

Bosnia and Herzegovina: Better Living Conditions Through Improved Urban Services



Citizens benefit from better water, sanitation, transport, and housing in cities and municipalities

Overview

IDA support has helped to upgrade public service delivery in 20 municipalities. In those locations, the average share of people with access to 24-hour water supply increased from 75 to 100 percent between 2004 and 2011. 36,000 people in the project region gained access to the public water supply system. Priority investments in communal housing provided shelter for 65 internally displaced families. Five cities have developed urban plans guiding public investments in key local services to better meet citizens' demands.

Challenge

Local governments in BiH are responsible for delivery of key public services and 85 percent of the total population lives in about 60 municipalities with more than 20,000 inhabitants. Although access to urban infrastructure had been generally high, as a consequence of the conflict and lack of funds, rehabilitation and maintenance were largely neglected with a resulting sharp drop in service quality and reliability. For example, in 2004 only 45 percent of the population connected to the public water supply had continuous 24-hour service. The water and wastewater network was in dismal condition, with leakage of up to 60 percent in some cities. Some 50 to 80 percent of the pipes needed replacement in all networks. Communal housing was in high demand, particularly by the high number of internally displaced people, but the public housing stock was seriously damaged. The lack of funds, changing population patterns, and urgent infrastructure needs required municipalities to update their urban plans and carefully prioritize investment decisions.

Approach

The Project recognized the need to address underlying institutional issues of financial sustainability and long-term planning in parallel with supporting high-priority infrastructure investments across different sectors and in a diverse group of municipalities. Two strategic decisions were made. First, while the Project would prioritize investments in the

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More Results



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municipalities have benefitted from the improvements in public service delivery between 2004 and 2011

rehabilitation of water and sanitation infrastructure where service quality was very low, it would not exclude investments in other sectors. However, participating municipalities are required to identify high priority investments through preparation of long-term urban plans. Secondly, the project would distinguish between more and less advanced municipalities to ensure equal access to investment funding for smaller and poorer places. More advanced municipalities and public utilities could access bigger investment funds in exchange for time-bound measures to improve operating efficiency and long-term financial sustainability. Less advanced municipalities would receive additional institutional support and more favorable terms.

100%

the average share of people with access to 24-hour water supply in these municipalities increased from 75 to 100 percent

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Results

Access to water and sanitation services has improved alongside service quality and reliability. Overall, participating utilities increased operating efficiency, and urban management plans have been prepared or are in an advanced stage in the project region. Initial results from a social audit suggest an increase in social capital in municipalities that have participated in the Project, and today more people in the project region trust their local authorities. Overall, investments and technical assistance financed under the Project have had a positive impact on living conditions of beneficiaries in the targeted areas.

- The number of people connected to public water supply has increased from 259,000 in 2004 to 295,000 in 2010;
- 75,000 households have benefitted from rehabilitation works in the project region;
- The average share of people in project areas with access to 24-hour water supply has increased from 75 percent (in 2004) to 100 percent (in 2011);
- The average share of people in project regions who trust their local government has increased from 21.1 percent (in 2004) to 23.4 percent (in 2010);
- Six utilities have established feedback mechanisms for customer satisfaction;
- Five cities and municipalities have finalized urban management plans;
- 76 km of pipes were rehabilitated in the project region;
- Eight water utilities were supported by the project;
- 60 municipal and public utility staff were trained in municipal finance, utility tariff policy, procurement, and customer services.

Bank Contribution

Since 2004, IDA provided a total of US\$25 million equivalent, of which US\$5 million equivalent were approved as additional financing in 2007. These IDA credits finance investments in high-priority infrastructure equivalent to the amount of US\$19 million, and support to regions and municipalities for preparation of Urban Management Development Plans worth US\$6 million. The Project will close in June 2011.

Partners

IDA has strong partnerships with other key development partners in the municipal sector in BiH. Implementation support missions coordinate regularly with other donors, such as the Swedish International Development Agency (SIDA), the USAID supported Governance and

Accountability Project (GAP), and the European Commission (EC). Investment funding provided by the EC Instrument for Pre-Accession (IPA) complements investments in the water and wastewater sector in the amount of EUR14 million.

Moving Forward

Investment funding needs remain huge and will require continued support and financing, but local authorities and public utilities increasingly acknowledge the importance of scaling up efforts to increase long-term sustainability in the sector. IDA, in close collaboration with its development partners, leads the dialogue with BiH authorities to build sustainable municipalities that optimize service delivery outcomes and financial viability.

Beneficiaries

Ivan Milicevic lives in Posusje. *“Finally, we have water now. People who have not suffered from water restrictions and permanent lack of water cannot even imagine what it means for us to be connected to the public water supply system. Today, we are happy and our life is much easier because we have regular access to water.”*