

Report on the Consolidated Project Financial  
Statements of the

**FLOODS EMERGENCY RECOVERY  
PROJECT**

of the Ministry of Finance and Treasury of Bosnia and  
Herzegovina

Financed by:

- IDA Credit No. 5529-BA

For the year ended 31 December 2019

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# **FLOODS EMERGENCY RECOVERY 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 objective of the Project is to meet critical needs and restore functionality of infrastructure essential for public services and economic recovery in floods affected areas.

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

The Project is comprised of the following two components:

##### ***Component 1: Emergency Disaster Recovery Goods***

The recent floods have created significant strains on the supply chains for a variety of goods crucially needed to ensure the continuity of public services and economic opportunities. For example, some coal mines have been flooded, resulting in a restriction of supply to the main thermal power plants. The flooded areas traditionally have been oriented towards agriculture and agribusiness, which were severely affected by the floods, resulting in fodder and forage shortages and an urgent need for seeds and fertilizers for reseeded. The Project will therefore finance, through the use of a positive list, the purchase of goods urgently needed during the recovery phase. The positive list will include logistical goods, reconstruction goods, emergency goods, energy and power sector goods as well as agricultural recovery goods, with an initial priority set of fuel and food, agricultural and emergency goods. The positive list will include:

- (i) Logistical goods: including water, land and air transport equipment, including spare parts; communications equipment.
- (ii) Reconstruction goods: including construction materials; construction equipment and industrial machinery (including trucks, dozers, excavators); prefabricated houses.
- (iii) Emergency goods: including emergency and medical supplies and equipment; food and water containers; chemicals and equipment for water purification and sanitation of land, buildings and other structures; basic food commodities; cleaning and hygienic supplies; mud and water pumping equipment; equipment and furniture for emergency shelters and accommodations; moisture removal equipment; emergency vehicles and supplies; waste management and disposal equipment.
- (iv) Energy and power sector goods: including petroleum and fuel products; power purchases; power transmission and distribution equipment; mining equipment and pumps to remove water from mines, controls, monitoring and measurement equipment; emergency power generators; and other electrical equipment.
- (v) Agricultural recovery goods: including agricultural equipment and immovable productions systems such as greenhouses, milking parlors and auxiliary installations, sorting or packaging equipment; inputs (excluding pesticides); such as seedlings for perennial crops, orchards and wine yards as well as seeds and fertilizer for reseeded of fields; as well concentrated animal forage and fodder stocks that were destroyed by floods; livestock.
- (vi) Other Essential Goods: any other goods or commodities essential to the Recipient's recovery from flooding, as agreed in advance by the Association.

## **1. Introduction (continued)**

### **1.2 Components and activities of the Project (continued)**

#### ***Component 2: Rehabilitation of Key Public Infrastructure***

This Component will support the rehabilitation of both local and regional public infrastructure on the basis of the RNA. The impact of the floods was concentrated on around 60 municipalities in the central, northwest and northeast parts of the country; in many of these, public services delivery was severely impacted. This Component will therefore finance the rehabilitation or reconstruction of high priority, public service delivery infrastructure in the worst affected areas.

This component is designed under a framework approach in which activities will be identified in a demand-driven manner, based on the on-going RNA. The project will put particular emphasis on Rural Development, Energy, Transport and Water and Sanitation activities but other public services (education, health) will be considered on a case-by-case basis. The Component will be divided in two Subcomponents that will follow somewhat different project cycles, depending on whether the infrastructure is local or regional.

##### *Sub-component 2A: Regional Infrastructure Rehabilitation*

The main activities include rehabilitation of strategic, regional-level public infrastructure such as transport links, electricity distribution and transmission infrastructure, dikes and other strategic public infrastructure.

##### *Subcomponent 2B: Local Infrastructure Rehabilitation.*

Subcomponent 2B will be focused on local-level infrastructure, such as water supply schemes, local roads and bridges etc.

#### ***Component 3: Project Implementation Support and Capacity Building***

This component will finance the management of the Project and any support needed for the identification and implementation of sub-activities. The component will also provide technical assistance and capacity building on ensuring future improved disaster resilience.

