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Report on the Consolidated Project Financial  
Statements of the

**SUSTAINABLE FOREST AND LANDSCAPE  
MANAGEMENT PROJECT**

of the Ministry of Finance and Treasury of Bosnia and  
Herzegovina

Financed by:  
- GEF Grant TF 016646

For the year ended 31 December 2019

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**SUSTAINABLE FOREST AND LANDSCAPE MANAGEMENT PROJECT**  
**of the Ministry of Finance and Treasury of Bosnia and Herzegovina**

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# **SUSTAINABLE FOREST AND LANDSCAPE MANAGEMENT PROJECT**

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

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### **1. Introduction**

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

The main objective of the Sustainable Forest and Landscape Management Project (the "Project") is to build capacity of forestry sector stakeholders and to demonstrate approaches for Sustainable Forest Land Management (SFLM) through integrated management of vulnerable forest, scrub and pasture landscapes.

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

##### **I. Enhanced Planning and monitoring for SFLM**

- (a) Supporting the certification and recertification of forest management;
- (b) Strategic planning for forest roads through: (i) the preparation of a model forest roads master plan; and (ii) the adoption of road rehabilitation guidelines to minimize environmental and social impacts;
- (c) Strengthening the use of FMIS for decision-making through: (i) the introduction of information related to climate change; and (ii) dissemination of information to stakeholders.

##### **II. Demonstration and replication of SFLM techniques in vulnerable areas**

- (a) Carrying out afforestation, assisted natural regeneration and forest stand rehabilitation activities on selected public forest estates including: (i) afforestation with native species; (ii) afforestation with new species appropriate for drying conditions or increased fire hazard; (iii) stand management complementing natural regeneration through thinning and weeding; (iv) stand rehabilitation using enrichment planting, limbing or thinning; (v) forest conservation from coppice forest to high forest; and (vi) production of seedlings using methods or species appropriate to improve climate resilience, all in accordance with existing forest management plans.
- (b) Carrying out SFLM demonstration activities in Selected Areas including activities such as: (i) non-timber forest product (NTFP) harvesting; (ii) hunting and wildlife management complementing forest management; (iii) bio-mass management for energy production; (iv) bio-mass thinning for local use and fire management; and (v) forest-based tourism.
- (c) Carrying out small scale fire management demonstration activities in areas under fire hazard.
- (d) Providing operational support for the facilitation of local participation in the SFLM and fire management Demonstration Activities.

##### **III. Project Management**

- (a) Supporting Project management including (i) financial management and procurement; (ii) annual audits; and (iii) project evaluations.

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**SUSTAINABLE FOREST AND LANDSCAPE MANAGEMENT PROJECT**  
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**1. Introduction (continued)**

**1.3 Financing of the Project by Global Environment Facility – GEF Grant No. TF016646**

The State of Bosnia and Herzegovina ("the State") is the recipient of trust funds made available by the International Bank for Reconstruction and Development, acting as an implementing agency of the GEF, in the form of Grant No. TF016646 amounting to the equivalent of USD 5,575,758.

Under the terms of a Subsidiary Finance Agreement between the State and the Federation of Bosnia and Herzegovina ("FBiH"), and the State and Republika Srpska ("RS"), funds of USD 2,787,879 have been lent to the FBiH and funds of the equivalent of USD 2,787,879 have been lent to RS.

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

<b>Item</b>	<b>Amount of the Grant allocated (in USD) (inclusive of taxes)</b>	<b>% of expenditure to be financed</b>
(1) Goods, works, non-consulting services, consultants' services, training and incremental operating costs under Part A of the Project	2,787,879	100%
(2) Goods, works, non-consulting services, consultants' services, training and incremental operating costs under Part B of the Project	2,787,879	100%
<b>Subtotal</b>	<b>5,575,758</b>	

GEF Grant No. TF016646 became effective on 9 June 2014. Planned closing date was 31 May 2019, with 4 months grace period final closing date was 30 September 2019.



