

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
As of 31 January 2024

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

CONTENTS

1	Introduction	2
2	Independent Auditor's Report	5
3	Project Financial Statements at the date 31 January 2024	7
4	Notes to the Project Financial Statements	12

APPENDICES

A.1	Designated account statement – IBRD 8640	13
A.2	Designated account statement – EIB 82.137	14
B	SoE Withdrawal Schedule of IBRD 8640 at as of 31 January 2024	15
C	Reconciliation between IBRD's disbursement statements in EUR and IBRD Credit account in EUR according to the balance sheet as of 31 January 2024; SoE Withdrawal schedule of IBRD Credit 8640	16

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 (BIH), 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 FBH 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 FBIH with a particular focus on the improving financial sustainability of investments, streamlining climate resilience and enhancing road safety.

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

1.2 Components and activities of the Project (continued)

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.

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 FBH 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 €90.85million. 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 FBH 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.

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

1.3. Financing of the Project (continued)

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	90,85	
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.

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	

New closing date of the Project is 30 September 2023.

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 co-financing should not be exceeded)
TOTAL AMOUNT	33,000,000	

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 Federation Road Sector Modernization Project (the "Project"), which comprise of Summary of sources and uses of funds, Balance sheet, Designated account, Statement of credit withdrawals as of and for the period from 1 January 2023 until 31 January 2024, and a summary of significant accounting policies and other explanatory notes for the year then ended, financed under IBRD Loan No. 8640 - BA.

In our opinion, the accompanying project financial statements present fairly, in all material aspects, the financial position of the Project as of 1 January 2024, and of the funds received and disbursed during the period from 1 January until 31 January 2024, 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.

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 documentation supporting Disbursement Linked Indicators or Performance Based Conditions and underlying expenditures have been maintained to support claims for reimbursements of expenditure occurred, and such expenditures were eligible and incurred for the purpose intended under the project. Also, respective reports issued during the period were in agreement with the underlying books of account.

In addition, in our opinion, the accompanying designated account statements present fairly, in all material aspects, the funds received and disbursements made from the designated accounts of the Project for the period from 1 January 2023 until 31 January 2024

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

Jasmina Oručević, Director
Sarajevo, 3 June 2024



Aldijana Gabela, Certified Auditor

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

Project financial statements for the period from 1 January 2023 to 31 January 2024
(all amounts in EUR, unless otherwise stated)

Project financial statements for the period from 1 January 2023 until 31 January 2024

3.1 Summary of sources and uses of funds under the IBRD No. 8640 and EIB No. 82.137

		Actual for period 1/1/2023- 31/01/2024	Cumulative as of 31/1/2024	Cumulative 2022	Cumulative budget	Cumulative variance
FINANCING						
IBRD Credit No. 8640	3.1.1	3,485,087	56,839,725	53,354,638	58,000,000	1,160,275
EIB Credit No. 82.137	3.1.2	7,209,174	38,217,003	31,007,829	33,000,000	(5,217,003)
Other income	3.1.3	1,352	10,196	8,844	-	(10,196)
TOTAL FINANCING	3.1	10,695,613	95,044,712	84,371,311	91,000,000	4,066,924
PROJECT EXPENDITURE						
<i>By Category</i>						
Goods, Works, non-consulting services, consultant's services, Training and Operating costs for Parts 1, 2		13,029,016	91,917,643	78,888,627	87,855,000	(4,062,643)
Goods, Works, non-consulting services, consultant's services, Training and Operating costs for Part 3 of the Project		155,076	2,739,248	2,584,172	3,000,000	260,752
Emergency expenditures under Part 5 of the project		-	-	-	-	-
Front-end fee		-	145,000	145,000	145,000	-
TOTAL EXPENDITURE	3.2.	13,184,092	94,801,891	81,617,799	91,000,000	(3,801,891)
PROJECT EXPENDITURE						
<i>By Component</i>						
Road Upgrade and Modernization		11,798,568	82,874,413	71,075,845	78,215,000	(4,659,413)
Road Safety		41,737	2,364,609	2,322,872	2,760,000	395,391
Improving Main Road Management		155,076	2,739,248	2,584,172	3,000,000	260,752
Project Management and Implementation		1,185,033	6,651,969	5,466,936	6,880,000	228,031
Operating costs		3,678	26,652	22,974	-	(26,652)
Front-end fee		-	145,000	145,000	145,000	-
TOTAL EXPENDITURE	3.2.	13,184,092	94,801,891	81,617,799	91,000,000	(3,801,891)

