addressed one of the main concerns we heard from the public during disclosure consultations – that the public has very little access to information on projects while they are being implemented. Readers familiar with past reports will note that projects that closed during the fiscal year are no longer included in the SOPE, since their Implementation Completion Reports are now also disclosed.

The FY05 SOPE introduces a new element: in order to disclose project-by-project comparisons of disbursement estimates and actual disbursements, the SOPE report contains a line chart¹ showing the original estimated disbursement schedule, the latest approved revised schedule (if any) and actual disbursements for investment operations and a table showing the loan/credit/grant amount and disbursements to date.

¹ Notes:

- Amounts for Projects in currencies other than U.S. dollars may not match exactly due to exchange rate fluctuations over the life of the project.
- Disbursement graphs are not included for Development Policy Loans, which provide quick-disbursing external financing to support policy and institutional reforms. For these loans, funds are disbursed in one or more stages (tranches), released when the borrower complies with agreed conditions.
- Projects which are not yet effective may not have a planned disbursement schedule and thus may not include a graph.

Country: Bosnia and Herzegovina

Project Name (ID): Small-Scale Commercial Agriculture Development (P055434)

Country: Bosnia-Herzegovina

Board Approval Date: 03/25/2003

Closing Date: 12/31/2009

Loan/Credit/Grant Number: IDA-37420, JPN-26807

Sector(s): Agro-industry (29%), Irrigation and drainage (25%), Agricultural marketing and trade (17%), Crops (15%), Agricultural extension and research (14%)

Theme(s): Rural markets (P), Rural non-farm income generation (P), Rural policies and institutions (P), Rural services and infrastructure (P), Export development and competitiveness (P)

Project Development Objectives:

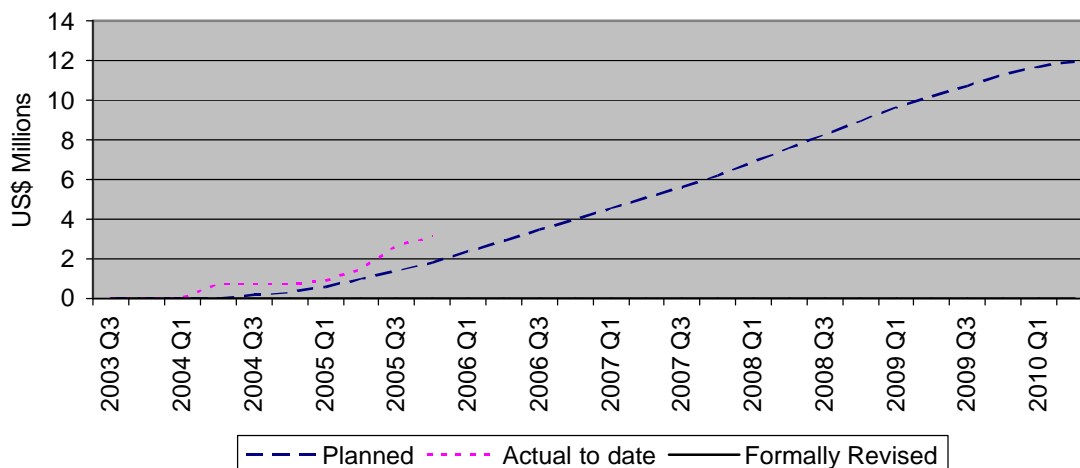
The project development objective is to develop private, market integrated commercial agriculture in selected low income, high potential areas of southern Bosnia and Herzegovina.

Progress toward achieving development objective(s):

The project has been making good progress toward the development objective, notably in the microfinance component. 404 farmers have accessed working capital provided through project activities, which is much greater than the original estimate (160). In other developments, great progress in the rehabilitation of irrigation infrastructure has led to significant increases in the percentage of irrigated crop land. Latest estimates place such crop land at 54% (1500 ha) of the target in one area (Ljubuski). These developments will facilitate greater progress in the creation of feasible and profitable coordinated agricultural supply chains. Longer-term sustainability of such supply chains will most likely be enhanced when farmer associations and water user associations (WUAs) are set up and functioning well. Ten farmer and four WUAs have been set up, which is near the target level that was planned for originally.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-37420	Effective	12.69	3.09	9.68	0.00
JPN-26807	Closed	0.30	0.30	0.00	0.00



Project Name (ID): Solid Waste Management (P057950)

Country: Bosnia-Herzegovina

Board Approval Date: 06/20/2002

Closing Date: 11/30/2009

Loan/Credit/Grant Number: IDA-36720, IDA-36721, JPN-25583, JPN-26259

Sector(s): Solid waste management (97%), Central government administration (3%)

Theme(s): Pollution management and environmental health (P), Other urban development (P), Other financial and private sector development (S), State enterprise/bank restructuring and privatization (S)

Project Development Objectives:

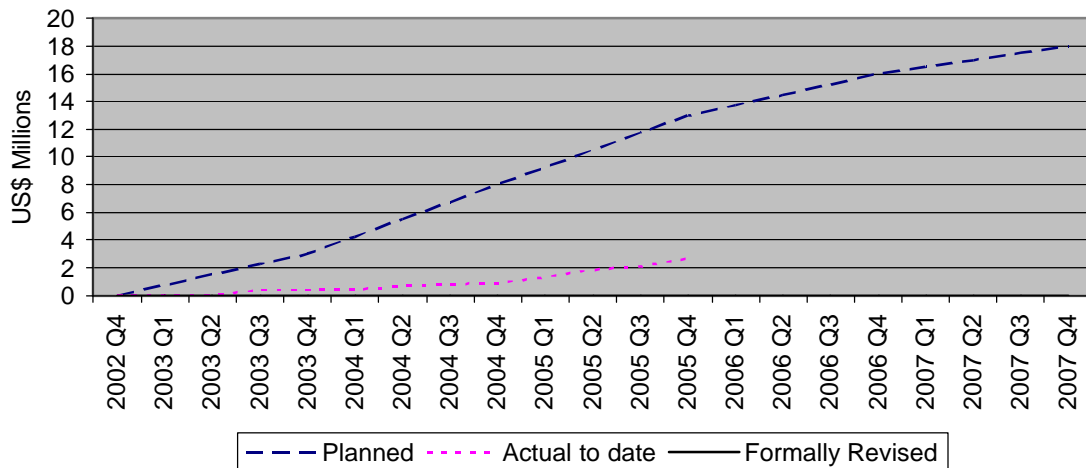
The objectives are to: (a) increase the quality, availability and financial sustainability of solid-waste services in participating areas; (b) increase administrative and technical capacity for solid waste management at the local and Entity level; (c) improve the cost recovery mechanism of the sector to encourage private sector involvement; and (d) correct environmental problems and reduce health hazards caused by inadequate waste collection and disposal systems.

Progress toward achieving development objective(s):

The project is making progress towards achieving its development objectives. Cost recovery and recycling programs are under preparation. Works on rehabilitation of two of the four landfills have started. An overall communication strategy on the country level is being implemented.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-36720	Effective	20.87	2.65	18.23	0.00
IDA-36721	Not Effective	7.73	0.00	7.73	0.00
JPN-25583	Closed	0.48	0.48	0.00	0.00
JPN-26259	Closed	0.42	0.42	0.00	0.01



Project Name (ID): Third Electric Power Reconstruction (P058521)
Country: Bosnia-Herzegovina
Board Approval Date: 06/26/2001
Midterm Review Date: 02/11/2004
Closing Date: 03/31/2006
Loan/Credit/Grant Number: IDA-35340
Sector(s): Power (96%), Central government administration (4%)
Theme(s): Conflict prevention and post-conflict reconstruction (P), Infrastructure services for private sector development (P), Regulation and competition policy (S)

Project Development Objectives:

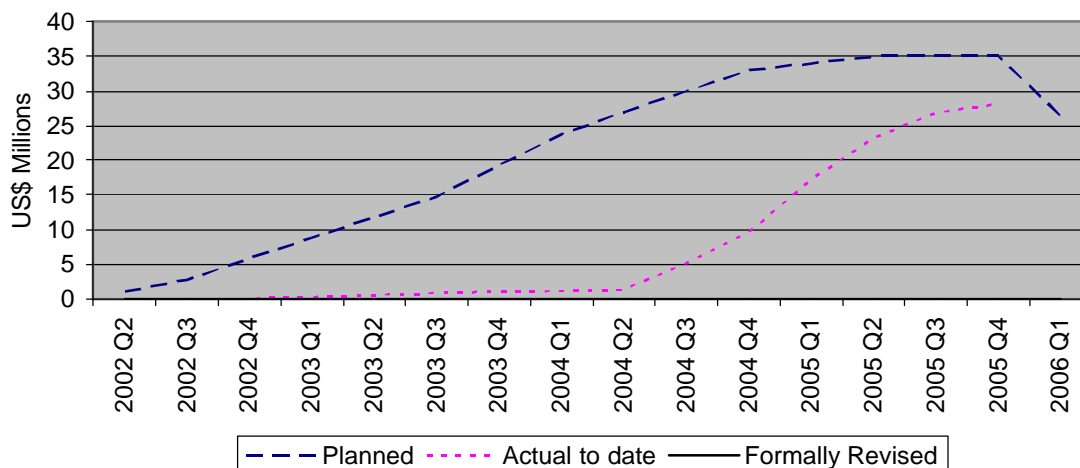
The objective is to ensure access to reliable and lower cost electricity which will be supplied with reduced environmental and safety risks, and improved cost recovery by suppliers.