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## **Independent Auditor's Report**

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

### **Report on the Consolidated Project Financial Statements**

#### **Opinion**

We have audited the accompanying consolidated project financial statements of the Sustainable Forest and Landscape Management Project (the "Project"), which comprise of Summary of sources and uses of funds, Balance sheet, Designated account, Designated sub-account, local bank account and petty cash statements, Statements of 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 GEF Grant TF 016646.

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

#### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) and "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 Consolidated Financial Statements* section of our report. We are independent of the Ministry of Finance and Treasury in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

The management of project implementation unit in FBiH and management of project coordination unit in RS are responsible for the preparation of separate project financial statements in accordance with the cash basis of accounting based on IPSAS, as described in Note 4.1., the 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 separate project financial statements that are free from material misstatement, whether due to fraud or error.

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



## Responsibilities for the Audit of Consolidated Financial Statements

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

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

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

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

## Report on other requirements

In addition, with respect to the 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.

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

Nihad Fejzić, Director and Certified Auditor

Sarajevo, 6 May 2020



Ezita Imamović, Certified Auditor

**SUSTAINABLE FOREST AND LANDSCAPE MANAGEMENT PROJECT**  
**of the Ministry of Finance and Treasury of Bosnia and Herzegovina**  
Consolidated Project financial statements for the year ended 31 December 2019  
*(all amounts in USD, unless otherwise stated)*

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

**3.1 Summary of sources and uses of funds under GEF Grant No. TF016646 and Other income**

	Ref.	Actual 2019	Cumulative 2019	Cumulative 2018	Cumulative budget	Cumulative variance
<b>FINANCING</b>						
GEF Grant No. TF016646	3.1.11,	114,101	5,059,341	3,916,240	5,575,758	516,417
Other income	3.1.2	126,470	240,926	114,456	-	(240,926)
<b>TOTAL FINANCING</b>	<b>3.2</b>	<b>1,269,571</b>	<b>5,300,267</b>	<b>4,030,696</b>	<b>5,575,758</b>	<b>275,491</b>

**PROJECT  
EXPENDITURE**

***By Category***

Goods, works, non-consulting services, consultants' services, training and incremental operating expenses under Part A of the Project

1,261,532 2,301,281 1,039,749 2,787,879 486,598

Goods, works non-consultants' services, consultants' services, Training and Incremental Operating Costs under Part B of the Project

284,431 2,787,879 2,503,448 2,787,879 -

**TOTAL EXPENDITURE 3.2 1,545,963 5,089,160 3,543,197 5,575,758 486,598**

**PROJECT  
EXPENDITURE**

***By Component***

I. Enhanced Planning and Monitoring for SFLM

404,987 671,197 266,210 1,102,312 431,115

II. Demonstration and Replication of SFLM Techniques in vulnerable Areas

1,088,013 4,200,695 3,112,682 4,197,446 (3,249)

III. Project Management

52,963 217,268 164,305 276,000 58,732

**TOTAL EXPENDITURE 3.2 1,545,963 5,089,160 3,543,197 5,575,758 486,598**



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

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

**3.2 Summary of sources and uses of funds under GEF Grant No. TF016646 and Other income (continued)**

After VAT return, payment of expenses and transfer of remaining balance on account of Federal Budget in 2020, Summary of sources and uses of funds under GEF Grant No. TF016646 and Other income may be presented as follows (FB&H only):

	Ref.	Actual 2020	Cumulative 2020	Cumulative 2019	Cumulative budget	Cumulative variance
<b>FINANCING</b>						
GEF Grant No. TF016646	3.1.1	-	2,271,462	2,271,462	2,787,879	516,417
Other income	3.1.2	(196,351)	44,575	240,926	-	(44,575)
<b>TOTAL FINANCING</b>	<b>3.2</b>	<b>(196,351)</b>	<b>2,316,037</b>	<b>2,512,388</b>	<b>2,787,879</b>	<b>471,842</b>

