

Report on the Federation Part of the Project Financial
Statements of the

ENERGY EFFICIENCY PROJECT

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

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

For the year ended 31 December 2020 and
Appendix on 31 March 2021 for IDA Loans

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

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ENERGY EFFICIENCY PROJECT

of the Ministry of Finance and Treasury of Bosnia and Herzegovina

1. Introduction

1.1 Objectives of the Project

The Project Development Objective (PDO) of the Energy Efficiency Project (BEEP) is to demonstrate the benefits of energy efficiency improvements in public sector buildings and support the development of scalable energy efficiency financing models.

1.2 Components and activities of the Project

The Project consists of the following components and activities:

Component 1: Energy efficiency investments in public facilities

This component will support energy efficiency investments ('subprojects') in schools, hospitals and clinic centres. A small number of other public facilities (e.g., elderly homes, orphanages, other administrative buildings) may also be included. The component will finance energy efficiency upgrades, as well as related technical consultancy services (e.g., energy audits, technical and social M&E before and after subproject implementation, technical designs, supervision and subproject commissioning). These investments will reduce the energy consumption of selected public buildings, and demonstrate the economic viability of energy efficiency improvements, including reduced recurring energy costs and associated public expenditures. In addition, the subprojects will generate demonstrable co-benefits, such as reduced CO2 emissions and improved indoor comfort levels (e.g., improved indoor temperature, better lighting and indoor air quality).

Component 2: Support for the development of scalable financing mechanisms and capacity buildings

This component will support the development of sustainable energy efficiency financing mechanisms in the public sector, strengthen implementation capacity and help to increase public awareness on energy efficiency. The main activities supported will include:

Activity 1 – Issues and Options Study on scalable financing mechanisms

This activity will finance an in-depth Issues and Options Study on scalable financing mechanisms for energy efficiency, which will be conducted during the first year of implementation.

The study aims to support development of sustainable financing models and to help address some of the key barriers hampering scaling up financing and implementation of energy efficiency programs in the public sector. To this end, the study is expected to: (i) analyse key market barriers in the public sector, including public budgeting, financing and procurement rules, other legislative and regulatory barriers, institutional issues and low existing comfort levels; (ii) suggest specific options to address the identified main barriers; (iii) as an interim output, propose detailed design options for piloting scalable financing and contracting models that will be tested in the second and third year of implementation under Component 1; and (iv) recommend entity-wide options and specific design elements for sustainable financing mechanisms in the long-term as the final output of the study.

Regarding design options for pilot projects (item iii) above), particular emphasis will be given on testing models that would allow funds to revolve or to increase their leverage. Accordingly, piloting options that the study would help explore may include: "budget capture" of energy cost savings; partial or full earmarking of captured energy cost savings for further energy efficiency activities, including repayments from cantons/municipalities in the FBH; or leveraging funds by requiring co-financing from beneficiary public agencies. Piloting options could also include the use of performance-based contracts for subproject implementation, or simple public ESCO models. Based on the recommendations developed under the Issues and Options Study, as well as early implementation experience, the PIU will submit specific piloting proposals to the PSCs by the end of the first year of implementation.

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1. Introduction (continued)

1.2. Components and activities of the Project (continued)

These pilots will help incrementally build market capacity and gradually move towards more scalable models as implementation experience is gained and the market evolves.

The development of entity-wide scalable financing mechanisms (item iv above) will be based on the recommendations of the Issues and Options Study, and take into account outcomes from stakeholder consultations, as well as implementation experiences from pilot projects supported under Component 1. Based on the strong interest of the entity Government to establish revolving financing mechanisms, and given that there is an existing Environmental Protection Fund, which also cover energy efficiency, long-term options are likely to include specific design elements and suitable financial products/services that the Fund could offer to support operation of revolving mechanisms for energy efficiency investments (e.g., energy service agreements, loans, ESCO financing and re-financing, technical services, etc.). The ministerial-level PSC or the Federation Ministry of Physical Planning will submit a proposal on scalable financing models to the entity Cabinets of Ministers order to ensure sustainability of energy efficiency financing beyond the project's lifetime.

Activity 2 – On-the-job trainings for municipal energy managers

Implementation of subprojects under Component 1 will be used to provide on-the-job training for municipal energy managers in order to increase their capacity in preparing, implementing and supervising energy efficiency investments in public buildings. Each municipality where selected subprojects will be implemented is expected to designate a municipal energy manager, who will participate in all supervision activities during implementation, prepare annual reports on the results of the subprojects after completion, and support data collection for the entity databases for public buildings. These provisions will be included in the MoU between the Ministry of Physical Planning, the municipality and project beneficiary, as well as the ToR for the supervision consultant. The on-the-job trainings will be accompanied by complementary capacity building activities for municipal energy managers, which may cover the following key areas:

- Sharing of energy audits for subprojects located in the energy manager's municipality of the energy manager and training on the content of energy audits, including for instance: concepts of degree-days, heat losses, energy consumption, characteristics of materials, efficiency of boilers, temperature control, variable flow pumps, balancing of network, thermostatic valves, insulation of walls and roofs, technology of efficient windows, etc.
- Presentation of technical specifications and drawings of the project design for energy efficiency retrofits in public buildings;
- Methodology for evaluating the compliance of works with technical specifications;
- Basic rules for the Operation and Maintenance of the system;
- Introduction/ explanations on energy passports for buildings;
- Introduction of databases that can be used, at municipal level, for obtaining a permanent feedback about the energy performance of municipal building, and physical warning on uncontrolled energy consumptions;
- Introduction of energy management and assessment tools, such as the TRACE (developed by ESMAP and available for free);
- Presenting the planned database for buildings at entity level and training related to the role of municipal energy managers to maintain and populate the database.

