

Report on the Federation part of the Project Financial
Statements of the

**RURAL COMPETITIVENESS
DEVELOPMENT PROJECT**

of the Ministry of Finance and Treasury of Bosnia and Herzegovina

Financed by:

- IFAD Loan 2000001440
- IFAD Grant 2000001441

For the year ended 31 December 2019

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

CONTENTS

1	Introduction	2
2	Independent Auditor's Report	4
3	Project Financial Statements for the year 2019	7
4	Notes to the Project Financial Statements	12

APPENDICES

A.1	Designated account statement - IFAD Loan 2000001440	13
A.2	Designated sub-account statement - IFAD Loan 2000001440	14
A.3	Petty cash under IFAD Loan 2000001440	15
A.4	Designated account statement – IFAD Grant 2000001441	16
A.5	Designated sub-account statement – IFAD Grant 2000001441	17
A.6	Local bank account – Government FB&H	18
B.1	SoE Withdrawal Schedule of IFAD Loan 2000001440 for the year ended 31 December 2019	19
B.2	SoE Withdrawal Schedule of IFAD Grant 2000001441 for the year ended 31 December 2019	20
C.1	Reconciliation between IFAD's Historic Transaction Report and IFAD Loan account in EUR according to the to the balance sheet as of 31 December 2019; SoE Withdrawal Schedule of IFAD Loan 2000001440	21
C.2	Reconciliation between IFAD's Historic Transaction Report and IFAD Grant account in EUR according to the balance sheet as of 31 December 2019; SoE Withdrawal Schedule of IFAD Grant 2000001441	22

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

1. Introduction

1.1 Objectives of the Project

As of 23 March 2016, the State of Bosnia and Herzegovina (the "State"), through its Ministry of Finance and Treasury, signed Financing Agreement and obtained Loan No. 2000001440 and Grant No. 2000001441 from the International Fund for Agricultural Development (the "IFAD"). Financing Agreement is signed in connection to Rural Competitiveness Development Programme ("RCDP"), and it is defined that Part A of the Programme shall be carried out by the Federation of Bosnia and Herzegovina and Part B of the Programme shall be carried out by Republika Srpska.

The amount of the Loan is EUR 11,120,000 and the amount of the Grant is EUR 470,000.

The State of Bosnia and Herzegovina and the Federation of Bosnia and Herzegovina signed Subsidy Agreement, in which it is defined that the Loan in amount of EUR 6,440,000 and the Grant in amount of EUR 270,000 will be made available to Federation of Bosnia and Herzegovina.

As of 7 April 2017, the Federation of Bosnia and Herzegovina, through its Federal Ministry of Finance, signed Programme Agreement with the IFAD.

In accordance with Financing Agreement, the Lead Programme Agency for Federation of Bosnia and Herzegovina is Ministry of Agriculture, Water Management and Forestry. Programme coordination as well as fiduciary management is entrusted to Programme Coordination Unit.

The Programme will target poor, non-commercial farmers that are not yet (or insufficiently) linked to market while support their insertion in rewarding supply chains in order to become more competitive commercial farmers.

The goal of the Programme is to contribute to sustainable rural poverty reduction in Bosnia and Herzegovina.

The Programme development objective is to enable smallholders to take advantage of fruits, vegetable, non-timber forest products and other potential subsector development for the sustainable improvement of their social and economic conditions and those of other poor rural groups.

1.2 Components and activities of the Project

The Programme shall consist of the following components:

Component 1: Enabling Environment for Inclusive Subsector Development

The outcome of Component 1 will be: "The improved policy and institutional environment attracts smallholders and investors to the selected subsectors". Five elements of the subsector development approach of the Programme will be implemented through the component: (i) subsector governance by all concerned private and public stakeholders through consultations and joint strategic planning of interventions; (ii) developing relevant institutions' capacities in the subsectors to ensure adequate supply of specialized services; and (iii) an enabling policy framework in order to tackle the related trade, policy and institutional issues and promote local economic development; (iv) subsector performance monitoring and accountability, and (v) strengthening relevant institutions capacities.