Progress toward achieving development objective(s):

Overall progress toward the project development objective has been slower than anticipated, as a result of delays in the implementation of major structural reform in the power sector. Nonetheless, several major milestones in the reform process have been achieved, particularly in the passage of laws. The major achievement of the project has been the successful rehabilitation of the high voltage transmission network which suffered damages during the war and which had fragmented the electricity network and cut off the South East Europe network from that of the Western Europe network. The transmission network has now been reintegrated and resynchronized in the two zones of Western Europe and South East Europe

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-35340	Effective	38.52	28.78	10.13	0.00



Project Name (ID): Trade and Transport Facilitation In Southeast Europe (P070079)
Country: Bosnia-Herzegovina
Board Approval Date: 02/22/2001
Closing Date: 09/30/2005
Loan/Credit/Grant Number: IDA-34660, IDA-Q2370
Sector(s): Central government administration (100%)
Theme(s): Infrastructure services for private sector development (P), Other accountability/anti-corruption (P), Regional integration (P)

Project Development Objectives:

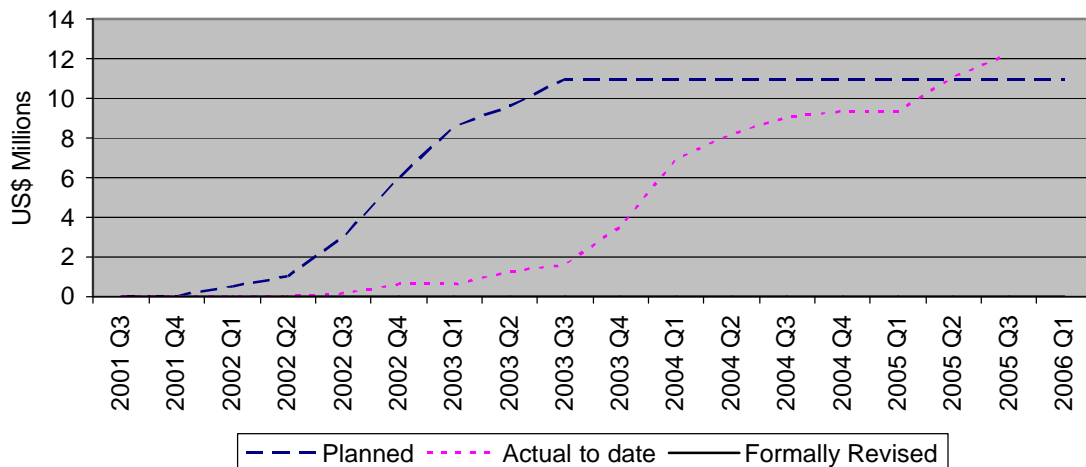
The project is part of a regional program for Trade and Transport Facilitation in Southeast Europe, which has two development objectives: (a) reduce non-tariff costs to trade and transport and (b) prevent smuggling and corruption at border crossings.

Progress toward achieving development objective(s):

Progress has been better in some aspects of the project than in others. There has been a significant reduction in border crossing waiting times, although the clearance times in one crossing, in Banja Luka, remain high. Progress toward the second objective has also been uneven, as detection of irregularities has been lower than expected.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-34660	Effective	12.69	12.29	0.09	0.00
IDA-Q2370	Closed	0.20	0.00	0.00	0.20



Project Name (ID): Privatization Technical Assistance (P070917)

Country: Bosnia-Herzegovina

Board Approval Date: 06/26/2001

Midterm Review Date: 11/08/2004

Closing Date: 08/31/2006

Loan/Credit/Grant Number: IDA-35310

Sector(s): Central government administration (88%), Solid waste management (3%), General information and communications (3%), General transportation (3%), General energy (3%)

Theme(s): State enterprise/bank restructuring and privatization (P), Regulation and competition policy (P), Legal institutions for a market economy (P)

Project Development Objectives:

The objective is to help accelerate large scale privatization through the tender sale of state-owned enterprises.

The Project was restructured during the 2005 Fiscal Year

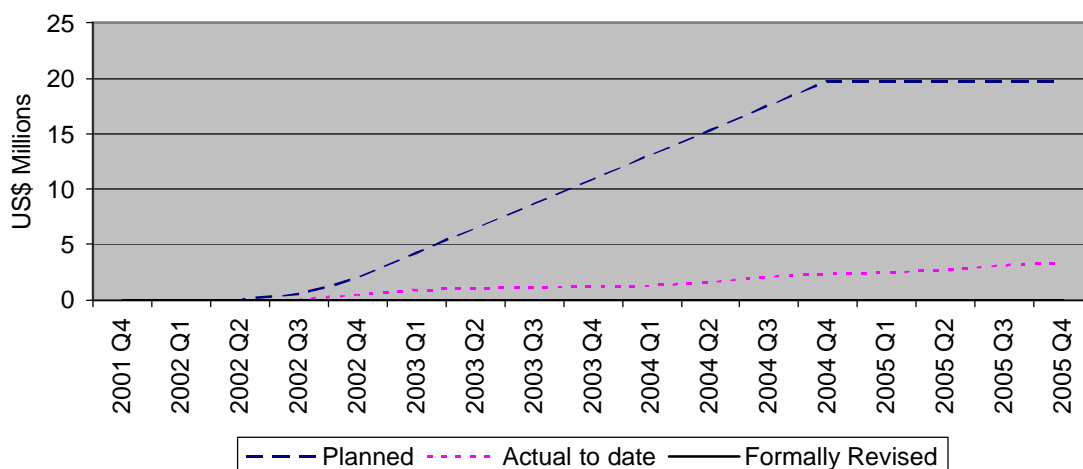
The goal was to support the corporate restructuring agenda under the proposed Programmatic Development Policy Credit. Even as the original development objective was maintained, funds were reallocated to meet needs that arose out of an accelerated privatization agenda.

