

**BOSNIA AND HERZEGOVINA  
THE FEDERATION OF BOSNIA AND HERZEGOVINA**

**JP Autoceste FBiH d.o.o. Mostar**

**PROJECT PROGRESS REPORT  
As of 30<sup>th</sup> September, 2019**

**Project:  
CONSTRUCTION OF MOTORWAYS IN THE FEDERATION  
OF B&H**



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**Mostar, October 2019**

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## 1. INTRODUCTION

Public company Motorways of Federation of Bosnia and Herzegovina Ltd. Mostar (hereinafter called: JP Autoceste FBiH) was established by the Law on Roads of the Federation of Bosnia and Herzegovina on 1<sup>st</sup> January, 2011. The activity of the JP Autoceste FBiH is defined by the Law on roads of the Federation of BH, on the basis of which the JP Autoceste FBiH became the holder and the implementer of the realization of very complex and important project for the construction of highway on part of the international Corridor Vc, which connects Eastern and Central Europe with the Mediterranean coast. The legal framework for the Company other than the Law on roads is also defined with Law on the motorway on Corridor Vc, the Law on Enterprises and the Law on Public Companies in the Federation, and other regulations in Bosnia and Herzegovina.

### Project description

At the second Pan-European Conference on Transport, held in Crete in 1994, the European Union has defined the priorities of the Union in the field of infrastructure and transport corridors to the east, until 2015.

At the third Pan-European Conference held in Helsinki in 1997, the number of corridors was increased to ten and some changes were made. One of those changes was the introduction of Corridor Vc (Budapest - Osijek - Sarajevo - Ploče) in the basic European transport network.

Corridor Vc is multimodal road corridor that connects Hungary (Budapest) to Croatia (Port of Ploče), via Osijek (Croatia) and Sarajevo (Bosnia and Herzegovina), it is also the largest project of transport infrastructure in Bosnia and Herzegovina with a total length of about 340 km. The construction of the highway Corridor Vc enhances connectivity of BiH with neighboring countries and enhances the potential for economic development. The project has strong support from the Government of the Federation of Bosnia and Herzegovina, and is expected to enable Bosnia and Herzegovina better integration with the European economic and social structures.

Corridor Vc in Bosnia and Herzegovina consists of four main sections (in official documents named as "Lots"), as follows:

- **Lot 1:** Svilaj on The Sava River (connection to Corridor X) - Doboj South;
- **Lot 2:** Doboj South - Sarajevo South (Tarčin);
- **Lot 3:** Sarajevo South (Tarčin) - Mostar;
- **Lot 4:** Mostar North - Bijača on the southern border with Croatia.

So far there have been constructed and open to traffic 92 km of the motorway on Corridor Vc referring to the following sections:

- Kakanj - Zenica South
- Zenica South - Sarajevo North
- Sarajevo North - Sarajevo West
- Sarajevo West- Tarčin

- Zvirovići - Bijača



Map of motorways and expressways in Bosnia and Herzegovina

## 2. LOAN AGREEMENTS

According to the Law on Roads of FBiH, financing of maintenance, protection, reconstruction and construction is secured from the following funds:

- Public revenues;
- Loans;
- Grants.

Public revenues which are directed to the JP Autoceste FBiH are:

- Revenues from the fuel levy;
- Tolls;
- Revenues from the motorway land use.

Funding of the completed sections of the Corridor Vc, in FBiH was done with the following loans:

- The loan of the European Bank for Reconstruction and Development (EBRD) in the amount of 205 million EUR;
- The loan of the European Investment Bank (EIB) in the amount of 75 million EUR and
- The loan of the European Investment Bank (EIB) in the amount of 166 million EUR.

For motorway sections on Corridor Vc whose construction is in progress or in preparation, Bosnia and Herzegovina has concluded loan agreements with international financial institutions as follows:

- Kuwait Fund for Arab Economic Development (KFAED) in the amount of **10.5 million KWD** (Kuwaiti dinars). The construction of the motorway section Donja Gračanica - Drivuša, subsections Drivuša - Klopče has been financed by this loan.
- OFID - OPEC Fund for International Development in 6<sup>th</sup> April 2016, the amount of approximately **60 million EUR** (48 million USD and 24 million EUR) to finance the construction of subsection Klopče - Donja Gračanica. Withdrawal of loan funds for the construction of this section is ongoing.
- OFID - OPEC Fund for International Development in 30<sup>th</sup> August 2018 the amount of **49 million EUR** for co-financing the construction of the subsection Vranduk - Ponirak. The contract is still in the process of ratification.
- European Investment Bank (EIB) in October 2015, the amount of **100 million EUR** for the construction of subsection Počitelj - Zvirovići. Finance contract is effective and withdrawal is ongoing.
- European Investment Bank (EIB) in 26<sup>th</sup> April 2018, the amount of **100 million EUR** for the construction of subsection Tunnel Kvanj - Buna. The financing agreement was ratified on 2<sup>nd</sup> October 2018. In November 2018, a subsidiary agreement and a sub-funding agreement were signed. The conditions for withdrawing the first tranche of loans are in progress.



