

Report on the Project Financial Statements of  
the

**FEDERATION ROAD SECTOR  
MODERNIZATION PROJECT**

of the Ministry of Finance and Treasury of Bosnia and  
Herzegovina

Financed by:

- IBRD 8640

For the years ended 31 December 2017 and 31  
December 2018

**FEDERATION ROAD SECTOR MODERNIZATION PROJECT  
of the Ministry of Finance and Treasury of Bosnia and Herzegovina**

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# **FEDERATION ROAD SECTOR MODERNIZATION PROJECT of the Ministry of Finance and Treasury of Bosnia and Herzegovina**

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## **1. Introduction**

### **1.1 Objectives of the Project**

Bosnia and Herzegovina (BIH), through its Ministry of Finance and Treasury, has obtained a loan from the International Bank for Reconstruction and Development ("IBRD") of the World Bank towards the costs of the Federation Road Sector Modernization Project (the "Project"). Loan Agreement was signed on 9 November 2016 and the total amount of the loan is € 58,00 million. The effectiveness of the Credit was declared on 4 October 2017.

Federation Project Agreement was signed between International Bank for Reconstruction and Development and Federation of Bosnia and Herzegovina as of 24 January 2017. Federation of Bosnia and Herzegovina declared its commitment to the objectives of the Project and shall cause PC Roads FBH to carry out the Project, including coordination, planning, procurement and financial management of the Project. Subsidy Agreement was signed between Bosnia and Herzegovina and Federation of Bosnia and Herzegovina as of 7 August 2017.

The objectives of the Project are to: (a) improve road connectivity and safety for road users along Project Roads; and (b) strengthen capacity for sustainable management of the main road network in the Federation of Bosnia and Herzegovina.

### **1.2 Components and activities of the Project**

The Project consists of several small and mid-sized investments schemes including construction of new sections of roads and slow lanes, renovation of road pavement, elimination of road safety black spots and improvements to tunnels and bridges to enhance the road safety performances on the priority sections of main road network in FBIH.

The main Project categories are Works, Consultant's Services, Non-Consulting Services, Training and Operating Costs and Goods.

The Project will achieve Project objectives through the following five components:

#### ***Component 1: Road Upgrade and Modernization***

Provision of support for the Federation's roads modernization program through *inter alia*:

- i. construction of selected sections of the Neum-Stolac road;
- ii. construction of additional lanes for slow traffic on selected road sections;
- iii. reconstruction/rehabilitation selected road sections with partial axis correction;
- iv. rehabilitation/reconstruction selected tunnels and bridges;

#### ***Component 2: Road Safety Interventions***

Provision of support to rehabilitate locations on main roads classified as Black Spots or hazardous locations.

#### ***Component 3: Improving Main Road Network Management***

Provision of technical assistance to strengthen road management system in FBIH with a particular focus on the improving financial sustainability of investments, streamlining climate resilience and enhancing road safety. It will have three sub-components:

**Sub-component 1: Enhancing road asset management system (RAMS):** This will include selective investments in road data collection equipment; upgrades of the current AMS Information Systems and database; and building internal practices in asset management to ensure a regular and cost-efficient system, including training of staff.

## **FEDERATION ROAD SECTOR MODERNIZATION PROJECT of the Ministry of Finance and Treasury of Bosnia and Herzegovina**

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### **1. Introduction (continued)**

#### **1.2 Components and activities of the Project (continued)**

**Sub-component 2: Enhancing capacity to improve climate resilience of the road network:** This will provide support to understand better the vulnerability of the main road network to extreme climate events and identify technical solutions to improve climate resilience and will include vulnerability assessments, provision of equipment and training of staff. Such knowledge would further improve asset management by introducing climate resilience measures and decreasing the frequency of unplanned repairs following extreme weather events.

**Sub-component 3: Strengthening capacity to mainstream road safety in the design and implementation of works:** This will include support to PC Roads FBH in preparation of road safety audit guidelines, carrying out an IRAP road network survey, preparation of road safety investment plans, implementation of recommended measures, and training for staff.