Progress toward achieving development objective(s):

There are positive indications that progress has been made ever since the project was restructured, such as the completion of several privatization transactions. However, progress toward the development objective remains doubtful. There has been little change in measurable indicators and disbursements continue to be slow.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-35310	Effective	22.76	3.38	19.30	0.00



Project Name (ID): Second Social Sector Adjustment (P070992)
Country: Bosnia-Herzegovina
Board Approval Date: 06/15/2004
Closing Date: 06/30/2006
Loan/Credit/Grant Number: IDA-39260
Sector(s): Other social services (75%), Compulsory pension and unemployment insurance (25%)
Theme(s): Social risk mitigation (P), Social safety nets (P), Improving labor markets (S), Social analysis and monitoring (S), Conflict prevention and post-conflict reconstruction (S)

Project Development Objectives:

The objective is to support reforms in cash transfer and labor programs and institutions in Bosnia-Herzegovina which reorient social protection towards programs which protect the poorest and most disabled in a fiscally sustainable manner.

Progress toward achieving development objective(s):

The project is not yet effective. The deadline for effectiveness has been extended until December 14, 2005 to allow for continued dialogue with the Government concerning its support for the reform agenda.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-39260	Not Effective	50.63	0.00	50.63	0.00

Project Name (ID): Community Development (P070995)

Country: Bosnia-Herzegovina

Board Approval Date: 06/26/2001

Midterm Review Date: 04/17/2004

Closing Date: 08/31/2006

Loan/Credit/Grant Number: IDA-35380

Sector(s): General water, sanitation and flood protection (25%), Primary education (25%), Other social services (21%), Roads and highways (15%), Sub-national government administration (14%)

Theme(s): Conflict prevention and post-conflict reconstruction (P), Social safety nets (P), Rural services and infrastructure (P), Participation and civic engagement (P), Municipal governance and institution building (S)

Project Development Objectives:

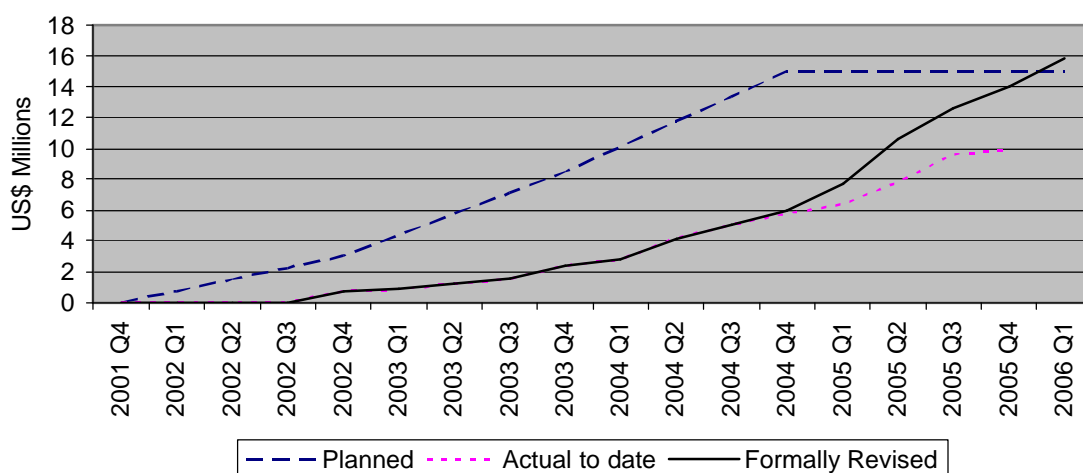
The objectives are to: (a) improve basic services and facilities for low-income and poor communities in under-served municipalities; and (b) improve governance and capacity of local governments to deliver services to the poor through better partnerships with poor communities in investment identification and decision making.