- European Investment Bank (EIB) in 26<sup>th</sup> April 2018, the amount of **50 million EUR** for the construction of subsection Ponirak - Vraca. The financing agreement was ratified on 20<sup>th</sup> September 2018. In November 2018, a subsidiary agreement and a sub-funding agreement were signed. Fulfilling of conditions for first disbursement is in progress.
- European Bank for Reconstruction and Development (EBRD) Loan funds became effective as of 30<sup>th</sup> March 2018, in the amount of:
  - **80 million EUR** to finance the construction of subsections Donja Gračanica (Tunnel Pečuj) - Tunnel Zenica and section Buna - Počitelj and
  - **76 million EUR** for co-financing the construction of Phase II of the section Svilaj-Odzak and co-financing subsection Klopče - Donja Gračanica (tunnel Pečuj).
- European Bank for Reconstruction and Development (EBRD) in 12<sup>th</sup> September 2018, in the amount of **180 million EUR**:
  - **70 million EUR** to finance the construction of section Poprikuše - Nemila,
  - **50 million EUR** to finance the construction of subsection LOT 2 Tunnel Ivan,
  - **60 million EUR** to finance the construction of subsection Mostar South - Tunnel Kvanj. The contract is still in the process of ratification.
- The Loan agreement between Bosnia and Herzegovina and Kuwait Fund for Arab Economic Development (KFAED) is signed on 19<sup>th</sup> February 2019 in the amount of approximately **36 million EUR** for co-financing the construction of the **subsection Nemila - Donja Gračanica Lot 3. Nemila - Vranduk**. The procedure of ratification of the Loan agreement is ongoing.
- The loan from European Bank for Reconstruction and Development (EBRD) in the amount of **60 million EUR** for financing the construction of the section of Corridor Vc **Putnikovo Brdo - Medakovo** in the total length of 8.5 km. This loan is a part of wider loan arrangement for Doboj Bypass in the amount of 210 million EUR (Republic of Srpska and Federation BiH). The agreement was signed on May 9th 2019 and the procedure of contract ratification is ongoing.

In addition to the existing loan arrangements, JP Autoceste FBiH has initiated other activities related to securing funds with international financial institutions, such as:

- A loan of 25 million EUR from OFID for additional financing of the motorway section Vranduk – Ponirak. The initiative was adopted in the reporting period by the management and the supervisory board of JP Autoceste FBiH, and the line ministry gave its consent to it. In early September, the negative response to the initiative was received from the Federal Ministry of Finance with instructions for finding more favorable sources of financing.
- A loan from European Investment Bank for partial financing of the motorway section Poprikuše – Nemila in the amount of 90 million EUR and motorway section Tarčin – Ivan in the amount of 50 million EUR. The credit analysis was completed and the loan was approved by the Bank's Board. The Government of the Federation of Bosnia and Herzegovina has adopted the loan initiative in the amount of 140 million EUR at the session held on September 24th 2019 and it was forwarded to the Ministry of Finance and Treasury for further action.

Also, on September 30th 2019, the European Investment Bank informed JP Motorways about its readiness to participate in financing of the construction of a motorway section from Ovčari to Mostar North, approximately 34 kilometers long, with a potential loan amount up to 300 million EUR.

### 3. PROCUREMENT PLAN

JP Autoceste FBiH has prepared an expected procurement plan. The estimated values are planned, but real values will be determined after completion of the main project and tender procedures. Please consider that the contract values and changes in the values of contracts occur according to the signed Addendums which are given in detail under **Chapter 6**. The table below presents the data on sections that are under construction, the sections that are at the stage of tendering and sections that have been planned for tendering.

*Values are given in 000 EUR*

No.	Description	Estimated	Financed by	Financed by others	Contract	Contract	Procurement	Tender	Contract	Contract
		Contract Value	EBRD/EIB/KFAED/OP EC	Investor	Amount including VAT	Type	method	Invitation month/year	Award month/year	Completion month/year
1.	Svilaj (northern border with Croatia) - Odžak motorway project	1.500		MKTBiH		Design	Competitive	Aug-07	Feb-08	Aug-11
2.	Svilaj (northern border with Croatia) - Odžak supervision services of construction	I phase 3.000	EIB		3.204	Supervision	Competitive	Nov-11	Sep-13	Nov-16 <sup>1</sup>
		II phase 1.500	EBRD		1.186	Supervision	Direct contacting	Feb-17	Mar-17	Dec-19
3.	Svilaj (northern border with Croatia) - Odžak construction works	31.000	EIB		85.648	Construction Works	Open	Nov-11	Sep-13	Nov-14 <sup>2</sup>
		38 500	EBRD							
4.	Donja Gračanica - Drivuša motorway design	2.262		MKTBiH		Design	Competitive		Dec-07	Jun-10
5.	Donja Gračanica - Drivuša - motorway supervision	5.000								
a	Drivuša - Klopče	2.000	KFAED		3.323	Supervision	Competitive	Sep-13	Sep-14	June-20 <sup>4</sup>
b	Klopče - Donja Gračanica	3.000	OPEC		5.473	Supervision	Competitive	Oct-14	May-16	Nov-20
6.	Donja Gračanica - Drivuša - construction works	174.000								
a	Drivuša - Klopče	28.000	KFAED		33.527	Construction works	Open	Sep-13	Sep-14	Mar-17 <sup>5</sup>