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

Project financial statements as of 31 January 2024

(all amounts in EUR, unless otherwise stated)

3. Project financial statements for the period ended as of 31 January 2024 (continued)

3.1.1 Summary of Sources and Uses of Funds under the IBRD 8640 (continued)

Ref.	Actual as of 31 January 2024	Cumulative as of 31 January 2024	Cumulative 2022	Cumulative budget	Cumulative variance
FINANCING					
IBRD Credit No. 8640 BA				58,000,000	
Initial Deposit	(13,930,642)	289,645	14,220,287		
Direct Payment	-	7,442,975	7,442,975		
SoE Replenishment	17,393,642	40,837,199	23,443,557		
Reimbursement	22,233	8,270,052	8,247,819		
Refund to WB	(146)	(146)	-		
TOTAL FINANCING	3.2	3,485,087	56,839,725	53,354,638	58,000,000
				1,160,275	
PROJECT EXPENDITURE					
<i>By Category</i>					
Goods, Works, non-consulting services, consultant's services, Training and Operating costs for Parts 1,2 and 4 of the Project	5,819,842	53,700,641	47,880,799	54,855,000	1,154,359
Goods, Works, non-consulting services, consultant's services, Training and Operating costs for Part 3 of the Project	155,076	2,739,248	2,584,172	3,000,000	260,752
Emergency Expenditures under Part 5 of the Project	-	-	-	-	-
Front-end fee	-	145,000	145,000	145,000	-
TOTAL EXPENDITURE	3.2	5,974,918	56,584,889	50,609,971	58,000,000
				1,415,111	
PROJECT EXPENDITURE					
<i>By Component</i>					
Road's upgrade and Modernization	5,224,550	48,531,398	43,306,848	48,835,624	304,226
Road Safety	-	1,106,001	1,106,001	1,723,390	617,389
Improving Main Road Management	155,076	2,739,248	2,584,172	3,000,000	260,752
Project Management and Implementation	592,090	4,040,087	3,447,997	4,295,986	255,899
Operating Costs	3,202	23,155	19,953	-	(23,155)
Front end fee	-	145,000	145,000	145,000	-
TOTAL EXPENDITURE	3.2	5,974,918	56,584,889	50,609,971	58,000,000
				1,415,111	

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

Project financial statements as of 31 January 2024

(all amounts in EUR, unless otherwise stated)

3. Project financial statements for the period ended as of 31 January 2024 (continued)

3.1.2 Summary of Sources and Uses of Funds under the EIB 82.137 (continued)

	Actual As of 31 January 2024	Cumulative as of 31 January 2024				
	Ref		Cumulative 2022	Cumulative budget	Cumulative variance	
FINANCING						
EIB Credit No. 82.137				33,000,000		
SoE Replenishment		7,209,174	38,217,003	31,007,829		
TOTAL FINANCING	3.2	7,209,174	38,217,003	31,007,829	33,000,000	(5,217,003)
PROJECT EXPENDITURE						
<i>By Category</i>						
Goods, Works, non-consulting services, consultant's services, Training and Operating costs for Parts 1,2 and 4 of the Project		7,209,174	38,217,003	31,007,829	33,000,000	(5,217,003)
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	7,209,174	38,217,003	31,007,829	33,000,000	(5,217,003)
PROJECT EXPENDITURE						
<i>By component</i>						
Road's upgrade and Modernization		6,574,018	34,343,013	27,768,995	29,379,376	(4,963,637)
Road Safety		41,737	1,258,609	1,216,872	1,036,610	(221,999)
Improving Main Road Management		-	-	-	-	-
Project Management and Implementation		592,943	2,611,883	2,018,940	2,584,014	(27,869)
Operating Costs		476	3,498	3,022	-	(3,498)
Front-end fee		-	-	-	-	-
TOTAL EXPENDITURE	3.2	7,209,174	38,217,003	31,007,829	33,000,000	(5,217,003)

* 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.