**PROJECT  
EXPENDITURE**

***By Category***

Goods, works, non-consulting services, consultants' services, training and incremental operating expenses under Part A of the Project

<b>TOTAL EXPENDITURE</b>	<b>3.2</b>	<b>2,173</b>	<b>2,303,454</b>	<b>2,301,281</b>	<b>2,787,879</b>	<b>484,425</b>
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**PROJECT  
EXPENDITURE**

***By Component***

I. Enhanced Planning and Monitoring for SFLM

- 214,333 214,333 550,667 336,334

II. Demonstration and

Replication of SFLM

Techniques in vulnerable Areas

1,290 1,992,593 1,991,303 2,099,212 106,619

III. Project Management

883 96,528 95,645 138,000 41,472

**TOTAL EXPENDITURE 3.2 2,173 2,303,454 2,301,281 2,787,879 484,425**



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

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

**3.2.1 Summary of sources and uses of funds under the GEF Grant No. TF016646**

	Ref.	Actual 2019	Cumulative 2019	Cumulative 2018	Cumulative budget	Cumulative variance
<b>FINANCING</b>						
GEF Grant No. TF016646					5,575,758	
Initial deposit		-	600,000	600,000		
Direct payments		-	999,548	999,548		
SoE replenishments	1,442,362		3,759,054	2,316,692		
Refund to World Bank	(299,261)		(299,261)	-		
<b>TOTAL FINANCING</b>	<b>3.1</b>	<b>1,143,101</b>	<b>5,059,341</b>	<b>3,916,240</b>	<b>5,575,758</b>	<b>516,417</b>

**PROJECT  
EXPENDITURE**

***By Category***

Goods, consultants' services, training, audit cost, and incremental operating expenses under Part A of the Project	1,231,759	2,271,462	1,039,703	2,787,879	516,417
Goods, works non-consultants' services, consultants' services, Training and Incremental Operating Costs under Part B of the Project	284,431	2,787,879	2,503,448	2,787,879	-
<b>TOTAL EXPENDITURE</b>	<b>3.2 1,516,190</b>	<b>5,059,341</b>	<b>3,543,151</b>	<b>5,575,758</b>	<b>516,417</b>

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

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

**3.2.2 Summary of sources and uses of funds under Other income (FBiH only)**

	Ref.	Actual 2019	Cumulative 2019	Cumulative 2018	Cumulative budget	Cumulative variance
<b>FINANCING</b>						
Tender documentation sold – GEF Grant account		-	100	100	-	(100)
Tender documentation sold - Other income account		621	974	353	-	(974)
VAT return-Other income account		125,849	239,852	114,003		(239,852)
<b>TOTAL FINANCING</b>	<b>3.1</b>	<b>126,470</b>	<b>240,926</b>	<b>114,456</b>	<b>-</b>	<b>(240,926)</b>

**PROJECT EXPENDITURE**

**By Category**

Goods, consultants' services, training, audit cost, and incremental operating expenses under Part A of the Project		29,773	29,819	46	-	(29,819)
<b>TOTAL EXPENDITURE</b>	<b>3.2</b>	<b>29,773</b>	<b>29,819</b>	<b>46</b>	<b>-</b>	<b>(29,819)</b>

After VAT return, payment of expenses and transfer of remaining balance on account of Federal Budget in 2020, Summary of sources and uses of funds under Other income may be presented as follows:

	Ref.	Actual 2020	Cumulative 2020	Cumulative 2019	Cumulative budget	Cumulative variance
<b>FINANCING</b>						
Tender documentation sold – GEF Grant account		-	100	100	-	(100)
Tender documentation sold - Other income account		-	974	974	-	(974)
VAT return-Other income account		59,891	299,743	239,852	-	(299,743)
Transfer or remaining balance to Budget of FBiH		(256,242)	(256,242)	-	-	256,242
<b>TOTAL FINANCING</b>	<b>3.1</b>	<b>(196,351)</b>	<b>44,575</b>	<b>240,926</b>	<b>-</b>	<b>(44,575)</b>

