
Report on the Republika Srpska part of the Project
Financial Statements of the

ENERGY EFFICIENCY PROJECT

of the Ministry of Finance and Treasury of Bosnia and
Herzegovina

Financed by:

- IDA Loan No. 5393 BA
- IDA Loan No. 5538 BA

For the year ended 31 December 2019

**ENERGY EFFICIENCY PROJECT
of the Ministry of Finance and Treasury of Bosnia and Herzegovina**

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ENERGY EFFICIENCY PROJECT of the Ministry of Finance and Treasury of Bosnia and Herzegovina

1. Introduction

1.1 Objectives and activities of the Project

The objective of the OM is to specify all key elements for implementation of the Bosnia-Herzegovina Energy Efficiency Project (BEEP) in the Republika Srpska (RS) in order to help guide all key stakeholders in project implementation. The OM specifies the project components and implementation cycle, institutional and implementation arrangements, including the role and responsibilities of all stakeholders involved, procurement arrangements, financial management arrangements, environmental management arrangements, as well as the reporting, monitoring and evaluation framework. This OM and subsequent revisions to it are to be adopted by the Ministry of Physical Planning, Civil Engineering and Ecology of Republika Srpska. The OM will be updated regularly. Major changes in the content of this document, including its annexes, shall not be revised without no-objection of the World Bank. The Project is made up of three components, the first aimed at specific investments that would improve energy efficiency in public buildings – specifically education, health and social issues sector, throughout Bosnia and Herzegovina. These buildings shall, after renovation aimed at improving energy efficiency, also be used as demonstration projects, and will be chosen by the respective line ministries using the system of scoring against a set of established criteria. Activities to be included within this component are (i) insulation of walls, roofing and attics, (ii) improvements and replacement of windows and doors, (iii) thermostatic vents and automated temperature controls, (iv) lighting systems, (v) refurbishment of the heating systems and building-based boilers, including use of cleaner fuels where it is economically and technically feasible. The Project will not involve other reconstruction activities that are not directly related to energy efficiency (bathrooms, floors, etc.) unless those activities are also aimed at improvement of energy efficiency (repairs of gutters, etc.). The second component shall be based on technical assistance for building capacity for monitoring and evaluation, and organization of trainings and support to public awareness activities that are aimed at increasing awareness of the energy efficiency activities.

1.2 Components of the Project

The total amount allocated to this component in the RS is US\$ 10.95 million. This component will support energy efficiency investments ('subprojects') in schools, hospitals and clinic centers. A small number of other public facilities (e.g., elderly homes, orphanages, other administrative buildings) may also be included.

The component will finance energy efficiency upgrades, as well as related technical consultancy services (e.g., energy audits, technical and social¹ M&E before and after subproject implementation, technical designs, supervision and subproject commissioning). These investments will reduce the energy consumption of selected public buildings, and demonstrate the economic viability of energy efficiency improvements, including reduced recurring energy costs and associated public expenditures. In addition, the subprojects will generate demonstrable co-benefits, such as reduced CO₂ emissions and improved indoor comfort levels (e.g., improved indoor temperature, better lighting and indoor air quality).

¹ Social M&E will include end-user satisfaction surveys before and after subproject implementation to assess perceived improvements in comfort levels and working conditions, changes in behavior, and changes in awareness on energy efficiency. In addition, awareness surveys will be conducted in the local community where subprojects are implemented in order to assess changes in awareness and behavior of the broader local community as well as the effectiveness of communications and information campaigns.

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1. Introduction (continued)

1.2 Components of the Project (continued)

Component 1: Energy efficiency investments in public facilities (estimated costs of US\$ 27.37 million IDA credit, with US\$ 16.42 million allocated to the FBH and US\$ 10.95 million to the RS). This component will support energy efficiency investments ('subprojects') in schools, hospitals and clinic centers. A small number of other public facilities (e.g., elderly homes, orphanages, other administrative buildings) may also be included. The component will finance energy efficiency upgrades (including building envelop measures, heating and cooling systems, lighting, upgrading of electrical network if capacity is increased, and other financially viable energy efficiency measures) as well as related technical consultancy services (e.g., energy audits, technical and social monitoring and evaluation, technical designs, supervision and subproject commissioning).

Component 2: Capacity Building (USD 2.71 million).

