

Report on the Project Financial Statements of the

**FEDERATION ROAD SECTOR
MODERNIZATION PROJECT**

of the Ministry of Finance and Treasury of Bosnia and
Herzegovina

Financed by:

IBRD 8640

For the year ended 31 December 2019

**FEDERATION ROAD SECTOR MODERNIZATION PROJECT
of the Ministry of Finance and Treasury of Bosnia and Herzegovina**

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FEDERATION ROAD SECTOR MODERNIZATION PROJECT of the Ministry of Finance and Treasury of Bosnia and Herzegovina

1. Introduction

1.1 Objectives of the Project

Bosnia and Herzegovina (B&H), through its Ministry of Finance and Treasury, has obtained a loan from the International Bank for Reconstruction and Development ("IBRD") of the World Bank towards the costs of the Federation Road Sector Modernization Project (the "Project"). Loan Agreement was signed on 9 November 2016 and the total amount of the loan is € 58,00 million. The effectiveness of the Credit was declared on 4 October 2017.

Federation Project Agreement was signed between International Bank for Reconstruction and Development and Federation of Bosnia and Herzegovina as of 24 January 2017. Federation of Bosnia and Herzegovina declared its commitment to the objectives of the Project and shall cause PC Roads FB&H to carry out the Project, including coordination, planning, procurement and financial management of the Project. Subsidy Agreement was signed between Bosnia and Herzegovina and Federation of Bosnia and Herzegovina as of 7 August 2017.

The objectives of the Project are to: (a) improve road connectivity and safety for road users along Project Roads; and (b) strengthen capacity for sustainable management of the main road network in the Federation of Bosnia and Herzegovina.

1.2 Components and activities of the Project

The Project consists of several small and mid-sized investments schemes including construction of new sections of roads and slow lanes, renovation of road pavement, elimination of road safety black spots and improvements to tunnels and bridges to enhance the road safety performances on the priority sections of main road network in FBIH.

The main Project categories are Works, Consultant's Services, Non-Consulting Services, Training and Operating Costs and Goods.

The Project will achieve Project objectives through the following five components:

Component 1: Road Upgrade and Modernization

Provision of support for the Federation's roads modernization program through *inter alia*:

- i. construction of selected sections of the Neum-Stolac road;
- ii. construction of additional lanes for slow traffic on selected road sections;
- iii. reconstruction/rehabilitation selected road sections with partial axis correction;
- iv. rehabilitation/reconstruction selected tunnels and bridges;

Component 2: Road Safety Interventions

Provision of support to rehabilitate locations on main roads classified as Black Spots or hazardous locations.

Component 3: Improving Main Road Network Management

Provision of technical assistance to strengthen road management system in FB&H with a particular focus on the improving financial sustainability of investments, streamlining climate resilience and enhancing road safety. It will have three sub-components:

Sub-component 1: Enhancing road asset management system (RAMS): This will include selective investments in road data collection equipment; upgrades of the current AMS Information Systems and database; and building internal practices in asset management to ensure a regular and cost-efficient system, including training of staff.

FEDERATION ROAD SECTOR MODERNIZATION PROJECT of the Ministry of Finance and Treasury of Bosnia and Herzegovina

1. Introduction (continued)

1.2 Components and activities of the Project (continued)

Sub-component 2: Enhancing capacity to improve climate resilience of the road network: This will provide support to understand better the vulnerability of the main road network to extreme climate events and identify technical solutions to improve climate resilience and will include vulnerability assessments, provision of equipment and training of staff. Such knowledge would further improve asset management by introducing climate resilience measures and decreasing the frequency of unplanned repairs following extreme weather events.

Sub-component 3: Strengthening capacity to mainstream road safety in the design and implementation of works: This will include support to PC Roads FB&H in preparation of road safety audit guidelines, carrying out an IRAP road network survey, preparation of road safety investment plans, implementation of recommended measures, and training for staff.

Component 4: Project Management and Implementation

Provision of support to carry out Project management responsibilities including: (a) supervision of civil works; (b) carrying out annual Project financial audits; (c) monitoring for tunnel Crnaja; and (d) conducting technical audits.

Component 5: Contingency for Disaster Risk Response

Provision of support to rapid response to an Eligible Emergency (disaster, emergency, and/or catastrophic events) including: (a) designing and carrying out roads sector investments such as rehabilitation of damaged roads and structures; and (b) providing supervision for carrying out said rehabilitation work.

