



Republika Srpska Railways Restructuring Project (P161122)

EUROPE AND CENTRAL ASIA | Bosnia and Herzegovina | Transport & Digital Development Global Practice | IBRD/IDA | Investment Project Financing | FY 2018 | Seq No: 1 | ARCHIVED on 12-Jun-2018 | ISR32562 |

Implementing Agencies: Bosnia and Herzegovina, Republika Srpska, Republika Srpska Railways

Key Dates

Key Project Dates

Bank Approval Date:07-Dec-2017

Effectiveness Date:--

Planned Mid Term Review Date:30-Jun-2020

Actual Mid-Term Review Date:--

Original Closing Date:31-Dec-2021

Revised Closing Date:31-Dec-2021

Project Development Objectives

Project Development Objective (from Project Appraisal Document)

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 the Federation of Bosnia and Herzegovina, and the Second Phase including railways in the Republika Srpska.

The Development Objective of the Second Phase of the TSMP is to improve the operational efficiency and financial sustainability of the railways in Republika Srpska.

Has the Project Development Objective been changed since Board Approval of the Project Objective?

No

Components

Name

Financial restructuring:(Cost \$139.02 M)

Workforce restructuring:(Cost \$4.13 M)

Organizational restructuring:(Cost \$5.90 M)

Overall Ratings

Name	Previous Rating	Current Rating
Progress towards achievement of PDO	--	● Satisfactory
Overall Implementation Progress (IP)	--	● Satisfactory



Overall Risk Rating -- ● Substantial

Implementation Status and Key Decisions

Progress on the key activities is Satisfactory with a good progress in settling arrears (component 1) and retiring eligible employees (component 2). Progress on component 3 remains slow with considerable delays in procurement.

Risks

Systematic Operations Risk-rating Tool

Risk Category	Rating at Approval	Previous Rating	Current Rating
Political and Governance	● Substantial	--	● Substantial
Macroeconomic	● Substantial	--	● Substantial
Sector Strategies and Policies	● Substantial	--	● Substantial
Technical Design of Project or Program	● Substantial	--	● Substantial
Institutional Capacity for Implementation and Sustainability	● Substantial	--	● Substantial
Fiduciary	● Substantial	--	● Substantial
Environment and Social	● Substantial	--	● Substantial
Stakeholders	● Substantial	--	● Substantial
Other	--	--	--
Overall	● Substantial	--	● Substantial

Results

Project Development Objective Indicators

► ZRS Working Ratio (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	1.70	--	1.50	1.00
Date	31-Dec-2016	--	31-Dec-2017	31-Dec-2021



► ZRS labor productivity (Number (Thousand), Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	146.00	--	145.00	215.00
Date	01-May-2017	--	30-Apr-2018	31-Dec-2021

► Public Service Obligations Contract for passenger services (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	--	No	Implemented and fully covering passenger operations deficit.
Date	01-Mar-2017	--	30-Apr-2018	31-Dec-2021

► Multi-annual infrastructure contract (MAIC) (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	None	--	None	Contract implemented, fully covering infrastructure investments
Date	30-Apr-2017	--	30-Apr-2018	31-Dec-2021

Overall Comments

The financial results from 2017 show very positive progress, bringing the Working Ratio down to 1.5.

Good progress was achieved in reducing the number of employees through retirement from 3,098 to 2,723 as of end of April 2018. This did not help improving the productivity indicator due to a decrease in transport activities.

Intermediate Results Indicators



► Arrears related to employees benefits and social contributions (Amount(USD), Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	42,700,000.00	--	40,600,000.00	0.00
Date	01-May-2017	--	30-Apr-2018	31-Dec-2021

► Size of ZRS workforce (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	3,098.00	--	2,723.00	2,098.00
Date	01-May-2017	--	30-Apr-2018	31-Dec-2021

► Accounting separation for infrastructure and operations (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	--	No	Accounting separation implemented
Date	01-May-2017	--	30-Apr-2018	31-Dec-2021

► 5-year Business Plans (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	--	No	Business Plans updated annually as standard management/governance tool
Date	01-May-2017	--	30-Apr-2018	31-Dec-2021



► Railways asset management system (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	--	No	Railways asset management system used as basis for maintenance and capital investment plans
Date	01-May-2017	--	30-Apr-2018	31-Dec-2021

► Share of female employees of ZRS (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	15.00	--	15.70	15.00
Date	01-May-2017	--	30-Apr-2018	31-Dec-2021

► Percent of workers' grievances resolved (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	100.00	100.00
Date	01-May-2017	--	30-Apr-2018	31-Dec-2021

► Number of customers' complaints (percent change) (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	0.00	-40.00
Date	01-May-2017	--	30-Apr-2018	31-Dec-2021



▲ Passenger customers complaints (percent change) (Percentage, Custom Breakdown)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	0.00	-40.00
Date	01-May-2017	--	30-Apr-2018	31-Dec-2021

▲ Freight customers complaints (percent change) (Percentage, Custom Breakdown)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	0.00	-40.00
Date	01-May-2017	--	30-Apr-2018	31-Dec-2021

Overall Comments

Progress on arrears due to advances provided by the Ministry of Finance.

