



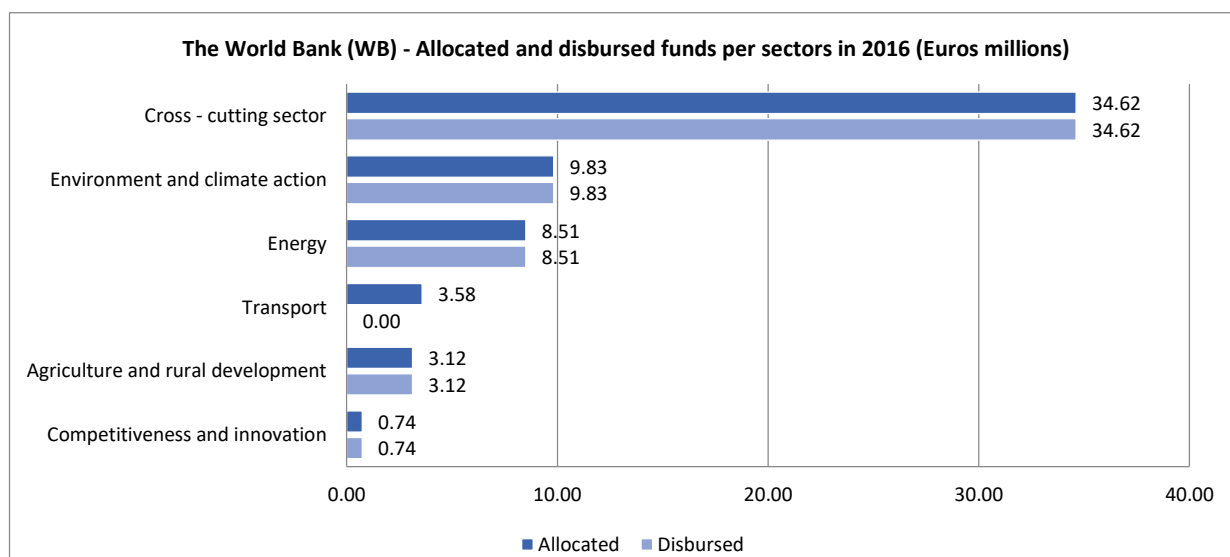
The World Bank

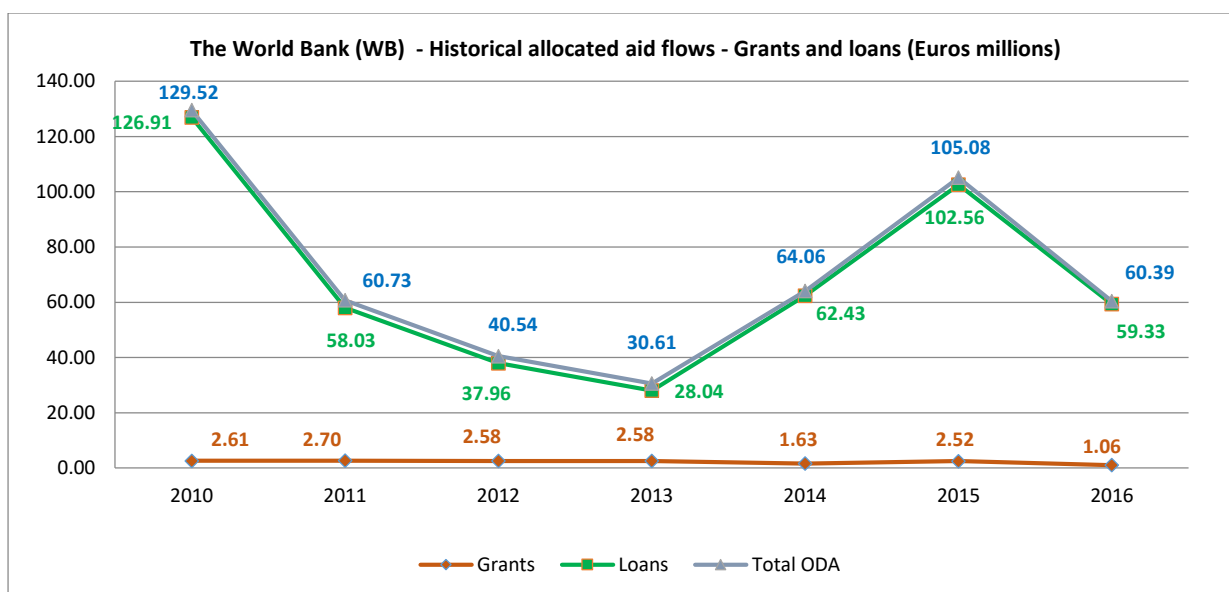
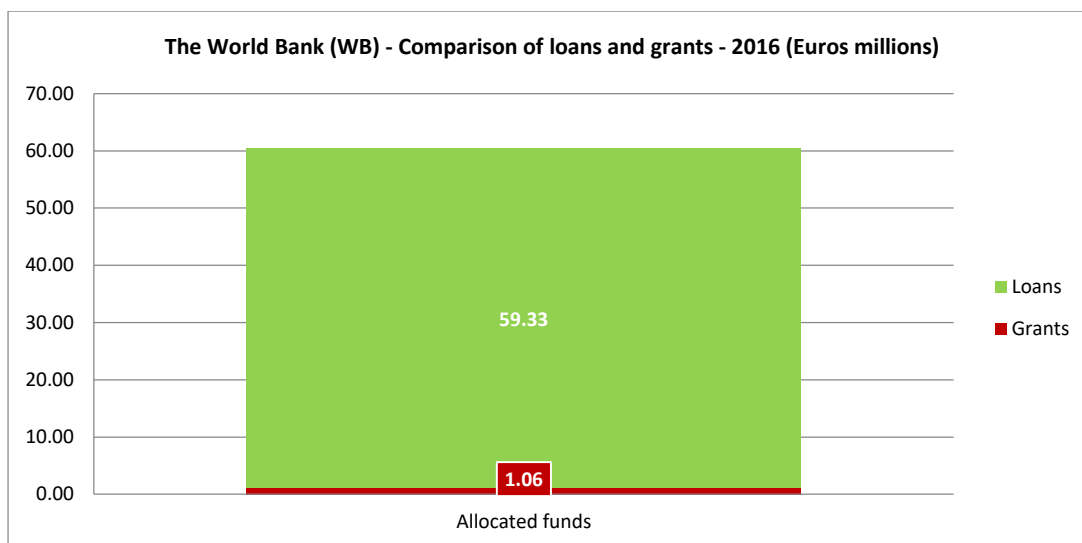
Policy approach

