

**Report on the Republika Srpska part of the Project
Financial Statements of the
ENERGY EFFICIENCY PROJECT**

**of the Ministry of Finance and Treasury of Bosnia and
Herzegovina**
Financed by:

- IDA Loan No. 5393 BA
- IDA Loan No. 5538 BA
- IBRD Loan No.8906 BA

For the year ended 31 December 2023

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

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ENERGY EFFICIENCY PROJECT

of the Ministry of Finance and Treasury of Bosnia and Herzegovina

1. Introduction

1.1 Objectives and activities of the Project

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

1.2 Components of the Project

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

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

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

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

1. Introduction (continued)

1.2 Components of the Project (continued)

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

Component 2: Capacity Building (USD 2.71 million).

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

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

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

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

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

**ENERGY EFFICIENCY PROJECT
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1. Introduction (continued)

1.2 Components of the Project (continued)

DESCRIPTION OF ADDITIONAL FINANCING

- 1. Proposed Financing.** The proposed AF will be supported by an IBRD loan of €27.3 (US\$32 million equivalent), with 60 percent of the proposed loan to be provided to the FB&H (€16.4 million) and 40 percent (€10.9 million) to the RS, respectively. Project financing will be complemented by co-financing provided by the entity Governments from two sources: (i) project reflows generated through the revolving financing models introduced for EE investments and reinvested in the form of joint co-financing with BEEP AF resources; and (ii) Value Added Tax (VAT) refunds on BEEP AF expenses, which will also be reinvested in the form of joint co-financing to the project. The total amount of available co-financing from these two sources is estimated to amount to €7.95 million.
- 2. COMPONENT 1: EE Investments in Public Facilities (estimated costs of €23.4 million IBRD financing and estimated €7.9 million Government co-financing through the revolving financing models).** This component will continue supporting EE improvements in selected public buildings, including related civil works, goods and services.
- 3. COMPONENT 2: Support for the Development of Scalable Financing Mechanisms and Capacity Building (estimated costs of €2.15 million IBRD financing).** This component will build on activities implemented under BEEP and provide technical assistance aimed at: (i) supporting the development and implementation of scalable EE financing mechanisms; (ii) enhancing local market capacity and improving EE enabling environment; and (iii) strengthening public awareness on EE.
- 4. COMPONENT 3: Project Management (estimated costs of €1.8 million, including €1.61 million IBRD financing and €0.19 million Government in-kind contribution).** This component will continue providing support for effective implementation and management of the AF, including PIU staff; project-related operating costs and PIU trainings; and annual audits of project accounts. The PIUs are composed of the following Ministry staff and consultants: (i) in the FBiH: Project Ministry focal point, PIU Coordinator, three technical experts, financial management (FM) specialist, procurement specialist, contract management specialist and administrative support; and (ii) in the RS: Project Manager (Ministry staff), two technical experts, FM manager (Ministry staff), FM specialist, procurement specialist, operations officer, communications specialist, and EE financing specialist.

**ENERGY EFFICIENCY PROJECT
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1. Introduction (continued)

1.2 Components of the Project (continued)

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

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

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

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

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

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

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

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1. Introduction (continued)

1.2.2 IBRD Credit No.8906 BA

The State of Bosnia and Herzegovina is the borrower of the International Bank of Reconstruction and Development (IBRD) Credit No.8906 BA, amounting to the equivalent of EUR 27,277 million.

Under the terms of a subsidiary finance agreement between State of Bosnia and Herzegovina and Republika Srpska ("RS"), funds of the equivalent of 8906 RS 10,910,796 EUR.

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

Item	Amount of the Credit allocated (in EUR)	% of expenditure to be financed
(2) Goods, works, consultants' services and operating costs for the Project (8906/BA)	10,910,796	100%
Subtotal	10,910,796	
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Item	Amount of the Credit allocated (in USD)	% of expenditure to be financed
(2) Goods, works, Part 2.B of the Project	9,239,519	100%
(2) Consultants' services for Part 2.B and	1,084,000	100%
(2) Operating costs for Part 2.B of the Project	560,000	100%
(2) Front and Fee	27,277	
Subtotal	10,910,796	

Independent Auditor's Report

To the State of Bosnia and Herzegovina,
Ministry of Finance and Treasury
Attn. of Minister of Finance and Treasury

Report on the Project Financial Statements

Opinion

We have audited the accompanying project financial statements of the Republika Srpska part of the Energy Efficiency Project (the "Project"), which comprise of Summary of sources and uses of funds, Balance sheet, Designated account statement, Designated sub-account statement, Credit account statement, Local Bank account statement, Statement of loan withdrawals as of and for the year ended 31 December 2023, and a summary of significant accounting policies and other explanatory notes for the year then ended, financed under IDA Loan No. 5393 BA and IDA Loan No. 5538 BA, IBRD Loan No.8906 BA.