This Component includes two main Subcomponents:

##### *Subcomponent 3.A.*

The main activities include project implementation support through the provision of incremental operating costs of RS APCU and equipment for Project implementation.

##### *Subcomponent 3.B.*

The main activities include strengthening the institutional capacity of the RS and local authorities within the RS to a proactive approach of risk management, through the provision of technical assistance and training.



## 1. Introduction (continued)

### 1.3 Financing of the Project

The State of Bosnia and Herzegovina is borrower of the International Development Association (IDA) Credit No. 5529-BA amounting to the equivalent of XDR 65,000,000. Under the terms of a subsidiary finance agreement between BiH and FBiH, RS and Brčko District funds of the equivalent of XDR 30,875,000 have been lent to FBiH, funds of the equivalent of XDR 30,875,000 have been lent to RS and funds of the equivalent of XDR 3,250,000 have been lent to Brčko District.

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

Item	Amount of the Credit allocated (in SDR)	% of expenditure to be financed (inclusive of taxes)
(1) Eligible Essential Goods and Commodities for Part A.1.1 of the Project	12,350,000	100%
(2) Goods, works, non-consulting services, consultant's services, Training and Incremental Operating Costs for Parts A.2 and A.3. of the Project	18,525,000	100%
(3) Eligible Essential Goods and Commodities for Part B.1 of the Project	10,350,000	100%
(4) Goods, works, non-consulting services, consultant's services, Training and Incremental Operating Costs for Parts B.2 and B.3. of the Project	20,525,000	100%
(5) Eligible Essential Goods and Commodities for Part C.1 of the Project	912,500	100%
(6) Goods, works, non-consulting services, consultant's services, Training and Incremental Operating Costs for Parts C.2 and C.3. of the Project	2,337,500	100%
<b>Subtotal</b>	<b>65,000,000</b>	

IDA Credit No. 5529-BA become effective on 15 September 2014. Planned closing date is 31 December 2018. First Amendment to the Financing Agreement Credit 5529-BA was signed in May 2016. Another amendment to the Financing Agreement Credit 5529-BA was signed on 14 December 2018 to extend the closing date until 30 June 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 Floods Emergency Recovery Project (the "Project"), which comprise of Summary of sources and uses of funds, Balance sheet, Designated account, local bank account, 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 IDA Credit Agreement No. 5529-BA.

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 Project Financial Statements**

The management of programme implementation unit in FB&H, management of project coordination unit in RS and management of project coordination unit in Brcko District is 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., t 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, 7 May 2020



Ezita Imamović, Certified Auditor

**FLOODS EMERGENCY RECOVERY 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 EUR, unless otherwise stated)

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

**3.1 Summary of sources and uses of funds under the IDA Credit No. 5529 - BA and Other income**

	Ref.	Actual 2019	Cumulative 2019	Cumulative 2018	Cumulative budget	Cumulative variance
<b>FINANCING</b>						
IDA Credit No. 5529-BA	3.1.1	8,775,166	77,664,738	68,889,572	77,936,056	271,318
VAT returns	3.1.2	193,120	1,719,997	1,526,877	-	(1,719,997)
Other income	3.1.3	204	6,477	6,273	-	(6,477)
<b>TOTAL FINANCING</b>	<b>3.2</b>	<b>8,968,490</b>	<b>79,391,212</b>	<b>70,422,722</b>	<b>77,936,056</b>	<b>(1,455,156)</b>
<b>PROJECT EXPENDITURE</b>						
<b>By Category</b>						
Eligible Essential Goods and Commodities for Part A.1.1 of the Project		-	10,670,296	10,670,296	15,712,954	5,042,658
Goods, works, non-consulting services, consultants' services, Training and Incremental Operating Costs for Parts A.2 and A.3. of the Project		1,389,540	25,945,250	24,555,710	23,569,435	(2,375,815)
Eligible Essential Goods and Commodities for part B.1 of the Project		-	12,474,231	12,474,231	11,723,528	(750,703)
Goods, works non-consulting services, consultants' services, Training and Incremental Operating Costs for Part B.2. and B.3. of the Project		8,028,671	25,235,908	17,207,237	23,248,837	(1,987,071)
Eligible Essential Goods and Commodities for part C.1 of the Project		-	1,082,492	1,082,492	1,033,596	(48,896)
Goods, works non-consulting services, consultants' services, Training and Incremental Operating Costs for Part C.2. and C.3. of the Project		544,924	2,733,828	2,188,904	2,647,706	(86,122)
<b>TOTAL EXPENDITURE</b>	<b>3.2</b>	<b>9,963,135</b>	<b>78,142,005</b>	<b>68,178,870</b>	<b>77,936,056</b>	<b>(205,949)</b>
<b>PROJECT EXPENDITURE</b>						
<b>By Component</b>						
Emergency Disaster Recovery Goods		-	24,227,019	24,227,019	28,470,078	4,243,059
Rehabilitation of Key Public Infrastructure		7,942,031	50,746,106	42,804,075	46,220,412	(4,525,694)
Project Implementation Support and Capacity Building		2,021,104	3,168,880	1,147,776	3,245,566	76,686
<b>TOTAL EXPENDITURE</b>	<b>3.2</b>	<b>9,963,135</b>	<b>78,142,005</b>	<b>68,178,870</b>	<b>77,936,056</b>	<b>(205,949)</b>



