

PROJECT INFORMATION DOCUMENT (PID) CONCEPT STAGE

Report No.: PIDC25338

Public Disclosure Copy

Project Name	Federation Road Sector Modernization Project (P152406)
Region	EUROPE AND CENTRAL ASIA
Country	Bosnia and Herzegovina
Sector(s)	Rural and Inter-Urban Roads and Highways (80%), Public administration-Transportation (20%)
Theme(s)	Regional integration (100%)
Lending Instrument	Investment Project Financing
Project ID	P152406
Borrower(s)	Bosnia and Herzegovina
Implementing Agency	Public Company Roads of Federation of Bosnia and Herzegovina
Environmental Category	A-Full Assessment
Date PID Prepared/ Updated	24-Aug-2015
Date PID Approved/ Disclosed	25-Aug-2015
Estimated Date of Appraisal Completion	10-Dec-2015
Estimated Date of Board Approval	31-Mar-2016
Concept Review Decision	Track II - The review did authorize the preparation to continue

Public Disclosure Copy

I. Introduction and Context Country Context

Bosnia and Herzegovina (BH), a small country of close to 4 million people, is yet to create a foundation for sustainable economic growth after a period of successful post-conflict recovery. Although it has a middle income country status, economic growth has slowed down particularly following the 2009-2011 global crisis and has considerably lagged its Southeastern European neighbors. GDP per capita nearly quadrupled and poverty dropped from about 20 percent in 1998 to about 14 percent in 2008. Despite this strong economic performance, the financial crisis in 2009 caused GDP to contract by 2.9 percent. The economy rebounded in 2011 - growing by 1.0 percent only to return to recession in 2012. In 2014, the economy grew by an estimated 0.8 percent due to mostly increased exports. However, slow growth in the main Eurozone export markets, political and social turmoil, lack of progress in making improvements to the business climate could all adversely impact the country's economic growth rates.

The Dayton Peace Agreement established Bosnia and Herzegovina (BH) as a state comprising two entities, each with a high degree of autonomy: the Federation of Bosnia and Herzegovina (FBH) and Republika Srpska (RS). The district of Brčko was added to the structure in 1999. Between the two entities, governance structures and budgetary arrangements are starkly asymmetric. While the RS is subdivided only into municipalities (62 in total), FBH is subdivided into 10 cantons, each with its own executive, legislative, and judicial branches of government. Each canton is further subdivided into municipalities. While the country's complex political system poses significant challenges in developing coherent sectoral policies and efficiently confronting emerging development priorities, authorities in BH have been pursuing a jointly authored development strategy that centers on macroeconomic stability and export led economic growth, employment and social cohesion, and sustainable development. The strategy's overarching goal is EU accession.

The progress on poverty reduction remains slow. Between 2007 and 2011 the poverty headcount remained stable at the national level. While poverty incidence in 2011 is similar at the subnational levels, it is much higher in rural areas, at 19 percent, compared to 9 percent in urban areas. Unlike poverty, for which there is little difference between FBH and RS, the bottom forty percent income group (B40) is more prevalent in RS than FBH. These patterns were generally stable during the 2007-2011 period. While some of the higher incidence of the B40 group in RS is due to its smaller share of urban population, it is also the case that the urban population in FBH has higher welfare on average compared with the urban population in RS – 27 percent of the FBH urban population were in the (nationally defined) B40 group, compared with 36 percent of the urban population in RS.

With the public sector spending close to 50 percent of GDP, ensuring efficiency of public expenditures is critical. In BH, the state, entities, district, canton and municipal governments spend approximately 50 percent of GDP. The choices made by public institutions can therefore significantly influence economic growth. These choices are important to ensure efficient use of public resources toward faster economic growth, poverty alleviation and shared prosperity.