b	Klopče - Donja Gračanica	110.000	OPEC		107.879	Construction works	Open	Oct-14	May-16	Nov-19 <sup>6</sup>
		36 000	EBRD							
7.	Počitelj - southern border with Croatia motorway design	2.500		MKTBiH		Design	Competitive	Aug-07	Feb-08	April-11
8.	Počitelj - Zvirovići the new motorway design	2.000	EIB-grant		2.327	Design	Competitive	July-12	Oct-13	Dec-14 <sup>3</sup>
9.	Počitelj - Zvirovići supervision services of construction	5.000	EIB		4.434	Supervision	Competitive	May-17	Jun-19	Dec-23
10.	Technical assistance to PIU	600	EIB		561	Supervision	Competitive	May-17	Mar-19	Sep-21
11.	Počitelj - Zvirovići, construction works	105.000	EIB		84.638	Construction works	Open	July-18	Jun-19	Dec-21
12.	Donja Gračanica - Tunnel Zenica motorway construction	55.000	EBRD		67.360	Construction works	Open	July-16	Nov-18	May-21
13.	Donja Gračanica - Tunnel Zenica supervision services of construction	2.500	EBRD		2.837	Supervision	Competitive	Dec-16	July-18	Feb-23
14.	Mostar South - border with Croatia motorway project	2.219		MKTBiH		Design	Competitive		Jan-08	July-09
15.	Buna - Počitelj supervision services of construction	2.500	EBRD		1.534	Supervision	Competitive	Dec-16	Maj -18	Nov-21
16.	Buna - Počitelj ,motorway construction	30.000	EBRD		25.692	Construction works	Open	July-16	Maj -18	Nov-19
17.	Ponirak-Vraca motorway construction	72.000	EIB EBRD		81.325	Construction works	Open	July-17	Aug-19	Sep-21
18.	Ponirak - Vraca supervision	3.000	WBIF		2.245	Supervision	Competitive	July-17	Sep-19	Sep-23
19.	Ponirak-Vraca technical assistance	600	EIB		672	Supervision	Competitive	Mar-18	Mar-19	Aug-21
20.	Vranduk - Ponirak motorway construction	48.000	OFID		76.593	Construction works	Open	July-17	Maj-19	April-21
21.	Vranduk - Ponirak supervision	2.500	OFID		2.435	Supervision	Competitive	July-17	Maj-19	April-21
22.	Tarčin-Ivan, LOT 2 tunnel Ivan motorway construction	48.230	EBRD other funds			Construction works	Open	Aug-18	July-19	Jan-22
23.	Tarčin-Ivan, LOT 2 tunnel Ivan supervision	2.500	EBRD			Supervision	Competitive	Aug-18	June-19	Jan-22
24.	Tarčin-Ivan, LOT 2 tunnel Ivan technical assistance	800	EBRD			Supervision	Competitive	Aug-18	July-19	Jan-22
25.	Poprikuše-Nemila motorway	180.190	EBRD EIB			Construction	Open	Aug-18	Sep -19	July-22

	construction		other funds			works				
26.	Poprikuše-Nemila supervision	6.200	EBRD			Supervision	Competitive	Aug-18	July-19	July-24
27.	Poprikuše-Nemila technical assistance	1.200	EBRD			Supervision	Competitive	Aug-18	July-19	July-22
28.	Nemila-Vranduk motorway construction	34.600	KFAED			Construction works	Open	July-18	Dec-19	May-21
29.	Nemila-Vranduk supervision	1.400	KFAED			Supervision	Competitive	Apr-18	Sep-19	Apr-23
30.	Tunnel Kvanj-Buna motorway construction	98.100	EIB			Construction works	Open	Dec-18	Nov- 19	June-22
31.	Tunnel Kvanj-Buna supervision	5.000	EIB WBIF			Supervision	Competitive	Aug-18	July-19	July-24
32.	Tunnel Kvanj-Buna technical assistance	800	EIB WBIF			Supervision	Competitive	Aug-18	June-19	June-22
37.	<b>TOTAL:</b>	<b>960.720</b>	<b>EBRD EIB KFAED OPEC</b>							
34.	<b>VAT (17%)</b>	<b>163.322</b>		<b>JPAFBiH</b>						
33.	<b>Land Expropriation</b>	<b>38.363</b>		<b>JPAFBiH</b>						
35.	<b>TOTAL:</b>	<b>8.481</b>		<b>MKTBiH</b>						
36.	<b>TOTAL:</b>	<b>203.259</b>		<b>JPAFBiH, MKTBiH</b>						

**Table 1. Procurement plan**

<sup>1</sup> Addendum 1 - Deadline for supervision has been extended until June 2017

<sup>2</sup> Addendum 3 - The remaining works on Section II begin 7 days after obtaining a GP license or 15.03.2018. depending on what happens before, with a deadline for carrying out works of 400 days from the beginning, and the completion of construction works in April 2019th

<sup>3</sup> Addendum 2 - Deadline for completion of design services was extended until March 2015

<sup>4</sup> Addendum 2 - Deadline for supervision has been extended until June 2020

<sup>5</sup> Addendum 1, by which the deadline for construction works shall be extended until July 2018, is expected to be signed in the upcoming period.

