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Report on the Consolidated Project Financial  
Statements of the

**RURAL BUSINESS DEVELOPMENT  
PROJECT**

of the Ministry of Finance and Treasury of Bosnia and  
Herzegovina

Financed by:

- IFAD Loan Agreement No. I-859-BA
- IFAD Grant No. I-C-1337-BA
- OFID Loan No. 4930

For the year ended 31 December 2019

**RURAL BUSINESS DEVELOPMENT PROJECT  
of the Ministry of Finance and Treasury of Bosnia and Herzegovina**

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**CONTENTS**

1	Introduction	2
2	Independent Auditor's Report	6
3	Consolidated project Financial Statements for the year 2019	9
4	Notes to the Consolidated Project Financial Statements	17

**APPENDICES**

A.1	Designated account statement - IFAD Loan No. I-859-BA (FB&H)	19
A.2	Designated sub-account statement - IFAD Loan No. I-859-BA (FB&H)	20
A.3	Petty cash under IFAD Loan No. I-859-BA (FB&H)	21
A.4	Designated account - IFAD Loan No. I-859-BA (RS)	22
A.5	Designated account statement – IFAD Grant No. I-C-1337-BA (FB&H)	23
A.6	Designated sub-account statement – IFAD Grant No. I-C-1337-BA (FB&H)	24
A.7	Designated account statement – OFID Loan No. 4930 (FB&H)	25
A.8	Designated sub-account statement – OFID Loan No. 4930 (FB&H)	26
A.9	Designated account statement – IFAD Grant No. I-C-1337-BA (RS)	27
A.10	Local bank account – Government contribution (FB&H)	28
A.11	Local bank account – Government contribution (RS)	29
A.12	Local bank account – Beneficiary contribution (RS)	30
A.13	Local bank account – Government contribution IFAD 562 (RS)	31
B.1	SoE Withdrawal Schedule of IFAD Loan No. I-859-BA for the year ended 31 December 2019	32
B.2	SoE Withdrawal Schedule of IFAD Grant I-C-1337-BA for the year ended 31 December 2019	33
B.3	SoE Withdrawal Schedule of OFID Loan No. 4930 for the year ended 31 December 2019	34
C.1	Reconciliation between IFAD's Historic Transaction Report in XDR and IFAD Loan account in EUR according to the balance sheet as of 31 December 2019; SoE Withdrawal Schedule of IFAD Loan No. I-859-BA	35
C.2	Reconciliation between IFAD's Historic Transaction Report in XDR and IFAD Grant account in EUR according to the balance sheet as of 31 December 2019; SoE Withdrawal Schedule of IFAD Grant No. I-C-1337-BA	36
C.3	Reconciliation between OFID's Historic Transaction Report in USD and OFID Loan account in EUR according to the balance sheet as of 31 December 2019; SoE Withdrawal Schedule of OFID Loan No. 4930	37

# **RURAL BUSINESS DEVELOPMENT PROJECT**

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## **of the Ministry of Finance and Treasury of Bosnia and Herzegovina**

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### **1. Introduction**

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

The State of Bosnia and Herzegovina (the "State"), through its Ministry of Finance and Treasury, obtained Loan No. I-859-BA and Grant No. I-C-1337-BA from the International Fund for Agricultural Development (IFAD).

The Federation of Bosnia and Herzegovina ("FB&H") and Republika Srpska ("RS") have agreed to carry out the Rural Business Development Project (the "Project") and agreed subsidiary agreements with the State.

As of 27 April 2016, the State signed Loan Agreement No. 4930 with The OPEC Fund for International Development (OFID) for part financing of the Project, in accordance to which OFID approved loan in the amount of USD 5,350,000.

The Project Goal is defined as: rural poverty reduction by raising the target groups incomes and strengthening their resilience by building profitable farm and non-farm enterprises in Bosnia and Herzegovina.

The purpose of the Project shall be to help subsistence farmers transform to commercial farming and help in developing the non-farm enterprise sector for rural employment generation.

The expected outcomes of the project include: (I) increased productivity and enterprise through strengthened business and advisory services; (ii) increased access to sustainable financial services and (iii) improved access to markets and business opportunities. At least 75% of the targeted households are expected to report 30% increase in average household agricultural income and 50% increase in non-farm incomes. The share of women and unemployed youth in wage employment is expected to increase by 5%.

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

The project consists of the following components:

1. Rural Business Support
2. Rural Business Investments
3. Rural Market Infrastructure
4. Project Management

#### **Project Activities in FB&H**

##### **Component 1: Rural Business Support**

The Rural Business Support Component shall consist of three sub-components: (i) Farm Enterprise Development, (ii) Business Development Services and (iii) Non-Farm Enterprise Development.

(i) *Farm Enterprise Development* - The Project shall provide training to 6000 smallholder farmers for enhancing agriculture productivity. The aim will be to increase yields, product quality and value of existing farm enterprises through provision of advice and training; promotion of high value crops, demonstration of improved and appropriate technologies and practices for the horticulture and livestock sectors; improved agriculture inputs, improvement in herds and livestock production and management practices, enhancing food safety standards, strengthening of Good Agriculture and environmentally sound practices. All activities will be market-driven and designed to assist beneficiary farmers to improve the productivity, marketability and profitability of their produce.

(ii) *Business Development Services* – In order to link small farmers to the market, the Project shall strengthen around 60 Producer Associations and Agriculture Cooperatives with a membership of approximately 4,200. It shall provide training, on-the-job mentoring and

## **RURAL BUSINESS DEVELOPMENT 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)**

##### **Component 1: Rural Business Support (continued)**

facilitate expansion of market linkages. The Project shall assist Agriculture Cooperatives, Producer Association and other market intermediaries providing small farmers with opportunities to participate more actively in value chains and adoption of standards such as Hazard Analysis and Critical Control Points (HACCP), European Good Agriculture Practices (EuroGAP) and ISO 22,000 standard developed by the International Organization for Standardization dealing with food safety standards. Through training, technical assistance, marketing and assistance to obtain certification, rural entrepreneurs, both farm and non-farm, shall be assisted to develop and expand their enterprises which create opportunities to enhance incomes and rural employment and add value to the rural economy.

(iii) *Non-Farm Enterprise Development* – The Project shall focus on creating jobs for women and unemployed youth given the lack of opportunities in rural areas and the high unemployment rate for these two groups. The project will provide support which will include identification of business and employment opportunities, preparation of technical and business feasibilities, access to financing through its rural finance component. For a few selected enterprises with the potential for employment generation, a small one-time initial capital assistance with some contribution from the Project will also be considered.

##### **Component 2: Rural Business Investment Component**

The Rural Business Investment shall provide access to financial services and operate with two main client groups, (i) smallholder producers and rural entrepreneurs, who shall be provided loans for up to five years and (ii) rural enterprises connected to one of the main project supported value chains who shall be provided loans. Innovative arrangements for financing private sector firms with contractual arrangements with Producer Associations and Agriculture Cooperatives shall be encouraged as these have proved to be very effective in providing timely finance to small farmers, address the working capital requirements of processors and wholesalers, ensure timely payments to farmers for their produce and provide a secure source of repayment through deduction of instalments at source thereby reducing the transaction cost of financial institutions.