Climate change impacts are increasingly important to consider in infrastructure planning. BH is vulnerable to heat waves, flooding and droughts as demonstrated in recent years. These events and their recurrence may become more common. For instance, heavy floods in May 2014 had a significant negative impact on the economy in BIH estimated at 15 percent of GDP (9.3 percent of GDP in damages) and (5.6 percent in losses). An EU-led Recovery and Needs Assessment estimated that the cumulative impact are so significant that they could slow growth, increase poverty, and put pressure on public finances.

Sectoral and Institutional Context

Bosnia and Herzegovina has no national transport strategy. There have been few attempts to define a national transport strategy. In 2001 the Transport Master Plan for BH was prepared to define a transport strategy at the state level. This plan was the first attempt to determine priorities across all transport modes and in the sector overall. Unfortunately, the final master plan was never officially adopted due to a lack of agreement between key stakeholders. A second attempt was initiated in 2006 by MoCT, collaborating with the two line entity ministries of FBH and RS. However, a lack of consensus on, inter alia; which level (state or entity) was responsible for the development of a strategy, and on its main policy objectives, put this initiative on hold.

Each entity produced a number of different strategies, but these, almost with no exception, have had their limitations. These documents generally amount to statements of broad policy objectives,

followed by lists of prospective projects along particular corridors, routes, or for particular modes. What is generally lacking is any strategic attempt to identify future investment needs based on a robust assessment of current and future demand over an appropriate timeframe. Equally, there is usually no assessment of the synergistic impact of projects across the sector more generally, or more seriously, any prioritization of the proposed investment projects that is reflective of the fiscal resources available, from different potential sources, public and private, internal and external. The result has been a patchwork of initiatives and projects, sometimes complementary, sometimes contradictory.

Bosnia and Herzegovina is almost landlocked, except for 20 km of coastline on the Adriatic Sea, and is dependent on ports located in Croatia, creating constraints in access to markets. Neum is the only coastal city in Bosnia and Herzegovina and it is accessible through the existing road on the route from Stolac. This road is of a poor standard and traffic bound for the Neum area from across Bosnia and Herzegovina normally chooses to follow the main road, M 17 (E73), into Croatia and then take the coastal road eastwards out of Croatia to Neum. This requires two border crossings for a one way trip and can entail extremely lengthy delays in the summer months for private traffic from all over the country and at any time for commercial traffic. The poor accessibility significantly impedes the growth potential of the region, especially the development of tourism which could potentially be the leading contributor to the local economy and a creator of jobs. The Sava River, the main tributary of the Danube River, is the only international inland waterway in BH and provides access to the Black Sea ports. However, the Sava River has not recovered from lack of maintenance since the 1990s, despite its potential for providing clean and efficient freight transport. It has suffered from low levels of traffic reflecting poor navigability conditions. Realizing the river's navigation potential for commercial traffic requires dredging, construction of sills and groynes and the demining of the river banks.

The main trade corridor providing connectivity in BH is Corridor Vc, which connects Budapest to the port of Ploče on the Adriatic Sea in Croatia via Sarajevo and runs 340 km in BH. This corridor is part of the South East Europe Transport Observatory (SEETO)'s Comprehensive Network for both roads and rail. Construction of a motorway is considered a priority by the government to improve connectivity of BH with neighboring countries and to enhance its potential for economic development. Several key sections of the motorway have already been financed by the European Investment Bank (EIB), the European Bank for Reconstruction and Development (EBRD) and the Kuwait Fund for Arabic Economic Development. BH is also traversed by a total of 470 km of SEETO Comprehensive Road network: A coastal route (Route 1: Ploče (Croatia)-Neum-Dubrovnik (Croatia); Route 2a: Okučani (Croatia)-Banja Luka-Lašva; Route 2b: Sarajevo-Podgorica (Montenegro); and Route 3: Sarajevo-Ušice (Serbia). Several sections on Route 2a (from/to Banja Luka) will require future widening or upgrading; and the section from Sarajevo to Pale on Route 3 presently requires upgrading.