**PROJECT EXPENDITURE**

**By Category**

Goods, consultants' services, training, audit cost, and incremental operating expenses under Part A of the Project		2,173	31,992	29,819	-	(31,992)
<b>TOTAL EXPENDITURE</b>	<b>3.2</b>	<b>2,173</b>	<b>31,992</b>	<b>29,819</b>	<b>-</b>	<b>(31,992)</b>

**SUSTAINABLE FOREST AND LANDSCAPE MANAGEMENT PROJECT**  
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**3. Consolidated Project financial statements for the year 2019 (continued)**

**3.3 Balance sheet as of 31 December 2019 showing accumulated funds of the Project and bank balances concerning World Bank funding**

	Ref.	31 December 2019	31 December 2018
<b>ASSETS</b>			
Project expenditure under GEF Grant No. TF016646	3.1.1	5,059,341	3,543,151
Project expenditure under Other income	3.1.2	29,819	46
	<b>3.1</b>	<b>5,089,160</b>	<b>3,543,197</b>
Designated account - GEF Grant No. TF016646 - FB&H	A.1	-	244,216
Designated account - GEF Grant No. TF016646 - RS	A.2	-	128,421
Designated sub-account - GEF Grant No. TF016646 - RS	A.3	-	-
Local bank account - Other income - FB&H	A.4	206,928	112,821
Petty cash - GEF Grant No. TF016646 - FB&H	A.5	-	546
Petty cash - Local bank account - FB&H	A.6	80	-
		<b>207,008</b>	<b>486,004</b>
Exchange rate differences		4,099	1,495
<b>Total assets</b>		<b>5,300,267</b>	<b>4,030,696</b>
<b>LIABILITIES</b>			
GEF Grant No. TF016646	C	5,059,341	3,916,240
Other income	3.1.2	240,926	114,456
<b>Total liabilities</b>	<b>3.1</b>	<b>5,300,267</b>	<b>4,030,696</b>

After VAT return, payment of expenses and transfer of remaining balance on account of Federal Budget in 2020, Balance sheet may be presented as follows:

	Ref.	28 February 2020	31 December 2019
<b>ASSETS</b>			
Project expenditure under GEF Grant No. TF016646	3.1.1	2,271,462	2,271,462
Project expenditure under Other income	3.1.2	31,992	29,819
	<b>3.1</b>	<b>2,303,454</b>	<b>2,301,281</b>
Designated account - GEF Grant No. TF016646 - FB&H	A.1	-	-
Petty cash - GEF Grant No. TF016646 - FB&H	A.5	-	-
Local bank account - Other income - FB&H	A.4	-	206,928
Petty cash - Local bank account - FB&H	A.6	-	80
		-	<b>207,008</b>
Exchange rate differences		12,583	4,099
<b>Total assets</b>		<b>2,316,037</b>	<b>2,512,388</b>
<b>LIABILITIES</b>			
GEF Grant No. TF016646	C	2,271,462	2,271,462
Other income	3.1.2	44,575	240,926
<b>Total liabilities</b>	<b>3.1</b>	<b>2,316,037</b>	<b>2,512,388</b>



**SUSTAINABLE FOREST AND LANDSCAPE MANAGEMENT PROJECT**  
**of the Ministry of Finance and Treasury of Bosnia and Herzegovina**  
Consolidated Project financial statements for the year ended 31 December 2019  
*(all amounts in USD, unless otherwise stated)*

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

**4.1 Basis of preparation and accounting records**

These consolidated project financial statements have been prepared on the cash basis of accounting based on International Public Sector Accounting Standards: "Financial reporting under the Cash Basis of Accounting", 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 GEF Grant 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 Grant account of the World Bank.

