

# PROJECT FACTSHEET

Bosnia and Herzegovina January 2017

## WORLD BANK TRUST FUND STRENGTHENING ACCOUNTABILITY AND FIDUCIARY ENVIRONMENT (SAFE) IN PUBLIC FINANCIAL MANAGEMENT (PFM)

### RATIONALE

Strengthening the quality of Public Financial Management (PFM) responds to the widely shared concern that many governments in transition countries are not spending their financial resources as effectively and transparently as they should, and that institutional controls on public expenditures are weak. The Strengthening Accountability and Fiduciary Environment Initiative (SAFE) is targeted to promote PFM accountability and reducing fiduciary risk in a systematic way to advance the reform in the ECA (Europe and Central Asia) region.

### OBJECTIVES AND ACTIVITIES

SAFE seeks to improve the status of PFM in participating beneficiaries through the following objectives: i) improving understanding of PFM status in target beneficiaries; ii) supporting design, implementation and management of the PFM, taking account of government PFM objectives and the intended mid to long-term impact, and; iii) developing knowledge and experience on PFM reform to strengthen reform effectiveness and focus development partner support

To achieve these objectives, SAFE is supporting activities in the following three interrelated pillars of analytical and associated work:

#### (i) Assessment of PFM status:

- Support to government-led or expert reviews of PFM arrangements using the standard international PEFA measurement framework or related diagnostic and analytical tools;
- Preparation and dissemination of reports on financial management performance.

#### (ii) Support for PFM reform design, implementation and management:

- Research, analysis and design of PFM reform action plans, in consultation with other development partners;
- Developing networks within governments to implement reforms relating to one or more aspects of the PEFA framework;
- Research to obtain deeper understanding of the results of diagnostic assessments, as well as identification and design of actions required to address weaknesses;

#### (iii) Expanding PFM knowledge and capability:

- Benchmarking and comparative analysis, involving studies of progress against specific indicators or groups of indicators, facilitation of working groups across beneficiaries to explore differences and identify practical actions to address weaknesses;
- Wider experience and knowledge sharing, including provision of forums for exchange of information and experience, and joint activities

to address common development priorities in PFM across the region.

### GOVERNANCE STRUCTURE

The SAFE program is composed of a multi-donor trust fund supported by SECO and a single donor trust fund on behalf of the EC with beneficiaries restricted to the Western Balkan countries. SAFE has a two-tier governance structure with policy and major funding decisions made through a Project Steering Committee composed of World Bank, EC and SECO. Operational support is provided through the Trust Fund Secretariat that is administered by the World Bank.

### RESULTS SO FAR

So far, 17 projects have been approved under SAFE out of which 14 are completed. SAFE has provided funding for around one third of the PEFA assessments in the region since its establishment, including the first PEFA assessment for Bosnia and Herzegovina. In addition, the SAFE program has filled a gap in funding for projects that pursued new directions in the PFM agenda. An independent results-oriented monitoring (ROM) review was undertaken in 2014. It concluded that the SAFE TF provides small, necessary outputs to national PFM efforts that do not overlap with other donor interventions.

### HOW TO GET INVOLVED

SAFE follows a demand-driven approach. The SAFE Secretariat is regularly conducting calls for proposals. Eligible countries must apply during these windows for applications and proposals need to meet specific criteria as defined in the invitation. It is important to show willingness to reform, which goes hand in hand with readiness to budget process transparency as well as to publish the PEFA assessments.

**COUNTRY / REGION:** Countries in the ECA region (i.e. Albania, Armenia, Azerbaijan, Belarus, Bosnia and Herzegovina, Georgia, Kazakhstan, Kosovo, Kyrgyz Republic, Macedonia, Moldova, Montenegro, Serbia, Tajikistan, Turkey, Turkmenistan, Ukraine, and Uzbekistan)

**PARTNERS:** Switzerland (SECO), European Commission (EC) through a single donor trust fund (EC PFM TF)

**IMPLEMENTING PARTNER:** The World Bank

**PROJECT DURATION:** 2010 - 2022

**TOTAL BUDGET:** USD 7'630'000 (including EC contribution to EC PFM TF)

**SECO CONTRIBUTION:** USD 3'000'000

1) PEFA: Public Expenditure and Financial Accountability, [www.pefa.org](http://www.pefa.org)

### FURTHER INFORMATION AND CONTACT DETAILS

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