The overall BH road network totals approximately 24,600 kilometers. This comprises about 3,800 km of main roads, of which 2,000 km fall within the FBH and 1,800 km within the RS; 4,700 km of regional roads, of which 2,500 km fall within the FBH and 2,200 km within the RS; and 16,100 km of local roads, of which 6,000 km fall within the FBH and 10,100 km fall in the RS. The density of the entire BH road network is broadly comparable to that of its neighbors. About 47 percent of the total road network is asphalt paved, compared to 64 percent in Montenegro and FYR Macedonia, and 85 percent and 87 percent in Croatia and the Slovak Republic, respectively. However 98 percent of the main road network is asphalt paved. As for network condition, the World Economic

Forum's Global Competiveness Report (GCR) showed improvement in road quality in BH (prior to the May 2014 floods). While, the country's ranking on road quality improved from 134th out of 144 countries in the 2012–13 report to 104th out of 148 countries in 2013–14, these results have to be interpreted with caution as the 2014-15 report excluded BH from its ranking due to the volatility of the survey results in the past 4 years. Improvements in road quality remain necessary, particularly for bridges and tunnels, due to historically insufficient routine and periodic maintenance funds, a continued poor enforcement of axle-load limits contributing to the premature decline of pavements, and a significant increase in traffic volumes.

The road construction has been one of the main drivers of investment spending and employment, generating around 5,000 jobs and spending KM 472 million in 2013 and an estimated KM 567 million in 2014 in FBH alone. Much of the road-building is financed through donor grants and loans. Every year between 2011 and 2013, between a half and two thirds of all capital investment is estimated to have been financed by donors.

The current transport sector institutional structure is complex. The sector is administered and managed at the State level by the Ministry of Communications and Transport (MoCT), and at the entity level, by separate Ministries of Transport and Communications (MoTC). The management of the network of motorways and high speed roads is entrusted to entity companies Public Company Roads of FBH and Public Company Roads of RS. The network of regional roads in BH is managed in two different ways. In FBH, the cantons are responsible for the management of regional roads. Management is carried out by Cantonal Road Directorates or by cantonal ministries. In RS, the Public Company Roads of RS is responsible for regional roads. The network of local roads in BH is managed by municipalities in accordance with their administrative boundaries.

Maintenance expenditures on the road network remains inadequate. The funds allocated to road maintenance in FBH have increased markedly over the period 2004-2014. Approximately KM 40 million per year (KM 30-35 million on routine and winter maintenance and KM 3-9 million on periodic maintenance) are now spent on maintenance of main roads from the public budget. The unit cost for routine and winter maintenance of KM 19,700 per km (US\$ 11,300) is higher than in other countries of the region. The RS spends KM 51 million a year on recurrent expenditures on the main and regional road network, and the unit costs for routine and winter maintenance in RS is KM 13,000 per km, about 20 percent lower than in FBH. The difference could be largely explained by the fact that that this covers main and regional roads in the case of the RS.

At present, the revenues allocated to the sector do not cover the full maintenance requirements of the main and regional network. The backlog of maintenance expenditure in BH has been estimated at KM 913 million (US\$ 529 million). Addressing this backlog creates challenges both from a sector absorption capacity as well from a financing perspective. There would appear to be a significant financing gap at the current levels of revenue even without considering the requirements of the development plans in the sector. Closing the financing gap requires a number of actions by both entities to improve the management, effectiveness and efficiency of expenditures in the sector. For example, updating the current road classification, which is based on administrative rather than functional principles, and a willingness to accept a lower quality standard on lower category/volume roads, would be expected to lead to a corresponding decrease in the estimate of both backlog and normal maintenance needs.