<sup>6</sup> Addendum 2- deadline for construction works shall be extended until 18<sup>th</sup> November 2019

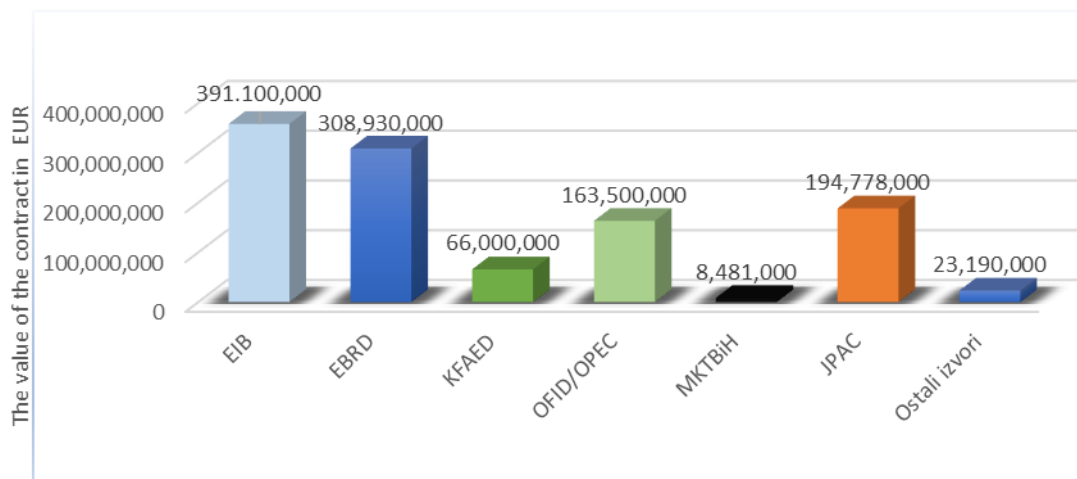
**Notice:** VAT charged on the total amount of the budget (does not include land expropriation).

**Legend:** **MKTBiH** - Ministry of Transport and Communications BiH ;

**JPAFBiH**- JP Autoceste FBiH d.o.o. Mostar (PC Motorways of FBH Ltd. Mostar)

**Diagram 1.** shows a plan of procurement of financing from international financial institutions, the Ministry of Communications and Transport and own resources JP Autoceste FBiH and the contracted value.

### PROCUREMENT PLAN



## 4. GRANT APPLICATIONS

### 4.1. Applying procedure

European commission publishes a call for applying to the grant funds of WBIF. For investment grants (INV) the call is published once a year, while the TA – technical assistance call is published twice a year. Company is eligible to apply if there is a loan agreement between the company and international financial institutions which are members of WBIF (EIB or EBRD). PC Motorways FBiH receive the official call for application from the relevant ministry. The official announcement of the supported grant applications is finally made at the annual summit of the leaders of EU and the Western Balkans after which the Steering Committee of WBIF approves applications. Applying procedure finishes by signing of the grant agreement between lead IFI and the Borrower.

The review of grant applications is given in the table 2.

Nr.	Grant application	IFI	Grant type INV/TA	Amount EUR (without Bank fee)	COMMENT
1.	Corridor Vc (Odžak - Svilaj) border crossing and border bridge	EIB/ EBRD	INV + TA	19.600.761,00	Grant agreement signed, ratified, grant funds withdrawn.
2.	Ponirak-Vraca (exit from Tunnel Zenica)*	EIB	INV + TA	19.000.000,00	The application was adopted by the WBIF Steering Committee by written procedure, the next phase of signing the contract with EIB.
3.	Exit from Tunnel Zenica-Donja Gračanica (entrance to Tunnel Pečuj)*	EBRD	INV + TA	12.062.000,00	The application was adopted by the WBIF Steering Committee by written procedure, the next phase of signing the contract with EBRD.
4.	Tarčin – entrance to Tunnel Ivan	EIB	INV + TA	11.780.000,00	The application was adopted by the WBIF Steering Committee by written procedure in December 2018, the next phase of signing the contract with EIB
5.	Tunnel Ivan	EBRD	INV + TA	11.480.000,00	The application was adopted by the WBIF Steering Committee by written procedure in December 2018, the next phase of signing the contract with EBRD
6.	Buna - Počitelj	EBRD	INV + TA	8.789.140,00	The application was adopted by the WBIF Steering Committee by written procedure in December 2018, the next phase of signing the contract with EBRD
7.	Poprikuše – Nemila	EIB/ EBRD	INV	41.174.000,00	The application was adopted by the WBIF Steering Committee by written procedure in July 2019, the next phase is signing the contract with EIB/EBRD.
8.	Entity border line - Putnikovo brdo - Medakovo	EBRD	INV	15.600.000,00	The application was adopted by the WBIF Steering Committee by written procedure in July 2019, the next phase is signing the contract with EIB/EBRD.
9.	Subsection Tarčin – Konjic 2: Ivan – Ovčari	EBRD	TA – main design	2.512.500,00	*adopted *update of project documentation * TOR is in preparation
10.	Konjic (Ovčari) – entrance to Tunnel Prenj	EIB/ EBRD	TA – main design	3.051.180,00	* adopted * TOR is in preparation *main design
11.	Exit from Tunnel Prenj (Salakovac) - Mostar North	EBRD	TA – main design	3.893.500,00	* adopted * TOR is in preparation *main design
12.	Počitelj - Zvirovići	EIB	TA – supervision	5.000.000,00	* adopted * TOR is in preparation *supervision