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

Project financial statements as of 31 January 2024

(all amounts in EUR, unless otherwise stated)

3. Project financial statements for the period ended as of 31 January 2024 (continued)

3.1.3 Summary of Sources and Uses of Funds under Other Income (continued)

	Actual as of 31 January Ref.	Cumulative as of 31 January 2024	Cumulative 2022	Cumulative budget	Cumulative variance
FINANCING					
Other Income - interest	1,352	10,196	8,844	-	(10,196)
TOTAL FINANCING	3.2	1,352	10,196	8,844	-
PROJECT EXPENDITURE					
<i>By Category</i>					
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					
<i>By component</i>					
Road's upgrade and Modernization	-	-	-	-	-
Road Safety	-	-	-	-	-
Improving Main Road Management	-	-	-	-	-
Project Management and Implementation	-	-	-	-	-
Operating Costs	-	-	-	-	-
Front-end fee	-	-	-	-	-
TOTAL EXPENDITURE	3.2	-	-	-	-

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

Project financial statements as of 31 January 2024

(all amounts in EUR, unless otherwise stated)

3. Project financial statements for the period ended as of 31 January 2024 (continued)

**3.2 Balance sheet as of 31 January 2024 showing accumulated funds of the Project
and bank balances concerning IBRD and EIB financing**

	Ref.	31 January 2024	31 December 2022
ASSETS			
Project expenditure IBRD 8640	3.1.1	56,584,889	50,609,971
Project expenditure EIB 82.137	3.1.2	38,217,003	31,007,828
		94,801,892	81,617,799
Designated account IBRD 8640	A.1	254,882	2,744,933
Designated account EIB 82.137	A.2	-	-
Interest account*		10,150	8,579
		265,032	2,753,512
Total assets		95,066,924	84,371,311
LIABILITIES			
IBRD 8640	3.1.1	56,839,725	53,354,638
EIB 82.137	3.1.2	38,217,003	31,007,829
Interest*		10,196	8,844
Total liabilities		95,066,924	84,371.311

* During 2021 interest account with Ministry of Finance and Treasury BiH was activated. Transferred interest from Designated Account consists of: interest from 2019 in the amount of EUR 708, interest from 2020 in the amount of EUR 2,147, interest from 2021 in the amount of EUR 2,808, interest from 2022 in the amount of EUR 3,181 and interest from January 2023 – January 2024 in the amount of EUR 1,306.



Signed and authorized by:

Ljubo Pravdić, Director

Public Company Roads of FBiH

Smailagić

Amra Smailagić, Head of Project
Management Department

Sarajevo, 3 June 2024

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

Project financial statements as of 31 January 2024

(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.

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

Project financial statements as of 31 January 2024

(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

	Ref.	EUR
Opening balance 1 January 2023	3.2	2,744,933
Add:		
IBRD replenishments	B.1	3,463,000
Interest	3.1.3	1,352
		<u>6,209,285</u>
Deduct:		
Payments to suppliers	A.2	5,952,831
Transfer of interest to the interest account *		1,572
		<u>5,954,403</u>
Ending balance 31 January 2024	3.2	254,882

* Amount of EUR 1,572 refers to interest for May and December 2022 in the amount of EUR 265,23 and interest from January-December 2023 in the amount of EUR 1,305,67.