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1. Introduction (continued)

1.2. Components and activities of the Project (continued)

Accordingly, the training and role of the municipal energy manager will be specifically linked to the issuance of buildings passports and can help to populate the national database. Particularly, the energy manager will: (i) be trained on relevant aspects of data collection for the database (e.g. preliminary energy audits, energy passports, monitoring and evaluation, etc.) through the workshop and on-the-job-training, (ii) after completion of the subprojects, preparation of annual evaluation and reports to the PIU on effects of the EE retrofits in the selected public buildings in the territory of the relevant municipality, including: measurement and evaluation of indoor temperatures, effectiveness of energy savings, behaviour of users, improvement of comfort and working conditions, O&M issues, durability/conditions of equipment and materials; and (iii) supporting data collection for the database for public buildings. These on-the-job trainings will help to build capacity of municipal energy managers with regards to preparation, measurements, implementation and supervision of energy efficiency investments in public buildings. In addition, energy manager may expand acquired skills in other fields in the municipality, such as street lighting, water pumping and consumption, transportation, etc.

Activity 3 – On-the-job trainings for issuing energy labels for public buildings

Implementation of subprojects under Component 1 will be used to provide on-the-job training to qualified private companies (e.g., energy auditing or engineering companies) for issuance of energy certificates and labelling of buildings in accordance with the provisions of the EU Directive on Energy Performance of Buildings and related entity regulations. Selected subprojects will be used to show-case how these regulations should be implemented on the ground. As a result of this activity, energy passports and energy labels for all subprojects are expected to be issued during implementation. This will not only help to build implementation capacity of private companies and populate the databases for public buildings, but also enhance the visibility of project results.

Activity 4 – Communication and Promotion activities

Communication and promotion activities will include information, education and promotion activities to increase awareness on the benefits of energy efficiency by disseminating information on project activities, progress, results, lessons learned and impacts. Communication and awareness activities are expected to use different media channels, including print, web, conferences, TV, etc. Target groups will include clients and staff in public facilities, including NGOs, various market actors (e.g., construction companies, ESCOs, financing institutions), local, entity and state governments as well as the broader public. A consultancy company will be hired, as appropriate on a multi-year contract basis, to develop a targeted communication strategy, propose and implement agreed activities, produce information material, etc.

Activity 5 – Other technical assistance and trainings

During project implementation, additional trainings and technical assistance will be provided on as needed basis. This may include: (i) technical assistance and trainings to various private and public target groups to strengthen their capacity to prepare, appraise, implement, finance and monitor energy efficiency projects; for instance, this could comprise trainings for energy audit companies, design and construction companies, equipment suppliers, commercial banks or other energy service providers. It is also expected that the implementation of new financing and contracting models will require preparatory and complementary trainings for public and private stakeholders as well as involvement and consultations with financial institutions; (ii) technical assistance activities to support the development or implementation of relevant regulations in the buildings and construction sectors, if specific needs arise during implementation; (iii) as necessary, development of terms of reference or design specifications for agreed project activities, and (iv) other relevant support needed for scaling-up energy efficiency in public buildings.

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1. Introduction (continued)

1.2. Components and activities of the Project (continued)

Component 3: Project Management and Operating Cost

The component will ensure effective project management by the PIUs through financing additional experts, trainings for PIU staff, and covering incremental operating costs.

1.2.1 Components and activities of the Project - IBRD additional financing

Proposed Financing. The proposed AF will be supported by an IBRD loan of €27.3 (US \$32 million equivalent), with 60 percent of the proposed loan to be provided to the FB&H (€16.4 million) and 40 percent (€10.9 million) to the RS, respectively.

Project financing will be complemented by co-financing provided by the entity Governments from two sources: (i) project reflows generated through the revolving financing models introduced for EE investments and reinvested in the form of joint co-financing with BEEP AF resources; and (ii) Value Added Tax (VAT) refunds on BEEP AF expenses, which will also be reinvested in the form of joint co-financing to the project. The total amount of available co-financing from these two sources is estimated to amount to €7.95 million.

COMPONENT 1: EE Investments in Public Facilities (estimated costs of €23.4 million IBRD financing and estimated €7.9 million Government co-financing through the revolving financing models). This component will continue supporting EE improvements in selected public buildings, including related civil works, goods and services.

COMPONENT 2: Support for the Development of Scalable Financing Mechanisms and Capacity Building (estimated costs of €2.15 million IBRD financing). This component will build on activities implemented under BEEP and provide technical assistance aimed at: (i) supporting the development and implementation of scalable EE financing mechanisms; (ii) enhancing local market capacity and improving EE enabling environment; and (iii) strengthening public awareness on EE.

COMPONENT 3: Project Management (estimated costs of €1.8 million, including €1.61 million IBRD financing and €0.19 million Government in-kind contribution). This component will continue providing support for effective implementation and management of the AF, including PIU staff; project-related operating costs and PIU trainings; and annual audits of project accounts. The PIUs are composed of the following Ministry staff and consultants: (i) in the FBiH: Project Ministry focal point, PIU Coordinator, three technical experts, financial management (FM) specialist, procurement specialist, contract management specialist and administrative support; and (ii) in the RS: Project Manager (Ministry staff), two technical experts, FM manager (Ministry staff), FM specialist, procurement specialist, operations officer, communications specialist, and EE financing specialist.

1.2 Financing of the Project

1.3.1. IDA LOAN No. 5393 BA and IDA LOAN No. 5538 BA

The State of Bosnia and Herzegovina borrows from the International Development Association (IDA) under the Investment Project Financing (IDA blend-term credit) No. 5393- BA (Portion A), and 5538- BA (portion B) funding amounting to XDR 20,800,000. (5393 BA amounts XDR 18,200,000 and 5538- BA amounts XDR 2,600,000).

Under terms of Subsidiary Agreement signed between State of Bosnia and Herzegovina and Federation of Bosnia and Herzegovina ("FBiH"), XDR 12.48 million were made available and the following split was encountered: (i) Portion A of the Credit (Credit 5393-BA) XDR 10.92 million, and Portion B of the Credit (Credit 5538-BA) XDR 1.56 million.