##### **Component 3: Rural Market Infrastructure**

The Rural Infrastructure component shall enhance access to markets through a broad range of schemes which shall be undertaken in close partnership with municipal governments. All selected schemes will have to demonstrate the potential of the scheme to enhance economic opportunities and improved livelihoods. The main types of infrastructure that shall be eligible under the Rural Market Infrastructure component shall include infrastructure such as village and feeder roads including bridges, pasture livestock water points, small-scale irrigation systems, domestic water supply and sewerage systems.

##### **Component 4: Project Management**

The Project Management Component shall finance all the incremental costs of project management and coordination by the Project Coordination Unit (PCU).

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

The Project is financed by:

- a) IFAD Loan No. I-859-BA,
- b) IFAD Grant No. I-C-1337-BA
- c) OFID Grant No. 4930
- d) Government
- e) Beneficiaries

**RURAL BUSINESS DEVELOPMENT PROJECT  
of the Ministry of Finance and Treasury of Bosnia and Herzegovina**

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**1. Introduction (continued)**

**1.3. Financing of the Project (continued)**

**1.3.1. IFAD Loan Agreement No. I-859-BA**

The State is the borrower of the International Fund for Agricultural Development (IFAD) Loan No. I-859-BA, amounting to XDR 8,050,000.

In accordance to terms of subsidiary finance agreement between the State and FB&H, funds of the equivalent of XDR 4,805,000 have been lent to FB&H.

In accordance to terms of subsidiary finance agreement between the State and RS, funds of the equivalent of XDR 3,245,000 have been lent to RS.

**1.3.2. IFAD Grant Agreement No. I-C-1337-BA**

IFAD Grant No. I-C-1337-BA allocations for B&H are XDR 500,000.

In accordance to terms of subsidiary finance agreement between the State and FB&H, funds of the equivalent of XDR 301,000 have been granted to FB&H.

In accordance to terms of subsidiary finance agreement between the State and RS, funds of the equivalent of XDR 199,000 have been granted to RS.

**1.3.3. IFAD Loan and Grant amounts allocation**

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

**Part A of the Project – FB&H**

<b>Item</b>	<b>Amount of the Loan allocated (in XDR)</b>	<b>Amount of the Grant allocated (in XDR)</b>	<b>% of expenditure to be financed</b>
I Enterprise Support Fund	31,000	32,000	100% net of taxes and beneficiary contribution
II Revolving Investment Fund	2,810,000	-	100% net of PFI contributions
III Civil Works	275,000	-	100% net of taxes
IV National Technical Assistance, Training, Workshops and Studies	585,000	255,000	100% net of co-financing and Municipalities/beneficiaries contributions
V Equipment	91,000	14,000	100% net of co-financing
VI Incremental operating costs	775,000	-	100% net of taxes
Unallocated	238,000	-	
<b>Subtotal (FB&amp;H)</b>	<b>4,805,000</b>	<b>301,000</b>	

**RURAL BUSINESS DEVELOPMENT PROJECT  
of the Ministry of Finance and Treasury of Bosnia and Herzegovina**

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**1.3. Financing of the Project (continued)**

**1.3.3. IFAD Loan and Grant amounts allocation (continued)**

**Part B of the Project – RS**

<b>Item</b>	<b>Amount of the Loan allocated (in XDR)</b>	<b>Amount of the Grant allocated (in XDR)</b>	<b>% of expenditure to be financed</b>
I Enterprise Support Fund	50,000	13,000	100% net of taxes and beneficiary contribution
II Revolving Investment Fund	1,626,000	-	100% net of PFI contributions
III Civil Works	190,000	-	100% net of taxes
IV National Technical Assistance, Training, Workshops and Studies	560,000	160,000	100% net of co-financing and Municipalities/beneficiaries contributions
V Vehicle and Equipment	50,000	26,000	100% net of co-financing
VI Incremental operating costs	615,000	-	100% net of taxes
Unallocated	154,000	-	
<b>Subtotal (RS)</b>	<b>3,245,000</b>	<b>199,000</b>	
<b>TOTAL</b>	<b>8,050,000</b>	<b>500,000</b>	

**1.3.3. OFID Loan Agreement No. 4930**

OFID Loan proceeds of USD 5,350,000 shall be utilized towards financing 37.08% of the total cost of the Rural Market Infrastructure component of the Project.

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## **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 Consolidated Project Financial Statements**

#### **Opinion**

We have audited the accompanying Consolidated project financial statements of the Rural Business Development Project (the "Project"), which comprise of Summary of sources and uses of funds, Balance sheet, Designated accounts, local bank accounts and petty cash statements, Statements of loan and grant 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 IFAD Loan Agreement No. I-859-BA, IFAD Grant Agreement No. I-C-1337-BA and OFID Loan Agreement No. 4930.

In our opinion, the accompanying Consolidated 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 the International Fund for Agricultural Development Guidelines for Project Audits ("IFAD Guidelines"). 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 Consolidated Project Financial Statements**

The management of project coordination unit in Republika Srpska and project coordination unit in Federation of Bosnia and Herzegovina are responsible for the preparation of separate project financial statements in accordance with the cash basis of accounting based on IPSAS, as described in Note 4.1., the International Fund for Agricultural Development Guidelines for Project Audits, and for such internal control as management determines is necessary to enable the preparation of separate project financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate 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. These consolidated financial statements are sum of separate project financial statements.

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

Our objectives are to obtain reasonable assurance about whether the Consolidated 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 Consolidated 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 Consolidated 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 Consolidated project financial statements, including the disclosures, and whether the Consolidated 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 IFAD Loan Agreement No. I-859-BA, IFAD Grant Agreement No. I-C-1337-BA and OFID Loan Agreement No. 4930.

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 Certified Auditor  
Sarajevo, 12 May 2020



  
Ezita Imamović, Certified Auditor

**RURAL BUSINESS DEVELOPMENT PROJECT  
of the Ministry of Finance and Treasury of Bosnia and Herzegovina**

Consolidated Project financial statements for the year ended 31 December 2019

(all amounts in EUR, unless otherwise stated)

**3. Consolidated Project financial statements for the year 2019**

**3.1 Summary of Sources and Uses of Funds under the IFAD Loan No. I-859-BA, IFAD Grant No. I-C-1337-BA, OFID Loan No. 4930, Government contribution, beneficiary's contribution and Government contribution IFAD 562**