Support for the development of scalable financing mechanisms and capacity building (estimated costs of US\$ 2.71 million IDA credit, with US\$ 1.51 million allocated to the FBH and US\$ 1.2 million to the RS). This component will support the development of sustainable energy efficiency financing mechanisms in the public sector, strengthen implementation capacity and help to increase public awareness on energy efficiency. The main activities supported under this component will include: Issues and Options Study on scalable financing mechanisms, On-the-job-trainings for municipal energy managers, On-the-job-trainings for issuing energy labels for public buildings, Database for public buildings in the RS, Communication activities and Other technical assistance and trainings.

Component C: Project Management and Operating Cost (USD 1,92 million).

Project Management (estimated costs of US\$ 1.92 million IDA credit, with US\$ 1.27 million allocated to the FB&H and US\$ 0.65 million to the RS). This component will ensure effective project management by the PIUs through financing additional experts, trainings for PIU staff, and covering incremental operating costs.

Procurement of contracts financed by the World Bank will be conducted through the procedures as specified in the World Bank's Guidelines: Procurement under IBRD Loans and IDA Credits (current edition) and is open to all eligible bidders as defined in the guidelines. Consulting services will be selected in accordance with the World Bank's Guidelines: Selection and Employment of Consultants by World Bank Borrowers (current edition).

Specific procurement notices for contracts to be bid under the World Bank's international competitive bidding (ICB) procedures and for contracts for consultancy services will be announced, as they become available, in UNDB Development Business as well as in local media or electronic portal.

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1. Introduction (continued)

1.2 Components of the Project (continued)

However, given the high cost of wild dump closures, the Project will accept funding requests for closure of wild dumps in individual municipalities, if a) the municipality is a member of the inter-municipal board of a regional solid waste utility, and (b) solid waste originally disposed at the wild dump site is managed at a regional sanitary landfill. The regional utility should be the borrower and agreements between the utility and municipality must be established bilaterally.

Overall project size equals USD 32,0 million, of which USD 32 million will be provided by the World Bank and USD 32,00 million by the Borrower/Recipient.

For RS 40% amount in USD 12.800.000.

1.2.1 IDA Credit No. 5393 BA and No. 5538 BA

The State of Bosnia and Herzegovina is the borrower of the International Development Association (IDA) Credit No. 5393 BA, and 5538 BA amounting to the equivalent of XDR 20,800,000 (5393 BA amount XDR 18,200,000 and BA 5538 BA amount XDR 2,600,000)

Under the terms of a subsidiary finance agreement between State of Bosnia and Herzegovina and Republika Srpska ("RS"), funds of the equivalent of 5393 RS 7,280,000 XDR and RS 5538/BA amount XDR 1,040,000 have been lent to RS.

Categories of cost items to be financed out of the proceeds of the Credit, the allocation of the amounts of the Credit to each category and the percentage of expenditure for cost items so to be financed in each category are as follows:

| Item | Amount of the Credit allocated (in XDR) | % of expenditure to be financed |
|---|--|--|
| (2) Goods, works, consultants' services and operating costs for the Project (5393/BA) | 7,280,000 | 100% |
| (2) Goods, works, consultants' services and operating costs for the Project (5538/BA) | 1,040,000 | 100% |
| Subtotal | | 8,320,000 |

| Item | Amount of the Credit allocated (in USD) | % of expenditure to be financed |
|---|--|--|
| (2) Goods, works, Part 2.B of the Project | 10,950,000 | 100% |
| (2) Consultants' services for Part 2.B and | 1,200,000 | 100% |
| (2) Operating costs for Part 2.B of the Project | 650,000 | 100% |
| Subtotal | | 12,800,000 |

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2. Independent Auditor's Report

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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 Republika Srpska part of the Energy Efficiency Project (the "Project"), which comprise of Summary of sources and uses of funds, Balance sheet, Designated account statement, Designated sub-account statement, Credit account statement, Local Bank account statement, Statement of loan withdrawals as of and for the year ended 31 December 2019, and a summary of significant accounting policies and other explanatory notes for the year then ended, financed under IDA Loan No. 5393 BA and IDA Loan No. 5538 BA.

In our opinion, the accompanying project financial statements present fairly, in all material aspects, the financial position of the Project as of 31 December 2019, and of the funds received and disbursed during the year 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 project coordination unit 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., 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 SoE withdrawal schedule, adequate supporting documentation has been maintained to support claims for reimbursements of expenditures occurred and such expenditure were eligible under IDA Loan No. 5393 BA and IDA Loan No. 5538 BA.