In our opinion, the accompanying project financial statements present fairly, in all material aspects, the financial position of the Project as of 31 December 2023, 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). In conducting audit we were also guided by the Bank's financial reporting and auditing requirements, Disbursement Guidelines for Investment Project Financing, the Loan Handbook for World Bank Borrowers and the World Bank's Procurement Framework. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Ministry of Finance and Treasury in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

The management of project coordination unit is responsible for the preparation of these project financial statements in accordance with the cash basis of accounting based on IPSAS, as described in Note 4.1., and for such internal control as management determines is necessary to enable the preparation of project financial statements that are free from material misstatement, whether due to fraud or error.

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

**ENERGY EFFICIENCY PROJECT
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Project financial statements for the year ended 31 December 2023

(all amounts in EUR, unless otherwise stated)

Responsibilities for the Audit of Financial Statements

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

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

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

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

Report on other requirements

In addition, with respect to the Statement of Expenditure, adequate supporting documentation has been maintained to support claims to the World Bank for reimbursements of expenditure incurred; and all expenditure included in withdrawal applications and reimbursed against are eligible for financing under the project. Also, respective reports issued during the period were in agreement with the underlying books of account.

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


Jasmina Oručević, Director
Sarajevo, 27 May 2024




Aldijana Gabela, Certified Auditor

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Project financial statements for the year ended 31 December 2023
(all amounts in EUR, unless otherwise stated)

3. Project financial statements for the year 2023

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

	Actual Ref.	2023	Cumulative 2023	Cumulative 2022	Cumulative budget	Cumulative variance
FINANCING						
IDA Credit No.5393 BA		-	9,332,216	9,332,216	9,083,540	(248,676)
IDA Credit No.5538 BA		-	1,029,810	1,029,810	1,467,460	437,650
IDA co-financing BEEP I		-	2,021,432	2,021,432	-	(2,021,432)
TOTAL FINANCING	3.2	-	12,383,458	12,383,458	10,551,000	(1,832,458)
PROJECT EXPENDITURE						
<i>By Category</i>						
(2) Goods, works, consultants' services and operating costs for Part 2. B2 of the Project		-	12,100,497	12,100,497	10,551,000	(1,532,679)
TOTAL BY CATEGORY	3.2	-	12,100,497	12,100,497	10,551,000	(1,532,679)
PROJECT EXPENDITURE						
<i>By Component</i>						
Investments in public facilities		-	10,936,463	10,936,463	8,968,000	(1,968,463)
Financing mechanisms and capacity building		-	458,542	458,542	949,600	491,058
Project Management costs		-	705,492	705,492	633,400	(72,092)
TOTAL BY COMPONENT	3.2	-	12,100,497	12,100,497	10,551,000	(1,549,497)

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3. Project financial statements for the year 2023 (continued)

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

	Actual Ref. 2023	Cumulative 2023	Cumulative 2022	Cumulative budget	Cumulative variance
FINANCING					
IDA Credit No.5393 BA				9,083,540	
Initial deposit	-	1,000,000	1,000,000		
Direct payment	-	1,222,511	1,222,511		
SOE replenishments	-	7,109,705	7,109,705		
TOTAL IDA LOAN	-	9,332,216	9,332,216	9,083,540	(248,676)
PROJECT EXPENDITURE					
<i>By Category</i>					
(2) Goods, works, consultants' services and operating costs for Part 2.B of the Project	-	9,130,974	9,130,974	9,083,540	(47,434)
TOTAL BY CATEGORY	-	9,130,974	9,130,974	9,083,540	(47,434)

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(all amounts in EUR, unless otherwise stated)

3. Project financial statements for the year 2023 (continued)

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

	Ref.	Actual 2023	Cumulative 2023	Cumulative 2022	Cumulative budget	Cumulative variance
FINANCING						
IDA Credit No. 5538 BA		-	1,029,810	1,029,810	1,467,460	437,650
TOTAL IDA LOAN		-	1,029,810	1,029,810	1,467,460	437,650
PROJECT EXPENDITURE						
<i>By Category</i>						
(2) Goods, works, consultants' services and operating costs for Part 2.B of the Project		-	1,231,053	1,231,053	1,467,460	236,407
TOTAL BY CATEGORY		-	1,231,053	1,231,053	1,467,460	236,407