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1.3 Financing of the Project (continued)

1.3.1. IDA LOAN No. 5393 BA and IDA LOAN No. 5538 BA (continued)

The Project financing split and participation of the Credit in financing of each of the purpose are summarised as follows:

Item	Amount of Portion A of the Credit allocated (Credit 5393-BA) (in XDR)	Amount of the Portion B of the Credit allocated (Credit 5538-BA) (in XDR)	% of expenditure to be financed
(1) Goods, works, non-consulting services, and consultants' services, training and incremental operating costs for the Part A of the Project	10,920,000	1,560,000	100%
(2) Goods, works, non-consulting services, and consultants' services, training and incremental operating costs for the Part B of the Project	7,280,000	1,040,000	100%
Total	18,200,000	2,600,000	

IDA blend-term credit No. 5393 BA and 5538 BA became effective on 27th of May 2015. Planned closing date was 30 June 2018. Closing date was prolonged until 30 June 2020.

1.3.2. IBRD Loan No. 8906-BA

The State of Bosnia and Herzegovina is the borrower of the International Bank of Reconstruction and Development (IBRD) of Loan No. 8906 BA, amounting to the equivalent of EUR 27,276,969. Under the terms of a subsidiary finance agreement between State of Bosnia and Herzegovina and Federation of Bosnia and Herzegovina (FBiH), funds of the equivalent EUR 16,366,193 are related to the Federation part of the Project.

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

Item	Amount of the Credit allocated (in EUR)	% of expenditure to be financed
(1) Goods, works, non-consulting services, and consultants' services, training and incremental operating costs for the Part A of the Project	16,325,278	100%
(3) Front-end Fee	40,915	-
Subtotal		16,366,193

1.3.3. Retroactive financing

Retroactive financing in an aggregate amount of up to XDR 1,950,000 incurred until the project effectiveness date. Advance Contracting and Retroactive Financing shall be carried out in accordance with the Procurement Guidelines or Consultant Guidelines, as the case may be, up to an amount of USD 1,500,000 equivalent for each entity. This provision is useful to meet any immediate financing needs.

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

Baker Tilly Re Opinion d.o.o.

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Report on the Project Financial Statements**Opinion**

We have audited the accompanying project financial statements of the Federation part of the Energy Efficiency Project (the "Project"), which comprise of Summary of sources and uses of funds, Balance sheet, Designated account statement, local bank account statement, Petty cash statement, Statements of Credit withdrawals as of and for the year ended 31 December 2020, and a summary of significant accounting policies and other explanatory notes for the year then ended, financed under IDA Credit No. 5393-BA, IDA Credit No. 5538-BA and IBRD Credit No. 8906-BA.

In our opinion, the accompanying project financial statements present fairly, in all material aspects, the financial position of the Project as of 31 December 2020, 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. 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 implementation 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., Guidelines: Annual Financial Reporting and Auditing for World Bank-Financed Activities, and for such internal control as management determines is necessary to enable the preparation of project financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the Project's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Project or to cease operations or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the financial reporting process.

Responsibilities for the Audit of Financial Statements

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

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

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

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

Report on other requirements

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

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

Nihad Fejzić, Director and Certified Auditor

Sarajevo, 20 April 2021



Elma M.
Elma Mešinović, Certified Auditor

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

Project financial statements for the year ended 31 December 2020

(all amounts in EUR, unless otherwise stated)

3. Project financial statements for the year 2020

3.1. Summary of sources and uses of funds under the IDA Credit No. 5393 - BA, IDA Credit No. 5538 – BA, Government contribution and Other income

	Ref.	Actual 2020	Cumulative 2020	Cumulative 2019	Cumulative budget	Cumulative variance
FINANCING						
IDA Credit No. 5393 - BA	3.1.1	-	13,474,344	13,474,344	13,911,642	437,298
IDA Credit No. 5538 - BA	3.1.2	1,309,442	1,888,951	579,509	1,987,378	98,427
Government contribution	3.1.3	37,004	2,167,428	2,130,424	-	(2,167,428)
Other income	3.1.4	(6)	(9)	(3)	-	9
TOTAL FINANCING	3.3	1,346,440	17,530,714	16,184,274	15,899,020	(1,631,694)

PROJECT EXPENDITURE

By Category

Goods, works, consultants' services and operating costs for Part 1 of the Project	1,684,842	16,642,568	14,957,726	15,899,020	(743,548)
TOTAL EXPENDITURE	3.3	1,684,842	16,642,568	14,957,726	15,899,020

PROJECT EXPENDITURE

By Component

Energy Efficiency investments	1,521,798	14,957,580	13,435,782	13,596,974	(1,360,606)
Support for the development of scalable financing mechanisms and capacity building	51,153	832,110	780,957	1,250,392	418,282
Project management and implementation	111,891	852,878	740,987	1,051,654	198,776
TOTAL EXPENDITURE	3.3	1,684,842	16,642,568	14,957,726	15,899,020
					(743,548)

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(all amounts in EUR, unless otherwise stated)

3. Project financial statements for the year 2020 (continuing)

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

	Ref.	Actual 2020	Cumulative 2020	Cumulative 2019	Cumulative budget	Cumulative variance
FINANCING						
<i>IDA Credit No. 5393 - BA</i>					13,911,642	
Initial deposit		- 460,000	460,000			
Direct payments		- 8,502,925	8,502,925			
SoE replenishments		- 4,511,419	4,511,419			
TOTAL FINANCING	3.1.	- 13,474,344	13,474,344	13,911,642	437,298	
PROJECT EXPENDITURE						
<i>By Category</i>						
Goods, works, consultants' services and operating costs for Part 1 of the Project		94,336	13,474,337	13,380,001	13,911,642	437,305
TOTAL EXPENDITURE	3.3	94,336	13,474,337	13,380,001	13,911,642	437,305

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(all amounts in EUR, unless otherwise stated)

