

World Bank Approves €70 Million Loan for transport infrastructure modernisation project in Bosnia and Herzegovina

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The World Bank's Board of Executive Directors has approved a €70 million loan, equivalent to \$80.97 million, to help Bosnia and Herzegovina modernise road infrastructure and strengthen transport connectivity. The financing is complemented by an €8.5 million grant from the European Union's Western Balkans Investment Framework, reflecting coordinated international support.

The Federation Road Asset Management Enhancement Project will address critical gaps across the road network in the Federation of Bosnia and Herzegovina. Around 150 kilometres of priority national roads will be rehabilitated or upgraded to improve safety and climate resilience.

A key element of the project is the upgrade of the Mostar North junction, one of the country's most hazardous locations. The programme will also introduce traffic calming measures, clearer signage and safer pedestrian crossings in approximately 20 school zones, alongside the development of a national Road Safety Database.

Christopher Sheldon, World Bank Country Manager for Bosnia and Herzegovina and Montenegro, said: "Better roads create opportunities, linking people to jobs, markets and services while helping the country advance toward European Union standards. We are pleased to support efforts to strengthen infrastructure in a way that enhances safety, resilience and connectivity."

Beyond physical upgrades, the project will strengthen road asset planning and management, helping

authorities maintain infrastructure more effectively and use public funds more efficiently over time. It also includes a Contingent Emergency Response Component, allowing funds to be quickly redirected to the road sector in the event of an eligible emergency.

Improved commuter routes are expected to support daily mobility and economic activity across the Federation. Rural communities, where poverty rates are higher and livelihoods often depend on agriculture, stand to benefit from better access to markets, services and employment.