



Republika Srpska Railways Restructuring Project (P161122)

EUROPE AND CENTRAL ASIA | Bosnia and Herzegovina | Transport Global Practice |
IBRD/IDA | Investment Project Financing | FY 2018 | Seq No: 2 | ARCHIVED on 01-Apr-2019 | ISR35999 |

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

Key Dates

Key Project Dates

Bank Approval Date: 07-Dec-2017

Effectiveness Date: 31-Aug-2018

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	● Satisfactory
Overall Implementation Progress (IP)	● Satisfactory	● Satisfactory
Overall Risk Rating	● Substantial	● Substantial

Implementation Status and Key Decisions

Financial Restructuring: Arrears have been paid in full to 1,800 workers. Another 719 active workers and 1,429 former employees have received direct and tax administration related arrears. Only a small number of former employees as well as interests and legal fees related to court procedures remain to be paid.

Workforce Restructuring: Staff numbers reached 2,482 at the end of January 2019, 616 down from the project level and 384 away from the final target.



Organizational restructuring: The procurement of consultancy services for "organizational accounting and asset management systems" is currently ongoing while the procurement of consultancy services for "business plans and public contracts" is to be initiated in March 2019.

Risks

Systematic Operations Risk-rating Tool

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

Results

PDO Indicators by Objectives / Outcomes

Financial Restructuring				
▶ZRS Working Ratio (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	1.70	1.50	1.40	1.00
Date	31-Dec-2016	31-Dec-2017	31-Dec-2018	31-Dec-2021

Workforce Restructuring				
▶ZRS labor productivity (Number (Thousand), Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	146.00	145.00	152.00	215.00



Date	01-May-2017	30-Apr-2018	31-Dec-2018	31-Dec-2021
Organizational Restructuring				
▶Public Service Obligations Contract for passenger services (Text, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	No	No	Implemented and fully covering passenger operations deficit.
Date	01-Mar-2017	30-Apr-2018	31-Dec-2018	31-Dec-2021
▶Multi-annual infrastructure contract (MAIC) (Text, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	None	None	None	Contract implemented, fully covering infrastructure investments
Date	30-Apr-2017	30-Apr-2018	31-Dec-2018	31-Dec-2021

Intermediate Results Indicators by Components

Financial restructuring				
▶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	11,871,104.00	0.00
Date	01-May-2017	30-Apr-2018	31-Jan-2019	31-Dec-2021

Workforce restructuring				
▶Size of ZRS workforce (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	3,098.00	2,723.00	2,482.00	2,098.00
Date	01-May-2017	30-Apr-2018	31-Dec-2018	31-Dec-2021
▶Share of female employees of ZRS (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	15.00	15.70	16.00	15.00



Date	01-May-2017	30-Apr-2018	31-Dec-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	100.00
Date	01-May-2017	30-Apr-2018	31-Dec-2018	31-Dec-2021

Organizational restructuring				
►Accounting separation for infrastructure and operations (Text, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	No	No	Accounting separation implemented
Date	01-May-2017	30-Apr-2018	31-Dec-2018	31-Dec-2021
►5-year Business Plans (Text, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	No	No	Business Plans updated annually as standard management/governance tool
Date	01-May-2017	30-Apr-2018	30-Apr-2018	31-Dec-2021
►Railways asset management system (Text, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	No	No	Railways asset management system used as basis for maintenance and capital investment plans
Date	01-May-2017	30-Apr-2018	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	0.00	-40.00
Date	01-May-2017	30-Apr-2018	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	0.00	-40.00
Date	01-May-2017	30-Apr-2018	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	0.00	-40.00
Date	01-May-2017	30-Apr-2018	30-Apr-2018	31-Dec-2021

Overall Comments

The project includes complains mechanisms for passengers and freight users. Freight users complains system was in place prior to the project. In 2018, 26 complains were registered, comprising mainly questions related to the calculation of custom fees and time to load and unload trains.

The passenger complain system was created for the purpose of the project in April 2018. To date, only six complains have been submitted, all related to different issues including ticketing office closed in early hours and a request to present ticket prices in the website.

The PIMT will continue capturing complains for freight and passengers: ISR seq 3 will include progress for freight and from ISR seq 4, progress on freight and passengers complains will be included.

Disbursement Linked Indicators

▶DLI 1 DLR1.1(a): ŽRS restructuring plan has been approved by the RS Government (Yes/No, Intermediate Outcome, 1,000,000.00, 0%)				
	Baseline	Actual (Previous)	Actual (Current)	July 2019
Value	No	--	Yes	Yes
Date	--	--	21-Dec-2018	--
▶DLI 2 DLR 1.1(b): Arrears paid for 500 ŽRS workers (Number, Intermediate Outcome, 2,000,000.00, 0%)				
	Baseline	Actual (Previous)	Actual (Current)	July 2019
Value	0.00	--	500.00	500.00
Date	--	--	21-Dec-2018	--
▶DLI 3 DLR 1.2 Arrears paid for the remaining 2,598 ZRS workers, for a total of 3,098 (Number, Intermediate Outcome, 12,000,000.00, 50.00%)				
	Baseline	Actual (Previous)	Actual (Current)	July 2019