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(all amounts in EUR, unless otherwise stated)

3. Project financial statements for the year 2023 (continued)

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

	Ref.	Actual 2023	Cumulative 2023	Cumulative 2022	Cumulative budget	Cumulative variance
FINANCING						
IDA Co-financing	A.2	-	2,021,432	2,021,432	-	(2,021,432)
TOTAL IDA LOAN		-	2,021,432	2,021,432	-	(2,021,432)
PROJECT EXPENDITURE						
<i>By Category</i>						
(2) Goods, works, consultants' services and operating costs for Part 2.B of the Project	A.3	-	1,738,470	1,738,470	-	(1,738,470)
TOTAL BY CATEGORY		-	1,738,470	1,738,470	-	(1,738,470)

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Project financial statements for the year ended 31 December 2023
(all amounts in EUR, unless otherwise stated)

3. Project financial statements for the year 2023 (continued)

3.1.4 Summary of sources and uses of funds under the IBRD Credit No. 8906 BA

Ref.	Actual 2023	Cumulative 2023	Cumulative 2022	Cumulative budget	Cumulative variance
FINANCING					
IBRD Credit No.8906					
BA				10,883,519	-
Front-end fee	-	27,277	27,277	27,277	-
Initial deposit	-	1,500,000	1,500,000	-	-
SOE replenishments	-	9,383,519	9,383,519	-	-
TOTAL IBRD LOAN	-	10,910,796	10,910,796	10,910,796	-
PROJECT EXPENDITURE					
<i>By Category</i>					
(2) Goods, works, consultants' services and operating costs for Part 2.B of the					
Project	654,301	10,382,972	9,728,671	10,883,519	527,824
Front-end fee	-	27,277	27,277	27,277	-
TOTAL BY CATEGORY	654,301	10,410,249	9,755,948	10,910,796	527,824

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Project financial statements for the year ended 31 December 2023
(all amounts in EUR, unless otherwise stated)

3. Project financial statements for the year 2023 (continued)

3.2 Balance sheet as of 31 December 2023 showing accumulated funds of the Project and bank balances concerning World Bank funding BEEP I

	Ref.	31 December 2023	31 December 2022
ASSETS			
Project expenditure			
Project expenditure under IDA Credit No. 5393	3.1.1	9,130,974	9,130,974
Project expenditure under IDA Credit No. 5538	3.1.2	1,231,053	1,231,053
IDA Co-financing NLB	3.1.3	1,738,470	1,738,470
		12,100,497	12,100,497
Designated account - IDA Credit No. 5538BA	A.1	-	-
Local bank account – co-financing Beep I	A.2	238,336	238,336
Receivables for paid VAT	A.3	44,625	44,625
		282,961	282,961
Total assets		12,383,458	12,383,458
LIABILITIES			
IDA Credit No. 5393 BA		9,332,216	9,332,216
IDA Credit No. 5538 BA		1,029,810	1,029,810
IDA Co-financing NLB		2,021,432	2,021,432
		12,383,458	12,383,458
Total liabilities		12,383,458	12,383,458

Signed and authorised by:

Bojan Vučković
PMU Director

Grozda Baroš
Financial Manager

Banja Luka, 27 May 2024

ENERGY EFFICIENCY PROJECT
of the Ministry of Finance and Treasury of Bosnia and Herzegovina
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(all amounts in EUR, unless otherwise stated)

3. Project financial statements for the year 2023 (continued)

3.3 Balance sheet as of 31 December 2023 showing accumulated funds of the Project and bank balances concerning World Bank funding IBRD No. 8906 BA

	Ref.	31 December 2023	31 December 2022
ASSETS			
Project expenditure			
Project expenditure under IBRD Credit No. 8906	3.2	10,382,972	9,728,671
Front-end fee		27,277	27,277
		10,410,249	9,755,948
Designated account - IBRD Credit No. 8906 BA	A.1	500,547	1,154,848
Designated sub-account -IBRD Credit No. 8906 BA	A.1.1	-	-
		500,547	1,154,848
Total assets		10,910,796	10,910,796
LIABILITIES			
IBRD Credit No. 8906 BA	C.3	10,883,519	10,883,519
Front-end fee		27,277	27,277
Total liabilities		10,910,796	10,910,796

Signed and authorised by:


Bojan Vuković
 PMU Director


Grozda Baroš
 Financial Manager

Banja Luka 27 May 2024

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(all amounts in EUR, unless otherwise stated)

4. Notes to the project financial statements

4.1 Basis of preparation and accounting records

These project financial statements have been prepared on the cash basis of accounting based on International Public Sector Accounting Standards issued by the Public Sector Committee of the International Federation of Accountants, and incorporate the accounting policies below, which have been consistently followed in all material respects and comply with the "Guidelines: Annual Financial Reporting and Auditing for World Bank – Financed Activities", issued by the Financial Management Sector Board.