The expected results are the following: (i) stakeholder's platforms at cluster level and subsector level improve value chain coordination and subsector governance, orient public policies and investment in order to warrant long term subsector competitiveness; and (ii) appropriate technical and business development services are made available at local and entity level.

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

1. Introduction (continued)

1.2. Components and activities of the Project (continued)

Component 2: Sustainable inclusion of smallholders in the thriving/successful value chains

The outcome of Component 2 will be: "Sustainable inclusion of poor smallholders and vulnerable groups in selected subsectors. The expected results are the following: (i) inclusive business proposals developed and implemented; and (ii) very poor and poor farmers, woman and youth have successfully integrated into competitive and rewarding value chains.

This component is intended to: (i) help improve the livelihood of small scale producers and poor collectors through sustainable and profitable farming; (ii) consolidate their organizations and their capabilities to identify forthcoming business opportunities to expand their business; and (iii) have a voice and play an active role in the multi-stakeholders coordination platforms, both at cluster level and at subsector level.

1.3. Financing of the Project

The Programme is financed from:

- IFAD Loan
- IFAD Grant
- Government contribution

Categories of eligible expenditure to be financed by the Loan and the Grant and the allocation of the amounts of the Loan and the Grant to each category and the percentages of expenditures to be financed in each category can be presented as follows:

Category	Loan amount allocated (EUR)	Grant amount allocated (EUR)	% of expenditures to be financed (all net of tax and government contributions)
Goods, services and inputs	5,035,000	-	100%
Consultancies	465,000	270,000	100%
Equipment	70,000	-	100%
Operating costs	545,000	-	100%
Unallocated	325,000	-	-
Total – Part A of the Project in Federation	6,440,000	270,000	

Baker Tilly Re Opinion d.o.o.
Grbavička 4
71000 Sarajevo
Bosna i Hercegovina

T: +387 (0) 33 552 150
F: +387 (0) 33 552 152

info@bakertilly.ba
www.bakertilly.ba

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 Competitiveness 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 2000001440 and IFAD Grant 2000001441.

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 programme 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.

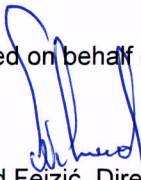
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 2000001440 and IFAD Grant 2000001441.

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, 30 April 2020





Ema Sinanović, Certified Auditor

RURAL COMPETITIVENESS 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 Government FBiH, IFAD Grant 2000001441, IFAD Loan 2000001440

	Ref.	Actual 2019	Cumulative 2019	Cumulative 2018	Cumulative budget	Cumulative variance
FINANCING						
IFAD Loan 2000001440	3.1.1	1,875,765	2,775,765	900,000	6,115,000	3,339,235
IFAD Grant 2000001441	3.1.2	-	150,000	150,000	270,000	120,000
Government FBiH	3.1.3	121,556	243,141	121,585	2,484,858	2,241,717
TOTAL FINANCING	3.2	1,997,321	3,168,906	1,171,585	8,869,858	5,700,952
PROJECT EXPENDITURE						
By Category						
Goods, services and inputs		1,574,145	1,574,145	-	6,994,477	5,420,333
Consultancies		97,717	179,280	81,562	1,021,041	841,761
Equipment		-	-	-	97,242	97,242
Operating costs		198,171	230,716	32,545	757,098	526,382
TOTAL EXPENDITURE	3.2	1,870,033	1,984,140	114,107	8,869,858	6,885,718
PROJECT EXPENDITURE						
By Component						
Enabling environment for inclusive subsector development		85,578	157,278	71,701	2,354,251	2,196,973
Sustainable inclusion of smallholds in the thriving/successful value chains		1,586,238	1,596,101	9,863	5,676,692	4,080,591
Project coordination, monitoring and evaluation		198,217	230,760	32,543	838,914	608,154
TOTAL EXPENDITURE	3.2	1,870,033	1,984,140	114,107	8,869,858	6,885,718

RURAL COMPETITIVENESS 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)