Progress toward achieving development objective(s):

The project is performing well and is on track to achieve development objectives. Sub-projects in various stages of completion range from small infrastructure to human development and youth-oriented projects. Over half a million people in the poorest municipalities (16% of the national population) are expected to benefit from these projects. Capacity building of municipalities is also progressing well.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-35380	Effective	17.22	9.90	7.22	0.00



Project Name (ID): Business Enabling Environment Structural Adjustment (P071001)

Country: Bosnia-Herzegovina

Board Approval Date: 05/30/2002

Closing Date: 08/31/2005

Loan/Credit/Grant Number: IDA-36450, SIDA-52216

Sector(s): General industry and trade (56%), Central government administration (27%), Law and justice (17%)

Theme(s): Legal institutions for a market economy (P), Regulation and competition policy (P), Other financial and private sector development (S), Other accountability/anti-corruption (S), Administrative and civil service reform (S)

Project Development Objectives:

The objective of the project is to improve the investment climate and strengthen a single economic space to promote domestic and foreign investment and private sector growth.

Progress toward achieving development objective(s):

The project is on track to achieve the development objective despite significant delays at the start as progress has been made in the implementation of laws regulating business entry and operations. A law that was passed to establish a long-awaited uniform approach to business registration based on common forms, procedures and processes has been adopted. This complements progress made in the mandated reduction of the number of days and steps for business registration. Inspection Laws were also passed in both entities that similarly mandate a reduction in the average number of on-site inspection days.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-36450	Effective	51.51	20.06	29.33	0.00
SIDA-52216	Closed	0.40	0.22	0.19	0.00

Project Name (ID): Social Insurance Technical Assistance (P071004)

Country: Bosnia-Herzegovina

Board Approval Date: 06/10/2003

Closing Date: 12/31/2007

Loan/Credit/Grant Number: IDA-37780, IDA-37781, UK-52086

Sector(s): Health (65%), Compulsory pension and unemployment insurance (35%)

Theme(s): Social risk mitigation (P), Health system performance (P), Tax policy and administration (S), Administrative and civil service reform (S)

Project Development Objectives:

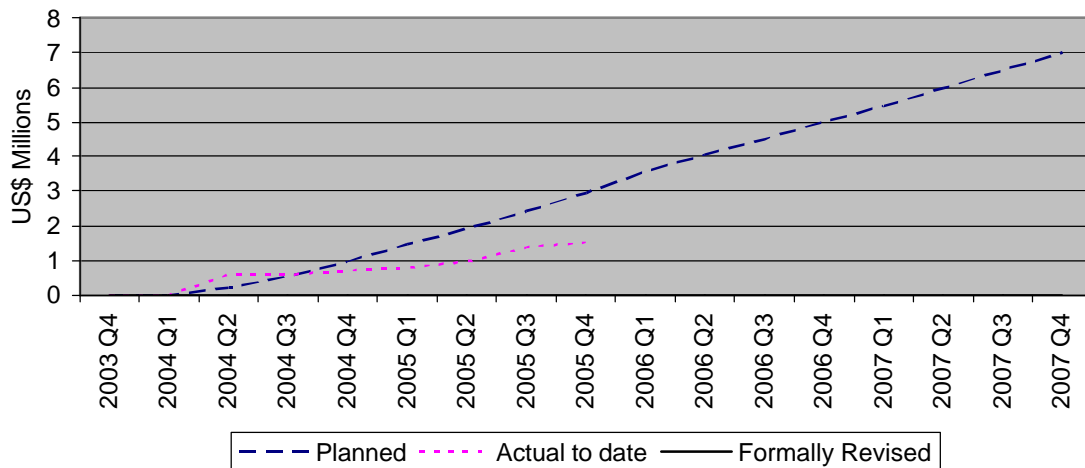
The objective is to strengthen the effectiveness and efficiency of health and pension insurance systems by provision of high quality technical assistance and training to help implement existing reforms and to help design options for future social insurance reforms.

Progress toward achieving development objective(s):

Project implementation is on track, with the exception of one major sub-component where work has been put on hold. The in-country training as well as foreign training is helping improve the efficiency of health and insurance systems. Intensive training is taking place through a number of workshops/courses and through counterparts' attendance in formal courses such as on the subject of pensions at Oxford University.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-37780	Effective	7.59	1.52	6.08	0.00
IDA-37781	Not Effective	2.04	0.00	2.04	0.00
UK-52086	Effective	1.95	0.51	1.45	0.00



Project Name (ID): Economic Management Structural Adjustment (P071039)

Country: Bosnia-Herzegovina

Board Approval Date: 06/15/2004

Closing Date: 12/31/2005

Loan/Credit/Grant Number: IDA-39250

Sector(s): Central government administration (40%), Law and justice (40%), Tertiary education (20%)

Theme(s): Administrative and civil service reform (P), Public expenditure, financial management, and procurement (P), Education for the knowledge economy (S), Other accountability/anti-corruption (S), Macroeconomic management (S)

Project Development Objectives:

The objective is to implement a fiscal policy reform program for the transition from post-conflict aid-dependency to self-sustained growth, by (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.