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

Project financial statements as of 31 January 2024

(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

	Ref.	EUR
Opening balance 1 January 2023	3.2	-
Add: EIB financing	B.1	<u>7,209,174</u>
Deduct: Payments to suppliers	A.2	<u>7,209,174</u>
Ending balance 31 January 2024	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 period from 1 January 2023 to 31 January 2024

(all amounts in EUR, unless otherwise stated)

APPENDIX B SoE Withdrawal Schedule of IBRD 8640 for the period from 1 January 2023 until 31 January 2024

	<i>Initial deposit</i>	<i>Training and Operating costs for Parts 1,2 and 4 of the Project</i>	<i>Operating costs for Part 3 of the Project</i>	<i>Emergency Expenditures under Part 5 of the Project</i>	<i>Front-end fee</i>	<i>Total application</i>	<i>Total disbursed</i>
Previous years	14,220,287	47,880,799	2,584,172		145,000	50,609,971	53,354,638
Application 27	(8,948,550)						
Application 28	3,463,000						3,463,000
Application 28	(1,490,022)						
Application 29	(2,463,379)						
Total Initial Deposit 2023	(9,438,951)						3,463,000
Return of funds							
WB Application 2/18 Expenses in 2023	-	(146)					
		5,511,799	155,076				
Total 2023	(9,438,951)	5,511,653	155,076				5,666,875
Cumulative as of 31.12.2023	4,781,336	53,392,452	2,739,248				5,666,729
Application 30	(3,388,580)						
Expenses in January 2024	285,956						285,956
Total Initial deposit	1,392,756						
Application 31	22,233						22,233
Total reimbursement	22,233						22,233
Application 33**	(1,103,111)						
Total January 2024	(1,103,111)	308,189					
Cumulative as of 31 January 2024	289,645	53,700,641	2,739,248				56,839,725
** Total expenses documented in Application 33 dated 31 January 2024 amounts to 1,103,111 EUR, out of which amount of 285,956 EUR related to expenses of January 2024 and remaining amount of 817,155 EUR relates to expenses presented in previous period.							

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

Project financial statements for the period from 1 January 2023 to 31 January 2024

(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
January 2024; SoE Withdrawal Schedule of IBRD 8640**

	Changes in IBRD Loan (in EUR)
Original amount	58,000,000
Front-end fee	145,000
Total disbursed in 2017	145,000
Withdrawal 1	1,500,000
Withdrawal 2	14,559
Withdrawal 3	2,015,206
Total disbursed in 2018	3,529,765
Cumulative disbursement 2017-2018	3,674,765
Withdrawal 4	370,165
Withdrawal 5	6,300,346
Withdrawal 6	319,171
Withdrawal 7	535,970
Withdrawal 8	456,474
Withdrawal 9	300,211
Total disbursed 2019	8,282,337
Refund to WB	(34,502)
Cumulative disbursement 2017-2019	11,922,600
Withdrawal 12	7,927,000
Withdrawal 13	1,515,426
Withdrawal 14	3,566,600
Total disbursed 2020	13,009,026
Cumulative disbursement 2017-2020	24,931,626
Withdrawal 15	620,843
Withdrawal 16	9,601,000
Withdrawal 17	1,370,023
Withdrawal 18	713,397
Withdrawal 19	4,407,000
Total disbursed 2021	16,712,263
Cumulative disbursement 2017-2021	41,643,889
Withdrawal 20	448,442
Withdrawal 22	605,658
Withdrawal 23	7,963,000
Withdrawal 24	739,409
Withdrawal 25	1,360,880
Withdrawal 26	593,360
Total disbursed 2022	11,710,748

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

Project financial statements for the period from 1 January 2023 to 31 January 2024

(all amounts in EUR, unless otherwise stated)

Cumulative disbursement 2021-2022	53,354,638
Withdrawal 28	3,463,000
Refund to WB	(146)
Withdrawal 31	22,233
Total disbursed from 1 January 2023 until 31 January 2024	3,485,087
Cumulative disbursement 2017 to 31 January 2024	56,839,725
Calculated undisbursed balance as of 1 January 2024	1,160,275
Undisbursed balance as per IBRD's Historic Transaction Report	1,160,275
Difference	-