4.2 Accounting policies

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

Cash basis of accounting

All receipts and expenses under IDA Credit is recorded on actual receipt and payment basis of accounting as per approved categories.

Project expenditure is stated at original cost on the balance sheet

Direct payments

Direct payments concern the amounts paid directly from the IDA Credit accounts of the World Bank.

Statement of Expenditure (SoE)

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

Currency conversions

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

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

Designated accounts

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

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(all amounts in EUR, unless otherwise stated)

4. Notes to the project financial statements (continued)

4.2 Accounting policies (continued)

Local bank accounts

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

Other income

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

Interest on Designated accounts

Interest earned on the Designated accounts belongs to the Borrower.

Interest on local bank accounts

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

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APPENDIX A.1

DESIGNATED ACCOUNT STATEMENT

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

Account No.: 555 00000482681 88

Depository Bank: Nova banka a.d. Banja Luka

Address: Kralja Alfonsa XIII-37 a, Banja Luka

Related Credit: IBRD Credit No. 8906 BA

Currency: EUR

	Ref.	EUR
Opening balance 1 January 2023		1,154,848
Add:		
World Bank replenishments	B.1	-
		-
Deduct:		
Payments to suppliers - Expenditure under IBRD Credit		88
Transfers to Designated sub-account - IBRD Credit	A.2	654,213
		654,301
Ending balance 31 December 2023		500,547

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APPENDIX A.1.1 DESIGNATED SUB - ACCOUNT STATEMENT

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

Account No.: 555 00000482681 88

Depository Bank: Nova Bank a.d. Banja Luka

Address: Kralja Alfonsa XIII-37 a, Banja Luka

Related Credit: IBRD Credit No. 8906 BA

Currency: BAM

	Ref.	BAM	EUR
Opening balance 1 January 2023		-	-
Add:			
Transfer from Designated account – IBRD Credit	A.1	1,279,529	654,213
		1,279,529	654,213
Payments to suppliers - Expenditure under IBRD Credit	A.1	1,279,529	654,213
Ending balance 31 December 2023	3.2	-	-

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APPENDIX A.2	ACCOUNT STATEMENT
Account owned by:	Ministry of Finance Republika Srpska
Account No.:	555-09000114230-81
Depository Bank:	Nova banka Banja Luka Fond za zaštitu životne sredine
Address:	Marije Bursać 7 Banja Luka
Related Credit:	Co-financing BEEP I
Currency:	BAM

	Ref.	BAM	EUR
Opening balance 1 January 2023		466,145	238,336
Add: Fond za zaštitu životne sredine and Municipality Modriča replenishment	3.1.3	-	-
Deduct: Payments to suppliers - Expenditure		-	-
Ending balance 31 December 2023		466,145	238,336

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APPENDIX A.3 LOCAL ACCOUNT STATEMENT

Account owned by: Ministry of Finance of Republika Srpska

Account No.: 562 099 81350309-15

Depository Bank: NLB Bank a.d. Banja Luka

Address: Milana Tepić br 2, Banja Luka

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

Currency: BAM

	Ref.	BAM	EUR
Opening balance 1 January 2023	3.1	87,280	44,625
Add:			
Reimbursements	3.1.3	-	-
VAT return	3.1.3	-	-
		-	-
Deduct:			
VAT payments	3.1.3		
Payments of expenditures		4,138	2,116
Ending balance 31 December 2023	3.1	83,142	42,509

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APPENDIX A.4

ACCOUNT STATEMENT-VAT

Account owned by: Ministry of Finance of Republika Srpska

Account No.: 555 10000476904-06

Depository Bank: Nova banka a.d. Banja Luka

Address: Kralja Alfonsa XIII 37 A, Banja Luka

Related Credit: IBRD Credit No. 8906 BA

Currency: BAM

	Ref.	BAM	EUR
Opening balance 1 January 2023		1,384,299	707,781
Add:			
Transfer from UIO – VAT refund		576,274	294,644
Transfer from sale of tender documentation			
		576,274	294,644
Payments to suppliers - Expenditure under IBRD Credit		947,150	484,270
Ending balance 31 December 2023	3.2	1,013,423	518,155