Value	0.00	--	1,800.00	2,598.00
Date	--	--	21-Dec-2018	--
►DLI 4 DLR 1.3 More than 90% of ZRS' capital is owned by RS, as evidenced by registry certificate issued by the Banja Luka Stock (Yes/No, Process, 3,000,000.00, 0%)				
	Baseline	Actual (Previous)	Actual (Current)	July 2019
Value	No	--	No	No
Date	--	--	07-Feb-2019	--
►DLI 5 DLR 2.1 Retrenchment Plans have been implemented, or voluntary separation of retirement have taken place for 500 ZRS wokers (Number, Intermediate Outcome, 2,000,000.00, 0.00%)				
	Baseline	Actual (Previous)	Actual (Current)	July 2019
Value	0.00	--	500.00	500.00
Date	--	--	07-Feb-2019	--
►DLI 6 DLR 2.2 Retrenchment Plans have been implemented, or voluntary separation or retirement have taken place for an additional 200 ZRS workers, for a total of 700 ZRS workers (Number, Outcome, 5,000,000.00, 0.00%)				
	Baseline	Actual (Previous)	Actual (Current)	July 2019
Value	0.00	--	116.00	200.00
Date	--	--	07-Feb-2019	--
►DLI 7 DLR 2.3 Retrenchment Plan have been implemented, or voluntary separation of retirement have taken place for the remaining 300 ZRS worker, for a total of 1000 workers (Number, Outcome, 6,000,000.00, 0%)				
	Baseline	Actual (Previous)	Actual (Current)	July 2019
Value	0.00	--	0.00	0.00
Date	--	--	07-Feb-2019	--
►DLI 8 DLR 3.1(a) Consultants selected for ZRS reorganization (Yes/No, Process, 1,000,000.00, 0.00%)				
	Baseline	Actual (Previous)	Actual (Current)	July 2019
Value	No	--	No	Yes
Date	--	--	07-Feb-2019	--
►DLI 9 DLR 3.1 (b) Consultants selected for ZRS business plans and contracts (Yes/No, Process, 1,000,000.00, 0.00%)				
	Baseline	Actual (Previous)	Actual (Current)	July 2019



Value	No	--	No	Yes
Date	--	--	07-Feb-2019	--
►DLI 10 DLR 3.2 (a) Draft reports completed on the consultancies referred to in DLR 3.1 (a) (Yes/No, Process, 1,500,000.00, 0.00%)				
	Baseline	Actual (Previous)	Actual (Current)	July 2019
Value	No	--	No	Yes
Date	--	--	07-Feb-2019	--
►DLI 11 DLR 3.2 (b) Draft reports completed on the consultancies referred to in DLR 3.1 (b) (Yes/No, Process, 1,500,000.00, 0.00%)				
	Baseline	Actual (Previous)	Actual (Current)	July 2019
Value	No	--	No	Yes
Date	--	--	07-Feb-2019	--
►DLI 12 DLR 3.3 (a) Implementation of the regulatory and functional review recommendations identified by the consulting services set forth in DLR 3.1 (a) (Yes/No, Process, 1,000,000.00, 0%)				
	Baseline	Actual (Previous)	Actual (Current)	July 2019
Value	No	--	No	No
Date	--	--	07-Feb-2019	--
►DLI 13 DLR 3.3 (b) new ZRS organization structure including separate management and accounting of operations and infrastructure in place as evidenced by an RS letter to the WB (Yes/No, Process, 1,000,000.00, 0%)				
	Baseline	Actual (Previous)	Actual (Current)	July 2019
Value	No	--	No	No
Date	--	--	07-Feb-2019	--
►DLI 14 DLR 3.3 (c) PSO, TAC, MAIC and Performance Contracts signed by the respective parties thereto (Yes/No, Process, 1,000,000.00, 0%)				
	Baseline	Actual (Previous)	Actual (Current)	July 2019
Value	No	--	No	No
Date	--	--	07-Feb-2019	--
►DLI 15 DLR 3.3 (d) Asset management plans in place as evidenced by report on asset conditions generated by asset management system (Yes/No, Process, 1,000,000.00, 0%)				
	Baseline	Actual (Previous)	Actual (Current)	July 2019