In addition, in our opinion, the accompanying designated account statements present fairly, in all material aspects, the funds received and disbursements made from the designated accounts of the Project for the year ended 31 December 2019, in accordance with the basis of accounting described in Note 4.1.

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

Nihad Fejzić, director and licensed auditor

Sarajevo, Bosnia and Herzegovina
27 April 2020



Ezita
Ezita Imamović, licensed auditor

ENERGY EFFICIENCY PROJECT
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Project financial statements for the year ended 31 December 2019

(all amounts in EUR, unless otherwise stated)

3. Project financial statements for the year 2019

3.1 Summary of sources and uses of funds under the IDA Credit No. 5393 BA, IDA Loan No. 5538 BA

| | Actual Ref. | Cumulative 2019 | Cumulative 2018 | Cumulative budget | Cumulative variance |
|---|--------------------|--------------------|--------------------|----------------------|------------------------|
| FINANCING | | | | | |
| IDA Credit No.5393 BA | - | 9,332,216 | 9,332,216 | 9,083,540 | (248,676) |
| IDA Credit No.5538 BA | - | 1,029,810 | 1,029,810 | 1,467,460 | 437,650 |
| IDA Co-financing | 107,176 | 1,782,523 | 1,675,347 | - | (1,782,523) |
| TOTAL FINANCING | 3,2 107,176 | 12,144,549 | 12,037,373 | 10,551,000 | (1,593,549) |
| PROJECT EXPENDITURE | | | | | |
| <i>By Category</i> | | | | | |
| (2) Goods, works, consultants' services and operating costs for Part 2. | | | | | |
| B2 of the Project | 317,183 | 11,841,303 | 11,524,120 | 10,551,000 | (1,290,303) |
| TOTAL BY CATEGORY | 3,2 317,183 | 11,841,303 | 11,524,120 | 10,551,000 | (1,290,303) |
| PROJECT EXPENDITURE | | | | | |
| <i>By Component</i> | | | | | |
| Investments in public facilities | 169,384 | 10,847,954 | 10,678,570 | 8,968,000 | (1,879,954) |
| Financing mechanisms and capacity building | 14,337 | 450,742 | 436,405 | 949,600 | 498,858 |
| Project Management costs | 133,462 | 542,607 | 409,145 | 633,400 | 90,793 |
| TOTAL BY COMPONENT | 3,2 317,183 | 11,841,303 | 11,524,120 | 10,551,000 | (1,290,303) |

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3. Project financial statements for the year 2019 (continued)

3.1.1 Summary of sources and uses of funds under the IDA Credit No. 5393 BA

| | Actual Ref. | 2019 | Cumulative 2019 | Cumulative 2018 | Cumulative budget | Cumulative variance |
|--|----------------|------------------|--------------------|--------------------|----------------------|------------------------|
| FINANCING | | | | | | |
| IDA Credit No.5393 BA | | | | | 9,083,540 | |
| Initial deposit | - | 1,000,000 | 1,000,000 | | | |
| Direct payment | - | 1,222,511 | 1,222,511 | | | |
| SOE replenishments | - | 7,109,705 | 7,109,705 | | | |
| TOTAL IDA LOAN | - | 9,332,216 | 9,332,216 | 9,083,540 | (248,676) | |
| PROJECT EXPENDITURE | | | | | | |
| <i>By Category</i> | | | | | | |
| (2) Goods, works, consultants' services and operating costs for Part 2.B of the Project | - | 9,130,974 | 9,130,974 | 9,083,540 | (47,434) | |
| TOTAL BY CATEGORY | - | 9,130,974 | 9,130,974 | 9,083,540 | (47,434) | |

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(all amounts in EUR, unless otherwise stated)

