

# The World Bank

## Policy approach

WBG Country Partnership Framework (CPF) for FY23-27 for Bosnia and Herzegovina is under preparation. The new CPF program based on the Systematic Country Diagnostic (SCD) and the emerging impact of COVID19 identifies three Higher Level Outcomes (HLO) that will guide the WBG's engagement even beyond this CPF cycle.

Given the central importance of jobs and employment for BiH's dwindling population, HLO1 aims at increased inclusive private sector employment. The WBG's activities will contribute to inclusive development under HLO1 by focusing on increased private-sector led export-driven growth (CPF Objective 1) and increased inclusive market relevant employability (CPF Objective 2) with a particular focus on women and marginalized groups.

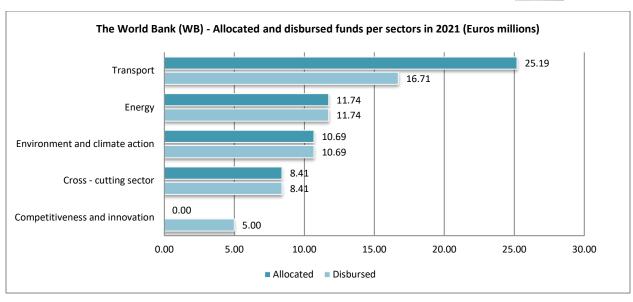
The CPF will, under HLO2, support improved public services outcomes that build resilient human capital and physical and institutional infrastructure. Activities will focus on addressing service delivery gaps through the improved quality and efficiency of health and water services (CPF Objective 3) and improved performance of selected SOEs and public institutions for better service delivery (CPF Objective 4).

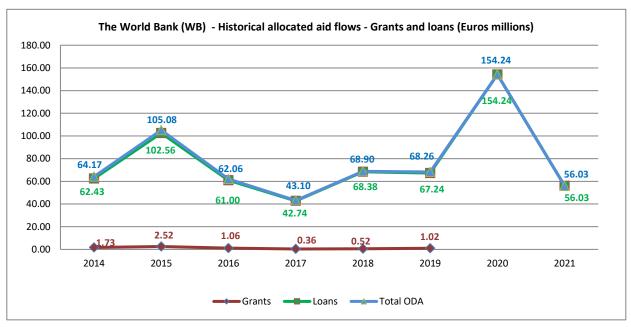
Finally, to reduce the risks of climate change impacts and protecting BiH's natural capital the CPF will promote better environmental outcomes and climate resilience under HLO 3 through investments for improved air quality (CPF Objective 5) and the improved use of natural resources (CPF objective 6). All three HLOs and supporting CPF objectives mutually reinforce each other. Board presentation of the CPF is planned for July 2022.

## **Key activities in 2021**

The World Bank (WB) allocated € 56.03 million and disbursed € 52.55 million in 2021 in the form of grants and loans to the following sectors: Transport, Energy, Environment and climate action, Cross - cutting sector and Competitiveness and innovation.







### Medium and long-term approach

During 2022, The World Bank main activities will focus on implementation support to the ongoing operations and assisting the implementing entities with reaching the development objectives. Main areas covered are responding to COVID19 pandemic, real estate registration, energy efficiency, recovery of the small and medium enterprises, employment and labour market, roads infrastructure in FBiH, railways restructuring in RS, health care system, water sector modernization and agriculture competitiveness.

Besides these activities, the Bank will be working with the relevant counterparts on preparation of the activities in the area of forestry, air quality and "just in transition' from the coal sector toward affordable, reliable, clean energy system.

The main advisory activities will cover the following areas: functional review of the health system performance; horizontal functional reviews of central government, SOE sector modernization; deepening and diversification of the financial sector; public sector employment and labour markets.

### **Development partners coordination efforts**

Besides participating in the DCF quarterly meetings, the Bank participates in several sector level donor coordination meetings with the international financial organizations active in Bosnia and Herzegovina (EU, EBRD, EIB, KfW, USAID, IMF, UN) as well as with other development partners, such as Sida, British Embassy, OSCE, in order to maximize development outcomes of different programs through better coordination and partnership.

The Bank coordinated closely with USAID and EU on the "just in transition" work. Furthermore, Bank worked closely with the IMF on the wide range of complementary issues in the fiscal and financial sector. For water sector activities, the Bank is actively coordinating with EU, Swiss and Sweden Embassy as well with UNDP.

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