	Ref.	Actual 2019	Cumulative 2019	Cumulative 2018	Cumulative budget	Cumulative variance
<b>FINANCING</b>						
IFAD Loan No. I-859-BA	3.1.1	996,482	8,944,306	7,947,824	9,663,883	719,577
IFAD Grant No. I-C-1337-BA	3.1.2	139,396	620,187	480,791	587,730	(32,457)
OFID Loan No. 4930	3.1.3	1,332,362	4,532,039	3,199,677	3,920,075	(611,964)
Government contribution	3.1.4	1,093,985	2,488,603	1,394,618	5,810,576	3,321,973
Beneficiaries contribution	3.1.5	900,802	2,195,604	1,294,802	2,195,604	-
Government contribution IFAD 562	3.1.6	1,461,860	2,799,291	1,337,431	3,465,959	666,668
<b>TOTAL FINANCING</b>	<b>3.2</b>	<b>5,924,887</b>	<b>21,580,030</b>	<b>15,655,143</b>	<b>25,643,827</b>	<b>4,063,797</b>

**PROJECT EXPENDITURE**

**By Category**

Enterprise Support Fund	1,574,541	1,840,244	265,703	2,452,605	612,361
Revolving Investment Fund	499,276	3,441,132	2,941,856	2,647,830	(793,302)
Civil Works	4,314,935	11,246,354	6,931,419	16,164,204	4,917,850
National Technical Assistance, Training, Workshops and Studies	289,987	1,190,078	900,091	1,561,549	371,471
Vehicle and Equipment	41,483	247,325	205,842	241,085	(6,240)
Incremental operating costs	230,731	1,478,928	1,248,197	2,576,176	1,097,248
Unallocated	-	-	-	-	-
<b>TOTAL EXPENDITURE</b>	<b>3.2</b>	<b>6,950,953</b>	<b>19,444,061</b>	<b>12,493,108</b>	<b>25,643,448</b>

**PROJECT EXPENDITURE**

**By Component**

Rural Business Support	1,859,442	3,143,449	1,284,007	3,869,438	725,989
Rural Business Investment	499,276	3,440,144	2,940,868	2,816,082	(624,062)
Rural Market Infrastructure	4,314,974	11,246,329	6,931,355	16,239,351	4,993,022
Project management and coordination unit	277,261	1,614,139	1,336,878	2,718,576	1,104,437
<b>TOTAL EXPENDITURE</b>	<b>3.2</b>	<b>6,950,953</b>	<b>19,444,061</b>	<b>12,493,108</b>	<b>25,643,448</b>

**RURAL BUSINESS DEVELOPMENT PROJECT  
of the Ministry of Finance and Treasury of Bosnia and Herzegovina**

Consolidated Project financial statements for the year ended 31 December 2019

*(all amounts in EUR, unless otherwise stated)*

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

**3.1.1 Summary of Sources and Uses of Funds under the IFAD Loan agreement No. I-859-BA**

	Ref.	Actual 2019	Cumulative 2019	Cumulative 2018	Cumulative budget	Cumulative variance
<b>FINANCING</b>						
IFAD Loan No. I-859-BA					9,663,883	
Initial deposit		-	2,875,000	2,875,000		
Direct payments		-	-	-		
SoE replenishments		996,482	6,069,305	5,072,824		
<b>TOTAL FINANCING</b>	3.2	<b>996,482</b>	<b>8,944,306</b>	<b>7,947,824</b>	<b>9,663,883</b>	<b>719,577</b>
<b>PROJECT EXPENDITURE</b>						
<i>By Category</i>						
Enterprise Support Fund		759,247	930,576	171,329	204,896	(725,680)
Revolving Investment Fund		499,276	3,441,132	2,941,856	5,400,526	1,959,394
Civil Works		812,543	2,167,302	1,354,759	602,575	(1,564,727)
National Technical Assistance, Training, Workshops and Studies		93,555	790,960	697,405	1,324,152	533,192
Vehicle and Equipment		9,949	187,045	177,096	207,323	20,278
Incremental operating costs		223,668	1,427,292	1,203,624	1,730,394	303,102
Unallocated		-	-	-	194,018	194,018
<b>TOTAL EXPENDITURE</b>	3.2	<b>2,398,238</b>	<b>8,944,306</b>	<b>6,546,068</b>	<b>9,663,883</b>	<b>719,577</b>

**RURAL BUSINESS DEVELOPMENT PROJECT  
of the Ministry of Finance and Treasury of Bosnia and Herzegovina**

Consolidated Project financial statements for the year ended 31 December 2019

*(all amounts in EUR, unless otherwise stated)*

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

**3.1.2 Summary of sources and uses of fund under IFAD Grant agreement No. I-C-1337-BA**

	Ref.	Actual 2019	Cumulative 2019	Cumulative 2018	Cumulative budget	Cumulative variance
<b>FINANCING</b>						
IFAD Grant No. I-C-1337-BA					587,730	
Initial deposit		-	300,000	300,000		
Direct payment		-	-	-		
SoE replenishments		139,396	320,187	180,791		
<b>TOTAL FINANCING</b>	3.2	<b>139,396</b>	<b>620,187</b>	<b>480,791</b>	<b>587,730</b>	<b>(32,457)</b>
<b>PROJECT EXPENDITURE</b>						
<i>By Category</i>						
Enterprise support fund		182,286	237,579	55,293	85,525	(152,054)
National Technical assistance, Training, Workshops and						
Studies		182,333	332,812	150,479	438,196	105,384
Equipment		31,534	49,796	18,262	64,009	14,213
<b>TOTAL EXPENDITURE</b>	3.2	<b>396,153</b>	<b>620,187</b>	<b>224,034</b>	<b>587,730</b>	<b>(32,457)</b>

**RURAL BUSINESS DEVELOPMENT PROJECT**  
**of the Ministry of Finance and Treasury of Bosnia and Herzegovina**  
 Consolidated Project financial statements for the year ended 31 December 2019  
*(all amounts in EUR, unless otherwise stated)*

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

**3.1.3 Summary of sources and uses of fund under OFID Loan No. 4930 (FB&H only)**

	Ref.	Actual 2019	Cumulative 2019	Cumulative 2018	Cumulative budget	Cumulative variance
<b>FINANCING</b>						
OFID Loan No. 4930						
Initial deposit		-	1,000,000	1,000,000	-	(1,000,000)
Direct Payments		-	-	-	-	-
SoE replenishments		1,332,362	3,532,039	2,199,677	3,920,075	388,036
<b>TOTAL FINANCING</b>	<b>3.2</b>	<b>1,332,362</b>	<b>4,532,039</b>	<b>3,199,677</b>	<b>3,920,075</b>	<b>(611,964)</b>
<b>PROJECT EXPENDITURE</b>						
<i>By Category</i>						
Civil works		1,072,828	4,154,451	3,081,623	3,920,075	(234,376)
<b>TOTAL EXPENDITURE</b>	<b>3.2</b>	<b>1,072,828</b>	<b>4,154,451</b>	<b>3,081,623</b>	<b>3,920,075</b>	<b>(234,376)</b>