Road safety is a major social and public health issue in BH. In relative terms BH is performing well

compared to Southeast Europe averages, but fatalities are substantially higher than in the EU. Traffic accidents decreased from 40,859 in 2008 to 37,928 in 2011, however, the fatality rate (i.e. number of persons killed per capita) is still about 1.3 times higher than the average in EU27. The governments at the state and entity levels have pursued several policy and sector reforms to reduce the social and economic burden of road traffic accidents. In 2006, the Council of Ministers of BH adopted the National Law on Road Safety which is applicable to the entire country. In the period that followed 2007 - 2011, the law's implementing rules and internal regulations were introduced and the number of fatalities dropped from about 420 in 2008 to about 300 in 2012. At the national level, the Bosnia and Herzegovina Road Safety Council was established in 2013 and the process of drafting of National Road Safety Strategy is ongoing. Each of the two entities adopted its Strategy of Road Safety for 2008-2013. The World Bank also supported BH authorities in their plans to improve road safety management through a series of projects over the past decade. The improved legal and institutional framework and the increased capacity in the entities provide a good basis for a further program of activities to address road safety.

Transport infrastructure was significantly impacted by May 2014 floods, with the majority of the damages and losses mainly observed in the north of the country. The flood had severe effects on bridges causing some to collapse and resulting in significant damages to other structures. Landslides caused obstructions to roads, and many sections of roads and rail lines were washed away due to erosion from fast and high river currents. A preliminary assessment estimated damages to transport infrastructure at USD 300 million, but the real figure could be considerably higher. Following the floods, the Governments of FBH and RS have received loans (through the Ministry of Finance and Treasury) from EBRD and the World Bank to repair flood-related damages in the transport sector. However there is still demand for more resources in both entities and FBH and RS are in the process of securing funding for this purpose.

The government of FBH is embarking on a four-year 180 million Euro road modernization program. The program comprises road rehabilitation, bridge and tunnel rehabilitation, the construction of passing lanes and other interventions to enhance road safety. At the center of the program is the upgrade of the route to Neum and provision of an improved domestic route to Neum that is of national importance for promoting trade and national tourism. As part of the modernization program, the FBH Ministry of Finance and Ministry of Transport and Communications would like to strengthen the financial sustainability of the road sector, through the identification of sufficient sources of financing and a functional classification of the road network that would enhance the efficiency of resource allocation and use.

The road modernization program of the RS has not been yet finalized. Among the planned activities are rehabilitation of about 500 km of main and regional roads, including bridges and tunnels as well as the repair of roads damaged by the May 2014 floods. Individual investment priorities have been communicated to the Bank by the RS and include regional roads of relevance to regional development. Still, a wider program will be determined once the Government of the RS sets its policy priorities across all the sectors, including transport.

The railway network in BH is in need of rehabilitation. It extends for some 1,020 kilometers, of which about 90 percent is single track. Despite the rehabilitation efforts, the overall condition of the railway network in BH remains poor and operational speeds low, due to the existence of temporary speed restrictions; poor tunnel, track, and track alignment conditions; and the number and inadequate functioning of the crossings. Train operating speeds are limited to a range of between 30

and 70 kilometers per hour on around 80 of the railway lines along Corridor (Vc). In addition, there are limitations in ballast on curves, weak sleepers, and inadequate fastenings. Another significant problem is the length of the crossing sidings in stations, leading to restrictions on train length (550 meters) and train weight (1,500 tons).

Sufficient utilization of railways across BH is severely impeded by the inefficient railway services provided by the two entity-owned companies, the Railways of Federation Bosnia and Herzegovina and Railways of Republika Srpska. Both companies have complex and costly structures and have been struggling with growing arrears. Both are vertically integrated companies with low labor productivity which is less than a third of EU levels. The financial performance of both companies has been poor, with financial losses recurring annually, even though entities contribute continuously. This is a result from steadily growing operating costs (labor costs growing predominantly), low traffic and high rolling stock and infrastructure maintenance costs.

Both entities have identified the restructuring of the railway companies as priority actions to improve public finance but also increase railway services. The entities are at different stages of the reform process. The reform agenda highlights the importance of introducing strategies to address the loss making state-owned enterprises, enhance efficiency with a possibility for privatization and ensure public debt sustainability through clearance of arrears. EU accession is an additional driver: the country needs to strategically reform its railway sector, not only to adhere to the EU transport acquis, but also to prepare its railways for the competitive EU market.