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Consolidated Project financial statements for the year ended 31 December 2019

(all amounts in EUR, unless otherwise stated)

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

**3.1.1 Summary of sources and uses of funds under the IDA Credit agreement No. 5529-BA**

	Ref.	Actual 2019	Cumulative 2019	Cumulative 2018	Cumulative budget	Cumulative variance
<b>FINANCING</b>						
IDA Credit No. 5529-BA					77,936,056	
Initial deposit		-	3,500,000	3,500,000		
Direct payments		2,909,511	16,838,028	13,928,337		
Reimbursement		-	11,671,722	11,671,722		
SoE replenishments		6,135,675	45,925,008	39,789,333		
Return of unused funds		(270,020)	(270,020)	-		
<b>TOTAL FINANCING</b>	3.2	<b>8,775,166</b>	<b>77,664,738</b>	<b>68,889,392</b>	<b>77,936,056</b>	<b>271,318</b>
<b>PROJECT EXPENDITURE</b>						
<b>By Category</b>						
Eligible Essential Goods and Commodities for Part A.1.1 of the Project		-	10,670,296	10,670,296	15,712,954	5,042,658
Goods, works, non- consulting services, consultants' services, Training and Incremental Operating Costs for Parts A.2 and A.3. of the Project		1,255,478	25,467,983	24,212,505	23,569,435	(1,898,548)
Eligible Essential Goods and Commodities for part B.1 of the Project		-	12,474,231	12,474,231	11,723,528	(750,703)
Goods, works non-consulting services, consultants' services Training and Incremental Operating Costs for Part B.2. and B.3. of the Project		8,028,671	25,235,908	17,207,237	23,248,837	(1,987,071)
Eligible Essential Goods and Commodities for part C.1 of the Project		-	1,082,492	1,082,492	1,033,596	(48,896)
Goods, works non-consulting services, consultants' services, Training and Incremental Operating Costs for Part C.2. and C.3. of the Project		544,924	2,733,828	2,188,904	2,647,706	(86,122)
<b>TOTAL EXPENDITURE</b>	3.2	<b>9,829,073</b>	<b>77,664,738</b>	<b>67,835,665</b>	<b>77,936,056</b>	<b>271,318</b>

**FLOODS EMERGENCY RECOVERY 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 EUR, unless otherwise stated)*

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

**3.1.2 Summary of sources and uses of funds under the Government (FBiH)**

	Ref.	Actual 2019	Cumulative 2019	Cumulative 2018	Cumulative budget	Cumulative variance
<b>FINANCING</b>						
VAT returns		193,120	1,495,360	1,302,240	-	(1,495,360)
Co-financing municipalities		-	181,057	181,057	-	(181,057)
Co-financing Sava River Watershed Agency		-	43,580	43,580	-	(43,580)
<b>TOTAL FINANCING</b>	<b>3.1</b>	<b>193,120</b>	<b>1,719,997</b>	<b>1,526,877</b>	<b>-</b>	<b>(1,719,997)</b>
<b>PROJECT EXPENDITURE</b>						
<b>By Category</b>						
Goods, works, non- consulting services, consults' services, Training and Incremental Operating Costs for Parts A.2 and A.3. of the Project		134,062	477,267	343,205	-	(477,267)
<b>TOTAL EXPENDITURE</b>	<b>3.2</b>	<b>134,062</b>	<b>477,267</b>	<b>343,205</b>	<b>-</b>	<b>(477,267)</b>