3. Project financial statements for the year 2020 (continuing)

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

	Ref.	Actual 2020	Cumulative 2020	Cumulative 2019	Cumulative budget	Cumulative variance
FINANCING						
<i>IDA Credit No. 5538 - BA</i>						1,987,378
Initial deposit		657,962	807,962	150,000		
Direct payments		455,406	455,406	-		
SoE replenishments		196,074	625,583	429,509		
TOTAL FINANCING	3.1.	1,309,442	1,888,951	579,509	1,987,378	98,427
PROJECT EXPENDITURE						
<i>By Category</i>						
Goods, works, consultants' services and operating costs for Part 1 of the Project		1,215,173	1,774,998	559,825	1,987,378	212,380
TOTAL EXPENDITURE	3.3	1,215,173	1,774,998	559,825	1,987,378	212,380

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Project financial statements for the year ended 31 December 2020

(all amounts in EUR, unless otherwise stated)

3. Project financial statements for the year 2020 (continued)

3.1.3 Summary of sources and uses of funds under Government contribution

Ref.	Actual 2020	Cumulative 2020	Cumulative 2019	Cumulative budget	Cumulative variance
FINANCING					
VAT Reimbursement	-	1,783,979	1,783,979		- (1,783,979)
Other income (Canton Sarajevo contribution)	-	82,308	82,308		- (82,308)
Other income (Canton Hercegovačko-neretvanski contribution)	-	264,137	264,137		- (264,137)
Other income (Canton 10)	37,004	37,004	-		- (37,004)
TOTAL FINANCING	3.1. 37,004	2,167,428	2,130,424		- (2,167,428)
PROJECT EXPENDITURE					
By Category					
Goods, works, consultants' services, training and operating costs for Part 1 of the Project	375,333	1,393,233	1,017,900		- (1,393,233)
TOTAL EXPENDITURE	3.3 375,333	1,393,233	1,017,900		- (1,393,233)

**ENERGY EFFICIENCY PROJECT
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Project financial statements for the year ended 31 December 2020

(all amounts in EUR, unless otherwise stated)

3. Project financial statements for the year 2020 (continuing)

3.1.3.1. Summary of sources and uses of funds under Government contribution (VAT reimbursement)

	Ref.	Actual 2020	Cumulative 2020	Cumulative 2019	Cumulative budget	Cumulative variance
FINANCING						
VAT Reimbursement		-	1,783,979	1,783,979		- (1,783,979)
TOTAL FINANCING	3.1.	-	1,783,979	1,783,979		- (1,783,979)

PROJECT EXPENDITURE

By Category

Goods, works, consultants' services, training and operating costs for Part 1 of the Project

	338,329	1,009,784	671,455	- (1,009,784)
TOTAL EXPENDITURE	3.3	338,329	1,009,784	671,455

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Project financial statements for the year ended 31 December 2020

(all amounts in EUR, unless otherwise stated)

3. Project financial statements for the year 2020 (continuing)

3.1.3.2. Summary of sources and uses of funds under Government contribution (Canton Sarajevo contribution)

	Ref.	Actual 2020	Cumulative 2020	Cumulative 2019	Cumulative budget	Cumulative variance
FINANCING						
Canton Sarajevo co-financing		-	82,308	82,308	-	(82,308)
TOTAL FINANCING	3.1.	-	82,308	82,308	-	(82,308)

PROJECT EXPENDITURE

By Category

Goods, works, consultants' services, training and operating costs for Part 1 of the Project

TOTAL EXPENDITURE	3.3	-	82,308	82,308	-	(82,308)
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ENERGY EFFICIENCY PROJECT
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Project financial statements for the year ended 31 December 2020

(all amounts in EUR, unless otherwise stated)

3. Project financial statements for the year 2020 (continuing)

3.1.3.3. Summary of sources and uses of funds under Government contribution (HNK Canton contribution)

	Ref.	Actual 2020	Cumulative 2020	Cumulative 2019	Cumulative budget	Cumulative variance
FINANCING						
HNK Canton co-financing		-	264,137	264,137	-	(264,137)
TOTAL FINANCING	3.1.	-	264,137	264,137	-	(264,137)

PROJECT EXPENDITURE

By Category

Goods, works, consultants' services, training and operating costs for Part 1 of the Project

	3.3	-	264,137	264,137	-	(264,137)
TOTAL EXPENDITURE						

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

Project financial statements for the year ended 31 December 2020

(all amounts in EUR, unless otherwise stated)

3. Project financial statements for the year 2020 (continuing)

3.1.3.4. Summary of sources and uses of funds under Government contribution (Canton 10)

	Ref.	Actual 2020	Cumulative 2020	Cumulative 2019	Cumulative budget	Cumulative variance
FINANCING						
Canton 10 co-financing		37,004	37,004	-	-	(37,004)
TOTAL FINANCING	3.1.	37,004	37,004	-	-	(37,004)
PROJECT EXPENDITURE						
By Category						
Goods, works, consultants' services, training and operating costs for Part 1 of the Project		37,004	37,004	-	-	(37,004)
TOTAL EXPENDITURE	3.3	37,004	37,004	-	-	(37,004)

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

Project financial statements for the year ended 31 December 2020

(all amounts in EUR, unless otherwise stated)

3. Project financial statements for the year 2020 (continuing)

3.1.4 Summary of sources and uses of funds under Other income

	Ref.	Actual 2020	Cumulative 2020	Cumulative 2019	Cumulative budget	Cumulative variance
FINANCING						
Other income		(6)	(9)	(3)	-	9
TOTAL FINANCING	3.1.	(6)	(9)	(3)	-	9

PROJECT EXPENDITURE

By Category

Goods, works, consultants' services and operating costs for Part 1 of the

Project

TOTAL EXPENDITURE	3.3	-	-	-	-	-
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ENERGY EFFICIENCY PROJECT
of the Ministry of Finance and Treasury of Bosnia and Herzegovina

Project financial statements for the year ended 31 December 2020

(all amounts in EUR, unless otherwise stated)