Relationship to CAS

The BH Transport Sector Modernization Program (TSMP) aims to support the development of the transport sector in BH through a combination of transport investments and institutional reforms in both entities. TSMP will support high-priority transport interventions that will enhance connectivity within the country and the region. It will also provide tools for more effective policy dialogue, resource allocation and investment prioritization in accordance with the country's needs and within its fiscal constraints. TSMP is also expected to contribute to and support the development of a national transport strategy.

The Program is consistent with the Country Partnership Strategy (CPS) for FY12-15 and is expected to be in line with the new Country Partnership Framework (CPF) FY16-18 that is planned for Board presentation in October 2015. The Program supports the CPS pillar of competitiveness by enhancing the efficiency of the transport network and reducing the cost of doing business. In addition, the EIB-Bank partnership falls under one of the four guiding principles of the CPS, which is to strengthen partnerships with other development partners. The draft Systematic Country Diagnostics (SCD) identifies the improvement in transport infrastructure as a top key reform area necessary for enhancing shared prosperity in BH. It is expected that the CPF will recognize transport and connectivity as a key pillar for the Bank's priorities in the country.

TSMP supports the twin goals of increasing shared prosperity and reducing extreme poverty. Improved transport connectivity will facilitate the access to goods and services in domestic and international markets (the road links targeted by the first phase of the Program are important routes for regional and local connectivity), creation of jobs particularly in construction and tourism, efficiency gains in trade and production, development of regional value chains, and tapping into economies of scale. The Program would also help to improve rural connectivity in underserved areas where some of the Program road links are located, boosting shared prosperity by improving

the quality of life in rural areas, where many of the poor and bottom 40 percent of the population live.

The Project is consistent with regional and national policy objectives. BH is on its path to EU accession and good progress has been made in meeting EU requirements for the transport sector. During the last 10 years, BH has been actively involved in the South East European Transport Observatory (SEETO) cooperation, progressing from a pure orientation towards infrastructure development to more ambitious policy reforms. The Project will support BH in implementing main SEETO tasks defined by the on-going REBIS update. The Project and the Program will also allow for the gradual development of a country-wide transport program, which could unlock the Pre-accession assistance (IPA II) financing for the sector

II. Proposed Development Objective(s)

Proposed Development Objective(s) (From PCN)

The Overall Development Objective of the Transport Sector Modernization Program (TSMP) is to improve transport connectivity of the country along priority transport links and to support improvements in transport operations and asset management practices. The Program is multi-phased with a First Phase including road sections in FBH.

The Project Development Objectives of the First Phase of the TSMP are to: (i) improve road connectivity, road use efficiency and road safety along project roads and (ii) progress towards more efficient management of the road network including road asset management in the Federation of Bosnia and Herzegovina.

Key Results (From PCN)

Overall Program performance and results will be measured using improved connectivity/ accessibility measures (such as time savings, vehicle operating costs savings, and time isochrones) and improved road management practices (such as financial sustainability, strengthened and asset management practices).

The Project results will be measured as follows:

- Improved road connectivity for road users is measured by reduction in travel time for passenger cars along the project's constructed sections;
- Improved road efficiency for road users is measured by the reduction in vehicle operating costs for heavy trucks along the project's rehabilitated sections;
- Improved road safety for road users is measured by reduction of road accidents along the project roads sections;
- The progress towards more efficient management of the road network is measured by introduction of a financing mechanism that provides stable and predictable financing of PC Roads of FBH.

Project Beneficiaries: The primary group of the project's beneficiaries will include road users and communities living along the project roads. Roughly 130,000 road users (13) are expected to benefit from improved conditions and safety of the project roads through reduced travel time and vehicle operating costs. The new road Neum – Stolac is additionally expected to have positive economic impacts on the two connecting municipalities, Neum and Stolac, and their rural hinterlands. The new road will benefit the population of BH by providing much improved access to the Adriatic

coast in BH. As the draft SCD points out, in the medium to long run, such a project is expected to benefit all social groups, especially those located in rural areas, where many of the poor and B40 live, by connecting them to jobs, markets and services, including health and education. The project could also provide a boost to tourism. Consumers and rural businesses will also benefit indirectly from the reduction in transport costs. The improved quality of infrastructure and reduction in transport cost would enhance the ability to export and help firms from BH place themselves in European supply chains.