**FLOODS EMERGENCY RECOVERY PROJECT**  
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Consolidated Project financial statements for the year ended 31 December 2019

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

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

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

	Ref.	Actual 2019	Cumulative 2019	Cumulative 2018	Cumulative budget	Cumulative variance
<b>FINANCING</b>						
Tender documentation sold		204	6,477	6,273	-	(6,477)
<b>TOTAL FINANCING</b>	3.2	<b>204</b>	<b>6,477</b>	<b>6,273</b>	-	<b>(6,477)</b>
<b>PROJECT EXPENDITURE</b>						
<i><b>By Category</b></i>						
Goods, works, non-consulting services, consultants' services, Training and Incremental Operating Costs for Parts A.2 and A.3. of the Project		-	-	-	-	-
<b>TOTAL EXPENDITURE</b>	3.2	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**FLOODS EMERGENCY RECOVERY PROJECT**  
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Consolidated Project financial statements for the year ended 31 December 2019

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

**3. Consolidated 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 World Bank funding**

	Ref.	31 December 2019	31 December 2018
<b>ASSETS</b>			
Project expenditure under IDA Credit No. 5529-BA	3.1.1	77,664,738	67,835,665
Project expenditure under Government	3.1.2	477,267	343,205
		<b>78,142,005</b>	<b>68,178,870</b>
Designated account - IDA Credit No. 5529-BA (FBiH)	A.1	-	503,711
Designated bank account - IDA Credit No. 5529 (RS)	A.2	-	346,901
Designated bank account - IDA Credit No. 5529 (BD)	A.3	-	203,743
Government VAT returns (FBiH)	A.4	1,249,207	1,189,497
		<b>1,249,207</b>	<b>2,243,852</b>
<b>Total assets</b>		<b>79,391,212</b>	<b>70,422,722</b>
<b>LIABILITIES</b>			
IDA Credit No. 5529-BA	3.1.1	77,664,738	68,889,572
Government VAT returns	3.1.2	1,719,997	1,526,877
Other income	3.1.3	6,477	6,273
<b>Total liabilities</b>		<b>79,391,212</b>	<b>70,422,722</b>



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Consolidated Project financial statements for the year ended 31 December 2019

*(all amounts in EUR, 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 in accordance with the International Public Sector Accounting Standard: "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 IDA Credit 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 Credit account of the World Bank.

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

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

***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 accounts***

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

***Other income***

Other income includes income from tender documentation sold.

***Interest on Designated account***

Interest earned on the Designated account belongs to the Borrower.

**FLOODS EMERGENCY RECOVERY PROJECT**  
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Consolidated Project financial statements for the year ended 31 December 2019

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

**APPENDIX A.1**

**DESIGNATED ACCOUNT STATEMENT**

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

**Account No.:** 53001201964572

**Depository Bank:** Intesa Sanpaolo Banka d.d

**Address:** Obala Kulina bana 9a 71000 Sarajevo

**Related Credit:** IDA Credit No. 5529-BA

**Currency:** EUR

	Ref.	EUR
<b>Opening balance 1 January 2019</b>	3.2	<b>503,711</b>
Add:		
World Bank replenishments	B	969,473
		<b>1,473,184</b>
Deduct:		
Payments to suppliers - Expenditure under IDA Credit	B	1,255,318
Return of initial deposit		217,258
Bank fees occurred during return of initial deposit		160
Transfer to local account *		448
		<b>1,473,184</b>
<b>Ending balance 31 December 2019</b>	3.2	<b>-</b>

\*Funds from paid tender documentation by foreign companies in amount of EUR 448 were transferred to the local account upon closure of Special account.