Value	No	--	No	No
Date	--	--	07-Feb-2019	--
►DLI 16 DLR 3.3 (e) ZRS business plans for operations, infrastructure and workshops approved by its board (Yes/No, Process, 1,000,000.00, 0%)				
	Baseline	Actual (Previous)	Actual (Current)	July 2019
Value	No	--	No	No
Date	--	--	07-Feb-2019	--
►DLI 17 DLR 3.3 (f) Financial accounting system and a human resources management system acquired (Yes/No, Process, 1,000,000.00, 0%)				
	Baseline	Actual (Previous)	Actual (Current)	July 2019
Value	No	--	No	No
Date	--	--	07-Feb-2019	--
►DLI 18 DLR 3.4 (a) Financial accounting system and a human resources management system installed and fully functional (Yes/No, Outcome, 2,000,000.00, 0%)				
	Baseline	Actual (Previous)	Actual (Current)	July 2019
Value	No	--	No	No
Date	--	--	07-Feb-2019	--
►DLI 19 DLR 3.4 (b) The PSO and MAIC are fully funded as evidenced by the RS confirmation of financial commitments (Yes/No, Outcome, 3,000,000.00, 0%)				
	Baseline	Actual (Previous)	Actual (Current)	July 2019
Value	No	--	No	No
Date	--	--	07-Feb-2019	--
►DLI 20 DLR 3.4 (c) PSO and MAIC reviewed and if required updated after their first year of implementation (Yes/No, Outcome, 3,000,000.00, 0%)				
	Baseline	Actual (Previous)	Actual (Current)	July 2019
Value	No	--	No	No
Date	--	--	07-Feb-2019	--
►DLI 21 DLR 3.4 (d) Approved ZRS business plans for operations infrastructure and workshops reviewed and if required updated after their first year of implementation (Yes/No, Outcome, 1,171,750.00, 0%)				
	Baseline	Actual (Previous)	Actual (Current)	July 2019



Value	No	--	No	No
Date	--	--	07-Feb-2019	--

Data on Financial Performance

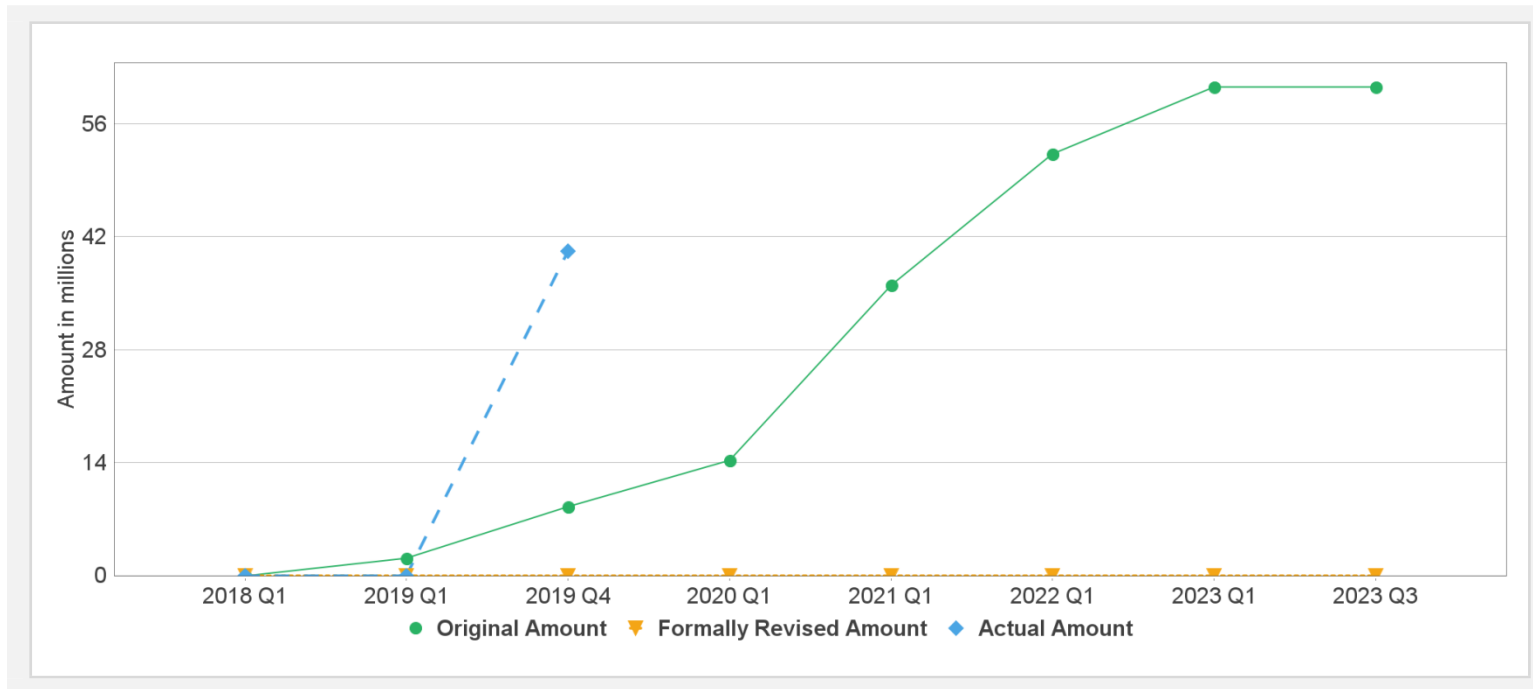
Disbursements (by loan)

Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
P161122	IBRD-88080	Effective	USD	60.60	60.60	0.00	40.39	18.51	69%

Key Dates (by loan)

Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
P161122	IBRD-88080	Effective	07-Dec-2017	06-Mar-2018	31-Aug-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.