1.3. Financing of the Project

The total Project cost (without VAT) is € 91 million. EIB will provide co-financing of civil works under Components 1 and 2 and supervision under Component 4 in the amount not exceeding €33 million.

The IBRD loan disbursement percentage for components 1, 2 and 4 is set “up to 99 percent”, PC Roads FB&H will have to ensure that funds from each loan are used at least for the payment of one invoice from contracts signed under these components. Therefore, co-financing shares could vary by subproject/contract. Component 3 will be fully financed by IBRD loan proceeds. The proceeds of the loan will be exclusive of any Value Added Taxes (VAT) and Customs duties.

Project Components	Estimated costs [EUR mil.]	IBRD financing
1. Road Upgrade and Modernization	78,21	Up to 99%
2. Road safety interventions	2,76	Up to 99%
3. Improving Main Road Network Management	3,00	100%
4. Project Management and Implementation	6,885	Up to 99%
5. Contingency for Disaster Risk Response *	0.00	100%
Total Project Costs	90,855	
Front-end fee IBRD	0,145	100%
Total financing	91,00	

*Contingency for Disaster Risk Response will be kept zero while the government can utilize project budget for rapid response with agreed conditions subject to reallocation or additional finance later.

**FEDERATION ROAD SECTOR MODERNIZATION PROJECT
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1. Introduction (continued)

1.2 Financing of the Project (continued)

The following table specified the categories of Eligible Expenditures that may be financed out of the proceeds of IBRD 8640 Loan, the allocation of the amounts of the Loan to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

Category	Amount of the IBRD 8640 Loan Allocated (EUR)	Percentage of Expenditures to be financed (exclusive of VAT and Customs Duty)
1.Goods, works, non-consulting services, consultant's services, Training and Operating Costs for Parts 1,2 and 4 of the Project	54,855,000	Up to 99%
2.Goods, works, non-consulting services, consultant's services, Training and Operating Costs for Part 3 of the Project	3,000,000	100%
3.Emergency Expenditures under Part 5 of the Project	0	100%
4.Front-end Fee	145,000	Amounts payable pursuant to Section 2.03 of Loan Agreement in accordance with Section 2.07(b) of the General Conditions
5.Interest Rate Cap or Interest Rate Collar premium	0	Amount due pursuant to Section 2.08('c) of Loan Agreement
TOTAL AMOUNT	58,000,000	

The following table specified the categories of Eligible Expenditures that may be financed out of the proceeds of EIB 82.137 Loan, the allocation of the amounts of the Loan to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

Category	Amount of the EIB 82.137 Loan Allocated (EUR)	Percentage of Expenditures to be financed (exclusive of VAT and Customs Duty)
1.Goods, works, non-consulting services, consultant's services, Training and Operating Costs for Parts 1,2 and 4 of the Project	33,000,000	Not defined (total amount of cofinancing should not be exceeded)
TOTAL AMOUNT	33,000,000	

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Independent Auditor's Report

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To the State of Bosnia and Herzegovina,
Ministry of Finance and Treasury
Attn. of Minister of Finance and Treasury H.E. Mr. Vjekoslav Bevanda

Report on the Project Financial Statements

Opinion

We have audited the accompanying project financial statements of the Federation Road Sector Modernization Project (the "Project"), which comprise of Summary of sources and uses of funds, Balance sheet, Designated account statement, Statements of Credit 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 IBRD Credit No. 8640 and EIB Credit No. 82.137.

In our opinion, the accompanying project financial statements present fairly, in all material aspects, the financial position of the Project as of 31 December 2019, and of the funds received and disbursed during the year then ended, in accordance with the cash basis of accounting based on International Public Sector Accounting Standard ("IPSAS"), as described in Note 4.1.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and "Guidelines: Annual Financial Reporting and Auditing for World Bank-Financed Activities" issued by FMSB. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Ministry of Finance and Treasury in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

The management of PC Road FB&H 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., Guidelines: Annual Financial Reporting and Auditing for World Bank-Financed Activities, 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, adequate supporting documentation has been maintained regarding expenditure incurred during audited period; and documented expenditure were eligible for financing under the project.

