

Report on the Federation part of the 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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RURAL BUSINESS DEVELOPMENT PROJECT **of the Ministry of Finance and Treasury of Bosnia and Herzegovina**

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

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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.

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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.

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.

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:

Item	Amount of the Loan allocated (in XDR)	Amount of the Grant allocated (in XDR)	% of expenditure to be financed
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	-	
Total	4,805,000	301,000	

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

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 part 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 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 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., 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 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 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, 29 April 2020





Ema Sinanović, Certified Auditor

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

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 IFAD Loan No. I-859-BA, IFAD Grant No. I-C-1337-BA, OFID Loan No. 4930, Government contribution

	Ref.	Actual 2019	Cumulative 2019	Cumulative 2018	Cumulative budget	Cumulative variance
FINANCING						
IFAD Loan No. I-859-BA	3.1.1	-	5,832,090	5,832,090	5,575,638	(256,452)
IFAD Grant No. I-C-1337-BA	3.1.2	37,000	367,791	330,791	337,018	(30,773)
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	248,744	1,030,509	781,765	1,421,391	390,883
TOTAL FINANCING	3.2	1,618,105	11,762,429	10,144,324	11,254,122	(508,307)
PROJECT EXPENDITURE						
By Category						
Enterprise Support Fund		176,450	354,068	177,617	700,873	346,805
Revolving Investment Fund		499,276	3,440,144	2,940,868	2,647,830	(792,314)
Civil Works		1,357,408	5,335,708	3,978,301	5,155,567	(180,141)
National Technical Assistance, Training, Workshops and Studies		235,399	959,367	723,968	1,172,799	213,432
Equipment		-	153,484	153,484	147,485	(5,999)
Incremental operating costs		140,157	1,002,917	862,760	1,429,569	426,652
TOTAL EXPENDITURE	3.2	2,408,690	11,245,688	8,836,998	11,254,122	8,435
PROJECT EXPENDITURE						
By Component						
Rural Business Support		395,222	1,406,311	1,011,089	1,794,495	388,184
Rural Business Investment		499,276	3,440,144	2,940,868	2,816,082	(624,062)
Rural Market Infrastructure		1,357,447	5,335,683	3,978,237	5,230,714	(104,969)
Project management and coordination unit		156,745	1,063,549	906,804	1,412,830	349,281
TOTAL EXPENDITURE	3.2	2,408,690	11,245,688	8,836,998	11,254,122	8,435

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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 (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
FINANCING						
<i>IFAD Loan No. I-859-BA</i>						
Initial deposit		-	1,875,000	1,875,000	-	(1,875,000)
Direct payments		-	-	-	-	-
SoE replenishments		-	3,957,090	3,957,090	5,575,638	1,618,548
TOTAL FINANCING	3.2	-	5,832,090	5,832,090	5,575,638	(256,452)
PROJECT EXPENDITURE						
<i>By Category</i>						
Enterprise Support Fund		161,842	286,382	124,540	273,789	(12,593)
Revolving Investment Fund		499,276	3,440,144	2,940,868	3,288,872	(151,272)
Civil Works		87,400	406,162	318,762	388,302	(17,860)
National Technical Assistance, Training, Workshops and Studies		53,760	596,697	542,937	570,458	(26,238)
Equipment		-	126,671	126,671	121,101	(5,570)
Incremental operating costs		136,388	976,035	839,647	933,117	(42,919)
TOTAL EXPENDITURE	3.2	938,667	5,832,090	4,893,424	5,575,638	(256,452)

RURAL BUSINESS DEVELOPMENT 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 (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
FINANCING						
<i>IFAD Grant No. I-C-1337-BA</i>						
Initial deposit		-	150,000	150,000	-	(150,000)
Direct payment		-	-	-	-	-
SoE replenishments		37,000	217,791	180,791	337,018	119,227
TOTAL FINANCING	3.2	37,000	367,791	330,791	337,018	(30,773)
PROJECT EXPENDITURE						
<i>By Category</i>						
Enterprise support fund		-	40,404	40,404	37,023	(3,381)
National Technical assistance, Training, Workshops and Studies		170,865	309,125	138,260	283,261	(25,864)
Equipment		-	18,262	18,262	16,734	(1,528)
TOTAL EXPENDITURE	3.2	170,865	367,791	196,926	337,018	(30,773)

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

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 (continued)

