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World Bank Approves USD40 Million Credit for the BiH's Irrigation

Report Categories:

Agricultural Situation

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Report Highlights:

In May 2012, the World Bank's Board of Executive Directors approved a credit in the amount of US\$40 million for the Bosnia and Herzegovina (BiH) Irrigation Development Project. If approved by BiH's parliament, the project will run from 2013-2017. In BiH, only 0.6% of agricultural land is irrigated. Estimated crop loss due to bad irrigation is 20-40% and irrigated area has declined from 27,260 hectares before the 1992 war to only 4,700 hectares. Helping BiH bring irrigation systems back into operation and improving the overall irrigation legal framework will generate benefits and increase revenues for the country's farmers.

General Information:

In May 2012, The World Bank's Board of Executive Directors approved a credit in the amount of US\$40 million for the Bosnia and Herzegovina (BiH) Irrigation Development Project. The project should improve the performance of the irrigation systems and the irrigation institutions to support agricultural producers in the project areas. There are three components to the project: infrastructure investment, institutional strengthening/on-farm modernization, and project implementation support. The project must be approved by BiH's parliament, but once passed implementation should start by the end of 2012 or beginning 2013 and last until December 31, 2017.

Despite BiH's fertile land and opportunities for high-value agricultural production, the lack of irrigation has negatively affected productivity and losses have ranged from 20-40 percent depending on the region. This is an important project for producers in BiH as it will enable high value horticulture crops and increased yields, which will subsequently increase their revenues. The project will focus on high-priority investments targeting the rehabilitation and modernization of irrigation systems, it will support BH's efforts to align with EU irrigation policies and address issues of climate variability. Furthermore, it will focus on ensuring vulnerable farmers and women's equal participation and access to project funds and facilities.

Before the 1992 war in BIH, the total irrigated area was 27,260 hectares. Many of the irrigation systems have deteriorated to the point where only 4,700 hectares are covered (approximately 17% of the pre-war area). The World Bank project will cover approximately 10,000 hectares in 12 different parts of the country.