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

Statements of Expenditure are used to state the expenditure under GEF Grant during a certain period. These statements are sent to the World Bank's disbursement specialist who authorises the payment of the expenditure through the Designated account.

***Currency conversions***

The reporting currency is USD. Sources and use of funds (payments to suppliers and contractors) in currencies other than USD have been converted to USD 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 Grant account for the Project. The GEF Grant account is in USD.

***Local bank account***

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



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**SUSTAINABLE FOREST AND LANDSCAPE MANAGEMENT PROJECT  
of the Ministry of Finance and Treasury of Bosnia and Herzegovina**

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Consolidated Project financial statements for the year ended 31 December 2019

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

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

**4.2 Accounting policies (continued)**

***Other income***

Other income includes tender documentation sold and VAT returns.

***Interest on Designated account***

Interest earned on the Designated account belongs to the Borrower.

***Interest on local bank account***

Interest earned on the local bank account used for the other income is treated as additional source of financing of the Project.

**SUSTAINABLE FOREST AND LANDSCAPE MANAGEMENT PROJECT  
of the Ministry of Finance and Treasury of Bosnia and Herzegovina**

Consolidated Project financial statements for the year ended 31 December 2019

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

**APPENDIX A.1**

**DESIGNATED ACCOUNT STATEMENT**

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

**Account No.:** BA391611000002395085; 660000709-7

**Depository Bank:** Raiffeisen Bank dd, Bosna i Hercegovina

**Address:** Zmaja od Bosne bb, 71000 Sarajevo

**Related Credit:** GEF Grant No. TF016646

**Currency:** USD

	<b>Ref.</b>	<b>USD</b>
<b>Opening balance 1 January 2019</b>	3.2	<b>244,216</b>
Add:		
World Bank replenishments in 2019*	B	1,285,722
		<b>1,529,938</b>
Deduct:		
		1,230,577
Payments to suppliers - Expenditure under GEF Grant in 2019		
Payments to suppliers –Expenditure under Other funds		100
Refund to World Bank		299,261
		<b>1,529,938</b>
<b>Ending balance 31 December 2019</b>	3.2	<b>-</b>

\* Difference of USD 630 between the replenishments for 2019 as per Appendix B and Appendix C, and replenishments for 2019 as per Appendix A. 1 represents 630 USD for bank fees incurred in the cash transfers.

**SUSTAINABLE FOREST AND LANDSCAPE MANAGEMENT PROJECT  
of the Ministry of Finance and Treasury of Bosnia and Herzegovina**

Consolidated Project financial statements for the year ended 31 December 2019

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

**APPENDIX A.2**

**DESIGNATED ACCOUNT STATEMENT**

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

**Account No.:** 530913000 660000711-3

**Depository Bank:** Raiffeisen Bank d.d. Bosna i Hercegovina

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

**Related Credit:** GEF Grant TF 016646

**Currency:** USD

	<b>Ref.</b>	<b>USD</b>
<b>Opening balance 1 January 2019</b>	3.2	<b>128,421</b>
Add:		
World Bank replenishments	B	156,010
		<b>284,431</b>
Deduct:		
Payments to suppliers - Expenditure under GEF Grant		3,494
Transfers to Designated sub-account - GEF Grant	A.3	280,937
		<b>284,431</b>
<b>Ending balance 31 December 2019</b>	3.2	<b>-</b>

**SUSTAINABLE FOREST AND LANDSCAPE MANAGEMENT PROJECT  
of the Ministry of Finance and Treasury of Bosnia and Herzegovina**