3.1.3 Summary of sources and uses of fund under OFID Loan No. 4930

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

RURAL BUSINESS DEVELOPMENT 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 (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
FINANCING						
<i>Government contribution</i>						
Initial deposit		-	-	-	-	-
Direct payments		-	-	-	-	-
SoE replenishments		248,744	1,030,509	781,765	1,421,391	390,883
TOTAL FINANCING	3.2	248,744	1,030,509	781,765	1,421,391	390,883
PROJECT EXPENDITURE						
<i>By Category</i>						
Enterprise support fund		14,608	27,282	12,674	43,505	16,223
Civil works		197,180	775,095	577,916	1,235,999	460,903
National Technical assistance, Training, Workshops and Studies		10,774	53,545	42,771	85,385	31,840
Equipment and Vehicles		-	8,552	8,552	13,637	5,085
Incremental operating costs		3,768	26,881	23,113	42,866	15,985
TOTAL EXPENDITURE	3.2	226,330	891,355	665,025	1,421,391	530,036

RURAL BUSINESS DEVELOPMENT PROJECT
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Project financial statements for the year ended 31 December 2019

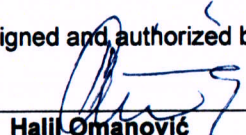
(all amounts in EUR, unless otherwise stated)

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

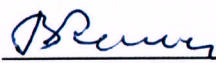
3.2 Balance sheet as of 31 December 2019 showing accumulated funds of the Project and bank balances concerning IFAD and OFID Funding

	Ref.	31 December 2019	31 December 2018
ASSETS			
Project expenditure IFAD Loan No. I-859-BA	3.1.1	5,832,090	4,893,424
Project expenditure IFAD Grant No. I-C-1337-BA	3.1.2	367,791	196,926
Project expenditure OFID Loan No. 4930	3.1.3	4,154,451	3,081,623
Project expenditure under Government contribution	3.1.4	891,355	665,025
		11,245,688	8,836,998
Designated account - IFAD Loan No. I-859-BA	A.1	-	938,586
Designated sub-account - IFAD Loan No. I-859-BA	A.2	-	-
Petty Cash under IFAD Loan No. I-859-BA 1	A.3	-	81
Designated account – IFAD Grant No. I-C-1337-BA	A.4	-	133,865
Designated sub-account – IFAD Grant No. I-C-1337-BA	A.5	-	-
Designated account – OFID Loan No. 4930	A.6	377,588	118,054
Designated sub-account – OFID Loan No. 4930	A.7	-	-
Local bank account – Government contribution	A.8	139,154	116,740
		516,742	1,307,326
Total assets		11,762,429	10,144,324
LIABILITIES			
IFAD Loan No. 859-BA	3.1.1	5,832,090	5,832,090
IFAD Grant No. I-C-1337-BA	3.1.2	367,791	330,791
OFID Loan No. 4930	3.1.3	4,532,039	3,199,677
Government contribution	3.1.4	1,030,509	781,765
Total liabilities		11,762,429	10,144,324

Signed and authorized by:


Halil Omanović
 PCU Director




Berina Ramčić
 Financial Officer

Sarajevo, 29 April 2020

RURAL BUSINESS DEVELOPMENT PROJECT
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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.

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.

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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

4.2. 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
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Project financial statements for the year ended 31 December 2019

(all amounts in EUR, unless otherwise stated)

APPENDIX A.1

DESIGNATED ACCOUNT STATEMENT

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. 859-BA

Currency: EUR

	Ref.	EUR
Opening balance 1 January 2019	3.2	938,586
Add:		
IFAD Loan replenishments	B.1	-
		-
Deduct:		
Transfer to designated sub-account	A.2	938,586
		938,586
Ending balance 31 December 2019	3.2	-

RURAL BUSINESS DEVELOPMENT PROJECT
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Project financial statements for the year ended 31 December 2019

(all amounts in EUR, unless otherwise stated)

APPENDIX A.2

DESIGNATED SUB-ACCOUNT STATEMENT

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. 859-BA

Currency: BAM

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

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APPENDIX A.3

PETTY CASH

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

Related Credit: IFAD Loan No. 859-BA

Currency: BAM

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

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APPENDIX A.4

DESIGNATED ACCOUNT STATEMENT

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

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APPENDIX A.5

DESIGNATED SUB-ACCOUNT STATEMENT

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

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APPENDIX A.6

DESIGNATED ACCOUNT STATEMENT

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

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APPENDIX A.7

DESIGNATED SUB-ACCOUNT STATEMENT

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

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APPENDIX A.8

LOCAL BANK ACCOUNT STATEMENT

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 FB&H

Currency: BAM

	Ref.	BAM	EUR
Opening balance 1 January 2019	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>
Ending balance 31 December 2019	3.2	272,161	139,154