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APPENDIX A.5

DESIGNATED ACCOUNT STATEMENT

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

Account No.: 5672410000606210

Depository Bank: SberBank a.d. Banja Luka

Address: Jevrejska 71, Banja Luka

Related Credit: IDA Credit No. 5393 BA

Currency: EUR

	Ref.	EUR
Opening balance 1 January 2023		-
Add:		-
World Bank replenishments		-
Transfers from Designated sub-account - IDA Credit		-
		-
Deduct:		-
Payments to suppliers - Expenditure under IDA Credit		-
		-
Ending balance 31 December 2023	3.1	-

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APPENDIX B.1 SoE Withdrawal Schedule of IDA Credit No. 5393 BA for the years ended 31 December 2023

	Initial deposit	Goods, works, consultants' services and operating costs for Part 2,B of the Project	Goods, works and consultants' services for Parts 2,B and 2,C of the Project	Operating costs for Part 2,C of the Project	Total application	Total replenished
Total Cumulative						
2022	-	-	9,130,974	-	9,130,974	9,332,216
Application	-	-	-	-	-	-
Total SOE in 2023	-	-	-	-	-	-
Cumulative as of 31 December 2023	-	-	9,130,974	9,130,974	9,130,974	9,332,216

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APPENDIX B.2 SoE Withdrawal Schedule of IDA Credit No. 5538 BA for the year ended 31 December 2023 (continued)

	Initial deposit	Goods, works, consultants' services and operating costs for Part 2,B of the Project	Goods, works and consultants' services for Parts 2,B and 2,C of the Project	Operating costs for Part 2,C of the Project	Total application	Total replenished
Total Cumulative 2022	593,845	--	1,263,20688	--	1,263,20688	1,029,2601
Application	-	-	-	-	-	-
Total SOE in 2023	-	-	-	-	-	-
Cumulative as of 31 December 2023	-	-	1,231,053	-	1,231,053	1,029,810

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APPENDIX B.3 SoE Withdrawal Schedule of IBRD Credit No. 8906 BA for the years ended 31 December 2023

	Initial deposit	Goods, works, consultants' services and operating costs for Part 2,B of the Project	Goods, works and consultants' services for Parts 2,B and 2,C of the Project	Operating costs for Part 2,C of the Project	Front end-fee	Total application	Total replenished
Total Cumulative as of 31 December 2022	1,154,848	-	9,728,671	27,277	-	9,755,948	10,910,796
Application 33	(3,676)	3,676				3,676	
Application 34	(214,127)	214,127				214,127	
Application 35	(164,639)	164,639				164,639	
Application 36	(271,859)	271,859				271,859	
Total SOE in 2023	(654,301)	-	654,301	-	-	654,301	
Cumulative as of 31 December 2023	500,547	-	10,382,972	27,277	-	10,410,249	10,910,796

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APPENDIX C.1 Reconciliation between World Bank's disbursement statements in XDR and IDA Credit account in EUR according to the balance sheet as of 31 December 2023, SoE Withdrawal Schedule of IDA Credit No. 5393 BA

	Changes in IDA Credit (in XDR)	Exchange rate used	Changes in IDA Credit (in EUR)
Original amount	7,280,000	1.247739	9,083,540
Cumulative disbursements as of 31 December 2021	7,280,000		9,053,116
Total disbursed in 2022	-	-	-
Cumulative disbursements as of 31 December 2022	7,280,000	1.24356	9,053,116
Undisbursed balance as per World Bank Summary for December 2022	-		-
Potential exchange rate	-		(30,424)

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APPENDIX C.2 Reconciliation between World Bank's disbursement statements in XDR and IDA Credit account in EUR according to the balance sheet as of 31 December 2023 SoE Withdrawal Schedule of IDA Credit No. 5538 BA

	Changes in IDA Credit (in XDR)	Changes in Exchange rate used	Changes in IDA Credit (in EUR)
Original amount	1,040,000	1.411019	1,467,460
Cumulative disbursements as of 31 December 2022	1,039,902		1,029,810
Total disbursed in 2023	-	-	-
Cumulative disbursements as of 31 December 2023	1,039,902		1,029,810
Calculated undisbursed balance as of 31 December 2023			437,650

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APPENDIX C.3 Reconciliation between World Bank's disbursement statements in EUR and IBRD Credit 8906 account in EUR according to the balance sheet as of 31 December 2023

	Changes in IBRD Credit (in EUR)
Original amount (including front-end fee)	10,910,796
Cumulative disbursements as of 31 December 2022	10,910,796
Withdrawal 2023	-
Cumulative disbursements as of 31 December 2023	10,910,796
Cumulative disbursements as of 31 December 2023	10,910,796
Calculated undisbursed balance as of 31 December 2023	-