Progress toward achieving development objective(s):

By completing the reforms supported under the first tranche, the authorities have implemented the first phase of fiscal policy reforms and laid the legal basis improving public procurement and financial management, and achieving greater efficiency in higher education spending. Good progress was already achieved during the reporting period on implementing the reforms associated with the second tranche, in particular on financial management, external audit, public procurement and civil service reform. It is expected that the second tranche will be disbursed in late 2005.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-39250	Effective	33.85	10.55	23.93	0.00

Project Name (ID): Road Management and Safety (P071347)

Country: Bosnia-Herzegovina

Board Approval Date: 03/28/2002

Midterm Review Date: 11/15/2004

Closing Date: 06/30/2007

Loan/Credit/Grant Number: IDA-36260

Sector(s): Roads and highways (85%), Central government administration (15%)

Theme(s): Conflict prevention and post-conflict reconstruction (P), Rural services and infrastructure (P), Other financial and private sector development (S), Access to urban services and housing (S)

Project Development Objectives:

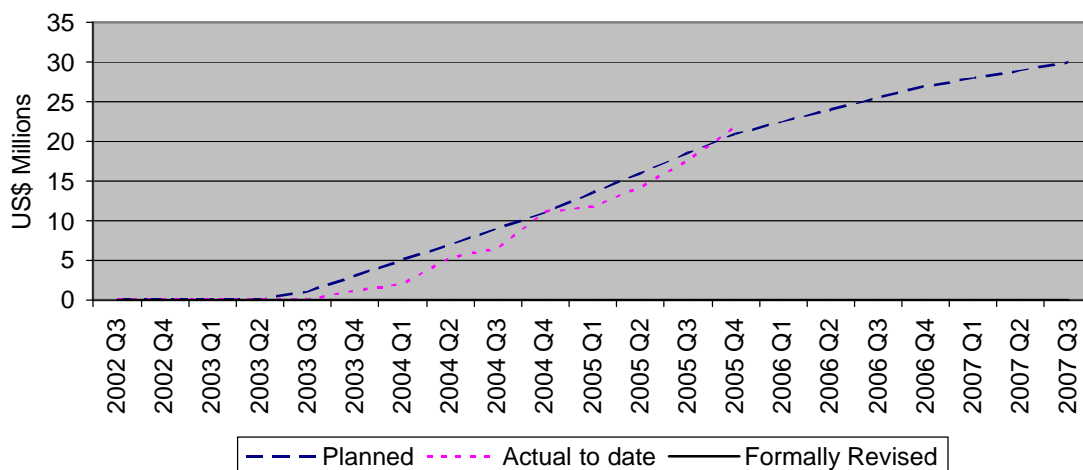
The objectives are to improve traffic flow and reduce accident rates on the country's road network.

Progress toward achieving development objective(s):

The project is moving towards achieving its objectives. Road sections have been satisfactorily rehabilitated both in the Federation and Republika Srpska.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-36260	Effective	35.31	21.87	13.74	0.00



Project Name (ID): Forest Development and Conservation (P079161)

Country: Bosnia-Herzegovina

Board Approval Date: 06/10/2003

Closing Date: 02/28/2007

Loan/Credit/Grant Number: IDA-37790, ITAL-52697

Sector(s): Forestry (50%), Central government administration (50%)

Theme(s): Land administration and management (P), Other environment and natural resources management (P), Environmental policies and institutions (S), Rural non-farm income generation (S), Other public sector governance (S)

Project Development Objectives:

The project assists with the implementation of legislated reforms in the forest sector to increase revenues from forest resources, improve forest management, and enhance biodiversity conservation.

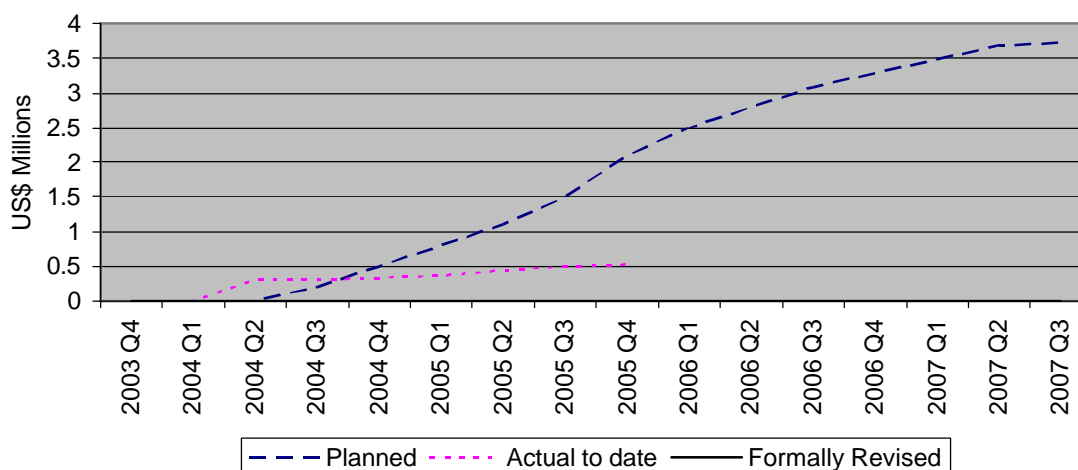
Progress toward achieving development objective(s):

Project activities have gained new momentum, and work is underway in several areas: (i) strengthening capacity for business planning and human resources management, (ii) improving accounting systems and timber pricing, and (iii) promoting biodiversity conservation. In addition, a working group to develop national standards for sustainable forest management and certification has been established.