**Table 2.** Review of grant applications

In addition to the above grant applications, in January 2019, as part of the 21st call for TA grant applications, we also applied for the following sections: Tunnel Prenj, Poprikuše - Nemila, Tunnel Kvanj - Buna, Tunnel, Putnikovo brdo - Medakovo, Mostar South - Tunnel Kvanj, Tarčin - entrance to Tunnel Ivan, Tunnel Ivan, Optimisation of the Lašva interchange. We received information on which of these applications were supported in July 2019. Unfortunately, none of

the applications was accepted, but part of the application "Tunnel Putnikovo Brdo - Medakovo" was inserted into the related IG application, which was adopted earlier.

## 5. CONSTRUCTION PROJECTS IN PREPARATION

The projects under preparation for the individual sections and subsections of the motorway on the Corridor Vc are presented in the table:

Nr.	Section/Subsection	Length / km
1.	Putnikovo brdo – Medakovo	8,5
2.	Medakovo – Ozimice	21
3.	Ozimice – Poprikuše	13
4.	Poprikuše – Nemila	5,4
5.	Nemila – Vranduk	5,7
6.	Tarčin – Ivan	6,8
7.	Ivan – Ovčari	11,4
8.	Ovčari – Konjic – (entrance Tunnel) Prenj	11
9.	Tunnel Prenj	12
10.	Exit from Tunnel Prenj – Mostar North	11,5
11.	Mostar North - Mostar South	15,4
12.	Mostar South – Tunnel Kvanj	8,6
13.	Tunnel Kvanj – Buna	5,2

**Table 3.** A list of projects in preparation

The status of main projects, the mode of financing, the projected model of implementation, consents from the Institutions, the permits, the land acquisitions, the procedures for the procurement of the contractor, the consultant supervision services and the technical assistance to the unit for the implementation of the project per section are shown **in the following tables**.

### 5.1. Section Putnikovo Brdo - Medakovo

<b>SECTION PUTNIKOVO BRDO – MEDAKOVO</b>	
<b>FINANCING</b>	<b>European Bank for Reconstruction and Development (EBRD)</b>
<b>PROJECT DOCUMENTATION</b>	<p>This section consists from two subsections with different levels of project documentation. For the subsection Putnikovo Brdo – Karuše main design has been made but must be updated and harmonized with valid technical specifications.</p> <p>For the subsection Karuše – Medakovo only preliminary design has been made. Procurement of the main design has been launched in September 2019. Opening of the received applications is expected on October 21st 2019.</p>
<b>CONSENTS</b>	Urban consent acquired for the subsection Karuše – Medakovo
<b>LAND ACQUISITION</b>	The expropriation process will be launched after the public interest is declared by the federal government.
<b>PROCUREMENT</b>	The procurement process will be initiated once the conditions for initiating the procedure are met.

### 5.2. Section Medakovo - Ozimice

<b>SECTION MEDAKOVO – OZIMICE</b>	
<b>FINANCING</b>	Not defined. With the conclusion of the FBiH Government No. 302/2019, FMPIK, FMF and JPAC are to find and propose a new financing model for this section.
<b>PROJECT DOCUMENTATION</b>	Preliminary design is completed. At the moment ToR is being prepared for the main design of the entire section.
<b>CONSENTS</b>	Urban consent acquired. Federal Ministry of environment and tourism issued environmental permit for the entire LOT 2 Dobož South – Sarajevo North on September 27th 2019.
<b>LAND ACQUISITION</b>	Public interest has been declared in September 2019 by the federal government.
<b>PROCUREMENT</b>	The procurement process will be initiated by the creditor rules after defining the financing method.



### 5.3. Section Ozimice - Poprikuše

<b>SECTION OZIMICE – POPRIKUŠE</b>	
<b>FINANCING</b>	Not defined. With the conclusion of the FBiH Government No. 302/2019, FMPiK, FMF and JPAC are to find and propose a new financing model for this section.
<b>PROJECT DOCUMENTATION</b>	Preliminary design is completed. Procurement of the main design has been launched in September 2019. Opening of the received applications is expected on November 15th 2019.
<b>CONSENTS</b>	After the preparation of the documentation, previous urban planning approvals will be obtained. Federal Ministry of environment and tourism issued environmental permit for the entire LOT 2 Dobož South – Sarajevo North on September 27th 2019.
<b>LAND ACQUISITION</b>	The expropriation process will be launched after the public interest is declared by the federal government.
<b>PROCUREMENT</b>	The procurement process will be initiated by the creditor rules after defining the financing method.