3.1.1 Summary of Sources and Uses of Funds under the IFAD Loan 2000001440

	Ref.	Actual 2019	Cumulative 2019	Cumulative 2018	Cumulative budget	Cumulative variance
FINANCING						
<i>IFAD Loan 2000001440</i>						
Initial deposit		586,000	1,486,000	900,000	-	(1,486,000)
Direct payments		-	-	-	-	-
SoE replenishments		1,289,765	1,289,765	-	6,115,000	4,825,235
TOTAL FINANCING	3.2	1,875,765	2,775,765	900,000	6,115,000	3,339,235
PROJECT EXPENDITURE						
<i>By Category</i>						
Goods, services and inputs		1,360,449	1,360,449	-	4,790,182	3,429,733
Consultancies		90,545	153,238	62,693	539,554	386,317
Equipment		-	-	-	-	-
Operating costs		191,400	223,021	31,621	785,264	562,243
TOTAL EXPENDITURE	3.2	1,642,394	1,736,708	94,314	6,115,000	4,378,292

RURAL COMPETITIVENESS 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)

3.1.2 Summary of sources and uses of fund under IFAD Grant 2000001441

	Ref.	Actual 2019	Cumulative 2019	Cumulative 2018	Cumulative budget	Cumulative variance
FINANCING						
<i>IFAD Grant 2000001441</i>						
Initial deposit		-	150,000	150,000	-	(150,000)
Direct payment		-	-	-	-	-
SoE replenishments		-	-	-	270,000	270,000
TOTAL FINANCING	3.2	-	150,000	150,000	270,000	120,000
PROJECT EXPENDITURE						
<i>By Category</i>						
Goods, services and inputs		-	-	-	-	-
Consultancies		3,418	13,385	9,967	270,000	256,615
Equipment		-	-	-	-	-
Operating costs		-	-	-	-	-
TOTAL EXPENDITURE	3.2	3,418	13,385	9,967	270,000	256,615

RURAL COMPETITIVENESS 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 Government FBiH contribution

	Ref.	Actual 2019	Cumulative 2019	Cumulative 2018	Cumulative budget	Cumulative variance
FINANCING						
<i>Government FBiH</i>						
Initial deposit		-	-	-	-	-
Direct Payments		-	-	-	-	-
SoE replenishments		121,503	243,007	121,503	2,484,858	2,241,851
Interest		53	135	82	-	(135)
TOTAL FINANCING	3.2	121,556	243,141	121,585	2,484,858	2,241,717
PROJECT EXPENDITURE						
<i>By Category</i>						
Goods, services and inputs		213,695	213,695	-	2,268,783	2,055,088
Consultancies		3,755	12,657	8,902	134,382	121,724
Equipment		-	-	-	-	-
Operating costs		6,771	7,695	923	81,693	73,999
TOTAL EXPENDITURE	3.2	224,222	234,047	9,825	2,484,858	2,250,811

RURAL COMPETITIVENESS 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)

3.2 Balance sheet as of 31 December 2019 showing accumulated funds of the Project and bank balances concerning IFAD loan 2000001440, IFAD grant 2000001441 and Government contribution

	Ref.	31 December 2019	31 December 2018
ASSETS			
Project expenditure IFAD Loan 2000001440	3.1.1	1,736,708	94,314
Project expenditure IFAD Grant 2000001441	3.1.2	13,385	9,967
Project expenditure under Government contribution	3.1.3	234,047	9,825
		1,984,140	114,107
Designated account - IFAD Loan 2000001440	A.1	1,038,911	805,465
Designated sub-account - IFAD Loan 2000001440	A.2	-	-
Petty Cash under IFAD Loan 2000001440	A.3	146	221
Designated account - IFAD Grant 2000001441	A.4	136,615	140,033
Designated sub-account - IFAD Grant 2000001441	A.5	-	-
Local bank account - Government contribution	A.6	9,094	111,760
		1,184,766	1,057,478
Total assets		3,168,906	1,171,585
LIABILITIES			
IFAD Loan 2000001440	3.1.1	2,775,765	900,000
IFAD Grant 2000001441	3.1.2	150,000	150,000
Government contribution	3.1.3	243,141	121,585
Total liabilities		3,168,906	1,171,585

Signed and authorized by

Halil Omanović
PCU Director



Berina Ramčić

Berina Ramčić
Financial Officer

Sarajevo, 30 April 2020

RURAL COMPETITIVENESS 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)

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 2000001440 and IFAD Grant 2000001441 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 2000001440 and IFAD Grant 2000001441 account.