3. Project financial statements for the year 2020 (continuing)

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

	Ref.	Actual 2020	Cumulative 2020	Cumulative 2019	Cumulative budget	Cumulative variance
FINANCING						
IBRD 8906 - BA					16,366,193	
Initial deposit		500,000	500,000	-	-	
Front-End Fee		40,915	40,915	-	-	
TOTAL FINANCING	3.4	540,915	540,915	-	16,366,193	15,825,278
PROJECT EXPENDITURE						
<i>By Category</i>						
Goods, works, consultants' services and operating costs for Part 1 of the Project		91,471	91,471	-	16,325,278	16,233,807
Front-End Fee		40,915	40,915	-	40,915	-
TOTAL EXPENDITURE	3.4	132,386	132,386	-	16,366,193	16,233,807
PROJECT EXPENDITURE						
<i>By Component</i>						
Energy Efficiency investments		-	-	-	14,209,028	14,209,028
Support for the development of scalable financing mechanisms and capacity building		-	-	-	1,063,000	1,063,000
Project management and implementation		91,471	91,471	-	1,053,250	961,779
Front-End Fee		40,915	40,915	-	40,915	-
TOTAL EXPENDITURE	3.4	132,386	132,386	-	16,366,193	16,233,807

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

Project financial statements for the year ended 31 December 2020

(all amounts in EUR, unless otherwise stated)

3. Project financial statements for the year 2020 (continued)

3.3. Balance sheet as of 31 December 2020 showing accumulated funds of the Project and bank balances concerning World Bank Funding

	Ref.	31 December 2020	31 December 2019
ASSETS			
Project expenditure under IDA Credit No. 5393 BA	3.1.1	13,474,337	13,380,001
Project expenditure under IDA Credit No. 5538 BA	3.1.2	1,774,998	559,825
Project expenditure under Government contribution	3.1.3	1,393,233	1,017,900
		16,642,568	14,957,726
Designated account - IDA Credit No. 5393 BA and IDA Credit No.5538 BA	A.1	113,951	113,162
Local bank account- Government	A.3	774,195	1,112,524
Petty cash-IDA	A.4	-	862
		888,146	1,226,548
Total assets		17,530,714	16,184,274
LIABILITIES			
IDA Credit No. 5393 BA	C.1	13,474,344	13,474,344
IDA Credit No. 5538 BA	C.2	1,888,951	579,509
Government contribution	3.1.2	2,167,428	2,130,424
Other income	3.1.4	(9)	(3)
Total liabilities		17,530,714	16,184,274

Signed and authorised by: _____

Josip Martić
 Minister

Sarajevo, 20 April 2021


Belma Đonko
 Financial Manager

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

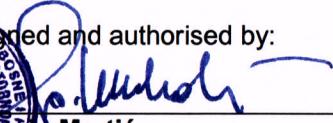
Project financial statements for the year ended 31 December 2020

(all amounts in EUR, unless otherwise stated)

3. Project financial statements for the year 2020 (continued)

3.4. Balance sheet as of 31 December 2020 showing accumulated funds of the Project and bank balances concerning World Bank funding IBRD No. 8906-BA

	Ref.	31 December 2020	31 December 2019
ASSETS			
Project expenditure under IBRD No. 8906-BA	3.2	132,386	-
		<u>132,386</u>	<u>-</u>
Designated account - IBRD No. 8906-BA	A.5	408,529	-
		<u>408,529</u>	<u>-</u>
Total assets		540,915	-
LIABILITIES			
IDA Credit No. 5393 BA	C.3	540,915	-
Total liabilities		540,915	-

Signed and authorised by:

 Josip Martić
 Minister


Sarajevo, 20 April 2021


Belma Đonko
 Financial Manager

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

Project financial statements for the year ended 31 December 2020

(all amounts in EUR, unless otherwise stated)

4. Notes to the project financial statements

4.1 Basis of preparation and accounting records

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

4.2 Accounting policies

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

Cash basis of accounting

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

Project expenditure is stated at original cost on the balance sheet.

Direct payments

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

Statement of Expenditure (SoE)

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

Currency conversions

The reporting currency is Euro (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 that due to the Currency Board arrangement has not been changed throughout the year.

Designated accounts

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

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

Project financial statements for the year ended 31 December 2020

(all amounts in EUR, unless otherwise stated)

4. Notes to the project financial statements (continued)

4.2 Accounting policies (continued)

Local bank accounts

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

Other income

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

Interest on Designated accounts

Interest earned on the Designated accounts belongs to the Borrower.

Interest on local bank accounts

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

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

Project financial statements for the year ended 31 December 2020

(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.: BA391994990031508235
Depository Bank: Sparkasse bank dd BiH
Address: Zmaja od Bosne 7, 71000 Sarajevo
Related Credit: IDA Credit No. 5393-BA & IDA Credit No. 5538-BA
Currency: EUR

	Ref.	EUR
Opening balance 1 January 2020	3.3	113,136
Add:		
World Bank replenishments	B.2	854,036
Interest		(6)
		<u>967,166</u>
Deduct:		
Transfer to designated sub-account	A.2	(852,802)
Payments to suppliers - Expenditure under IDA Credit		(438)
		<u>(853,240)</u>
Ending balance 31 December 2020	3.3	113,926

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

Project financial statements for the year ended 31 December 2020

(all amounts in EUR, unless otherwise stated)

APPENDIX A.2 DESIGNATED SUB-ACCOUNT STATEMENT

Account owned by: Ministry of Finance and Treasury of Bosnia and Herzegovina
Account No.: 1994990031508235
Depository Bank: Sparkasse bank dd BiH
Address: Zmaja od Bosne 7, 71000 Sarajevo
Related Credit: IDA Credit No. 5393 BA & IDA Credit No. 5538 BA
Currency: BAM

	Ref.	BAM	EUR
Opening balance 1 January 2020	3.3	51	26
Add:			
Transfers from DA - IDA Credit 5393 - BA	A.1.	1,667,935	852,802
		1,667,986	852,828
Deduct:			
Payments to suppliers - Expenditure under IDA Credit		(1,667,936)	(852,803)
		(1,667,936)	(852,803)
Ending balance 31 December 2020	3.3	50	25