#### ***Component 4: Project Management and Implementation***

Provision of support to carry out Project management responsibilities including: (a) supervision of civil works; (b) carrying out annual Project financial audits; (c) monitoring for tunnel Crnaja; and (d) conducting technical audits.

#### ***Component 5: Contingency for Disaster Risk Response***

Provision of support to rapid response to an Eligible Emergency (disaster, emergency, and/or catastrophic events) including: (a) designing and carrying out roads sector investments such as rehabilitation of damaged roads and structures; and (b) providing supervision for carrying out said rehabilitation work.

### **1.3. Financing of the Project**

The total Project cost (without VAT) is € 90.85 million. EIB will provide co-financing of civil works under Components 1 and 2 and supervision under Component 4 in the amount not exceeding €33 million.

The IBRD loan disbursement percentage for components 1, 2 and 4 is set "up to 99 percent", PC Roads FBH will have to ensure that funds from each loan are used at least for the payment of one invoice from contracts signed under these components. Therefore, co-financing shares could vary by subproject/contract. Component 3 will be fully financed by IBRD loan proceeds. The proceeds of the loan will be exclusive of any Value Added Taxes (VAT) and Customs duties.

<b>Project Components</b>	<b>Estimated costs [EUR mil.]</b>	<b>IBRD financing</b>
1. Road Upgrade and Modernization	78,21	Up to 99%
2. Road safety interventions	2,76	Up to 99%
3. Improving Main Road Network Management	3,00	100%
4. Project Management and Implementation	6,88	Up to 99%
5. Contingency for Disaster Risk Response *	0.00	100%
<b>Total Project Costs</b>	<b>90,85</b>	
Front-end fee IBRD	0,145	100%
<b>Total financing</b>	<b>90,995</b>	

\*Contingency for Disaster Risk Response will be kept zero while the government can utilize project budget for rapid response with agreed conditions subject to reallocation or additional finance later.

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**1. Introduction (continued)**

**1.2 Financing of the Project (continued)**

The following table specified the categories of Eligible Expenditures that may be financed out of the proceeds of IBRD 8640 Loan, the allocation of the amounts of the Loan to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

<b>Category</b>	<b>Amount of the IBRD 8640 Loan Allocated (EUR)</b>	<b>Percentage of Expenditures to be financed (exclusive of VAT and Customs Duty)</b>
1.Goods, works, non-consulting services, consultant's services, Training and Operating Costs for Parts 1,2 and 4 of the Project	54,855,000	Up to 99%
2.Goods, works, non-consulting services, consultant's services, Training and Operating Costs for Part 3 of the Project	3,000,000	100%
3.Emergency Expenditures under Part 5 of the Project	0	100%
4.Front-end Fee	145,000	Amounts payable pursuant to Section 2.03 of Loan Agreement in accordance with Section 2.07(b) of the General Conditions
5.Interest Rate Cap or Interest Rate Collar premium	0	Amount due pursuant to Section 2.08('c) of Loan Agreement
<b>TOTAL AMOUNT</b>	<b>58,000,000</b>	

The following table specified the categories of Eligible Expenditures that may be financed out of the proceeds of EIB 82.137 Loan, the allocation of the amounts of the Loan to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

<b>Category</b>	<b>Amount of the EIB 82.137 Loan Allocated (EUR)</b>	<b>Percentage of Expenditures to be financed (exclusive of VAT and Customs Duty)</b>
1.Goods, works, non-consulting services, consultant's services, Training and Operating Costs for Parts 1,2 and 4 of the Project	32,995,000	Not defined (total amount of cofinancing should not be exceeded)
<b>TOTAL AMOUNT</b>	<b>32,995,000</b>	

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### **Independent Auditor's Report**

To the State of Bosnia and Herzegovina,  
Ministry of Finance and Treasury  
Attn. of Minister of Finance and Treasury H.E. Mr. Vjekoslav Bevanda

### **Report on the Project Financial Statements**

#### **Opinion**

We have audited the accompanying project financial statements of the Federation Road Sector Modernization Project (the "Project"), which comprise of Summary of sources and uses of funds, Balance sheet, Designated account statement, Statements of Credit withdrawals as of and for the years ended 31 December 2017 and 31 December 2018, and a summary of significant accounting policies and other explanatory notes for the years then ended, financed under IBRD Credit No. 8640 and EIB Credit No. 82.137.