3. Project financial statements for the year 2019 (continued)

3.1.2 Summary of sources and uses of funds under the IDA Credit No. 5538 BA

| | Ref. | Actual 2019 | Cumulative 2019 | Cumulative 2018 | Cumulative budget | Cumulative variance |
|--|----------|------------------|--------------------|--------------------|----------------------|------------------------|
| FINANCING | | | | | | |
| IDA Credit No. 5538 BA | - | 1,029,810 | 1,029,810 | 1,467,460 | 1,467,460 | 437,650 |
| TOTAL IDA LOAN | - | 1,029,810 | 1,029,810 | 1,467,460 | 1,467,460 | 437,650 |
| PROJECT EXPENDITURE | | | | | | |
| <i>By Category</i> | | | | | | |
| (2) Goods, works, consultants' services and operating costs for Part 2.B of the Project | | 54,388 | 1,231,047 | 1,176,659 | 1,467,460 | 236,413 |
| TOTAL BY CATEGORY | | 54,388 | 1,231,047 | 1,176,659 | 1,467,460 | 236,413 |

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3. Project financial statements for the year 2019 (continued)

3.1.3 Summary of sources and uses of funds under the IDA Co-financing

| | Ref. | Actual 2019 | Cumulative 2019 | Cumulative 2018 | Cumulative budget | Cumulative variance |
|--|------|----------------|--------------------|--------------------|----------------------|------------------------|
| FINANCING | | | | | | |
| IDA Co-financing | A.3 | 107,176 | 1,782,523 | 1,675,347 | - | (1,782,523) |
| TOTAL IDA LOAN | | 107,176 | 1,782,523 | 1,675,347 | - | (1,782,523) |
| PROJECT EXPENDITURE | | | | | | |
| <i>By Category</i> | | | | | | |
| (2) Goods, works, consultants' services and operating costs for Part | | | | | | |
| 2.B of the Project | A.3 | 262,795 | 1,479,282 | 1,216,487 | - | (1,479,282) |
| TOTAL BY CATEGORY | | 262,795 | 1,479,282 | 1,216,487 | - | (1,479,282) |

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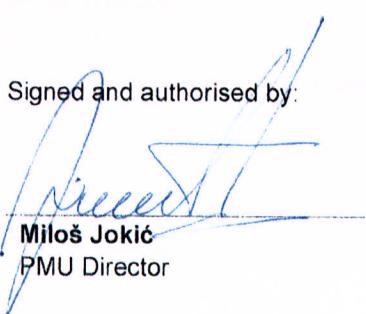
(all amounts in EUR, unless otherwise stated)

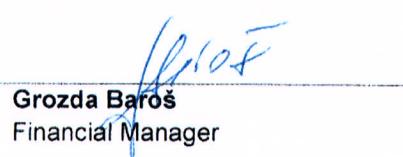
3. Project financial statements for the year 2019 (continued)

3.2 Balance sheet as of 31 December 2019 showing accumulated funds of the Project and bank balances concerning World Bank funding

| | Ref. | 31 December 2019 | 31 December 2018 |
|---|-------|---------------------|---------------------|
| ASSETS | | | |
| Project expenditure | | | |
| Project expenditure under IDA Credit No. 5393 | 3.1.1 | 9,130,974 | 9,130,974 |
| Project expenditure under IDA Credit No. 5538 | 3.1.2 | 1,231,047 | 1,176,659 |
| IDA Co-financing | 3.1.3 | 1,479,282 | 1,216,487 |
| | | 11,841,303 | 11,524,120 |
| Designated account - IDA Credit No. 5538BA | A.1 | 6 | 54,394 |
| Designated sub-account - IDA Credit No. 5393 BA | A.2 | - | - |
| Local bank account – co-financing Nova bank | A.3 | 131,210 | 336,149 |
| Receivables for paid VAT – under NLB Bank. | | 172,030 | 122,710 |
| | | 303,246 | 513,253 |
| Total assets | | 12,144,549 | 12,037,373 |
| LIABILITIES | | | |
| IDA Credit No. 5393 BA | C.1 | 9,332,216 | 9,332,216 |
| IDA Credit No. 5538 BA | C.2 | 1,029,810 | 1,029,810 |
| IDA Co-financing | A.3 | 1,782,523 | 1,675,347 |
| Total liabilities | | 12,144,549 | 12,037,373 |

Signed and authorised by:


Miloš Jokić
PMU Director


Grozda Baroš
Financial Manager

Banja Luka, 27 April 2020

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Project financial statements for the year ended 31 December 2019
(all amounts in EUR, unless otherwise stated)

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 and comply with the "Guidelines: Annual Financial Reporting and Auditing for World Bank – Financed Activities", issued by the Financial Management Sector Board.

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 IDA Credit is 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 IDA Credit accounts of the World Bank.