Consolidated Project financial statements for the year ended 31 December 2019

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

**APPENDIX A.3**

**DESIGNATED SUB - ACCOUNT STATEMENT**

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

**Account No.:** 530911000 660000711-3

**Depository Bank:** Raiffeisen Bank d.d. Bosna i Hercegovina

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

**Related Credit:** GEF Grant TF 016646

**Currency:** BAM

	<b>Ref.</b>	<b>BAM</b>	<b>USD</b>
<b>Opening balance 1 January 2019</b>	3.2	-	-
Add:			
Transfers from Designated account - GEF Grant	A.2	475,509	280,937
		<b>475,509</b>	<b>280,937</b>
Deduct:			
Payments to suppliers - Expenditure under GEF Grant		475,509	280,937
		<b>475,509</b>	<b>280,937</b>
<b>Ending balance 31 December 2019</b>	3.2	-	-



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**APPENDIX A.4**

**LOCAL BANK ACCOUNT STATEMENT**

<b>Account owned by:</b>	Federal Ministry of Agriculture, Water Management and Forestry
<b>Account No.:</b>	1027080000004131
<b>Depository Bank:</b>	Union banka d.d.
<b>Address:</b>	Hamdije Kreševljakovića 19, 71000 Sarajevo
<b>Related Credit:</b>	Other income
<b>Currency:</b>	BAM

	Ref.	BAM	USD
<b>Opening balance 1 January 2019</b>	3.2	<b>192,648</b>	<b>112,821</b>
Add:			
Vat return	3.1.2	220,529	125,849
Tender documentation sold	3.1.2	1,050	621
		<b>414,227</b>	<b>239,291</b>
Deduct:			
Payments to suppliers - Expenditure under Other income		51,517	29,185
Transfer to petty cash	A.4	1,000	566
Exchange rate difference		-	2,612
		<b>52,517</b>	<b>32,363</b>
<b>Ending balance 31 December 2019</b>	3.2	<b>361,710</b>	<b>206,928</b>

Changes on local bank account in year 2020 may be presented as follows:

	Ref.	BAM	USD
<b>Opening balance 1 January 2020</b>	3.2	<b>361,710</b>	<b>206,928</b>
Add:			
VAT return	3.1.2	105,281	59,891
Transfer from petty cash	A.4	124	69
		<b>467,115</b>	<b>266,888</b>
Deduct:			
Payments to suppliers - Expenditure under Other income		3,844	2,164
Transfer to account of Budget FBiH – balance of local bank account*		463,271	256,242
Exchange rate difference		-	8,482
		<b>467,115</b>	<b>266,888</b>
<b>Ending balance 25 February 2020</b>	3.2	<b>-</b>	<b>-</b>

\*As of 28 February 2020 Letter was addressed to Federal Ministry of Finance informing that on the basis of their request transaction account in Union banka d.d. was closed.

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**APPENDIX A.5**

**PETTY CASH STATEMENT**

**Address:** PIU, Sarajevo

**Related Credit:** GEF Grant No. TF016646

**Currency:** BAM

	<b>Ref.</b>	<b>BAM</b>	<b>USD</b>
<b>Opening balance 1 January 2019</b>	3.2	<b>931</b>	<b>546</b>
		<b>931</b>	<b>546</b>
Deduct:			
Payments to suppliers in 2019 - Expenditure under GEF Grant		931	552
Exchange rate difference		-	(6)
		<b>931</b>	<b>546</b>
<b>Ending balance 31 December 2019</b>	3.2	<b>-</b>	<b>-</b>

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**APPENDIX A.6**

**PETTY CASH STATEMENT**

**Address:** PIU, Sarajevo

**Related Credit:** Other income

**Currency:** BAM

	Ref.	BAM	USD
<b>Opening balance 1 January 2019</b>	3.2	-	-
Add:			
Transfers from Local bank account	A.3	1,000	566
		<b>1,000</b>	<b>566</b>
Deduct:			
Payments to suppliers - Expenditure under Other income		861	488
Exchange rate difference		-	(2)
		<b>861</b>	<b>486</b>
<b>Ending balance 31 December 2019</b>	3.2	<b>139</b>	<b>80</b>

Changes on petty cash in year 2020 may be presented as follows:

	Ref.	BAM	USD
<b>Opening balance 1 January 2020</b>	3.2	<b>139</b>	<b>80</b>
		<b>139</b>	<b>80</b>
Deduct:			
Payments to suppliers - Expenditure under Other income		15	9
Transfer to local bank account		124	69
Exchange rate difference		-	2
		<b>139</b>	<b>80</b>
<b>Ending balance 10 February 2020</b>	3.2	-	-

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**APPENDIX B      SoE Withdrawal Schedule of GEF Grant No. TF016646**

	Initial deposit	Goods, consultants' services, training, audit cost, and incremental operating expenses under Part A of the Project	Goods, consultants' services, training, audit cost, and incremental operating expenses under Part B of the Project	Total application	Total replenished
<b>Previous years</b>	<b>584,431</b>	<b>1,039,703</b>	<b>2,503,448</b>	<b>3,543,151</b>	<b>3,916,240</b>
Application 18 (FBiH)*	-	-	-	-	55,332
Application 19 (FBiH)	-	44,815	-	44,815	44,815
Application 20 (FBiH)	-	115,219	-	115,219	115,219
Application 21 (FBiH)	-	110,436	-	110,436	110,436
Application 22 (FBiH)	-	270,973	-	270,973	270,973
Application 23 (FBiH)	-	252,885	-	252,885	252,885
Application 24 (FBiH)	-	258,098	-	258,098	258,098
Application 25 (FBiH)	-	178,594	-	178,594	178,594
Application 26 (FBiH)	-	739	-	739	0
Application 17 (RS)*	-	-	-	-	156,010
Application 19 (RS) (132,930)		-	132,930	132,930	-
Application 20 (RS) (149,558)		-	149,558	149,558	-
Application 21 (RS) (1,883)		-	1,883	1,883	-
Exchange difference and banking fees (RS)	(60)	-	60	60	-
<b>Total SoE applications 2019 **</b>	<b>(284,431)</b>	<b>1,231,759</b>	<b>284,431</b>	<b>1,516,190</b>	<b>1,442,362</b>
<b>Less: Refund- DA-A</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(299,261)</b>
<b>As of 31 December 2019</b>	<b>300,000</b>	<b>2,271,462</b>	<b>2,787,879</b>	<b>5,059,341</b>	<b>5,059,341</b>

\* Applications No.17 and No.18 were replenished in 2019, but expenses were made in 2018.

\*\* Difference of USD, between the replenishments for 2019 as per Appendix B and Appendix C, and replenishments for 2019 as per Appendix A.1 represents bank fees incurred in the cash transfers. These expenses were subsequently submitted and claimed through Applications No. 18, 19, 20, 21, 22, 23, 24 and 25 (FBiH).



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**APPENDIX C      Reconciliation between World Bank's disbursement statements in USD and GEF Trust Fund Grant account in USD according to the balance sheet; SoE Withdrawal Schedule of GEF Grant No. TF016646**

	<b>Changes in GEF Trust Fund Grant</b>
<b>Original amount</b>	<b>5,575,758</b>
<b>Disbursed in previous years</b>	<b>3,916,240</b>
Withdrawal 18 (FBiH)	55,332
Withdrawal 19 (FBiH)	44,815
Withdrawal 20 (FBiH)	115,219
Withdrawal 21 (FBiH)	110,436
Withdrawal 22 (FBiH)	270,973
Withdrawal 23 (FBiH)	252,885
Withdrawal 24 (FBiH)	258,098
Withdrawal 25 (FBiH)	178,594
Withdrawal 17 (RS)	156,010
<b>Total disbursed in 2019</b>	<b>1,442,362</b>
<b>Cumulative disbursements as of 31 December 2019</b>	<b>5,358,602</b>
<b>Less: Refund – DA-A</b>	<b>(299,261)</b>
<b>Cumulative disbursements as of 31 December 2019</b>	<b>5,059,341</b>
<b>Undisbursed balance as per World Bank Summary for December 2019</b>	<b>516,417</b>