**FLOODS EMERGENCY RECOVERY 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 EUR, unless otherwise stated)*

**APPENDIX A.2**

**DESIGNATED ACCOUNT STATEMENT**

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

**Account No.:** 5672410000514933

**Depository Bank:** Sberbank a.d. Banja Luka

**Address:** Jevrejska 71, Banja Luka

**Related Credit:** IDA Credit No. 5529 - BA

**Currency:** EUR

	Ref.	EUR
<b>Opening balance 1 January 2019</b>	3.2	<b>346,901</b>
Add:		
World Bank replenishments	B	4,899,436
		<b>4,899,436</b>
Deduct:		
Payments to suppliers - Expenditure under IDA Credit (included Reversal of document 74,415 EUR) *		5,193,575
Refunds Application		52,762
		<b>5,246,337</b>
<b>Ending balance 31 December 2019</b>	3.2	<b>-</b>

\* An amount of EUR 74,415 relates to reclassified costs from FERP Republic of Spska on FERP Brcko district in accordance with World Bank approval and relates on operational costs of the APCU.

**FLOODS EMERGENCY RECOVERY 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 EUR, unless otherwise stated)*

**APPENDIX A.3**

**DESIGNATED ACCOUNT STATEMENT**

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

**Account No.:** 5672410000518813

**Depository Bank:** Sberbank a.d. Banja Luka

**Address:** Jevrejska 71, Banja Luka

**Related Credit:** IDA Credit No. 5529 - BA

**Currency:** EUR

	<b>Ref.</b>	<b>EUR</b>
<b>Opening balance 1 January 2019</b>	<b>3.2</b>	<b>203,743</b>
Add:		
World Bank replenishments	B	266,766
		<b>266,766</b>
Deduct:		
Payments to suppliers - Expenditure under IDA Credit		470,509
		<b>470,509</b>
<b>Ending balance 31 December 2019</b>	<b>3.2</b>	<b>-</b>



**FLOODS EMERGENCY RECOVERY PROJECT**  
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*(all amounts in EUR, unless otherwise stated)*

**APPENDIX A.4**

**LOCAL BANK ACCOUNT STATEMENT**

**Account owned by:** Ministry of Agriculture, Water Management and Forestry of FB&H

**Account No.:** 140 101 10200007 20

**Depository Bank:** Sberbank BH d.d.

**Address:** Fra Anđela Zvizdića 1, 71000 Sarajevo

**Related Credit:** Government – VAT returns

**Currency:** BAM

	Ref.	BAM	EUR
<b>Opening balance 1 January 2019</b>	3.2	<b>2,326,453</b>	<b>1,189,497</b>
Add:			
VAT returns	3.1.2	377,710	193,120
Tender documentation sold		400	204
Transfer from Special account		876	448
		<b>2,705,439</b>	<b>1,383,269</b>
Deduct:			
Payments to suppliers – bank fees	3.1.2	262,203	134,062
		<b>262,203</b>	<b>134,062</b>
<b>Ending balance 31 December 2019</b>	3.2	<b>2,443,236</b>	<b>1,249,207</b>

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**APPENDIX B      SoE Withdrawal Schedule of IDA Credit No. 5529-BA for the year ended 31 December 2019**