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

Nihad Fejzić, Director and Certified Auditor

Sarajevo, 19 May 2020



Ema Sinanović
Ema Sinanović, Certified Auditor

**FEDERATION ROAD SECTOR MODERNIZATION 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 IBRD Credit No. 8640 BA, EIB Credit No. 82.137 and Other income

	Ref.	Actual 2019	Cumulative 2019	Cumulative 2018	Cumulative budget	Cumulative variance
FINANCING						
IBRD Credit No.8640 BA	3.1.1	8,247,835	11,922,600	3,674,765	58,000,000	46,077,400
EIB Credit No. 82.137	3.1.2	9,733,099	12,240,135	2,507,036	33,000,000	20,759,865
Other income	3.1.3	708	708	-	-	(708)
TOTAL FINANCING	3.2	17,981,642	24,163,443	6,181,801	91,000,000	66,836,557

PROJECT EXPENDITURE

By Category

Goods, Works, non-consulting services, consultant's services, Training and Operating costs for Parts 1,2	17,981,820	23,984,019	6,002,199	87,855,000	63,870,981	
Goods, Works, non-consulting services, consultant's services, Training and Operating costs for Part 3 of the Project	-	-	-	3,000,000	3,000,000	
Emergency Expenditures under Part 5 of the Project	-	-	-	-	-	
Front-end fee	-	145,000	145,000	145,000	-	
TOTAL EXPENDITURE	3.2	17,981,820	24,129,019	6,147,199	91,000,000	
TOTAL EXPENDITURE	3.2	17,981,820	24,129,019	6,147,199	91,000,000	66,870,981

PROJECT EXPENDITURE

By Component

Road Upgrade and Modernization	15,742,795	21,085,960	5,343,165	78,215,000	57,129,040	
Road Safety	914,827	960,836	46,009	2,760,000	1,799,164	
Improving Main Road Management	-	-	-	3,000,000	3,000,000	
Project Management and Implementation	1,319,858	1,931,892	612,034	6,880,000	4,948,108	
Operating costs	4,340	5,331	991	-	(5,331)	
Front-end fee	-	145,000	145,000	145,000	-	
TOTAL EXPENDITURE	3.2	17,981,820	24,129,019	6,147,199	91,000,000	
TOTAL EXPENDITURE	3.2	17,981,820	24,129,019	6,147,199	91,000,000	66,870,981

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Project financial statements for the year ended
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(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 IBRD 8640

Ref.	Actual 2019	Cumulative 2019	Cumulative 2018	Cumulative budget	Cumulative variance
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FINANCING

IBRD Credit No.8640 BA					58,000,000
Initial deposit	4,835,252	6,335,252	1,500,000		
Direct payment	1,981,991	4,156,756	2,174,765		
SoE Replenishment	1,430,592	1,430,592	-		
TOTAL FINANCING	3.2 8,247,835	11,922,600	3,674,765	58,000,000	46,077,400

PROJECT EXPENDITURE

By Category

Goods, Works, non-consulting services, consultant's services, Training and Operating costs for Parts 1,2 and 4 of the Project	8,248,721	11,743,884	3,495,163	54,855,000	43,111,116
Goods, Works, non-consulting services, consultant's services, Training and Operating costs for Part 3 of the Project	-	-	-	3,000,000	3,000,000
Emergency Expenditures under Part 5 of the Project	-	-	-	-	-
Front-end fee	-	145,000	145,000	145,000	-
TOTAL EXPENDITURE	3.2 8,248,721	11,888,884	3,640,163	58,000,000	46,111,116

PROJECT EXPENDITURE

By Component

Roads upgrade and Modernization	7,135,775	10,213,244	3,077,469	48,835,624	38,622,380
Road Safety	371,204	417,213	46,009	1,723,390	1,306,177
Improving Main Road Management	-	-	-	3,000,000	3,000,000
Project Management and Implementation	738,520	1,109,338	370,818	4,295,986	3,186,648
Operating Costs	3,222	4,089	867	-	(4,089)
Front end fee	-	145,000	145,000	145,000	-
TOTAL EXPENDITURE	3.2 8,248,721	11,888,884	3,640,163	58,000,000	46,111,116

**FEDERATION ROAD SECTOR MODERNIZATION PROJECT
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Project financial statements for the year ended
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(all amounts in EUR, unless otherwise stated)

3 Project financial statements for the year 2019 (continued)

3.1.2 Summary of Sources and Uses of Funds under the EIB 82.137

	Ref.	Actual 2019	Cumulative 2019	Cumulative 2018	Cumulative budget	Cumulative variance
FINANCING						
EIB Credit No. 82.137					33,000,000	
Initial Deposit		-	-	-		
Direct payments		-	-	-		
SoE Replenishment		9,733,099	12,240,135	2,507,036		
TOTAL FINANCING	3.2	9,733,099	12,240,135	2,507,036	33,000,000	20,759,865