### 5.4. Subsection Poprikuše - Nemila

<b>SUBSECTION POPRIKUŠE – NEMILA</b>	
<b>FINANCING</b>	<b>Loans from European Bank for Reconstruction and Development (EBRD) and European Investment Bank (EIB)</b>
<b>PROJECT DOCUMENTATION</b>	Preliminary design completed.
<b>CONSENTS</b>	Urban consent acquired
<b>PERMITS</b>	Federal Ministry of environment and tourism issued environmental permit for the entire LOT 2 Dobož South – Sarajevo North on September 27th 2019.
<b>LAND ACQUISITION</b>	The municipalities responsible for the land acquisition process are Žepče and Zenica. In Žepče 78 out of 100 cadastral parcels is acquired, and in Zenica 27 out of 30 cadastral parcels is acquired. A total of 81% of property was expropriated.
<b>PROCUREMENT – CONTRACTOR FOR WORKS</b>	The first phase of the procurement was finished by receiving the EBRD consent to the pre-qualification evaluation report in April 2019. The second phase of the procurement started with preparation of TD for which the Bank also gave its approval. Tender for works was published on August 15th 2019, and opening of the bids was scheduled on November 6th 2019.
<b>PROCUREMENT –</b>	The first phase of the procurement was finished by receiving the

<p><b>CONSULTING SERVICES FOR SUPERVISION</b></p>	<p>EBRD consent to the pre-qualification evaluation report in January 2019. The second phase started with preparation of the call for proposals text, the Bank's approval of the text was received on April 10th 2019. On this day call for proposal was delivered to the short-listed consultants. The bids were opened in June 2019. This was a pre-condition for opening of the financial offers which were opened the same day. Evaluation of financial offers is in progress, as well as the preparation of the combined/final report which will also be sent to the Bank for its approval.</p>
<p><b>PROCUREMENT – TECHNICAL ASSISTANCE TO THE PIU</b></p>	<p>The first phase of the procurement was finished by receiving the EBRD consent to the pre-qualification evaluation report in January 2019. The second phase started with sending the call for proposals to the chosen consultants in April 2019. The bids were received in June 2019, and the technical evaluation report was sent to the Bank, the Bank's approval was received on July 22nd 2019. which was the pre-condition for opening of the financial proposals that were opened the same day. Evaluation of the financial proposals is in progress as well as the preparation of the combined/final report which will also be sent to the Bank for its approval.</p>

**5.5. Section northern border of Zenica municipality (Nemila) – Zenica North (Donja Gračanica)**

**5.5.1. Subsection Nemila - Vranduk**

<p><b>SUBSECTION NEMILA – VRANDUK</b></p>	
<p><b>FINANCING</b></p>	<p><b>Loan from Kuwait Fund for Arabic Economic Development (KFAER)</b></p>
<p><b>PROJECT DOCUMENTATION</b></p>	<p>Preparation of the main design is in its final phase and is being financed from the IPA funds.</p>
<p><b>CONSENTS</b></p>	<p>Urban consent is acquired</p>
<p><b>PERMITS</b></p>	<p>Federal Ministry of environment and tourism issued the environmental permit for the entire LOT 2 Dobož South – Sarajevo North on September 27th 2019.</p>
<p><b>LAND ACQUISITION</b></p>	<p>The local self-government unit responsible for the expropriation process is the city of Zenica. Total of 27 plots was expropriated, 9 cases were closed out of which there is 1 real estate. There are totally 265 parcels divided among 112 cases in Nemila. All the findings of the agricultural experts and most of the findings of the construction experts are delivered. In the next period, we expect delivery of the remaining findings of the construction experts, the decision on expropriation and the conclusion of compensation agreements, as well as a site investigations in Kovanići.</p>
<p><b>PROCUREMENT – CONTRACTOR FOR WORKS</b></p>	<p>The first phase of the procurement was finished by receiving the Fund's approval of the prequalification evaluation report in September 2019. TD is in preparation which marks the beginning of the second procurement phase.</p>
<p><b>PROCUREMENT – CONSULTING SERVICES</b></p>	<p>The first phase of the procurement was finished by receiving the Fund's approval in August 2019. The second phase started with preparation of the Request for proposals (RFP) which was issued</p>

<b>FOR SUPERVISION</b>	on June 24th 2019 with the previous Fund's approval, the RFP was open until September 2nd 2019.
<b>PROCUREMENT – TECHNICAL ASSISTANCE TO THE PIU</b>	According to the Law on Public Procurement of BiH, an open procedure was initiated in August 2018, which in accordance with the Law provisions passed into the negotiation procedure. Upon completion of the procedure a decision was made on the selection of the most favorable bidder, whereby a contract in the total amount of 475,000.00 BAM excluding VAT, or 555.750 KM with the VAT included, to bidder AD "PROJEKT" Banja Luka. The contract with the selected bidder was signed on March 25th 2019.