	Initial deposit	Eligible Goods and Commodities for Part A.1 of the Project	Goods, non-works, consulting services, training and incremental operating Costs for Parts A.2 and A3 of Project	Eligible Goods and Commodities for Part B.1 of the Project	Goods, non-works, consulting services, consultants' services, training and incremental operating Costs for Parts B.2 and B.3. of the Project	Eligible Goods and Commodities for Part C.1 of the Project	Goods, non-works, consulting services, consultants' services, training and incremental operating Costs for Parts C.2. and C.3. of the Project	Total application	Total replenished
<b>Previous years*</b>	<b>2,520,000</b>	<b>10,670,296</b>	<b>24,212,505</b>	<b>12,474,231</b>	<b>17,207,237</b>	<b>1,082,492</b>	<b>2,188,904</b>	<b>67,835,665</b>	<b>68,889,572</b>
Application 84 (FBIH)**	-	-	-	-	-	-	-	-	46,596
Application 85 (FBIH)**	-	-	-	-	-	-	-	-	775,134
Application 86 (FBIH)	(67,000)	-	200,387	-	-	-	-	200,387	133,387
Application 87 (FBIH)	-	-	14,356	-	-	-	-	14,356	14,356
Application 88 (FBIH)	(246,275)	-	246,275	-	-	-	-	246,275	-
Application 89 (FBIH)	(396,928)	-	396,928	-	-	-	-	396,928	-
Application 90 (FBIH)	(380,591)	-	380,591	-	-	-	-	380,591	-
Application 91 (FBIH)	(16,781)	-	16,781	-	-	-	-	16,781	-
Application 41 (RS) ***	-	-	-	-	-	-	-	-	221,432
Application 42 (RS) ***	-	-	-	-	-	-	-	-	323,667
Application 43 (RS)	608,000	-	-	-	-	-	-	-	608,000
Application 44 (RS)	(136,000)	-	-	-	407,968	-	-	407,968	271,968
Application 45 (RS)	(240,000)	-	-	-	716,265	-	-	716,265	476,265
Reversal of document WB (RS)	-	-	-	-	(74,415)	-	-	(74,415)	(74,415)
Application 46 (RS)	-	-	-	-	729,290	-	-	729,290	729,290
Application 47 (RS)	-	-	-	-	777,984	-	-	777,984	777,984
Application 48 (RS)	-	-	-	-	633,283	-	-	633,283	633,283
Application 49 (RS)	-	-	-	-	701,793	-	-	701,793	701,793
Application 50 (RS)	-	-	-	-	271,295	-	-	271,295	271,295
Application 51 (RS)	-	-	-	-	500,251	-	-	500,251	500,251
Application 52 (RS)	-	-	-	-	1,048,148	-	-	1,048,148	1,048,148
Application 53 (RS)	-	-	-	-	148,107	-	-	148,107	148,107
Application 54 (RS)	-	-	-	-	163,726	-	-	163,726	163,726
Application 55 (RS)	-	-	-	-	933,738	-	-	933,738	933,738

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	Initial deposit	Eligible Goods and Commodities for Part A.1 of the Project	Goods, non-works consulting services, training and incremental Costs for Parts A.2 and A3 of Project	Eligible Goods and Commodities for Part B.1 of the Project	Goods, non-works consulting services, training and incremental Costs for Parts B.2 and B.3. of the Project	Eligible Goods and Commodities for Part C.1 of the Project	Goods, non-works consulting services, training and incremental Costs for Parts C.2 and C.3. of the Project	Total application	Total replenished
Application 56 (RS)	(106,075)	-	-	-	106,075	-	-	106,075	-
Application 57 (RS)	(772,526)	-	-	-	772,526	-	-	772,526	-
Application 58 (RS)	(192,559)	-	-	-	192,559	-	-	192,559	-
Refunds Application (RS)	(52,762)	-	-	-	-	-	-	-	(52,762)
Bank fees (RS)	(78)	-	-	-	78	-	-	78	-
Application 17 (BD)****	-	-	-	-	-	-	-	-	99,257
Application 18 (BD)	(61,000)	-	-	-	-	-	183,893	183,893	122,893
Application 19 (BD)	-	-	-	-	-	-	44,616	44,616	44,616
Application 20 (BD)	(195,531)	-	-	-	-	-	195,531	195,531	-
Application 21 (BD)	(46,469)	-	-	-	-	-	46,469	46,469	-
Reversal of document	-	-	-	-	-	-	-	-	-
WB trans. No.151 (BD)	-	-	-	-	-	-	74,415	74,415	74,415
<b>Total SoE applications</b>	<b>(2,302,575)</b>	<b>-</b>	<b>1,255,318</b>	<b>-</b>	<b>8,028,671</b>	<b>-</b>	<b>544,924</b>	<b>9,828,913</b>	<b>8,992,424</b>
<b>Return of initial deposit *****</b>	<b>(217,258)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(217,258)</b>
<b>Bank fees occurred during return of initial deposit</b>	<b>(160)</b>	<b>-</b>	<b>160</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>160</b>	<b>-</b>
<b>Total 2019</b>	<b>(2,519,993)</b>	<b>-</b>	<b>1,255,478</b>	<b>-</b>	<b>8,028,671</b>	<b>-</b>	<b>544,924</b>	<b>9,829,073</b>	<b>8,775,166</b>
<b>As of 31 December, 2019</b>	<b>7*</b>	<b>10,670,296</b>	<b>25,467,983</b>	<b>12,474,231</b>	<b>25,353,908</b>	<b>1,082,492</b>	<b>2,733,828</b>	<b>77,664,738</b>	<b>77,664,738</b>