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

Project financial statements for the year ended 31 December 2020

(all amounts in EUR, unless otherwise stated)

APPENDIX A.3 LOCAL BANK ACCOUNT STATEMENT

Account owned by: Ministry of Physical Planning

Account No.: 1027080000010242

Depository Bank: Union banka dd Sarajevo

Address: Dubrovačka br.6, Sarajevo

Related Credit: Other sources of financing (income)

Currency: BAM

	Ref.	BAM	EUR
Opening balance 1 January 2020	3.3	2,175,907	1,112,524
Add:			
Canton-10 co-financing	A.1	66,506	37,004
		2,242,413	1,149,528
Deduct:			
Payments – expenditure under the Government contribution		(661,714)	(338,329)
Payments – expenditure under Canton-10 contribution		(66,506)	(37,004)
		728,220	(375,333)
Ending balance 31 December 2020	3.3	1,514,193	774,195

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

Project financial statements for the year ended 31 December 2020

(all amounts in EUR, unless otherwise stated)

APPENDIX A.4 PETTY CASH STATEMENT

Address: PIU, Sarajevo

Related Credit: Credit No. 5393 BA

Currency: BAM

	Ref.	BAM	EUR
Opening balance 1 January 2020	3.3	1,686	862
Add:			
Transfers from Designated sub-account – IDA 5393 – BA and IDA 5538 – BA	A.2	-	-
		1,686	862
Deduct:			
Payments - Expenditure under IDA 5393 – BA and 5538 – BA		1,686	862
		1,686	862
Ending balance 31 December 2020	3.3	-	-

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

Project financial statements for the year ended 31 December 2020

(all amounts in EUR, unless otherwise stated)

APPENDIX A.5 DESIGNATED ACCOUNT STATEMENT

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

Account No.: 393387304856198007

Depository Bank: UniCredit Bank d.d.

Address: Kardinala Stepinca bb

Related Credit: IBRD Credit No. 8906-BA

Currency: EUR

	Ref.	BAM	EUR
Opening balance 1 January 2020	3.4	-	-
Add:			
IBRD replenishments	B.3	977,915	500,000
		977,915	500,000
Deduct:			
Payments of expenditures during the period		178,902	91,471
		178,902	91,471
Ending balance 31 December 2020	3.4	799,013	408,529

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

Project financial statements for the year ended 31 December 2020

(all amounts in EUR, unless otherwise stated)

**APPENDIX B.1 SoE Withdrawal Schedule of IDA Credit No. 5393 BA for the year ended
31 December 2020**

	Initial deposit	Goods, works, consultants' services, and operating costs for Part 1 of the Project	Total application	Total replenished
Previous period	460,000	13,380,001	13,380,001	13,474,344
Total direct payments in 2020	-	-	-	-
Application 110*	-	58,058	58,058	-
Application 114*	-	36,278	36,278	-
Total SoE applications in 2020	-	94,336	94,336	-
Total 2020	-	94,336	94,336	-
Cumulative as of 31 December 2020	460,000	13,474,337	13,474,337	13,474,344

* Application No. 110 and No. 114 were replenished in 2021, but expenses were made in 2020.

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

Project financial statements for the year ended 31 December 2020

(all amounts in EUR, unless otherwise stated)

**APPENDIX B.2 SoE Withdrawal Schedule of IDA Credit No. 5538-BA for the year ended
31 December 2020**

	Initial deposit	Goods, works, consultants' services, and operating costs for Part 1 of the Project	Total application	Total replenished
Previous period	150,000	559,825	559,825	579,509
Application 108	-	180,350	180,350	180,350
Application 109	-	71,581	71,581	71,581
Application 111	-	29,431	29,431	29,431
Application 112	-	117,194	117,194	117,194
Application 113	-	56,850	56,850	56,850
Total direct payments in 2020	-	455,406	455,406	455,406
Application 7*	-	-	-	130,315
Application 8	-	65,759	65,759	65,759
Application 9	657,962	-	-	657,962
Application 10	-	477,581	477,581	-
Application 11	-	125,604	125,604	-
Application 12**	-	90,823	90,823	-
Total SoE applications in 2020	657,962	759,767	759,767	854,036
Total 2020	657,962	1,215,173	1,215,173	1,309,442
Cumulative as of 31 December 2020	807,962	1,774,998	1,774,998	1,888,951

* Application No. 7 was replenished in 2020, but expenses were made in 2019.

** Part of costs under Application No. 12 which are presented in the table are related to the period from 16 November 2020 to 31 December 2020.

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

Project financial statements for the year ended 31 December 2020
(all amounts in EUR, unless otherwise stated)

APPENDIX B.3 SoE Withdrawal Schedule of IBRD Credit No. 8906-BA for the year ended 31 December 2020

	Initial deposit	operating costs for Part 1 of the Project	Total application	Total replenished
Previous period	-	-	-	-
Front-end fee	-	40,915	40,915	40,915
Application 01	500,000	-	-	500,000
Application 02*	-	91,471	91,471	-
Total SoE applications in 2020	500,000	91,471	91,471	500,000
Total 2020	500,000	132,386	132,386	540,915
Cumulative as of 31 December 2020	500,000	132,386	132,386	540,915

* Application No. 02 will be replenished in 2021, but expenses were made in 2019

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

Project financial statements for the year ended 31 December 2020

(all amounts in EUR, unless otherwise stated)

APPENDIX C.1 Reconciliation between World Bank's Disbursement Statements in XDR and IDA Credit account in EUR according to the balance sheet as of 31 December 2020; SoE Withdrawal Schedule of IDA Credit No. 5393 BA

	Changes in IDA Credit (in XDR)	Exchange rate used	Changes in IDA Credit (in EUR)
Original amount	10,920,000	1.273960	13,911,642
Disbursed in previous years	10,920,000		13,474,344
Total disbursed in 2020		-	-
Cumulative disbursements as of 31 December 2020	10,920,000		13,474,344
Cumulative undisbursed balance as of 31 December 2020		-	437,298
Undisbursed balance as per World Bank Summary for December 2020		1.235880	-
Exchange rate loss			437,298