**RURAL BUSINESS DEVELOPMENT PROJECT**  
**of the Ministry of Finance and Treasury of Bosnia and Herzegovina**

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

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

**3.1.4 Summary of sources and uses of fund under Government contribution**

	Ref.	Actual 2019	Cumulative 2019	Cumulative 2018	Cumulative budget	Cumulative variance
<b>FINANCING</b>						
<i>Government contribution</i>						
Government contribution FB&H		248,744	1,030,509	781,765	1,421,391	390,882
Government contribution RS		845,241	1,458,094	612,853	4,389,185	2,931,091
<b>TOTAL FINANCING</b>	3.2	<b>1,093,985</b>	<b>2,488,603</b>	<b>1,394,618</b>	<b>5,810,576</b>	<b>3,321,973</b>
<b>PROJECT EXPENDITURE</b>						
<i>By Category</i>						
Enterprise support fund		14,608	27,282	12,674	27,088	(194)
Civil works		197,180	775,096	577,916	5,226,199	4,451,103
National Technical assistance, Training, Workshops and Studies		14,099	66,306	52,207	91,417	25,111
Equipment and Vehicles		-	10,485	10,485	18,278	7,793
Incremental operating costs		6,868	51,441	44,573	447,595	396,154
<b>TOTAL EXPENDITURE</b>	3.2	<b>232,755</b>	<b>930,609</b>	<b>697,854</b>	<b>5,810,576</b>	<b>4,879,967</b>

**RURAL BUSINESS DEVELOPMENT PROJECT**  
**of the Ministry of Finance and Treasury of Bosnia and Herzegovina**

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

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

**3.1.5 Summary of sources and uses of fund under Beneficiaries contribution (RS only)**

	Ref.	Actual 2019	Cumulative 2019	Cumulative 2018	Cumulative budget	Cumulative variance
<b>FINANCING</b>						
<i>Beneficiaries contribution</i>						
Beneficiaries contribution		900,802	2,195,604	1,294,802	2,195,604	-
<b>TOTAL FINANCING</b>	<b>3.2</b>	<b>900,802</b>	<b>2,195,604</b>	<b>1,294,802</b>	<b>2,195,604</b>	<b>-</b>
<b>PROJECT EXPENDITURE</b>						
<i>By Category</i>						
Enterprise Support Fund		618,400	644,808	26,408	644,808	-
Civil works		588,864	1,550,382	961,518	1550,382	-
Equipment and vehicles		-	-	-	-	-
Incremental operating costs		35	35	-	35	-
<b>TOTAL EXPENDITURE</b>	<b>3.2</b>	<b>1,207,299</b>	<b>2,195,225</b>	<b>987,926</b>	<b>2,195,225</b>	<b>-</b>

**RURAL BUSINESS DEVELOPMENT PROJECT**  
**of the Ministry of Finance and Treasury of Bosnia and Herzegovina**

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

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

**3.1.6 Summary of sources and uses of funds under Government Contribution (IFAD 562)  
(RS only)**

	Ref.	Actual 2019	Cumulative 2019	Cumulative 2018	Cumulative budget	Cumulative variance
<b>FINANCING</b>						
<i>Government contribution</i>						
Government contribution		1,461,860	2,799,291	1,337,431	3,465,959	666,668
<b>TOTAL FINANCING</b>	<b>3.2</b>	<b>1,461,860</b>	<b>2,799,291</b>	<b>1,337,431</b>	<b>3,465,959</b>	<b>666,668</b>
<b>PROJECT EXPENDITURE</b>						
<i>By Category</i>						
Civil Works		1,643,520	2,599,123	955,603	3,465,959	866,836
Incremental operating costs		159	159	-	-	(159)
<b>TOTAL EXPENDITURE</b>	<b>3.2</b>	<b>1,643,679</b>	<b>2,599,282</b>	<b>955,603</b>	<b>3,465,959</b>	<b>866,677</b>

**RURAL BUSINESS DEVELOPMENT PROJECT**  
**of the Ministry of Finance and Treasury of Bosnia and Herzegovina**

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

**3. Consolidated 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 IFAD and OFID Funding**

	Ref.	31 December 2019	31 December 2018
<b>ASSETS</b>			
Project expenditure IFAD Loan No. I-859-BA	3.1.1	8,944,306	6,546,068
Project expenditure IFAD Grant No. I-C-1337-BA	3.1.2	620,187	224,034
Project expenditure OFID Loan No. 4930	3.1.3	4,154,451	3,081,623
Project expenditure under Government contribution	3.1.4	930,609	697,854
Project expenditure under Beneficiary contribution	3.1.5	2,195,225	987,926
Project expenditure under Government contribution IFAD 562	3.1.6	2,599,282	955,603
		<u>19,444,060</u>	<u>12,493,108</u>
Designated account - IFAD Loan No. I-859-BA (FB&H)	A.1	-	938,586
Designated sub-account - IFAD Loan No. I-859-BA (FB&H)	A.2	-	-
Petty Cash under IFAD Loan No. I-859-BA (FB&H)	A.3	-	81
Designated account - IFAD Loan No. I-859-BA (RS)	A.4	-	462,984
Designated account – IFAD Grant No. I-C-1337-BA (FB&H)	A.5	-	133,865
Designated sub-account – IFAD Grant No. I-C-1337-BA (FB&H)	A.6	-	-
Designated account – OFID Loan No. 4930 (FB&H)	A.7	377,588	118,054
Designated sub-account – OFID Loan No. 4930 (FB&H)	A.8	-	-
Designated account – IFAD Grant No. I-C-1337-BA (RS)	A.9	-	122,892
Local bank account – Government contribution (FB&H)	A.10	139,154	116,740
Local bank account – Government contribution (RS)	A.11	132,580	137,054
Local bank account – Beneficiary contribution (RS)	A.12	151	306,825
Local bank account – Government contribution IFAD 562 (RS)	A.13	199,520	381,515
		<u>848,993</u>	<u>2,718,596</u>
<b>VAT receivables (RS)</b>		<b>1,286,977</b>	<b>443,440</b>
<b>Total assets</b>		<b>21,580,030</b>	<b>15,655,144</b>
<b>LIABILITIES</b>			
IFAD Loan No. I-859-BA	3.1.1	8,944,306	7,947,824
IFAD Grant No. I-C-1337-BA	3.1.2	620,187	480,791
OFID Loan No. 4930	3.1.3	4,532,039	3,199,677
Government contribution	3.1.4	2,488,603	1,394,618
Beneficiary contribution	3.1.5	2,195,604	1,294,802
Government contribution IFAD 562	3.1.6	2,799,291	1,337,431
<b>Total liabilities</b>		<b>21,580,030</b>	<b>15,655,144</b>

**RURAL BUSINESS DEVELOPMENT PROJECT**  
**of the Ministry of Finance and Treasury of Bosnia and Herzegovina**  
Consolidated Project financial statements for the year ended 31 December 2019  
(all amounts in EUR, unless otherwise stated)

**4. Notes to the Consolidated project financial statements**

**4.1 Basis of preparation and accounting records**

These Consolidated 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 IFAD Loan, IFAD Grant and OFID 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 IFAD Loan, IFAD Grant and OFID Loan account.

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

Statements of Expenditure are used to state the expenditure under IFAD Loan, IFAD Grant and OFID Loan during a certain period. These statements are sent to the IFAD and OFID 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 IFAD Loan account, IFAD Grant account and OFID Loan account for the Project. IFAD Loan account is in XDR.