In our opinion, the accompanying project financial statements present fairly, in all material aspects, the financial position of the Project as of 31 December 2017 and 31 December 2018, and of the funds received and disbursed during the years then ended, in accordance with the cash basis of accounting based on International Public Sector Accounting Standard ("IPSAS"), as described in Note 4.1.

#### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) and "Guidelines: Annual Financial Reporting and Auditing for World Bank-Financed Activities" issued by FMSB. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Ministry of Finance and Treasury in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Responsibilities of Management and Those Charged with Governance for the Project Financial Statements**

The management of PC Road FBH is responsible for the preparation of these project financial statements in accordance with the cash basis of accounting based on IPSAS, as described in Note 4.1., Guidelines: Annual Financial Reporting and Auditing for World Bank-Financed Activities, and for such internal control as management determines is necessary to enable the preparation of project financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Project's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Project or to cease operations or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the financial reporting process.

## **Responsibilities for the Audit of Financial Statements**

Our objectives are to obtain reasonable assurance about whether the project financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the project financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Project's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Project's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Project to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the project financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## **Report on other requirements**

In addition, with respect to the Statement of Expenditure, adequate supporting documentation has been maintained to support claims to the World Bank for reimbursements of expenditure incurred; and all expenditure included in withdrawal applications and reimbursed against are eligible for financing under the project.

Signed on behalf of Baker Tilly Re Opinion d.o.o. Sarajevo

Nihad Fejzić, Director and Certified Auditor



Ema Sinanović, Certified Auditor

Sarajevo, 6 June 2019

**FEDERATION ROAD SECTOR MODERNIZATION PROJECT  
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Project financial statements for the years ended  
31 December 2017 and 31 December 2018

(all amounts in EUR, unless otherwise stated)

**3. Project financial statements for the years 2017 and 2018**

**3.1 Summary of sources and uses of funds under the IBRD Credit No. 8640 BA and EIB Credit No. 82.137**

	Ref.	Actual 2017	Actual 2018	Cumulative 2018	Cumulative budget	Cumulative variance
<b>FINANCING</b>						
IBRD Credit No.8640 BA	3.1.1	145,000	3,529,765	3,674,765	58,000,000	54,325,235
EIB Credit No. 82.137	3.1.2	-	2,506,912	2,506,912	32,995,000	30,488,088
<b>TOTAL FINANCING</b>	<b>3.2</b>	<b>145,000</b>	<b>6,036,677</b>	<b>6,181,677</b>	<b>90,995,000</b>	<b>84,813,323</b>

**PROJECT EXPENDITURE**

**By Category**

Goods, Works, non-consulting services, consultant's services, Training and Operating costs for Parts 1,2	-	6,002,075	6,002,075	87,850,000	81,847,925
Goods, Works, non-consulting services, consultant's services, Training and Operating costs for Part 3 of the Project	-	-	-	3,000,000	3,000,000
Emergency Expenditures under Part 5 of the Project	-	-	-	-	-
Front-end fee	145,000	-	145,000	145,000	-
<b>TOTAL EXPENDITURE</b>	<b>3.2</b>	<b>145,000</b>	<b>6,002,075</b>	<b>6,147,075</b>	<b>90,995,000</b>
					<b>84,847,925</b>

**PROJECT EXPENDITURE**

**By Component**

Road Upgrade and Modernization	-	5,343,165	5,343,165	78,210,000	72,866,835
Road Safety	-	46,009	46,009	2,760,000	2,713,991
Improving Main Road Management	-	-	-	3,000,000	3,000,000
Project Management and Implementation	-	612,034	612,034	6,880,000	6,267,966
Operating costs	-	867	867	-	(867)
Front-end fee	145,000	-	145,000	145,000	-
<b>TOTAL EXPENDITURE</b>	<b>3.2</b>	<b>145,000</b>	<b>6,002,075</b>	<b>6,147,075</b>	<b>90,995,000</b>
					<b>84,847,925</b>

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**3 Project financial statements for the year 2018 (continued)**