Statement of Expenditure (SoE)

Statements of Expenditure are used to state the expenditure under IDA Credit during a certain period. These statements are sent to the World Bank's disbursement department who authorises the payment of the expenditure through the Designated accounts.

Currency conversions

The reporting currency is Euro. 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 accounts

This is the total amount of the withdrawals from the IDA Credit accounts for the Project. IDA Credit account is in XDR.

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4. Notes to the project financial statements (continued)

4.2 Accounting policies (continued)

Local bank accounts

This concerns bank accounts at local banks (other than Designated accounts) in local currency translated at the exchange rate at the date of the balance sheet.

Other income

Other income includes interest earned on cash funds at the bank accounts.

Interest on Designated accounts

Interest earned on the Designated accounts belongs to the Borrower.

Interest on local bank accounts

Interest earned on the local bank accounts used for the payments from IDA Credit funds belongs to the Borrower.

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APPENDIX A.1

DESIGNATED ACCOUNT STATEMENT

Account owned by: Ministry of Finance and Treasury of Bosnia and Herzegovina

Account No.: 5672410000606210

Depository Bank: SberBank a.d. Banja Luka

Address: Jevrejska 71, Banja Luka

Related Credit: IDA Credit No. 5393 BA

Currency: EUR

| | Ref. | EUR |
|--|------------|---------------|
| Opening balance 1 January 2019 | | 54,394 |
| | | |
| Add: | | |
| World Bank replenishments | B.1 | - |
| Transfers from Designated sub-account - IDA Credit | A.2 | - |
| | | 54,394 |
| | | |
| Deduct: | | |
| Payments to suppliers - Expenditure under IDA Credit | | 31 |
| Transfers to Designated sub-account - IDA Credit | A.2 | 54,357 |
| | | 54,388 |
| Ending balance 31 December 2019 | 3.2 | 6 |

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APPENDIX A.2

DESIGNATED SUB - ACCOUNT STATEMENT

Account owned by: Ministry of Finance and Treasury of Bosnia and Herzegovina

Account No.: 5672410000606210

Depository Bank: SberBank a.d. Banja Luka

Address: Jevrejska 71, Banja Luka

Related Credit: IDA Credit No. 5393 BA

Currency: BAM

| | Ref. | BAM | EUR |
|--|------|----------------|---------------|
| Opening balance 1 January 2019 | | - | - |
| Add: | | | |
| Transfer from Designated account – IDA Credit | A.1 | 106,311 | 54,357 |
| | | <u>106,311</u> | <u>54,357</u> |
| Payments to suppliers - Expenditure under IDA Credit | A.1 | 106,311 | 54,357 |
| | | <u>106,311</u> | <u>54,357</u> |
| Ending balance 31 December 2019 | 3.2 | - | - |

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APPENDIX A.1.1

ACCOUNT STATEMENT

Account owned by: Ministry of Finance Republika Srpska
Account No.: 555-09000114230-81
Depository Bank: Nova banka Banja Luka
Address: Marije Bursać 7 Banja Luka
Related Credit: Co-financing
Currency: BAM

| | Ref. | BAM | EUR |
|---|------|----------------|----------------|
| Opening balance 1 January 2019 | | 240,000 | 122,710 |
| Add: | | | |
| Fond za zaštitu životne sredine and Municipality Modriča replenishment | | 100,000 | 51,129 |
| | | 340,000 | 173,839 |
| Deduct: | | | |
| Payments to suppliers - Expenditure | | 83,375 | 42,629 |
| Transfers to Designated sub-account - | A.2 | - | - |
| | | 83,375 | 42,629 |
| Ending balance 31 December 2019 | 3.2 | 256,625 | 131,210 |

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Project financial statements for the year ended 31 December 2019

(all amounts in EUR, unless otherwise stated)

APPENDIX A.3

LOCAL ACCOUNT STATEMENT

Account owned by: Ministry of Finance and Treasury of Bosnia and Herzegovina

Account No.: 562 099 81350309-15

Depository Bank: NLB Bank a.d. Banja Luka

Address: Milana Tepić br 2, Banja Luka

Related Credit: Co-financing IDA Credit No. 5393 BA

Currency: BAM

| | Ref. | BAM | EUR |
|--|------------|----------------|----------------|
| Opening balance 1 January 2019 | 3,2 | 657,452 | 336,149 |
| Add: | | | |
| VAT return | A,1 | 109,618 | 56,047 |
| | | 767,070 | 392,196 |
| Deduct: | | | |
| VAT payments | A,1 | 430,607 | 220,166 |
| | | 430,607 | 220,166 |
| Ending balance 31 December 2019 | 3,2 | 336,463 | 172,030 |

* The balance on the bank statement does not agree with presented balance for an amount of BAM 1,346 because of mistake of the bank that the payment order which was sent on 31 December 2019 recorded on 3 January 2020.

