



1. Project Data:		Date Posted : 05/09/2001	
PROJ ID: P045484		Appraisal	Actual
Project Name: Emergency Transport Reconstruction II	Project Costs (US\$M)	184	188
Country: Bosnia-Herzegovina	Loan/Credit (US\$M)	39	37.5
Sector(s): Board: TR - Roads and highways (99%), Central government administration (1%)	Cofinancing (US\$M)	142.1	147.6
L/C Number: CN032			
	Board Approval (FY)		98
Partners involved : EC, Japan, Netherlands	Closing Date	06/30/2000	06/30/2000
Prepared by:	Reviewed by:	Group Manager :	Group:
Kavita Mathur	Roy Gilbert	Alain A. Barbu	OEDST
2. Project Objectives and Components			
a. Objectives			
The main objectives of the project were to:			
(a) support Republika Srpska (RS) fiscal and trade reforms; and			
(b) rehabilitate the primary transport network countrywide and reconstruct the remaining key transport links with the rest of Europe.			
b. Components			
To achieve the objectives described above, the project comprised of the following two components:			
1. <u>Adjustment component</u> to support Republic Srpska fiscal and trade reforms by: (a) providing fiscal resources to alleviate the financing gap, and (b) effective implementation of trade facilitation measures.			
2. <u>Transport investment component</u> includes: (i) maintenance and reconstruction of the most critical parts of the transport network; (ii) provision of equipment to restart transport operations; (iii) strengthening of transport sector and related institutions; and (iv) development of local contracting and consulting industry.			
c. Comments on Project Cost, Financing and Dates			
The project was approved in FY98 and closed on schedule on June 30, 2000. The total cost of the project was US\$188 million versus the US\$184 million appraisal estimate. When the project was approved, it had a financing gap of US\$89.5 million. Donors including Japan, Italy, Netherlands, and European Commission (EC) contributed to the closing of this financing gap.			
3. Achievement of Relevant Objectives:			
The project achieved its main transport objectives:			
<ul style="list-style-type: none"> • Significant part of main and regional road network was rehabilitated. About 950 km of road sections and thirteen bridges were rehabilitated. Transport links to Europe were established with the reconstruction of five international bridges between Croatia and Bosnia and Herzegovina. • Sarajevo, Mostar and Banja Luka airports were rehabilitated and are operating under International Civil Aviation Organization (ICAO) rules and procedures. • Urban transport services in Sarajevo area and other cities improved with the procurement of 120 buses and mini-buses. • The critical railway network was rehabilitated under the First Emergency Transport Reconstruction Project. However, under the current project, only 50% of railway component was funded as the railways were unable to satisfy the full disbursement condition that the trains could operate on a 			

reasonable technical and commercial basis. The three railway companies are incurring heavy losses.

The project failed to achieve the objective of the adjustment component. The adjustment component provided the much needed budgetary support to RS. However, this one shot operation with funds disbursed in one payment immediately upon effectiveness was not successful in improving the customs operations or trading conditions in RS.

4. Significant Outcomes/Impacts:

- The project exceeded the appraisal targets for road and bridge rehabilitation - additional 100 km of roads and four bridges were rehabilitated.
- The project assisted in rehabilitation of Bosnia-Herzegovina's priority transport network. Critical infrastructure bottlenecks have been removed, the operation of major transport networks resumed and vital links to rest of Europe have been established.

5. Significant Shortcomings (including non-compliance with safeguard policies):

The main shortcomings of the project are: (i) project implementation was adversely affected by the delays in provision of counterpart funds and cofinancing; (ii) no outcome/impact indicators were defined during project preparation.

6. Ratings:	ICR	OED Review	Reason for Disagreement /Comments
Outcome:	Satisfactory	Satisfactory	
Institutional Dev.:	Modest	Modest	
Sustainability:	Likely	Likely	
Bank Performance:	Satisfactory	Satisfactory	
Borrower Perf.:	Satisfactory	Satisfactory	
Quality of ICR:		Satisfactory	

NOTE: ICR rating values flagged with '*' don't comply with OP/BP 13.55, but are listed for completeness.

7. Lessons of Broad Applicability:

- The Bank has a comparative advantage in rebuilding the basic infrastructure of economies recovering from post-conflict situation.
- Project implementation in post-conflict situation should be managed by a special, highly professional unit like the "Project Implementation Directorate" as in Bosnia. This can be integrated into more established administrative system overtime.
- Emergency projects necessarily focus initially on restoring physical infrastructure. They should nevertheless be designed to promote economic recovery and gradually meet the long term institutional needs of the sector for the sustainability of sector operations.
- In emergency reconstruction projects as in all operations financed by the Bank, project design should incorporate explicit performance targets and arrangements to monitor and evaluate project achievement. Performance targets are important for tracking the project outcome.

8. Assessment Recommended? ☐ Yes ☒ No

9. Comments on Quality of ICR:

The quality of ICR is satisfactory. It covers all the relevant and important issues pertaining to the Bank financed/managed components of the project (the Bank had little information on the actual costs and outcome of the project components parallel-financed by other donors). The ICR has following shortcomings - (a) The cost table "Project Financing by Component" in Annex 2 is incomplete. It does not include the adjustment component. (b) There is inconsistency in the assessment of the achievement of the adjustment component. On page 3 of the ICR it is reported as having no significant impact. However, on page 7 it is considered highly satisfactory.