***Local bank accounts***

This concerns bank accounts at local banks (other than Designated account) in EUR and BAM 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, income from tender documentation sold and received bidding fees.

***Interest on Designated accounts***

Interest earned on the Designated accounts belongs to the Borrower.

**RURAL BUSINESS DEVELOPMENT PROJECT**  
**of the Ministry of Finance and Treasury of Bosnia and Herzegovina**  
Consolidated Project financial statements for the year ended 31 December 2019  
(all amounts in EUR, unless otherwise stated)

**4. Notes to the Consolidated project financial statements (continued)**

**4.2. Accounting policies (continued)**

***Interest on local bank accounts***

Interest earned on the local bank account used for the payments from IFAD Loan funds, IFAD Grant funds and OFID Loan funds belongs to the Borrower; interest earned on the local bank accounts used for the payments from Government and Beneficiaries contribution is treated as additional source of financing of the Project.

**RURAL BUSINESS DEVELOPMENT PROJECT**  
**of the Ministry of Finance and Treasury of Bosnia and Herzegovina**  
 Consolidated Project financial statements for the year ended 31 December 2019  
*(all amounts in EUR, unless otherwise stated)*

**APPENDIX A.1**

**DESIGNATED ACCOUNT STATEMENT – FB&H**

**Account owned by:** Ministry of Finance and Treasury of Bosnia and Herzegovina  
**Account No.:** 1994990034004142  
**Depository Bank:** Sparkasse Bank dd  
**Address:** Zmaja od Bosne 7, Sarajevo  
**Related Credit:** IFAD Loan No. I-859-BA  
**Currency:** EUR

	Ref.	EUR
<b>Opening balance 1 January 2019</b>	3.2	938,586
Add:		
IFAD replenishments	B.1	-
Deduct:		
Expenditures paid during the period		-
Transfer to designated sub-account	A.2	938,586
<b>Ending balance 31 December 2019</b>	3.2	938,586

**RURAL BUSINESS DEVELOPMENT PROJECT  
of the Ministry of Finance and Treasury of Bosnia and Herzegovina**

Consolidated Project financial statements for the year ended 31 December 2019

*(all amounts in EUR, unless otherwise stated)*

**APPENDIX A.2**

**DESIGNATED SUB-ACCOUNT STATEMENT – FB&H**

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

**Account No.:** 1994990034004142

**Depository Bank:** Sparkasse Bank dd

**Address:** Zmaja od Bosne 7, Sarajevo

**Related Credit:** IFAD Loan No. I-859-BA

**Currency:** BAM

	Ref.	BAM	EUR
<b>Opening balance 1 January 2019</b>	3.2	-	-
Add:			
Transfer from Designated account	A.1	1,835,714	938,586
		1,835,714	938,586
Deduct:			
Expenses paid during the period		1,833,514	937,461
Transfer to petty cash	A.3	2,200	1,125
		1,835,714	938,586
<b>Ending balance 31 December 2019</b>	3.2	-	-

**RURAL BUSINESS DEVELOPMENT PROJECT  
of the Ministry of Finance and Treasury of Bosnia and Herzegovina**

Consolidated Project financial statements for the year ended 31 December 2019

*(all amounts in EUR, unless otherwise stated)*

**APPENDIX A.3**

**PETTY CASH – FB&H**

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

**Related Credit:** IFAD Loan No. I-859-BA

**Currency:** BAM

	<b>Ref.</b>	<b>BAM</b>	<b>EUR</b>
<b>Opening balance 1 January 2019</b>	3.2	159	81
Add:			
Transfer from Designated sub-account	A.2	2,200	1,125
		2,200	1,125
Deduct:			
Payments to suppliers - Expenditure paid during the period		2,359	1,206
		2,359	1,206
<b>Ending balance 31 December 2019</b>	3.2	-	-

**RURAL BUSINESS DEVELOPMENT PROJECT**  
**of the Ministry of Finance and Treasury of Bosnia and Herzegovina**  
 Consolidated Project financial statements for the year ended 31 December 2019  
*(all amounts in EUR, unless otherwise stated)*

**APPENDIX A.4**

**DESIGNATED ACCOUNT STATEMENT - RS**

**Account owned by:** Ministry of Finance and Treasury of Bosnia and Herzegovina  
**Account No.:** 5672410000627938  
**Depository Bank:** Sberbank a.d. Banjaluka  
**Address:** Jevrejska 71, Banjaluka  
**Related Credit:** IFAD Loan No. I-859-BA  
**Currency:** EUR

	Ref.	EUR
<b>Opening balance 1 January 2019</b>	3.2	<b>462,984</b>
Add:		
IFAD replenishments	B	<b>996,482</b>
		<b>1,459,466</b>
Deduct:		
Payments to suppliers - Expenditure under IFAD Loan		<b>1,459,466</b>
		<b>1,459,466</b>
<b>Ending balance 31 December 2019</b>	3.2	-

**RURAL BUSINESS DEVELOPMENT PROJECT  
of the Ministry of Finance and Treasury of Bosnia and Herzegovina**

Consolidated Project financial statements for the year ended 31 December 2019

*(all amounts in EUR, unless otherwise stated)*

**APPENDIX A.5**

**DESIGNATED ACCOUNT STATEMENT – FB&H**

**Account owned by:** Ministry of Finance and Treasury of Bosnia and Herzegovina  
**Account No.:** 1994990034004336  
**Depository Bank:** Sparkasse Bank dd  
**Address:** Zmaja od Bosne 7, Sarajevo  
**Related Credit:** IFAD Grant No. I-C-1337-BA  
**Currency:** EUR

	Ref.	EUR
<b>Opening balance 1 January 2019</b>	3.2	133,865
Add:		
IFAD Grant replenished	B.2	<u>37,000</u>
		<u>37,000</u>
Deduct:		
Transfer to Designated sub-account	A.5	<u>170,865</u>
		<u>170,865</u>
<b>Ending balance 31 December 2019</b>	<b>3.2</b>	<b>-</b>

**RURAL BUSINESS DEVELOPMENT PROJECT  
of the Ministry of Finance and Treasury of Bosnia and Herzegovina**

Consolidated Project financial statements for the year ended 31 December 2019

*(all amounts in EUR, unless otherwise stated)*

**APPENDIX A.6**

**DESIGNATED SUB-ACCOUNT STATEMENT – FB&H**

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

**Account No.:** 1994990034004336 (#113212)

**Depository Bank:** Sparkasse Bank d.d.

**Address:** Zmaja od Bosne 7, Sarajevo

**Related Credit:** IFAD Grant No. I-C-1337-BA

**Currency:** BAM

	Ref.	BAM	EUR
<b>Opening balance 1 January 2019</b>	3.2	-	-
Add:			
Transfers from Designated account	A.4	334,184	170,865
		334,184	170,865
Deduct:			
Expenditures paid during the period		334,184	170,865
		334,184	170,865
<b>Ending balance 31 December 2019</b>	3.2	-	-