Notwithstanding general progress in the project, there is an ongoing delay in the implementation of a National Forest Inventory, and efforts are being made to address the problem.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-37790	Effective	4.09	0.53	3.57	0.00
ITAL-52697	Effective	0.72	0.08	0.65	0.00



Project Name (ID): Education Restructuring (P079226)

Country: Bosnia-Herzegovina

Board Approval Date: 06/14/2005

Closing Date: 03/31/2010

Loan/Credit/Grant Number: IDA-40800, JPN-51893

Sector(s): Secondary education (50%), Sub-national government administration (40%), Central government administration (10%)

Theme(s): Education for the knowledge economy (P), Education for all (P)

Project Development Objectives:

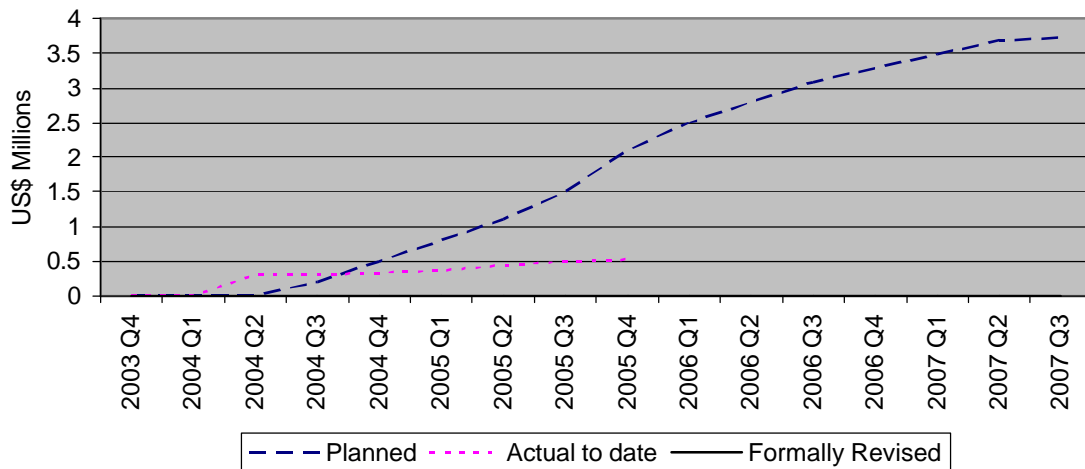
The objectives are to: (a) increase participation in general and broad-based secondary education programs; and (b) improve the efficiency of education delivery, especially in secondary education.

Progress toward achieving development objective(s):

The project was not effective before the close of the reporting period.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-40800	Not Effective	9.78	0.00	9.78	0.00
JPN-51893	Closed	0.38	0.34	0.00	0.04



Project Name (ID): Urban Infrastructure and Service Delivery (P083353)

Country: Bosnia-Herzegovina

Board Approval Date: 07/08/2004

Closing Date: 12/15/2009

Loan/Credit/Grant Number: IDA-39540

Sector(s): Water supply (65%), Sub-national government administration (25%), Sanitation (10%)

Theme(s): Other urban development (P), Conflict prevention and post-conflict reconstruction (S)

Project Development Objectives:

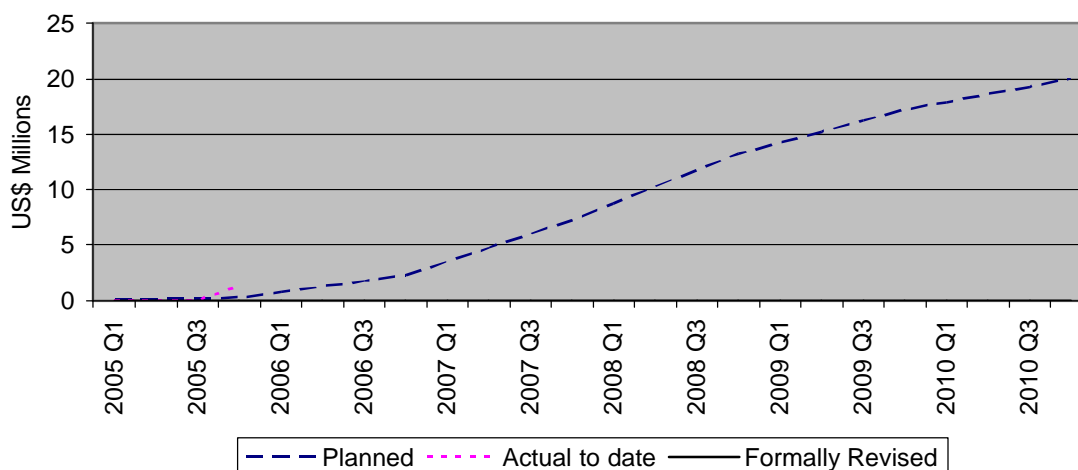
The objectives are to: (a) improve the availability, quality and reliability of basic municipal services, in particular, water supply and sanitation; (b) strengthen the ability of cantonal and municipal governments to improve management and institutional capacity for infrastructure development; and (c) where possible, foster deeper social cohesion through improvements in overall living conditions.