**3.1.1 Summary of Sources and Uses of Funds under the IBRD 8640 (continued)**

	Ref.	Actual 2017	Actual 2018	Cumulative 2018	Cumulative budget	Cumulative variance
<b>FINANCING</b>						
IBRD Credit No.8640 BA					58,000,000	
Initial deposit		-	1,500,000	1,500,000		
Direct Payment		145,000	2,029,765	2,174,765		
SoE Replenishment		-	-	-		
<b>TOTAL FINANCING</b>	<b>3.2</b>	<b>145,000</b>	<b>3,529,765</b>	<b>3,674,765</b>	<b>58,000,000</b>	<b>54,325,235</b>
<b>PROJECT EXPENDITURE</b>						
<i>By Category</i>						
Goods, Works, non-consulting services, consultant's services, Training and Operating costs for Parts 1,2 and 4 of the Project		-	3,495,163	3,495,163	54,855,000	51,359,837
Goods, Works, non-consulting services, consultant's services, Training and Operating costs for Part 3 of the Project		-	-	-	3,000,000	3,000,000
Emergency Expenditures under Part 5 of the Project		-	-	-	-	-
Front-end fee		145,000	-	145,000	145,000	-
<b>TOTAL EXPENDITURE</b>	<b>3.2</b>	<b>145,000</b>	<b>3,495,163</b>	<b>3,640,163</b>	<b>58,000,000</b>	<b>54,359,837</b>
<b>PROJECT EXPENDITURE</b>						
<i>By Component</i>						
Roads upgrade and Modernization		-	3,077,469	3,077,469	48,835,624	45,758,155
Road Safety		-	46,009	46,009	1,723,390	1,677,381
Improving Main Road Management		-	-	-	3,000,000	3,000,000
Project Management and Implementation		-	370,818	370,818	4,295,986	3,925,168
Operating Costs		-	867	867	-	(867)
Front end fee		145,000	-	145,000	145,000	-
<b>TOTAL EXPENDITURE</b>	<b>3.2</b>	<b>145,000</b>	<b>3,495,163</b>	<b>3,640,163</b>	<b>58,000,000</b>	<b>54,359,837</b>

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Project financial statements for the years ended  
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(all amounts in EUR, unless otherwise stated)

**3 Project financial statements for the years 2017 and 2018 (continued)**

**3.1.2 Summary of Sources and Uses of Funds under the EIB 82.137 (continued)**

	Ref.	Actual 2017	Actual 2018	Cumulative 2018	Cumulative budget	Cumulative variance
<b>FINANCING</b>						
EIB Credit No. 82.137				32,995,000		
Initial Deposit		-	-	-		
Direct payments		-	2,506,912	2,506,912	-	
SoE Replenishment		-	-	-	-	
<b>TOTAL FINANCING</b>	<b>3.2</b>	<b>-</b>	<b>2,506,912</b>	<b>2,506,912</b>	<b>32,995,000</b>	<b>30,488,088</b>

**PROJECT EXPENDITURE**

**By Category**

Goods, Works, non-consulting services, consultant's services, Training and Operating costs for Parts 1,2 and 4 of the Project		-	2,506,912	2,506,912	32,995,000	30,488,088
Goods, Works, non-consulting services, consultant's services, Training and Operating costs for Part 3 of the Project		-	-	-	-	-
Emergency Expenditures under Part 5 of the Project		-	-	-	-	-
Front-end fee		-	-	-	-	-
<b>TOTAL EXPENDITURE</b>	<b>3.2</b>	<b>-</b>	<b>2,506,912</b>	<b>2,506,912</b>	<b>32,995,000</b>	<b>30,488,088</b>

**PROJECT EXPENDITURE**

**By component**

Roads upgrade and Modernization		-	2,265,696	2,265,696	29,374,376	27,108,680
Road Safety		-	-	-	1,036,610	1,036,610
Improving Main Road Management		-	-	-	-	-
Project Management and Implementation		-	241,216	241,216	2,584,014	2,342,798
Operating Costs		-	-	-	-	-
Front end fee		-	-	-	-	-
<b>TOTAL EXPENDITURE</b>	<b>3.2</b>	<b>-</b>	<b>2,506,912</b>	<b>2,506,912</b>	<b>32,995,000</b>	<b>30,488,088</b>

\* There is no separate bank account for EIB contribution to the Project. All payments are made from the EIB designated bank account. Therefore, the amount of financing is equal to the amount of expenditure, both actual and cumulative.