A secondary group of the project beneficiaries will include PC Roads of FBH and the local construction industry. Through technical assistance PC Roads of FBH will enhance its capacity to manage road assets sustainably, including road asset planning, budgeting, and execution and monitoring. The project is expected to further boost the capacity of the local construction industry for managing and implementing of contracts with an increased range of risks transferred to the private sector.

Gender dimension. The Project is likely to have gender impacts particularly through the road safety component. Gender-sensitive beneficiary surveys will collect gender-and age-disaggregated data before and after road reconstruction and road safety interventions. These beneficiary surveys will aim (i) to measure beneficiaries' satisfaction and opinions on road reconstruction; and (ii) to capture road safety perceptions of local citizens and motorized and non-motorized road users, including vulnerable groups (such as school children, elderly, and people with disability), local government representatives, and civil society organizations (such as victims groups of road traffic fatalities). A representative sample of the planned sections for reconstruction will be selected for the surveys. The results of the surveys, conducted before and after works, will inform the Project's road reconstruction and road safety interventions. In addition, the surveys will ensure that beneficiaries feel that the project investments reflect their needs and will improve the sustainability of Project outcomes through increased ownership by concerned beneficiaries.

III. Preliminary Description

Concept Description

The proposed Project (the First Phase of TSMP) will support the Government of FBH in the implementation of its new Road Modernization Program. It is envisioned that the Program will be supported by EBRD, EIB and the World Bank (EIB has already approved its loan). The proposed Project would be co-financed by EIB and the World Bank totaling about €84 million. The World Bank financing will be €50 million or about 60% of the total for the Project, with EIB financing the balance. Co-financing shares could vary by subproject/contract. EIB will also finance additional sections estimated to cost €15.9 million. EBRD would use parallel financing in the amount of €80.0 million to implement a certain proportion of the Program. The World Bank's safeguards will be applicable to the Bank Project. EIB may delegate procurement clearances to the World Bank to simplify implementation. This is discussed under implementation arrangements below. EBRD's project is expected to have two phases. The first phase will be flood-related damage repair and the second phase expected to start in 2017 will finance by bypasses. The design and economic viability of the Bank project are not dependent on the EBRD project or on the additional sections financed by EIB.

The proposed Project will finance the construction of the new routes of Neum - Stolac, rehabilitation of tunnels and bridges, construction of slow lanes and road safety interventions in the

Federation of Bosnia and Herzegovina. It will also strengthen the institutional framework for the road sector in FBH.

The Project is designed as the first of a series of projects (SOP). This approach provides a common project framework to address specific issues needed to enhance transport connectivity, increase the efficiency of transport operations and improve asset management in BH. Under the SOP approach, interested entities may opt for participation in the program, but there is no interdependency in implementation among specific projects in the series nor in each project achieving its own development objectives. The program is horizontal in that the different projects could start when ready. The proposed project in FBH is the first phase in since the entity has demonstrated readiness and willingness to participate through: (i) a formal request and expression of interest to join the program; (ii) a program of activities designed to meet the PDO of the program; and (iii) the preparation (including advanced preparation with EIB) of detailed designs and related safeguards documents.

The SOP provides for synergies because transport interventions in one entity are expected to improve overall connectivity in Bosnia & Herzegovina. It is also expected to provide tools for more effective policy dialogue in transport overall in the country and help prioritize investments taking into account the findings of the REBIS update. The advantage of the SOP instrument is that it allows the Bank to provide support in a flexible manner and is well-suited to support long-term reforms, with logical sequencing of activities, when each entity meets the readiness criteria. Each subsequent project in the SOP will be described in a separate PAD. However, under the SOP approach, there is also no commitment to the financing of ensuing phases.