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

Project financial statements for the year ended 31 December 2020

(all amounts in EUR, unless otherwise stated)

APPENDIX C.2 Reconciliation between World Bank's Disbursement Statements in XDR and IDA Credit account in EUR according to the balance sheet as of 31 December 2020; SoE Withdrawal Schedule of IDA Credit No. 5538 BA

	Changes in IDA Credit (in XDR)	Exchange rate used	Changes in IDA Credit (in EUR)
Original amount	1,560,000	1.273960	1,987,378
Disbursed in previous years	473,802		579,509
Application 108	150,760	1.196275	180,350
Application 109	59,366	1.205761	71,581
Application 111	24,702	1.191449	29,431
Application 112	97,474	1.202303	117,194
Application 113	47,394	1.199509	56,850
Total direct payments in 2020	379,696		455,406
Application 7	104,689	1.244789	130,315
Application 8	54,090	1.215702	65,759
Application 9	547,723	1.201268	657,962
Total disbursements in 2020	706,502		854,036
Cumulative disbursements as of 31 December 2020	1,560,000		1,888,951
Calculated undisbursed balance as of 31 December 2020		-	98,427
Undisbursed balance as per World Bank Summary for December 2020		-	1.235880
Exchange rate loss			98,427

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

Project financial statements for the year ended 31 December 2020

(all amounts in EUR, unless otherwise stated)

APPENDIX C.3 Reconciliation between World Bank's Disbursement Statements in EUR according to the balance sheet as of 31 December 2020; SoE Withdrawal Schedule of IBRD Credit No. 8906-BA

	Changes in IBRD Credit (in EUR)	Exchange rate used	Changes in IBRD Credit (in EUR)
Original amount	16,366,193	1.00	16,366,193
Disbursed in previous years	-	-	-
Front-End Fee	40,915	-	40,915
Application 01	500,000	-	500,000
Total disbursed in 2020	540,915	-	540,915
Cumulative disbursements as of 31 December 2020	540,915	-	540,915
Calculated undisbursed balance as of 31 December 2020	15,825,278	-	15,825,278
Undisbursed balance as per World Bank Summary for December 2020	15,825,278	-	15,825,278
Difference	-	-	-

APPENDIX for the period ended 31 March 2021
(IDA Credit No. 5393-BA and 5538-BA)

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

Project financial statements for the period ended 31 March 2021

(all amounts in EUR, unless otherwise stated)

3. Project financial statements for the period ended 31 March 2021

3.1 Summary of sources and uses of funds under the IDA Credit No. 5393 - BA, IDA Credit No. 5538 – BA, Government contribution and Other income

	Ref.	Actual 2021	Cumulative 2021	Cumulative 2020	Cumulative budget	Cumulative variance
FINANCING						
IDA Credit No. 5393 - BA	3.1.1	-	13,474,344	13,474,344	13,911,642	437,298
IDA Credit No. 5538 - BA	3.1.2	-	1,888,951	1,888,951	1,987,378	98,427
Other income	3.1.3	(7)	(16)	(9)	-	16
TOTAL FINANCING	3.2	(7)	15,363,279	15,363,286	15,899,020	535,741

PROJECT EXPENDITURE

By Category

Goods, works, consultants' services and operating costs for Part 1 of the Project

TOTAL EXPENDITURE	3.2	107,006	15,356,341	15,249,335	15,899,020	(542,679)
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ENERGY EFFICIENCY PROJECT
of the Ministry of Finance and Treasury of Bosnia and Herzegovina

Project financial statements for the period ended 31 March 2021

(all amounts in EUR, unless otherwise stated)

3. Project financial statements for the period ended 31 March 2021 (continuing)

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

	Ref.	Actual 2021	Cumulative 2021	Cumulative 2020	Cumulative budget	Cumulative variance
FINANCING						
<i>IDA Credit No. 5393 - BA</i>					13,911,642	
Initial deposit		- 460,000	460,000			
Direct payments		- 8,502,925	8,502,925			
SoE replenishments		- 4,511,419	4,511,419			
TOTAL FINANCING	3.1.	- 13,474,344	13,474,344	13,911,642	437,298	
PROJECT EXPENDITURE						
<i>By Category</i>						
Goods, works, consultants' services and operating costs for Part 1 of the Project		- 13,474,337	13,474,337	13,911,642	437,305	
TOTAL EXPENDITURE	3.2	- 13,474,337	13,474,337	13,911,642	437,305	

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

Project financial statements for the period ended 31 March 2021

(all amounts in EUR, unless otherwise stated)

3. Project financial statements for the period ended 31 March 2021 (continuing)

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

	Ref.	Actual 2021	Cumulative 2021	Cumulative 2020	Cumulative budget	Cumulative variance
FINANCING						
IDA Credit No. 5538 - BA					1,987,378	
Initial deposit		-	807,962	807,962		
Direct payments		-	455,406	455,406		
SoE replenishments		-	625,583	625,583		
TOTAL FINANCING	3.1.	-	1,888,951	1,888,951	1,987,378	98,427

PROJECT EXPENDITURE

By Category

Goods, works, consultants' services and operating costs for Part 1 of the

Project	107,006	1,882,004	1,774,998	1,987,378	105,374	
TOTAL EXPENDITURE	3.2	107,006	1,882,004	1,774,998	1,987,378	105,374

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

Project financial statements for the period ended 31 March 2021

(all amounts in EUR, unless otherwise stated)

3. Project financial statements for the period ended 31 March 2021 (continuing)

3.1.3 Summary of sources and uses of funds under Other income

	Ref.	Actual 2020	Cumulative 2021	Cumulative 2020	Cumulative budget	Cumulative variance
FINANCING						
Other income		(7)	(16)	(9)	-	16
TOTAL FINANCING	3.1.	(7)	(16)	(9)	-	16