\* The unspent amount of initial deposit, after Application No. 91, was EUR 217,418 and it was returned to the World Bank. This amount was deducted for amount of bank fees EUR 130 (Intesa SanPaolo bank d.d. Sarajevo) and correspondent bank EUR 30, so amount of EUR 217,258 was paid into World Bank account.

\*\*Applications No. 84 and 85 were replenished in 2019, but expenses were made in 2018

\*\*\* Application No. 41 and 42 were replenished in 2019, but expenses were made in 2018.

\*\*\*\* Application No. 17 was replenished in 2019, but expenses were made in 2018.



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**APPENDIX C Reconciliation between World Bank's disbursement statements in XDR and IDA Credit account in EUR according to the balance sheet as of 31 December 2019; SoE Withdrawal Schedule of IDA Credit No. 5529-BA**

	Changes in IDA Credit (in XDR)	Exchange rate used	Changes in IDA Credit (in EUR)
<b>Original amount</b>	<b>65,000,000</b>	1,199016	<b>77,936,056</b>
<b>Disbursed in previous years</b>	<b>55,443,984</b>		<b>68,889,572</b>
Withdrawal 84 (FBiH)	38,146	1.221517	46,596
Withdrawal 85 (FBiH)	630,167	1.300047	775,134
Withdrawal 86 (FBiH)	107,965	1.235465	133,387
Withdrawal 87 (FBiH)	11,630	1.234393	14,356
Withdrawal 41 (RS)	181,276	1.221516	221,432
Withdrawal 42 (RS)	263,134	1.230046	323,667
Withdrawal 43 (RS)	494,290	1.230047	608,000
Withdrawal 44 (RS)	220,936	1.230981	271,968
Withdrawal 45 (RS)	386,899	1.230981	476,265
Reversal of document (RS)	(60,413)	1.231771	(74,415)
Withdrawal 46 (RS)	589,976	1.236135	729,290
Withdrawal 47 (RS)	629,368	1.236135	777,984
Withdrawal 48 (RS)	515,608	1.228224	633,283
Withdrawal 49 (RS)	571,573	1.227827	701,793
Withdrawal 50 (RS)	220,861	1.228355	271,295
Withdrawal 51 (RS)	407,428	1.227827	500,251
Withdrawal 52 (RS)	848,434	1.235392	1,048,148
Withdrawal 53 (RS)	119,886	1.235392	148,107
Withdrawal 54 (RS)	132,220	1.238286	163,726
Withdrawal 55 (RS)	750,959	1.243395	933,738
Refunds Application (RS)	(42,639)	1.237410	(52,762)
Withdrawal 17 (BD)	80,694	1.23004657	99,257
Withdrawal 18 (BD)	99,833	1.23098069	122,893
Withdrawal 19 (BD)	35,883	1.24339477	44,616
Reversal of document WB trans. No 0151 (BD)	60,413	1.23177713	74,415
<b>Total disbursed in 2019</b>	<b>7,294,527</b>		<b>8,992,424</b>
<b>Return of initial deposit</b>	<b>(174,709)</b>	1.243542	<b>(217,258)</b>
<b>Cumulative disbursements as of 31 December 2019</b>	<b>62,563,803</b>	-	<b>77,664,738</b>
<b>Calculated undisbursed balance as of 31 December 2019</b>	<b>2,436,197</b>	-	<b>541,354</b>
<b>Undisbursed balance as per World Bank Summary for December 2019</b>	<b>2,436,197</b>	-	<b>1,873,691</b>
<b>Potential exchange rate gain</b>			<b>(1,332,337)</b>