It is proposed that the project have four components:

Component 1: Road Reconstruction (estimated cost €60-70 million, including about 57% of IBRD financing). This component will finance civil works to (i) complete construction of the main road M17.3 Neum – Stolac in three stages: (1) St. Neum- Broćanac, 6 km; (2) Broćanac - Cerovica approx. 12 km length, and (3) Cerovica – Drenovac, approx. 13 km length; (ii) construct passing lanes for slow traffic on selected road sections; (iii) reconstruct/rehabilitate selected road sections with partial axis correction; (iv) rehabilitate selected tunnels; and (v) rehabilitate selected bridges.

Component 2: Road Safety Interventions (estimated cost €-4 million, including 57% of IBRD financing). This component will finance reconstruction of intersections classified as black spots on the main roads.

Component 3: Institutional Reforms (estimated cost €-6 million, including 100% of IBRD financing). This component will strengthen road management in FBH with a particular focus on sustainability of investments and road safety. It will include work with FBH-MoTC, FBH-MoF and PC Roads of FBH in order to (i) revise road categorization (on a functional basis) that would allow the proper allocation of resources to the different categories, (ii) develop a sustainable financing mechanism for the road sector and (iii) strengthen the capacity of PC Roads of FBH in investment planning and programming, and monitoring; and (iv) support ongoing efforts to establish a sustainable road asset management system. Road safety activities will aim to improve the technical capacity in PC Roads of FBH to institutionalize road safety considerations in operations, and help introduce of a more comprehensive approach to road safety by working with other institutions with responsibilities in safety.

Component 4: Project Implementation Support (estimated cost €3.0-4.0 million, including 57% of IBRD financing). This component will finance the supervision of civil works and capacity-building of PC Roads of FBH through the provision of technical assistance, carrying out the annual financial audits of the Project, monitoring project activities, beneficiary satisfaction activities, as well as mid-term and impact evaluation surveys.

IV. Safeguard Policies that might apply

Safeguard Policies Triggered by the Project	Yes	No	TBD
Environmental Assessment OP/BP 4.01	x		
Natural Habitats OP/BP 4.04			x
Forests OP/BP 4.36		x	
Pest Management OP 4.09		x	
Physical Cultural Resources OP/BP 4.11		x	
Indigenous Peoples OP/BP 4.10		x	
Involuntary Resettlement OP/BP 4.12	x		
Safety of Dams OP/BP 4.37		x	
Projects on International Waterways OP/BP 7.50			x
Projects in Disputed Areas OP/BP 7.60		x	

V. Financing (in USD Million)

Total Project Cost:	92.43	Total Bank Financing:	54.93
Financing Gap:	0.00		
Financing Source			Amount
Borrower			0.00
International Bank for Reconstruction and Development			54.93
EC European Investment Bank			37.50
Total			92.43

VI. Contact point

World Bank

Contact: Moustafa Baher El-Hefnawy
 Title: Lead Transport Economist
 Tel: 458-1589
 Email: melhifnawi@worldbank.org

Contact: Liljana Sekerinska
 Title: Sr Transport. Spec.
 Tel: 5250+249
 Email: lsekerinska@worldbank.org

Borrower/Client/Recipient

Name: Bosnia and Herzegovina

Contact: Vjekoslav Bevanda
Title: Minister
Tel: 033205345
Email: vbevanda@mft.gov.ba

Implementing Agencies

Name: Public Company Roads of Federation of Bosnia and Herzegovina
Contact: Filip Vujeva
Title: Director
Tel: +387 33 250 400
Email: direktorij@jpdcfbh.ba

VII. For more information contact:

The InfoShop
The World Bank
1818 H Street, NW
Washington, D.C. 20433
Telephone: (202) 458-4500
Fax: (202) 522-1500
Web: <http://www.worldbank.org/infoshop>