Statement of Expenditure (SoE)

Statements of Expenditure are used to state the expenditure under IFAD Loan 2000001440 and IFAD Grant 2000001441 during a certain period. These statements are sent to the IFAD 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 and IFAD Grant account for the Project. IFAD Loan account is in EUR.

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.

Interest on Designated accounts

Interest earned on the Designated accounts belongs to the Borrower.

Interest on local bank accounts

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

RURAL COMPETITIVENESS 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)

APPENDIX A.1 DESIGNATED ACCOUNT STATEMENT

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

Account No.: BA39 1994 9900 3478 0724

Depository Bank: Sparkasse Bank d.d.

Address: Zmaja od Bosne 7, 71000 Sarajevo

Related Credit: IFAD Loan

Currency: EUR

	Ref.	EUR
Opening balance 1 January 2019	3.2	805,465
Add:		
IFAD replenishments	B.1	1,875,765
Transfer from designated sub-account	A.2	32,314
		1,908,079
Deduct:		
Transfer to designated sub-account	A.2	1,674,633
		1,674,633
Ending balance 31 December 2019	3.2	1,038,911

RURAL COMPETITIVENESS 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)

APPENDIX A.2

DESIGNATED SUB-ACCOUNT STATEMENT

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

Account No.: 1994 9900 3478 0724

Depository Bank: Sparkasse Bank d.d.

Address: Zmaja od Bosne 7, 71000 Sarajevo

Related Credit: IFAD Loan

Currency: BAM

	Ref.	BAM	EUR
Opening balance 1 January 2019	3.2	-	-
Add:			
Transfer from designated account	A.1	3,275,298	1,674,633
		<u>3,275,298</u>	<u>1,674,633</u>
Deduct:			
Expenses paid during the period		3,202,597	1,637,462
Transfer to designated account	A.1	63,201	32,314
Transfer to petty cash	A.3	9,500	4,857
		<u>3,275,298</u>	<u>1,674,633</u>
Ending balance 31 December 2019	3.2	-	-

RURAL COMPETITIVENESS 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)

APPENDIX A.3

PETTY CASH

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

Related Credit: IFAD Loan

Currency: BAM

	Ref.	BAM	EUR
Opening balance 1 January 2019	3.2	432	221
Add:			
Transfer from designated sub-account	A.2	9,500	4,857
		<u>9,500</u>	<u>4,857</u>
Deduct:			
Expenditure paid during the period		9,646	4,932
		<u>9,646</u>	<u>4,932</u>
Ending balance 31 December 2019	3.2	286	146

RURAL COMPETITIVENESS 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)

APPENDIX A.4

DESIGNATED ACCOUNT STATEMENT

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

Account No.: BA39 1994 9900 3478 0918

Depository Bank: Sparkasse bank d.d.

Address: Zmaja od Bosne 7, 71000 Sarajevo

Related Credit: IFAD Grant

Currency: EUR

	Ref.	EUR
Opening balance 1 January 2019	3.2	140,033
Add:		
Transfer from Designated sub-account	A.5	3,144
		<u>3,144</u>
Deduct:		
Transfer to Designated sub-account	A.5	6,562
		<u>6,562</u>
Ending balance 31 December 2019	3.2	136,615

RURAL COMPETITIVENESS 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)

APPENDIX A.5

DESIGNATED SUB-ACCOUNT STATEMENT

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

Account No.: 1994 9900 3478 0918

Depository Bank: Sparkasse bank d.d.

Address: Zmaja od Bosne 7, 71000 Sarajevo

Related Credit: IFAD Grant

Currency: BAM

	Ref.	BAM	EUR
Opening balance 1 January 2019	3.2	-	-
Add:			
Transfers from Designated account	A.4	12,834	6,562
		<u>12,834</u>	<u>6,562</u>
Deduct:			
Transfer to Designated account	A.4	6,150	3,144
Expenditures paid during the period		6,684	3,418
		<u>12,834</u>	<u>6,562</u>
Ending balance 31 December 2019	3.2	-	-

RURAL COMPETITIVENESS 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)

APPENDIX A.6

LOCAL BANK ACCOUNT STATEMENT

Account owned by: Ministry of Agriculture, Water Management and Forestry of FBiH

Account No.: 1994 9900 1072 3948

Depository Bank: Sparkasse bank d.d.