## 5.6. Section Tarčin – Konjic,

### 5.6.1. Subsection Tarčin - Ivan

<b>SUBSECTION TARČIN – IVAN</b>	
Divided in 2 LOTs : LOT 1 Tarčin – entrance Tunnel Ivan and LOT 2 Tunnel Ivan	
<b>FINANCING</b>	<b>Loans from European Bank for Reconstruction and Development (EBRD) and European Investment Bank (EIB)</b>
<b>PROJECT DOCUMENTATION</b>	Main design completed.
<b>CONSENTS</b>	Urban consent is acquired. In October a request for issuance of the construction permit will be submitted.
<b>PERMITS</b>	Environmental permit was acquired in December 2017.
<b>LAND ACQUISITION</b>	The municipalities responsible for the expropriation process are Hadžici and Konjic. In Hadžici 99% from 340 cadastral plots were expropriated according to the base elaborate which refers to LOT 1. According to the additional elaborate which refers to LOT 2 there are 23 parcels in Hadžici of which 100% have been expropriated. Out of 159 parcels in municipality of Konjic 28 were expropriated which is 17,61%. In the forthcoming period, we expect further adoption of the expropriation decision and conclusion of a compensation agreements.
<b>LOT 2 PROCUREMENT - CONTRACTOR FOR WORKS</b>	In December 2018 prequalification phase was finished. The second phase is in progress, TD for LOT 1 Tarčin – entrance to Tunnel Ivan received the Bank's approval in September 2019, the date of publishing on OJEU is expected.
<b>LOT 2 PROCUREMENT - CONSULTING SERVICES FOR SUPERVISION</b>	For LOT 2 Tunnel Ivan TD with the Bank's approval was sent to the short-listed bidders. Deadline for submission of the offers was July 4th 2019. Evaluation is in progress.
<b>LOT 2 PROCUREMENT – TECHNICAL ASSISTANCE</b>	In December 2018 prequalification phase was finished. Second phase is in progress, call for proposals for LOT 1 Tarčin – entrance to Tunnel Ivan was published in July 2019, evaluation and preparation of the short-listed consultants is in progress.

### 5.6.2. Subsection Ivan - Ovčari

<b>SUBSECTION IVAN – OVČARI</b>	
<b>FINANCING</b>	Not defined
<b>PROJECT DOCUMENTATION</b>	Preliminary design completed and WBIF funds were secured for the main design preparation.
<b>CONSENTS</b>	Urban consent is acquired earlier for the part of the route which hasn't been changed.
<b>LAND ACQUISITION</b>	The expropriation process will be launched after the public interest is declared by the federal government.
<b>PROCUREMENT</b>	The procurement process will be initiated by the creditor rules after defining the financing method.

### 5.6.3. Subsection Ovčari – Konjic - Prenj

<b>SUBSECTION OVČARI – KONJIC – (ENTRANCE TUNNEL) PRENJ</b>	
<b>FINANCING</b>	With the conclusion of the FBiH Government No. 302/2019, FMPIK, FMF and JPAC are to find and propose a new financing model for this section. On September 30th EIB informed JP Autoceste FBiH that the Bank added the project of motorway construction from Ovčari to Mostar North in the length of 34 km and with potential funds up to 300 million EUR in their pipeline.
<b>PROJECTED MODEL OF IMPLEMENTATION</b>	FIDIC – Red book
<b>PROJECT DOCUMENTATION</b>	Preliminary design. WBIF grant funds were secured for the preparation of the main design
<b>CONSENTS</b>	Water consent is acquired. Environmental impact assessment was approved by the Federal Ministry of environment and tourism and public hearings were held. Request for issuing the environmental permit was submitted.
<b>LAND ACQUISITION</b>	The expropriation process will be launched after the public interest is declared by the federal government.
<b>PROCUREMENT</b>	The procurement process will be initiated by the creditor rules after defining the financing method.

### 5.7. Section Tunnel Prenj

<b>SECTION TUNNEL PRENJ</b>	
<b>FINANCING</b>	With the conclusion of the FBiH Government No. 302/2019, FMPiK, FMF and JPAC are to find and propose a new financing model for this section. On September 30th EIB informed JP Autoceste FBiH that the Bank added the project of motorway construction from Ovčari to Mostar North in the length of 34 km and with potential funds up to 300 milion EUR in their pipeline.
<b>PROJECT DOCUMENTATION</b>	Preliminary design completed.
<b>CONSENTS</b>	Previous water consent was acquired. Federal Ministry of environment and tourism has approved the environmental impact assessment and public hearings were held. Request for issuing of the environmental permit was submitted.
<b>LAND ACQUISITION</b>	The expropriation process will be launched after the public interest is declared by the federal government.
<b>PROCUREMENT</b>	The procurement process will be initiated by the creditor rules after defining the financing method.

### 5.8. Section Tunnel Prenj - Mostar North

<b>SECTION EXIT FROM TUNNEL PRENJ – MOSTAR NORTH</b>	
<b>FINANCING</b>	With the conclusion of the FBiH Government No. 302/2019, FMPiK, FMF and JPAC are to find and propose a new financing model for this section. On September 30th EIB informed JP Autoceste FBiH that the Bank added the project of motorway construction from Ovčari to Mostar North in the length of 34 km and with potential funds up to 300 milion EUR in their pipeline.
<b>PROJECT DOCUMENTATION</b>	Preliminary design is finished, and main design will be financed through the WBIF grant funds
<b>CONSENTS</b>	Previous water consent was acquired. Federal Ministry of environment and tourism has approved the environmental impact assessment and public hearings were held. Request for issuing of the environmental permit was submitted.
<b>LAND ACQUISITION</b>	The expropriation process will be launched after the public interest is declared by the federal government.
<b>PROCUREMENT</b>	The procurement process will be initiated by the creditor rules after defining the financing method.