In December 2015, the World Bank Groups' Board of Executive Directors endorsed the WBG Country Partnership Framework (CPF) for FY16-20 **for Bosnia and Herzegovina**. The CPF has three focus areas for WBG support: increasing public sector efficiency and effectiveness, creating conditions for accelerated private sector growth, and building resilience to natural shocks. Support to **increasing public sector efficiency and effectiveness** includes improving the management and efficiency of public finances; strengthening governance and reducing fiscal burden of state owned enterprises; and improving public service delivery, such as health, water supply and sanitation. **Creating conditions for accelerated private sector growth** implies continued work on competitiveness and business environment, including building a more stable and accessible financial sector, particularly for underserved segments in the market, corporate governance and resource efficiency improvements, as well as support for greater labour market flexibility so that private companies can create more and better jobs, and upgrading key economic infrastructure, such as transport, energy and possibly ICT. Finally, **building resilience to natural shocks** largely focuses on the successful implementation of the existing portfolio of water resource management operations as well as analytic and advisory work to identify key challenges and opportunities in disaster risk management and sustainable management of natural resources. **Strengthening inclusion** is a cross-cutting theme for the entire strategy, informing the choice and design of specific operations so as to ensure that many groups in society can benefit from the structural reforms the WBG program supports.

Key activities in 2016

The World Bank (WB) **allocated € 60.39 million and disbursed € 56.82 million in 2016 in the form of grants and loans** to the following sectors: Cross - cutting sector, Environment and climate action, Energy, Transport, Agriculture and rural development and Competitiveness and innovation.





Medium and long-term approach

In December 2015, the World Bank Groups' Board of Executive Directors endorsed the WBG Country Partnership Framework (CPF) for FY16-20. Through the strategic framework, the WBG supports reforms in three areas: (1) increasing public sector efficiency and effectiveness; (2) creating conditions for accelerated private sector growth; and (3) building resilience to natural shocks. The framework includes a cross-cutting theme of inclusion that informs the choice and design of specific interventions under the strategy, to ensure that reforms are socially sustainable, and that vulnerable groups are not left behind as new opportunities open. The WBG CPF endorses lending program in the amount of about US\$750 million over the CPF period.

Focus Area I – Increasing Public Sector Efficiency and Effectiveness. There has been satisfactory progress against the objective of improving management and efficiency of public finances. In the



coming years, this area will also assist with *strengthening governance and reducing fiscal burden of SOEs*. Through the Banking sector strengthening project will assist with implementation of the new banking sector laws in BiH.

Focus Area II – Creating Conditions for Accelerated Private Sector Growth. Real Estate Registration Project completed activities in 210 cadastral municipalities and is contributing significantly to this area and so is Energy Efficiency Project with the end goal of increasing lifetime energy savings to 650,000 MWh, and thus contributing to the objective of upgrading economic infrastructure. It is expected that the Federation Road Sector Modernization Project will also contribute to the upgrading of economic infrastructure. In the upcoming period, this focus area will contribute to supporting a competitive business environment and access to finance through a project under preparation.

Focus Area III – Building Resilience to Natural Shocks. GEF Sustainable Forest and Landscape Management is making satisfactory progress in restoring sustainable land management practices. The Second Solid Waste Management Project contributes to having 8 regional landfills operational. The Floods Emergency Recovery Project has already exceeded its target of reaching 300,000 beneficiaries, and 200 repaired public infrastructure facilities. Irrigation Development Project reached 5,000 water users with improved irrigation services and will together with the Drina Flood Protection further contribute to the achievement of this objective of building resilience to floods.

Donor coordination efforts

Besides participating in the DCF meetings, the World Bank participates in several sector level donor coordination efforts. The World Bank also has periodic coordination meetings with the international financial organizations active in Bosnia and Herzegovina as well as with other development partners, in order to maximize development outcomes of different programs through better coordination and partnership. The project teams have regular meetings with the relevant counterparts (with EC and Swedish Embassy on solid waste and waste water; with UNDP on energy efficiency, IMF on budget support etc.)

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