**FEDERATION ROAD SECTOR MODERNIZATION PROJECT  
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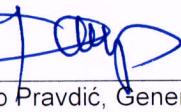
Project financial statements for the years ended  
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(all amounts in EUR, unless otherwise stated)

**3 Project financial statements for the years 2017 and 2018 (continued)**

**3.2 Balance sheet as of 31 December 2018 showing accumulated funds of the Project and bank balances concerning IBRD and EIB financing**

	Ref.	31 December 2018	31 December 2017
<b>ASSETS</b>			
Project expenditure IBRD 8640	3.1.1	3,640,163	145,000
Project expenditure EIB 82.137	3.1.2	2,506,912	-
		<b>6,147,075</b>	<b>145,000</b>
Designated account IBRD 8640	A.1	34,602	-
Designated account EIB 82.137	A.2	-	-
		<b>34,602</b>	<b>145,000</b>
<b>Total assets</b>		<b>6,181,677</b>	<b>145,000</b>
<b>LIABILITIES</b>			
IBRD 8640	3.1.1	3,674,765	145,000
EIB 82.137	3.1.2	2,506,912	-
<b>Total liabilities</b>		<b>6,181,677</b>	<b>145,000</b>

Signed and authorized by:

Djubo Pravdić, General Manager

Public Company Roads of FBiH



Amra Smailagić, Head of Project Management Department

Sarajevo, 6 June 2019

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Project financial statements for the years ended  
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**4. Notes to the project financial statements**

**4.1 Basis of preparation and accounting records**

These project financial statements have been prepared on the cash basis of accounting based on International Public Sector Accounting Standards issued by the Public Sector Committee of the International Federation of Accountants, and incorporate the accounting policies below, which have been consistently followed in all material respects.

**4.2 Accounting policies**

The Project's fiscal year is 1 January to 31 December for the recording of all transactions.

***Cash basis of accounting***

All receipts and expenses under IBRD Loan and EIB loan are recorded on actual receipt and payment basis of accounting as per approved categories.

Project expenditure is stated at original cost on the Balance sheet.

***Direct payments***

Direct payments concern the amounts paid directly from the IBRD Loan Account.

***Statement of Expenditure (SoE)***

Statements of Expenditure are used to state the expenditure under IBRD Loan during a certain period. These statements are sent to the IBRD disbursement specialist who authorizes the payment of the expenditure through the Designated account.

***Currency conversions***

The reporting currency is Euro (EUR). Sources and use of funds (payments to suppliers and contractors) in currencies other than EUR have been converted to EUR using the currency rate at the moment of the transaction.

Bank balances, recorded on the Balance sheet at year-end, have been converted at year-end rate.

***Designated account***

This is the total amount of the withdrawals from the IBRD Loan account for the Project. IBRD Loan account is in EUR.

***Interest on Designated accounts***

Interest earned on the Designated Accounts belongs to the Borrower.

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Project financial statements for the years ended  
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**APPENDIX A.1**

**DESIGNATED ACCOUNT STATEMENT**

**Account owned by:** MINISTRY OF FINANCE AND TRESURY BIH  
**Account No.:** 1994 9900 1024 5059  
**Depository Bank:** Sparkasse Bank d.d BIH  
**Address:** Zmaja od Bosne 7, 71000 Sarajevo  
**Related Credit:** IBRD 8640 BA  
**Currency:** EUR

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		<b>2018</b>	<b>2017</b>
	<b>Ref.</b>	<b>EUR</b>	<b>EUR</b>
<b>Opening balance 1 January</b>	3.2	0	0
Add:			
IBRD replenishments	B.1	1,500,000	0
		1,500,000	
Deduct:			
Payments to suppliers	A.2	1,465,398	0
<b>Ending balance 31 December</b>	3.2	<b>34,602</b>	<b>0</b>