PROJECT EXPENDITURE

By Category

Goods, Works, non-consulting services, consultant's services, Training and Operating costs for Parts 1,2 and 4 of the Project	9,733,099	12,240,135	2,507,036	33,000,000	20,759,865
Goods, Works, non-consulting services, consultant's services, Training and Operating costs for Part 3 of the Project	-	-	-	-	-
Emergency Expenditures under Part 5 of the Project	-	-	-	-	-
Front-end fee	-	-	-	-	-
TOTAL EXPENDITURE	3.2	9,733,099	12,240,135	2,507,036	33,000,000
					20,759,865

PROJECT EXPENDITURE

By component

Roads upgrade and Modernization	8,607,020	10,872,716	2,265,696	29,379,376	18,506,660
Road Safety	543,623	543,623	-	1,036,610	492,987
Improving Main Road Management	-	-	-	-	-
Project Management and Implementation	581,338	822,554	241,216	2,584,014	1,761,460
Operating Costs	1,118	1,242	124	-	(1,242)
Front end fee	-	-	-	-	-
TOTAL EXPENDITURE	3.2	9,733,099	12,240,135	2,507,036	33,000,000
					20,759,865

* There is no separate bank account for EIB contribution to the Project. All payments are made from the EIB designated bank account. Therefore, the amount of financing is equal to the amount of expenditure, both actual and cumulative.

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

3.1.3 Summary of Sources and Uses of Funds under Other income

	Ref.	Actual 2019	Cumulative 2019	Cumulative 2018	Cumulative budget	Cumulative variance
FINANCING						
Other income						
Interest		708	708	-	-	(708)
TOTAL FINANCING	3.2	708	708	-	-	(708)

PROJECT EXPENDITURE

By Category

Goods, Works, non-
consulting services,
consultant's services,
Training and Operating costs
for Parts 1,2 and 4 of the
Project
Goods, Works, non-
consulting services,
consultant's services,
Training and Operating costs
for Part 3 of the Project

Emergency Expenditures
under Part 5 of the Project

Front-end fee

TOTAL EXPENDITURE **3.2**

PROJECT EXPENDITURE

By component

Roads upgrade and

Modernization

Road Safety

Improving Main Road

Management

Project Management and

Implementation

Operating Costs

Front end fee

TOTAL EXPENDITURE **3.2**

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 IBRD and EIB financing

	Ref.	31 December 2019	31 December 2018
ASSETS			
Project expenditure IBRD 8640	3.1.1	11,888,884	3,640,163
Project expenditure EIB 82.137	3.1.2	12,240,135	2,507,036
		24,129,019	6,147,199
Designated account IBRD 8640	A.1	34,424	34,602
Designated account EIB 82.137	A.2	-	-
		34,424	34,602
Total assets		24,163,443	6,181,677
LIABILITIES			
IBRD 8640	3.1.1	11,922,600	3,674,765
EIB 82.137	3.1.2	12,240,135	2,507,036
Interest	-	706	-
Total liabilities		24,163,443	6,181,677

Signed and authorized by:



 Dubro Bravdić, Acting Director

Public Company Roads of FB&H



Amra Smailagić, Head of Project
Management Department

Sarajevo, 19 May 2020

**FEDERATION ROAD SECTOR MODERNIZATION 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 IBRD Loan and EIB 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 IBRD Loan Account.

Statement of Expenditure (SoE)

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

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
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(all amounts in EUR, unless otherwise stated)

APPENDIX A.1

DESIGNATED ACCOUNT STATEMENT

Account owned by: MINISTRY OF FINANCE AND TRESURY BIH

Account No.: 1994 9900 1024 5059

Depository Bank: Sparkasse Bank d.d BIH

Address: Zmaja od Bosne 7, 71000 Sarajevo

Related Credit: IBRD 8640 BA

Currency: EUR

	2019
	Ref.
Opening balance 1 January	3.2
Add:	
IBRD replenishments	B.1
Interest	3.1.3
	<hr/>
Deduct:	
Payments to suppliers	A.2
	<hr/>
Ending balance 31 December	3.2
	34,424

**FEDERATION ROAD SECTOR MODERNIZATION PROJECT
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Project financial statements for the year ended
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(all amounts in EUR, unless otherwise stated)