**RURAL BUSINESS DEVELOPMENT PROJECT  
of the Ministry of Finance and Treasury of Bosnia and Herzegovina**

Consolidated Project financial statements for the year ended 31 December 2019

*(all amounts in EUR, unless otherwise stated)*

**APPENDIX A.7 DESIGNATED ACCOUNT STATEMENT – FB&H**

**Account owned by:** Ministry of Finance and Treasury of Bosnia and Herzegovina  
**Account No.:** 1994990034240628  
**Depository Bank:** Sparkasse Bank d.d.  
**Address:** Zmaja od Bosne 7, Sarajevo  
**Related Credit:** OFID Loan No. 4930  
**Currency:** EUR

	Ref.	EUR
<b>Opening balance 1 January 2019</b>	3.2	118,054
Add:		
OFID Loan replenishments	B.3	1,332,362
		1,332,362
Deduct:		
Expenses paid during the period		307
Transfer to Designated Sub-account	A.7	1,072,521
		1,072,828
<b>Ending balance 31 December 2019</b>	3.2	<b>377,588</b>

**RURAL BUSINESS DEVELOPMENT PROJECT  
of the Ministry of Finance and Treasury of Bosnia and Herzegovina**

Consolidated Project financial statements for the year ended 31 December 2019

*(all amounts in EUR, unless otherwise stated)*

**APPENDIX A.8**

**DESIGNATED SUB-ACCOUNT STATEMENT – FB&H**

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

**Account No.:** 1994990034240628

**Depository Bank:** Sparkasse Bank d.d.

**Address:** Zmaja od Bosne 7, Sarajevo

**Related Credit:** OFID Loan No. 4930

**Currency:** BAM

	Ref.	BAM	EUR
<b>Opening balance 1 January 2019</b>	3.2	-	-
Add:			
Transfer from Designated Account	A.6	2,097,669	1,072,521
		2,097,669	1,072,521
Deduct:			
Expenditures paid during the period		2,097,669	1,072,521
		2,097,669	1,072,521
<b>Ending balance 31 December 2019</b>	<b>3.2</b>	<b>-</b>	<b>-</b>

**RURAL BUSINESS DEVELOPMENT PROJECT  
of the Ministry of Finance and Treasury of Bosnia and Herzegovina**

Consolidated Project financial statements for the year ended 31 December 2019

*(all amounts in EUR, unless otherwise stated)*

**APPENDIX A.9**

**DESIGNATED ACCOUNT STATEMENT - RS**

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

**Account No.:** 5672410000628132

**Depository Bank:** Sberbank a.d. Banjaluka

**Address:** Jevrejska 71, Banjaluka

**Related Credit:** IFAD Grant No. I-C-1337-BA

**Currency:** EUR

	Ref.	EUR
<b>Opening balance 1 January 2019</b>	3.2	<b>122,892</b>
Add:		
IFAD Grant replenishments		102,396
		<b>225,288</b>
Deduct:		
Payments to suppliers - Expenditure under IFAD Grant		225,288
		<b>225,288</b>
<b>Ending balance 31 December 2019</b>	3.2	-

**RURAL BUSINESS DEVELOPMENT PROJECT**  
**of the Ministry of Finance and Treasury of Bosnia and Herzegovina**  
 Consolidated Project financial statements for the year ended 31 December 2019  
*(all amounts in EUR, unless otherwise stated)*

**APPENDIX A.10**

**LOCAL BANK ACCOUNT STATEMENT – FB&H**

**Account owned by:** Ministry of Agriculture, Water Management and Forestry of FBiH  
**Account No.:** 1994990020558875  
**Depository Bank:** Sparkasse Bank d.d.  
**Address:** Zmaja od Bosne 7, Sarajevo  
**Related Credit:** Government contribution - FB&H  
**Currency:** BAM

	Ref.	BAM	EUR
<b>Opening balance 1 January 2019</b>	3.2	228,324	116,740
Add:			
Government replenishments		486,500	248,744
		<u>486,500</u>	<u>248,744</u>
Deduct:			
Expenditures paid during the period		442,663	226,330
		<u>442,663</u>	<u>226,330</u>
<b>Ending balance 31 December 2019</b>	<b>3.2</b>	<b>272,161</b>	<b>139,154</b>

**RURAL BUSINESS DEVELOPMENT PROJECT**  
**of the Ministry of Finance and Treasury of Bosnia and Herzegovina**  
 Consolidated Project financial statements for the year ended 31 December 2019  
*(all amounts in EUR, unless otherwise stated)*

**APPENDIX A.11**

**LOCAL BANK ACCOUNT STATEMENT - RS**

**Account owned by:** Ministry of Agriculture, Forestry and Water Management of RS  
**Account No.:** 5672418200001854  
**Depository Bank:** Sberbank a.d. Banjaluka  
**Address:** Jevrejska 71, Banjaluka  
**Related Credit:** Government contribution - RS  
**Currency:** BAM

	Ref.	BAM	EUR
<b>Opening balance 1 January 2019</b>	3.2	268,053	137,054
Add:			
Government Contribution		1,653,148	845,241
		<b>1,653,148</b>	<b>845,241</b>
Deduct:			
Payments to suppliers - Expenditure under Government VAT		1,661,898	849,715
		<b>1,661,898</b>	<b>849,715</b>
<b>Ending balance 31 December 2019</b>	3.2	259,303	132,580

**RURAL BUSINESS DEVELOPMENT PROJECT**  
**of the Ministry of Finance and Treasury of Bosnia and Herzegovina**  
 Consolidated Project financial statements for the year ended 31 December 2019  
*(all amounts in EUR, unless otherwise stated)*

**APPENDIX A.12**

**LOCAL BANK ACCOUNT STATEMENT - RS**

**Account owned by:** Ministry of Agriculture, Forestry and Water Management of RS  
**Account No.:** 56724182000022-42  
**Depository Bank:** Sberbank a.d. Banjaluka  
**Address:** Jevrejska 71, Banjaluka  
**Related Credit:** Beneficiary contribution - RS  
**Currency:** BAM

	Ref.	BAM	EUR
<b>Opening balance 1 January 2019</b>	3.2	600,096	306,825
Add:			
Municipality Contribution		1,761,817	900,802
		<u>2,361,913</u>	<u>1,207,627</u>
Deduct:			
Payments to suppliers - Expenditure under Beneficiaries		2,361,618	1,207,476
<b>Ending balance 31 December 2019</b>	3.2	295	151

**RURAL BUSINESS DEVELOPMENT PROJECT**  
**of the Ministry of Finance and Treasury of Bosnia and Herzegovina**  
 Consolidated Project financial statements for the year ended 31 December 2019  
*(all amounts in EUR, unless otherwise stated)*