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

		Enterprise Support Fund	Revolving Investment Fund	Civil works	National Technical assistance, training, workshops and studies	Vehicle and Equipment	Incremental operating costs	Total application	Total disbursed
Previous years	1,525,550*	124,540	2,940,868	318,762	542,937	126,671	839,647	4,893,424	5,832,090
Total initial deposit	-	-	-	-	-	-	-	-	-
Total direct payments 2019	-	-	-	-	-	-	-	-	-
Application 8**	(1,525,550)	161,842	499,276	87,400	53,760	-	136,388	938,667	-
Total SoE									
application 2019	(1,525,550)	161,842	499,276	87,400	53,760	-	136,388	938,667	-
Cumulative 2019	(1,525,550)	161,842	499,276	87,400	53,760	-	136,388	938,667	-
Cumulative as of 31 December 2019	-	286,382	3,440,144	406,162	596,697	126,671	976,035	5,832,090	5,832,090

*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.

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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
Previous years	150,000	40,404	138,260	18,262	196,926	330,791
Total initial deposit	-	-	-	-	-	-
Total direct payments 2019	-	-	-	-	-	-
Application 4	(58,166)	-	79,031	-	79,031	37,000
Application 5	(91,834)	-	91,834	-	91,834	-
Total SoE application 2019	(150,000)	-	170,865	-	170,865	37,000
Cumulative 2019	(150,000)	-	170,865	-	170,865	37,000
Cumulative as of 31 December 2019	-	40,404	309,125	18,262	367,791	367,791

Total amount of Application No. 4 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.

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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
Previous years	1,000,000	3,081,623	3,081,623	3,199,677
Total initial deposit	-	-	-	-
Total direct payments 2019	-	-	-	-
Application 5*	-	-	-	881,946
Application 6	-	450,416	450,416	450,416
Application 7	-	622,412	622,412	-
Total SoE application 2019	-	1,072,828	1,072,828	1,332,362
Cumulative 2019	-	1,072,828	1,072,828	1,332,362
Cumulative as of 31 December 2019	1,000,000	4,154,451	4,154,451	4,532,039

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

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

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APPENDIX C.1 Reconciliation between IFAD's Historic Transaction Report in XDR and IFAD Loan account in EUR according to the 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)
Original amount	4,805,000	1.16037	5,575,568
Withdrawal 1	793,739	1.25986	1,000,000
Total disbursed in 2016	793,739		1,000,000
Withdrawal 2	560,396	1.27860	716,522
Withdrawal 3	606,193	1.19091	721,921
Withdrawal 4	646,008	1.19723	773,421
Total disbursed in 2017	1,812,597		2,211,864
Withdrawal 5	744,313	1.17558	875,000
Withdrawal 6	781,495	1.20600	942,483
Withdrawal 7	965,764	1.19304	1,152,194
Return of more transferred funds	(292,908)	1.19304	(349,450)
Total disbursed in 2018	2,198,664		2,620,227
Cumulative disbursements as of 31 December 2019	4,805,000		5,832,090
Calculated undisbursed balance as of 31 December 2019	-		(256,522)
Undisbursed balance as per IFAD's Historic Transaction Report	-		-
Exchange rate gain			256,522

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APPENDIX C.2 Reconciliation between IFAD's Historic Transaction Report in XDR and IFAD Grant account in EUR according to the 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)
Original amount	301,000	1.11966	337,018
Withdrawal 1	118,898	1.26159	150,000
Total disbursed in 2016	118,898		150,000
Withdrawal 2	42,838	1.19417	51,156
Total disbursed in 2017	42,838		51,156
Withdrawal 3	106,258	1.22000	129,635
Total disbursed in 2018	106,258		129,635
Withdrawal 4	29,964	1.23482	37,000
Total disbursed in 2019	29,964		37,000
Cumulative disbursements	297,958		367,791
Calculated undisbursed balance as of 31 December 2019	3,042		30,773
Undisbursed balance as per IFAD's Historic Transaction Report	3,042	1.235880	3,759
Potential exchange rate loss			(27,014)

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