Address: Zmaja od Bosne 7, 71000 Sarajevo

Related Credit: Government FB&H

Currency: BAM

	Ref.	BAM	EUR
Opening balance 1 January 2019	3.2	218,583	111,760
Add:			
Government replenishments		237,640	121,503
Interest		104	53
		237,744	121,556
Deduct:			
Expenditures paid during the period		438,540	224,222
		438,540	224,222
Ending balance 31 December 2019	3.2	17,788	9,094

RURAL COMPETITIVENESS 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)

APPENDIX B.1 SoE Withdrawal Schedule of IFAD Loan 2000001440 for the year ended 31 December 2019

	Initial deposit	Goods, services and inputs	Consultancies	Equipment	Operating costs	Total application	Total disbursed
Previous years	900,000	-	62,693	-	31,621	94,314	900,000
Application 2	586,000	-	-	-	-	-	586,000
Total initial deposit 2019	586,000	-	-	-	-	-	586,000
Total direct payments 2019	-	-	-	-	-	-	-
Application 3	-	564,994	22,056	-	11,385	598,436	692,750
Application 4	-	531,910	53,889	-	11,216	597,015	597,015
Application 5*	-	263,545	14,600	-	168,799	446,943	-
Total SoE application 2019	-	1,360,449	90,545	-	191,400	1,642,394	1,289,765
Cumulative 2019	586,000	1,360,449	90,545	-	191,400	1,642,394	1,875,765
Cumulative as of 31 December 2019	1,486,000	1,360,449	153,238	-	223,021	1,736,708	2,775,765

*This amount refers to expenses made in 2019 that will be submitted for replenishment in upcoming period.

RURAL COMPETITIVENESS 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)

APPENDIX B.2	SoE Withdrawal Schedule of IFAD Grant 2000001441 for the year ended 31 December 2019							
	Initial deposit	Goods, services and inputs	Consultancies	Equipment	Operating costs	Total application	Total disbursed	
Previous years	150,000	-	9,967	-	-	9,967	150,000	
Total initial deposit 2019	-	-	-	-	-	-	-	
Total direct payments 2019	-	-	-	-	-	-	-	
Application*	-	-	3,418	-	-	3,418	-	
Total SoE application 2019	-	-	3,418	-	-	3,418	-	
Cumulative 2019	-	-	3,418	-	-	3,418	-	
Cumulative as of 31 December 2019	150,000	-	13,385	-	-	13,385	150,000	

*This amount refers to expenses made in 2019 that will be submitted for replenishment in upcoming period.

RURAL COMPETITIVENESS 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)

**APPENDIX C.1 Reconciliation between IFAD's Historic Transaction Report and
IFAD Loan account in EUR according to the to the balance sheet as of
31 December 2019; SoE Withdrawal Schedule of IFAD Loan 2000001440**

	Changes in IFAD Loan (in EUR)
Original amount	6,115,000
Withdrawal 1	900,000
Total disbursed in 2017	900,000
Total disbursed in 2018	-
Withdrawal 2	586,000
Withdrawal 3	692,750
Withdrawal 4	597,015
Total disbursed in 2019	1,875,765
Cumulative disbursements	2,775,765
Calculated undisbursed balance as of 31 December 2019	3,339,235
Undisbursed balance as per IFAD's Historic Transaction Report	3,339,235
Difference	-

RURAL COMPETITIVENESS 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)

**APPENDIX C.2 Reconciliation between IFAD's Historic Transaction Report and
IFAD Grant account in EUR according to the to the balance sheet as of
31 December 2019; SoE Withdrawal Schedule of IFAD Grant 2000001441**

	Changes in IFAD Grant (in EUR)
Original amount	270,000
Withdrawal 1	150,000
Total disbursed in 2018	150,000
Total disbursed in 2019	-
Cumulative disbursements	150,000
Calculated undisbursed balance as of 31 December 2019	120,000
Undisbursed balance as per IFAD's Historic Transaction Report	120,000
Difference	-