**APPENDIX A.13**

**LOCAL BANK ACCOUNT STATEMENT - RS**

**Account owned by:** Ministry of Agriculture, Forestry and Water Management of RS  
**Account No.:** 56724182000023-39  
**Depository Bank:** Sberbank a.d. Banjaluka  
**Address:** Jevrejska 71, Banjaluka  
**Related Credit:** Government contribution (IFAD 562) - RS  
**Currency:** BAM

	Ref.	BAM	EUR
<b>Opening balance 1 January 2018</b>	3.2	746,178	381,515
Add:			
Contribution		2,859,150	1,461,860
		<b>3,605,328</b>	<b>1,843,375</b>
Deduct:			
Payments to suppliers - Expenditure under Government		3,215,102	1,643,855
<b>Ending balance 31 December 2019</b>	<b>3.2</b>	<b>390,226</b>	<b>199,520</b>

# RURAL BUSINESS DEVELOPMENT PROJECT of the Ministry of Finance and Treasury of Bosnia and Herzegovina

## Consolidated Project financial statements for the year ended 31 December 2019

(all amounts in EUR, unless otherwise stated)

APPENDIX B.1 SoE Withdrawal Schedule of IFAD Loan No. I-859 BA for the Year ended 31 December 2019

	Initial deposit	Enterprise Support Fund	Revolving Investment Fund	Civil works	workshops and studies	Vehicle and Equipment	Incremental operating costs	Total application	Total disbursed
<b>Previous years</b>									
FB&H	1,525,550*	124,540	2,940,868	318,762	542,937	126,671	839,647	4,893,424	5,832,090
RS	1,000,000	46,789	-	1,035,997	154,468	50,425	364,965	1,652,644	2,115,734
<b>Total</b>	<b>2,525,550</b>	<b>171,329</b>	<b>2,940,868</b>	<b>1,354,759</b>	<b>697,405</b>	<b>177,096</b>	<b>1,204,612</b>	<b>6,546,068</b>	<b>7,947,824</b>
<b>Total initial deposit</b>	-	-	-	-	-	-	-	-	-
<b>Total direct payments 2019</b>	-	-	-	-	-	-	-	-	-
Application 6 (RS)	-	-	-	58,599	4,709	-	9,914	73,222	610,132
Application 7 (RS)	-	-	-	252,160	11,955	9,949	22,909	296,973	296,973
Application 8 (RS)	-	557,878	-	325,820	10,774	-	38,151	932,623	932,623
Application 9 (RS)	(156,754)	39,527	-	88,564	12,357	-	16,306	156,754	-
Application 10 (RS)	(843,246)	-	-	-	-	-	-	-	(843,246)
Refund to IFAD (RS)	(1,525,550)	161,842	499,276	87,400	53,760	-	136,388	938,667	-
<b>Total SoE application 2019</b>	<b>(2,525,550)</b>	<b>759,247</b>	<b>499,276</b>	<b>812,543</b>	<b>93,555</b>	<b>9,949</b>	<b>223,668</b>	<b>2,398,239</b>	<b>996,482</b>
<b>Cumulative 2019</b>	<b>(2,525,550)</b>	<b>759,247</b>	<b>499,276</b>	<b>812,543</b>	<b>93,555</b>	<b>9,949</b>	<b>223,668</b>	<b>2,398,239</b>	<b>996,482</b>
<b>Cumulative as of 31 December 2019</b>	<b>-</b>	<b>930,576</b>	<b>3,440,144</b>	<b>2,167,302</b>	<b>790,960</b>	<b>187,045</b>	<b>1,428,280</b>	<b>8,944,306</b>	<b>8,944,306</b>

\*Initial deposit in amount of EUR 1 875 000 decreased by return of more transferred funds in amount of EUR 349 450 in year of 2018.

\*\*\* Total amount of Application No. 8 is EUR 1,525,550 and it consists of expenses occurred in year of 2018 in amount of EUR 586,883 and expenses occurred in year of 2019 in amount of EUR 938,667. Total amount of Application No.8 was justified from initial deposit.

**RURAL BUSINESS DEVELOPMENT PROJECT**  
**of the Ministry of Finance and Treasury of Bosnia and Herzegovina**  
 Consolidated Project financial statements for the year ended 31 December 2019  
*(all amounts in EUR, unless otherwise stated)*

**APPENDIX B.2      SoE Withdrawal Schedule of IFAD Grant No. I-C-1337-BA for the year ended 31 December 2019**

	Initial deposit	Enterprise Support Fund	National Technical assistance, training, workshops and studies	Vehicle and Equipment	Total application	Total disbursed
<b>Previous years</b>						
FB&H	150,000	40,404	138,260	18,262	196,926	330,791
RS	150,000	14,889	12,219	-	27,108	150,000
<b>Total</b>	<b>300,000</b>	<b>55,293</b>	<b>150,479</b>	<b>18,262</b>	<b>224,034</b>	<b>480,791</b>
<b>Total direct payments 2019</b>						
Application 2 (RS)	-	51,088	8,250	-	59,338	86,446
Application 3 (RS)	(150,000)	115,248	3,218	31,534	150,000	-
Application 4 (RS)	-	15,950	-	-	15,950	15,950
Application 4 (FB&H)	(58,166)	-	79,031	-	79,031	37,000
Application 5 (FB&H)	(91,834)	-	91,834	-	91,834	-
<b>Total SoE application 2019</b>	<b>-</b>	<b>182,286</b>	<b>182,333</b>	<b>31,534</b>	<b>396,153</b>	<b>139,396</b>
<b>Cumulative 2019</b>	<b>-</b>	<b>182,286</b>	<b>182,333</b>	<b>31,534</b>	<b>396,153</b>	<b>139,396</b>
<b>Cumulative as of 31 December 2019</b>	<b>-</b>	<b>237,579</b>	<b>332,812</b>	<b>49,796</b>	<b>620,187</b>	<b>620,187</b>

Total amount of Application No. 4 (FB&H) is EUR 95,166 and it consists of expenses occurred in year of 2018 in amount of EUR 16,135 and expenses occurred in year of 2019 in amount of EUR 79,031. Amount of EUR 37,000 was replenished on special account and amount of EUR 58,166 was justified from initial deposit.

**RURAL BUSINESS DEVELOPMENT PROJECT**  
**of the Ministry of Finance and Treasury of Bosnia and Herzegovina**  
 Consolidated Project financial statements for the year ended 31 December 2019  
*(all amounts in EUR, unless otherwise stated)*

**APPENDIX B.3      SoE Withdrawal Schedule of OFID No. 4930 for the year ended 31 December 2019**

	Initial deposit	Civil works	Total application	Total disbursed
<b>Previous years</b>				
FB&H	1,000,000	3,081,623	3,081,623	3,199,677
<b>Total</b>	<b>1,000,000</b>	<b>3,081,623</b>	<b>3,081,623</b>	<b>3,199,677</b>
<b>Total direct payments 2019</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Application 5* (FB&H)	-	450,416	-	881,946
Application 6 (FB&H)	-	622,412	450,416	450,416
Application 7** (FB&H)	-	-	622,412	-
<b>Total SoE application 2019</b>	<b>-</b>	<b>1,072,828</b>	<b>1,072,828</b>	<b>1,332,362</b>
<b>Cumulative 2019</b>	<b>-</b>	<b>1,072,828</b>	<b>1,072,828</b>	<b>1,332,362</b>
<b>Cumulative as of 31 December 2019</b>	<b>1,000,000</b>	<b>4,154,451</b>	<b>4,154,451</b>	<b>4,532,039</b>

\* Application No. 5 – expenses made in 2018 and replenished in 2019.