Progress toward achieving development objective(s):

The project became effective in the latter part of the reporting period and was still in too early a stage for meaningful progress reporting.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-39540	Effective	20.14	1.29	18.89	0.00



Project Name (ID): Second Employment Support (P084596)

Country: Bosnia-Herzegovina

Board Approval Date: 06/15/2004

Closing Date: 09/30/2008

Loan/Credit/Grant Number: IDA-39270

Sector(s): Other social services (85%), Central government administration (10%), Sub-national government administration (5%)

Theme(s): Improving labor markets (P), Social risk mitigation (S), Social safety nets (S), Education for the knowledge economy (S)

Project Development Objectives:

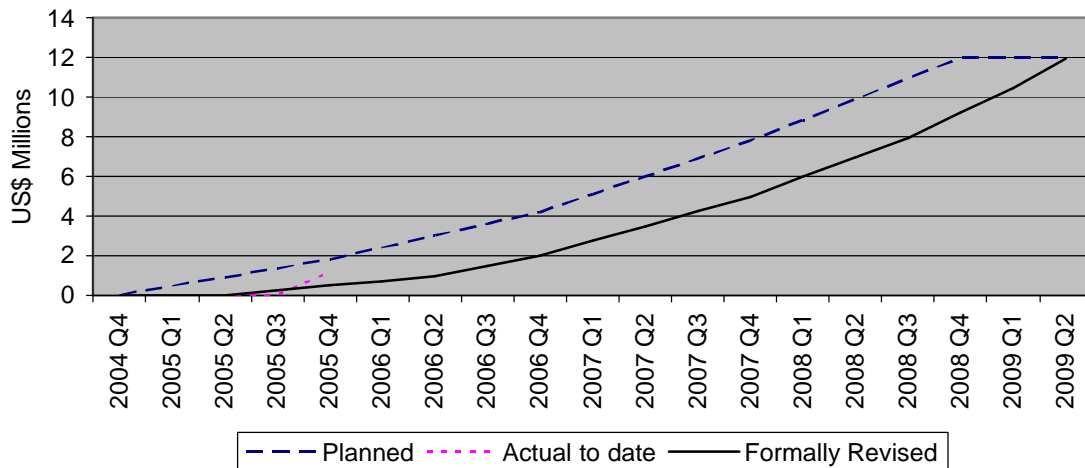
The objectives are to: (a) provide employment services for an estimated 10,000 people who are either recently retrenched and above 45 years of age and/or those who are actively seeking jobs for two or more years in RS and FBH; and (b) support reforms to change behavior and improve service delivery in employment services.

Progress toward achieving development objective(s):

The project has been under implementation for six months and is progressing well. Agreements have been reached with all the Employment Services offices on first year targets. A monitoring and evaluation system that will provide information on the progress of beneficiaries is in place. Beneficiaries identified in the initial case load are expected to start receiving assistance in August 2005.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-39270	Effective	11.96	1.17	10.84	0.00



Project Name (ID): Quality Protection (P085112)

Country: Bosnia-Herzegovina

Board Approval Date: 06/07/2005

Loan/Credit/Grant Number :

Sector(s): Sanitation (100%)

Theme(s): Pollution management and environmental health (P)

Project Development Objectives:

The project development objective is to further strengthen the capacities of local utilities and reduce pollution from municipal sources into the Neretva and Bosna Rivers. The global objective is to reduce municipal pollution and nutrients in the Adriatic Sea and the Danube Basin.

Progress toward achieving development objective(s):

The project was not effective before the close of the reporting period.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

Project Name (ID): Health Sector Enhancement (P088663)

Country: Bosnia-Herzegovina

Board Approval Date: 03/31/2005

Closing Date: 12/15/2010

Loan/Credit/Grant Number: IDA-40470, JPN-53748

Sector(s): Health (55%), Tertiary education (20%), Central government administration (20%), Other social services (5%)

Theme(s): Health system performance (P)

Project Development Objectives:

The objective is to (a) improve overall results for non-communicable diseases as measured by proxy indicators; (b) enhance health system efficiency; and (c) strengthen health sector policy making and evaluation process to improve sector performance.

Progress toward achieving development objective(s):

The project was not effective before the close of the reporting period.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-40470	Not Effective	16.34	0.00	16.34	0.00
JPN-53748	Closed	0.39	0.33	0.05	0.00