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APPENDIX B.1 SoE Withdrawal Schedule of IDA Credit No. 5393 BA for the years ended 31 December 2019

| | Initial deposit | Goods, works and consultants' services for operating costs for Part 2,B of the Project | Operating costs for Parts 2,B and 2,C of the Project | Total application | Total replenished |
|--|-----------------|--|--|-------------------|-------------------|
| Total Cumulative 2018 | - | - | 9,130,974 | 9,130,974 | 9,332,216 |
| Application 57 | - | - | - | - | - |
| Application 58 | - | - | - | - | - |
| Application 59 | - | - | - | - | - |
| Application 60 | - | - | - | - | - |
| Application 61 | - | - | - | - | - |
| Total SOE in 2019 | - | - | - | - | - |
| Cumulative as of 31 December 2019 | - | 9,130,974 | - | 9,130,974 | 9,332,216 |

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APPENDIX B.1 SoE Withdrawal Schedule of IDA Credit No. 5538 BA for the year ended 31 December 2019 (continued)

| | Initial deposit | Goods, works, consultants' services and operating costs for Part 2,B of the Project | Goods, works and consultants' services for Parts 2,B and 2,C of the Project | Operating costs for Part 2,C of the Project | Total application | Total replenished |
|--|-----------------|---|---|---|-------------------|-------------------|
| Total Cumulative 2018 | 50,3845 | - | 1,146,288 | - | 1,146,288 | 1,029,801 |
| Application 19 | (1.937) | - | 1,937 | - | 1,937 | - |
| Application 20 | (40,941) | - | 40,941 | - | 40,941 | - |
| Application 21 * | (11.516)* | - | 11,510 | - | 11,510 | - |
| Total SOE in 2019 | (54,394) | - | 54,388 | - | 54,388 | - |
| Cumulative as of 31 December 2019 | - | - | 1,231,047 | - | 1,231,047 | 1,029,810 |

* In first column, application No. 21 is increased for bank fee in amount of 6 EUR which was charged in January 2020.

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APPENDIX C.1 Reconciliation between World Bank's disbursement statements in XDR and IDA Credit account in EUR according to the balance sheet as of 31 December 2019; SoE Withdrawal Schedule of IDA Credit No, 5393 BA

| | Changes in IDA Credit (in XDR) | Exchange rate used | Changes in IDA Credit (in EUR) |
|--|--------------------------------------|-----------------------|--------------------------------------|
| Original amount | 7,280,000 | 1.247739 | 9,083,540 |
| Cumulative disbursements as of 31 December 2018 | 7,280,000 | | 9,332,216 |
| Total disbursed in 2019 | - | | - |
| Cumulative disbursements as of 31 December 2019 | 7,280,000 | 1.2818978 | 9,332,216 |
| Undisbursed balance as per World Bank Summary for December 2019 | - | | - |
| Potential exchange rate | - | | 248,676 |

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APPENDIX C.2 Reconciliation between World Bank's disbursement statements in XDR and IDA Credit account in EUR according to the balance sheet as of 31 December 2019 SoE Withdrawal Schedule of IDA Credit No. 5538 BA

| | Changes in IDA Credit (in XDR) | Exchange rate used | Changes in IDA Credit (in EUR) |
|--|--------------------------------------|-----------------------|--------------------------------------|
| Original amount | 1,040,000 | 1.411019 | 1,467,460 |
| Cumulative disbursements as of 31 December 2018 | 1,039,902 | | 1,029,810 |
| Total disbursed in 2019 | - | - | - |
| Cumulative disbursements as of 31 December 2019 | 1,039,902 | | 1,029,810 |
| Calculated undisbursed balance as of 31 December 2019 | 98 | | 437,650 |
| Undisbursed balance as per World Bank Summary for December 2019 | 98 | 2.342147 | 230 |
| Potential exchange rate gain | | | 437,420 |