\*\* Application No. 7 – expenses made in 2019 and submitted for replenishment in 2020.

**RURAL BUSINESS DEVELOPMENT PROJECT**  
**of the Ministry of Finance and Treasury of Bosnia and Herzegovina**  
 Consolidated Project financial statements for the year ended 31 December 2019  
*(all amounts in EUR, unless otherwise stated)*

**APPENDIX C.1** **Reconciliation between IFAD's Historic Transaction Report in XDR and IFAD Loan account in EUR according to the balance sheet as of 31 December 2019; SoE Withdrawal Schedule of IFAD Loan No. I-859-BA**

	Changes in IFAD Loan (in XDR)	Exchange rate used	Changes in IFAD Loan (in EUR)
<b>Original amount</b>	<b>8,050,000</b>		<b>9,663,813</b>
Withdrawal 1 (FB&H)	793,739	1.25986	1,000,000
Withdrawal 1 (RS)	396,869	1.25986	500,000
<b>Total disbursed in 2016</b>	<b>1,190,608</b>		<b>1,500,000</b>
Withdrawal 2 (FB&H)	560,396	1.27860	716,522
Withdrawal 2 (RS)	119,672	1.27860	153,015
Withdrawal 3 (FB&H)	606,193	1.19091	721,921
Withdrawal 4 (FB&H)	646,008	1.19723	773,421
<b>Total disbursed in 2017</b>	<b>1,932,269</b>		<b>2,364,879</b>
Withdrawal 3 (RS)	148,701	1.17597	174,868
Withdrawal 4 (RS)	415,939	1.20210	500,000
Withdrawal 5 (RS)	646,299	1.21902	787,851
Withdrawal 5 (FB&H)	744,313	1.17558	875,000
Withdrawal 6 (FB&H)	781,495	1.20600	942,483
Withdrawal (FB&H)	965,764	1.19304	1,152,194
Return of more transferred funds	(292,908)	1.19304	(349,450)
<b>Total disbursed in 2018</b>	<b>3,409,603</b>		<b>4,082,946</b>
Withdrawal 6 (RS)	493,595	1,23610	610,132
Withdrawal 7 (RS)	240,975	1,23238	296,973
Withdrawal 8 (RS)	759,100	1,22859	932,623
Refund to IFAD (RS)	(686,352)	1,22858	(843,246)
<b>Total disbursed in 2019</b>	<b>807,318</b>		<b>996,482</b>
<b>Calculated undisbursed balance as of 31 December 2019</b>	<b>710,202</b>		<b>719,506</b>
<b>Undisbursed balance as per IFAD's Historic Transaction Report</b>	<b>710,202</b>	1,237480	<b>878,861</b>
<b>Potential exchange rate gain</b>			<b>159,355</b>

**RURAL BUSINESS DEVELOPMENT PROJECT**  
**of the Ministry of Finance and Treasury of Bosnia and Herzegovina**  
 Consolidated Project financial statements for the year ended 31 December 2019  
*(all amounts in EUR, unless otherwise stated)*

**APPENDIX C.2      Reconciliation between IFAD's Historic Transaction Report in XDR and  
 IFAD Grant account in EUR according to the balance sheet as of 31  
 December 2019; SoE Withdrawal Schedule of IFAD Grant No. I-C-1337-  
 BA**

	Changes in IFAD Grant (in XDR)	Exchange rate used	Changes in IFAD Grant (in EUR)
<b>Original amount</b>	<b>500,000</b>		<b>587,730</b>
Withdrawal 1 (FB&H)	118,898	1.26159	150,000
Withdrawal 1 (RS)	118,898	1.26159	150,000
<b>Total disbursed in 2016</b>	<b>237,796</b>		<b>300,000</b>
Withdrawal 2 (FB&H)	42,838	1.19417	51,156
<b>Total disbursed in 2017</b>	<b>42,838</b>		<b>51,156</b>
Withdrawal 3 (FB&H)	106,258	1.22000	129,635
<b>Total disbursed in 2018</b>	<b>106,258</b>		<b>129,635</b>
Withdrawal 02 (RS)	70,046	1.23413	86,446
Withdrawal 03 (RS)	12,982	1.22859	15,950
Withdrawal 04 (FB&H)	29,964	1.23482	37,000
<b>Total disbursed in 2019</b>	<b>112,992</b>		<b>139,396</b>
<b>Cumulative disbursements</b>	<b>499,884</b>		<b>620,187</b>
<b>Calculated undisbursed balance as of 31 December 2019</b>	<b>116</b>		<b>32,457</b>
<b>Undisbursed balance as per IFAD's Historic Transaction Report</b>	<b>3,042</b>	1.235880	<b>-</b>
<b>Potential exchange rate gain</b>			<b>(32,457)</b>

**RURAL BUSINESS DEVELOPMENT PROJECT**  
**of the Ministry of Finance and Treasury of Bosnia and Herzegovina**  
 Consolidated Project financial statements for the year ended 31 December 2019  
*(all amounts in EUR, unless otherwise stated)*

**APPENDIX C.3** **Reconciliation between OFID's Historic Transaction Report in USD and OFID Loan account in EUR according to the balance sheet as of 31 December 2019; SoE Withdrawal Schedule of OFID Loan No. 4930**

	Changes in OFID Loan (in USD)	Exchange rate used	Changes in OFID Loan (in EUR)
<b>Original amount</b>	5,350,000	0.73272	3,920,075
Withdrawal 1	<u>1,178,000</u>	0.84890	<u>1,000,000</u>
<b>Total disbursed in 2017</b>	<u>1,178,000</u>		<u>1,000,000</u>
Withdrawal 2 (FB&H)	1,161,986	0.84897	986,490
Withdrawal 3 (FB&H)	588,601	0.84688	498,476
Withdrawal 4 (FB&H)	814,485	0.87750	714,711
<b>Total disbursed in 2018</b>	<u>2,565,072</u>		<u>2,199,677</u>
Withdrawal 5	1,001,803	0.88036	881,946
Withdrawal 6	497,349	0.90563	450,416
<b>Total disbursed in 2019</b>	<u>1,499,152</u>		<u>1,332,362</u>
<b>Cumulative disbursements</b>	<b><u>5,242,224</u></b>		<b><u>4,532,039</u></b>
<b>Calculated undisbursed balance as of 31 December 2019</b>	<b>107,776</b>		<b>(611,964)</b>
<b>Undisbursed balance as per IFAD's Historic Transaction Report</b>	<b>107,776</b>	0.89182	<b>96,117</b>
<b>Potential exchange rate gain</b>			<b>708,081</b>