Baseline for users' complains is being established in 2018.

Data on Financial Performance

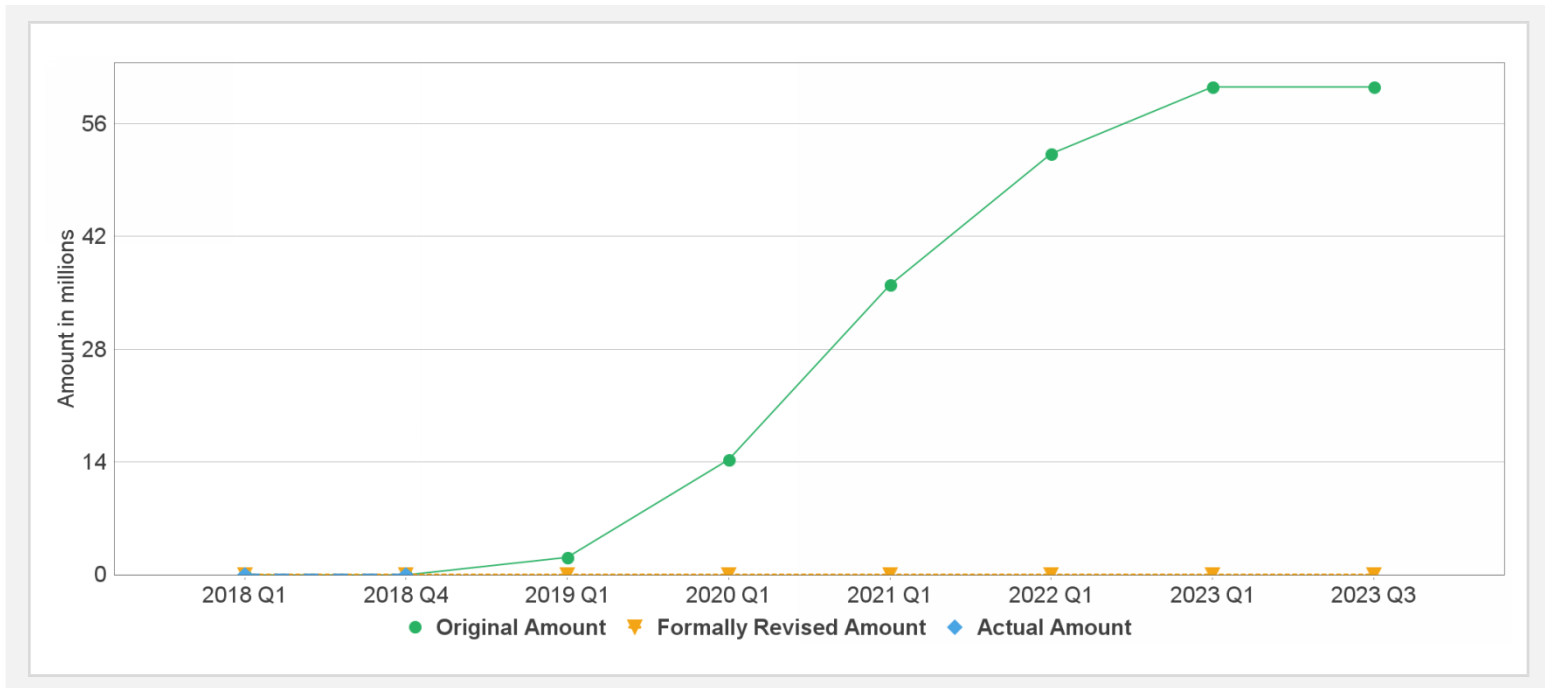
Disbursements (by loan)

Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	Disbursed
P161122	IBRD-88080	Not Effective	USD	60.60	60.60	0.00	0.00	60.60	0%

Key Dates (by loan)

Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
P161122	IBRD-88080	Not Effective	07-Dec-2017	06-Mar-2018	--	31-Dec-2021	31-Dec-2021

Cumulative Disbursements



Restructuring History

There has been no restructuring to date.

Related Project(s)

There are no related projects.