



BOSNIA AND HERZEGOVINA

October 9, 2014

The economy had been on a good track prior to the disaster, with growth picking up and external imbalances narrowing, but the impact of the disaster has made the economic outlook more uncertain. Consequently, in the context of the sixth and seventh reviews, the IMF Executive Board approved an augmentation of the Stand-by arrangement (SBA) by about €95.7million to meet the country's urgent balance of payments and fiscal (reflected in substantial revenue losses and additional spending) needs caused by floods.

The ultimate objective of this augmentation under the SBA was to help ensure the continued functioning of the budgets. The funds were disbursed to BiH early July, and in line with Fiscal council decision further allocated to the entities and Brcko District budgets in the ratio 49/49/2 percent. Together with the natural disaster related disbursement, total financing provided under the current SBA amounts to SDR 422.75 million (about €478.5 million). In September 2014, IMF fielded eighth review mission to BiH to assess latest developments. While the economic recovery has proven to be more resilient to the impact of the floods than previously feared, the mission concluded that the authorities need more time to implement policies agreed under the SBA.

For more information please see:

1. May 30, 2014

Statement at the Conclusion of an IMF Mission to Bosnia and Herzegovina;
<http://www.imf.org/external/np/sec/pr/2014/pr14252.htm>

2. June 30, 2014

IMF Executive Board Press Statement on Completion of Sixth and Seventh Reviews Under the SBA for Bosnia and Herzegovina, Approves €95.7 Million Augmentation of the SBA and €191.4 Million Disbursement;
<http://www.imf.org/external/np/sec/pr/2014/pr14320.htm>

3. July 03, 2014

Staff Report: Sixth and Seventh Reviews Under the Stand-By Arrangement and Requests for Augmentation of Access and Modification of Performance Criteria;
<http://www.imf.org/external/pubs/ft/scr/2014/cr14189.pdf>

4. September 19, 2014

Statement at the Conclusion of an IMF Mission to Bosnia and Herzegovina;
<http://www.imf.org/external/np/sec/pr/2014/pr14433.htm>