PROJECT EXPENDITURE

By Category

Goods, works, consultants' services and operating costs for Part 1 of the Project

TOTAL EXPENDITURE	3.2	-	-	-	-	-
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**ENERGY EFFICIENCY PROJECT
of the Ministry of Finance and Treasury of Bosnia and Herzegovina**

Project financial statements for the period ended 31 March 2021

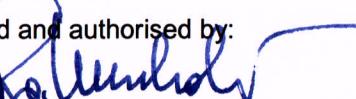
(all amounts in EUR, unless otherwise stated)

3. Project financial statements for the period ended 31 March 2021 (continuing)

3.2. Balance sheet as of 31 March 2021 showing accumulated funds of the Project and bank balances concerning World Bank Funding

	Ref.	31 December 2021	31 December 2020
ASSETS			
Project expenditure under IDA Credit No. 5393-BA	3.1.1	13,474,337	13,474,337
Project expenditure under IDA Credit No. 5538-BA	3.1.2	1,882,004	1,774,998
		15,356,341	15,249,335
Designated account - IDA Credit No. 5393-BA and IDA Credit No. 5538-BA	A.1	6,938	113,951
		6,938	113,951
Total assets		15,363,279	15,363,286
LIABILITIES			
IDA Credit No. 5393-BA	C.1	13,474,344	13,474,344
IDA Credit No. 5538-BA	C.2	1,888,951	1,888,951
Other income	3.1.4	(16)	(9)
Total liabilities		15,363,279	15,363,286

Signed and authorised by:



Jasib Martić
 Minister

Sarajevo, 20 April 2021


Belma Đonko
 Financial Manager

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

Project financial statements for the period ended 31 March 2021

(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.: BA391994990031508235

Depository Bank: Sparkasse bank dd BiH

Address: Zmaja od Bosne 7, 71000 Sarajevo

Related Credit: IDA Credit No. 5393 BA & IDA Credit No. 5538 BA

Currency: EUR

	Ref.	EUR
Opening balance 1 January 2021	3.2	<u>113,926</u>
Add: Interest		<u>(7)</u>
		<u>113,919</u>
Deduct: Transfer to designated sub-account	A.2	<u>(107,007)</u>
		<u>(107,007)</u>
Ending balance 31 March 2021	3.2	<u>6,912</u>

**ENERGY EFFICIENCY PROJECT
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APPENDIX A.2 DESIGNATED SUB-ACCOUNT STATEMENT

Account owned by: Ministry of Finance and Treasury of Bosnia and Herzegovina
Account No.: 1994990031508235
Depository Bank: Sparkasse bank dd BiH
Address: Zmaja od Bosne 7, 71000 Sarajevo
Related Credit: IDA Credit No. 5393 BA & IDA Credit No. 5538 BA
Currency: BAM

	Ref.	BAM	EUR
Opening balance 1 January 2021	3.2	50	25
Add:			
Transfers from DA - IDA Credit 5393 - BA	A.1.	209,286	107,007
		209,336	107,032
Deduct:			
Payments to suppliers - Expenditure under IDA Credit		(209,286)	(107,006)
		(209,286)	(107,006)
Ending balance 31 March 2021	3.2	50	26

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**APPENDIX B.1 SoE Withdrawal Schedule of IDA Credit No. 5393 BA for the period ended
31 March 2021**

	Initial deposit	Goods, works, consultants' services, and operating costs for Part 1 of the Project	Total application	Total replenished
Previous period	460,000	13,474,337	13,474,337	13,474,344
Total direct payments in 2021	-	-	-	-
Total SoE applications in 2021	-	-	-	-
Total 2020	-	-	-	-
Cumulative as of 31 March 2021	460,000	13,474,337	13,474,337	13,474,344

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APPENDIX B.2 SoE Withdrawal Schedule of IDA Credit No. 5538 BA for the period ended 31 March 2021

	Initial deposit	Goods, works, consultants' services, and operating costs for Part 1 of the Project	Total application	Total replenished
Previous period	807,962	1,774,998	1,774,998	1,888,951
Total direct payments in 2021	-	-	-	-
Application 12**	-	107,006	107,006	-
Total SoE applications in 2021	-	107,006	107,006	-
Total 2021	657,962	107,006	107,006	-
Cumulative as of 31 March 2021	657,962	1,882,004	1,882,004	1,888,951

*** Part of costs under Application No. 12 which are presented in the table are related to the period from 1 March to 31 March 2021.*

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APPENDIX C.1 Reconciliation between World Bank's Disbursement Statements in XDR and IDA Credit account in EUR according to the balance sheet as of 31 March 2021; SoE Withdrawal Schedule of IDA Credit No. 5393 BA

	Changes in IDA Credit (in XDR)	Exchange rate used	Changes in IDA Credit (in EUR)
Original amount	10,920,000	1.273960	13,911,642
Disbursed in previous years	10,920,000		13,474,344
Total disbursed in 2020		-	-
Cumulative disbursements as of 31 March 2021	10,920,000		13,474,344
Cumulative undisbursed balance as of 31 March 2021		-	437,298
Undisbursed balance as per World Bank Summary for March 2021		- 1.235880	-
Exchange rate loss			437,298

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APPENDIX C.2 Reconciliation between World Bank's Disbursement Statements in XDR and IDA Credit account in EUR according to the balance sheet as of 31 March 2021; SoE Withdrawal Schedule of IDA Credit No. 5538 BA

	Changes in IDA Credit (in XDR)	Exchange rate used	Changes in IDA Credit (in EUR)
Original amount	1,560,000	1.273960	1,987,378
Disbursed in previous years	1,560,000		1,888,951
Total disbursements in 2021		-	
Cumulative disbursements as of 31 March 2021	1,560,000		1,888,951
Calculated undisbursed balance as of 31 March 2021		-	98,427
Undisbursed balance as per World Bank Summary for March 2021		1.235880	-
Exchange rate loss			98,427