APPENDIX A.2

DESIGNATED ACCOUNT STATEMENT

Account owned by: MINISTRY OF FINANCE AND TRESURY BIH
Account No.: 1994 9900 3471 8741
Depository Bank: Sparkasse Bank d.d BIH
Address: Zmaja od Bosne 7, 71000 Sarajevo
Related Credit: EIB 82.137
Currency: EUR

	2019	
	Ref.	EUR
Opening balance 1 January	3.2	-
Add: EIB financing	B.1	9,733,099
		<u>9,733,099</u>
Deduct: Payments to suppliers	A.2	9,733,099
		<u>9,733,099</u>
Ending balance 31 December	3.2	-

* There is no separate bank account for EIB contribution to the Project. All payments are made from the EIB designated bank account. Therefore, the amount of financing is equal to the amount of expenditure.

**FEDERATION ROAD SECTOR MODERNIZATION 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 SoE Withdrawal Schedule of IBRD 8640 for the year ended 31 December 2019

	Goods, Works, non-consulting services, consultant's services, Training and Operating costs for Parts 1,2 and 4 of the Project	Goods, Works, non-consulting services, consultant's services, Training and Operating costs for Part 3 of the Project	Emergency Expenditures under Part 5 of the Project	Front-end fee	Total application disbursed
Previous years	1,500,000	3,495,163		145,000	3,640,163
Application 5	(1,450,744)**	(14,350)	-	-	(14,350)
Application 5	6,300,346	-	-	-	6,300,346
Refund to World bank	(14,350)	(20,152)	-	-	(20,152)
Total initial deposit	4,835,252	(34,502)			(34,502)
					6,265,844
Application 4	-	370,165	-	-	370,165
Application 6	-	319,171	-	-	319,171
Application 7	-	535,970	-	-	535,970
Application 8	-	456,474	-	-	456,474
Application 9	-	300,211	-	-	300,211
Total direct payments		1,981,991			1,981,991
					1,981,991
Expenses incurred during the year of 2019****	-	6,301,232	-	-	6,301,232
Total SoE application		6,301,232			6,301,232
Total 2019	4,835,252	8,248,721			8,248,721
As of 31 December 2019	6,335,252	11,743,884		145,000	11,888,884
					11,922,600

**FEDERATION ROAD SECTOR MODERNIZATION PROJECT
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Project financial statements for the year ended 31 December 2019

(all amounts in EUR, unless otherwise stated)

APPENDIX B

SoE Withdrawal Schedule of IBRD 8640 for the year ended 31 December 2019 (continued)

* The original amount of the Application 4 was BAM 731,292 (equivalent EUR 373,904) and it represented 100% of the net invoiced amount (exc.VAT). But WB reduced original amount of the withdrawal to eligible portion (99%) or EUR 370,165. The difference in the total amount of EUR 3,739 should be financed from other sources.

** In the Application 5 documented expenditures were EUR 1,465,398 and they represented 100% of the net invoiced amount (exc.VAT) (these expenditures occurred and were paid in year 2018). But WB reduced original documented amount in the Withdrawal to eligible portion (99%) or EUR 1,450,744. The difference in the total amount of EUR 14,654 should be financed from other sources.

***Refund to IBRD was done in September 2019 in the total amount of EUR 34,502. This amount included EUR 20,152 as refund under Withdrawal 3/18 and EUR 14,350 as refund under Withdrawal 5.

**** Amount of EUR 6,301,232 refers to expenses paid during year 2019 that will be documented to the Bank in 2020.

**FEDERATION ROAD SECTOR MODERNIZATION 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	Reconciliation between IBRD's Historic Transaction Report in EUR and IBRD Loan account in EUR according to the balance sheet as of 31 December 2019; SoE Withdrawal Schedule of IBRD 8640	Changes in IBRD Loan (in EUR)
Original amount		58,000,000
Total disbursed in previous years		3,674,765
Withdrawal 005	370,165	
Withdrawal 006	319,171	
Withdrawal 007	535,970	
Withdrawal 008	456,474	
Withdrawal 009	300,211	
Withdrawal 010	6,300,346	
Total disbursed in 2019		8,282,337
Refund 011	(2,505)	
Refund 012	(174)	
Refund 013	(11,671)	
Refund 014	(20,152)	
Total refund to World Bank in 2019		(34,502)
Cumulative disbursements		11,922,600
Calculated undisbursed balance as of 31 December 2019		46,077,400
Undisbursed balance as per IBRD's Historic Transaction Report		46,077,400
Difference		-