**FEDERATION ROAD SECTOR MODERNIZATION PROJECT  
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Project financial statements for the years ended  
31 December 2017 and 31 December 2018  
(all amounts in EUR, unless otherwise stated)

**APPENDIX A.2**

**DESIGNATED ACCOUNT STATEMENT**

**Account owned by:** MINISTRY OF FINANCE AND TRESURY BIH  
**Account No.:** 1994 9900 3471 8741  
**Depository Bank:** Sparkasse Bank d.d BIH  
**Address:** Zmaja od Bosne 7, 71000 Sarajevo  
**Related Credit:** EIB 82.137  
**Currency:** EUR

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		2018	2017
	Ref.	EUR	EUR
<b>Opening balance 1 January</b>	3.2	0	0
Add: EIB financing	B.1	2,506,912	0
Deduct: Payments to suppliers	A.2	2,506,912	0
<b>Ending balance 31 December</b>	3.2	0	0

\* There is no separate bank account for EIB contribution to the Project. All payments are made from the EIB designated bank account. Therefore, the amount of financing is equal to the amount of expenditure.

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Project financial statements for the years ended 31 December 2017 and 31 December 2018

(all amounts in EUR, unless otherwise stated)

**APPENDIX B SoE Withdrawal Schedule of IBRD 8640 for the years ended 31 December 2017 and 31 December 2018**

	Goods, Works, non-consulting services, consultant's services, Training and Operating costs for Parts 1,2 and 4 of the Project	Goods, Works, non-consulting services, consultant's services, Training and Operating costs for Part 3 of the Project	Emergency Expenditures under Part 5 of the Project	Front-end fee	Total application	Total disbursed
<b>Front-end fee</b>	-	-	-	145,000	145,000	145,000
<b>Total direct payments</b>						
<b>2017</b>	-	-	-	145,000	145,000	145,000
<b>Cumulative 2017</b>	-	-	-	<b>145,000</b>	<b>145,000</b>	<b>145,000</b>
Application 1/18	1,500,000	-	-	-	-	1,500,000
<b>Total initial deposit</b>	<b>1,500,000</b>	-	-	-	-	<b>1,500,000</b>
Application 2/18	-	14,559	-	-	14,559	14,559
Application 3/18	-	2,015,206	-	-	2,015,206	2,015,206
<b>Total direct payments</b>						
<b>2018</b>	-	<b>2,029,765</b>	-	-	<b>2,029,765</b>	<b>2,029,765</b>
Application 5/19	-	1,465,398	-	-	1,465,398	-
<b>Total SoE application</b>						
<b>2018</b>	-	<b>1,465,398</b>	-	-	<b>1,465,398</b>	-
<b>Cumulative 2018</b>	<b>1,500,000</b>	<b>3,495,163</b>	-	-	<b>3,495,163</b>	<b>3,529,765</b>
<b>Cumulative</b>	<b>1,500,000</b>	<b>3,495,163</b>	-	-	<b>3,640,163</b>	<b>3,674,765</b>

**FEDERATION ROAD SECTOR MODERNIZATION PROJECT  
of the Ministry of Finance and Treasury of Bosnia and Herzegovina**

Project financial statements for the years ended  
31 December 2017 and 31 December 2018  
(all amounts in EUR, unless otherwise stated)

**APPENDIX C**      **Reconciliation between IBRD's Historic Transaction Report in EUR  
and IBRD Loan account in EUR according to the balance sheet as of  
31 December 2018; SoE Withdrawal Schedule of IBRD 8640**

	<b>Changes in IBRD Loan (in EUR)</b>
<b>Original amount</b>	58,000,000
Withdrawal 001	145,000
<b>Total disbursed in 2017</b>	<b>145,000</b>
Withdrawal 002	1,500,000
Withdrawal 003	14,559
Withdrawal 004	2,015,206
<b>Total disbursed in 2018</b>	<b>3,529,765</b>
<b>Cumulative disbursements</b>	<b>3,674,765</b>
<b>Calculated undisbursed balance as of 31 December 2018</b>	<b>54,325,235</b>
<b>Undisbursed balance as per IBRD's Historic Transaction Report</b>	<b>54,325,235</b>
<b>Difference</b>	-