### 5.9. Section Mostar North - Mostar South

<b>SECTION MOSTAR NORTH – MOSTAR SOUTH</b>	
<b>FINANCING</b>	Not defined. With the conclusion of the FBiH Government No. 302/2019, FMPiK, FMF and JPAC are to find and propose a new financing model for this section.
<b>PROJECT DOCUMENTATION</b>	Preliminary design was completed. The preparation of the G1 geotechnical mission and the carrying out of geotechnical investigations are in progress.
<b>CONSENTS</b>	The ToR for preparing the environmental impact assessment and assessment for acquiring the previous water consent.
<b>LAND ACQUISITION</b>	The expropriation process will be launched after the public interest is declared by the federal government.
<b>PROCUREMENT</b>	The procurement process will be initiated by the creditor rules after defining the financing method.

### 5.10. Section Mostar South - Buna,

#### 5.10.1. Subsection Mostar South - Tunnel Kvanj

<b>SEUBSECTION MOSTAR SOUTH – TUNNEL KVANJ</b>	
<b>FINANCING</b>	<b>Loan from European Bank for Reconstruction and Development (EBRD)</b>
<b>PROJECT DOCUMENTATION</b>	Preliminary design completed. Preparation of the ToR for the main design is in progress. Construction of this section will be implemented following the FIDIC Red Book.
<b>CONSENTS</b>	Acquiring of the previous consents necessary for the urban consent is in progress
<b>LAND ACQUISITION</b>	City of Mostar is responsible for the expropriation process. The process started on January 29 <sup>th</sup> 2019 for the total number of 375 cadastral units. Site investigation are completed, totally 82 expropriation decisions were received and 54 agreements on compensation were signed for the total number of 73 parcels (19,46 %) In the forthcoming period, we expect further adoption of the expropriation decision and conclusion of a compensation agreements.
<b>PROCUREMENT</b>	Procurement process will start after the previous conditions are met.



### 5.10.2. Subsection Tunnel Kvanj - Buna

<b>SUBSECTION TUNNEL KVANJ – BUNA</b>	
<b>FINANCING</b>	<b>Loan from European Investment Bank (EIB)</b>
<b>PROJECT DOCUMENTATION</b>	Preliminary design completed.
<b>CONSENTS PERMITS</b>	Request for urban permit was submitted to the Federal Ministry of spatial planning.
<b>LAND ACQUISITION</b>	Environmental permit is acquired.
<b>PROCUREMENT – CONTRACTOR FOR WORKS</b>	Municipalities Čapljina and Stolac and City of Mostar are responsible for the expropriation process. Degree of expropriation realisation in Čapljina is 100%. Degree of expropriation realisation in the City of Mostar is 95,84% In Stolac there are 73 parcels, out of which 6 was expropriated. Realisation of expropriation on the entire section is 36%. The process of demining in the area of the northern and southern tunnel Kvanj portals is completed. The demining of the access road in Hodbina remains to be completed by the end of the year.
<b>PROCUREMENT – CONSULTING SERVICES FOR SUPERVISION</b>	Procurement for the contractor for works will start after the technical assistance to the PIU is selected.
<b>PROCUREMENT – TECHNICAL ASSISTANCE</b>	Call for expression of interest was published in July 2019 with the deadline of August 13th 2019. Evaluation is in progress.
<b>PROCUREMENT – TECHNICAL ASSISTANCE</b>	Public call for expression of interest was published in March 2019. Banks approval was received in August 2019, second phase of the procurement is beginning with the preparation of TD.

## 6. CONSTRUCTION PROJECTS

### 6.1. Section Svilaj - Odžak

- Contractor: Joint Venture Strabag AG, Euro - Asfalt d.o.o. Sarajevo and GP ŽGP d.d. Sarajevo;
- Construction contract signed on 12<sup>th</sup> September, 2013
- Number of Construction Contract: JPAC 327-B45-12;
- The value of the Contract amounts to 83.822.098,00 EUR including VAT;
- The construction period is 420 days;
- Addendum No. 1 was signed on April 30<sup>th</sup> 2015. The time for work's completion has been changed due to activities that are not a direct responsibility of the Public Company of Motorways of the Federation of Bosnia and Herzegovina Ltd. Mostar (the expropriation of land for the construction of the Border crossing Svilaj is the responsibility of the Bosnia and Herzegovina Indirect Taxation Authority and the construction of the bridge on the Sava River is under the jurisdiction of the Republic of Croatia). Therefore, the works are divided into two sections as follows: the first section includes the construction of the roadbed to the level of the motorway pavement as well as the buildings along the route, while the second section includes the finishing works. The completion date of Works for the first section is 30<sup>th</sup> June, 2015. The completion time for the second section is 242 days from the commencement date of 16<sup>th</sup> of March, 2017.
- Addendum No.2 was signed on 31<sup>st</sup> March, 2017. In the Addendum No.2 the Accepted Contract Amount has been changed from EUR 32.568.837,36 to EUR 44.579.348,66 for Section 2. Except the above mentioned, all other provisions of the Contract and Addendum no.1 have remained unchanged, valid and in full force and effect. The construction works for Section 2 are in progress.
- Addendum No.3 of the Contract for Construction of Motorway on Corridor Vc, section Svilaj-Odžak was concluded on 22<sup>nd</sup> November 2017. Addendum No.3 is made due to the following events which have affected the contract completion: urban permit for the area of border crossing Svilaj has not been obtained yet and is expected at the beginning of 2018; bridge over Sava river in the northern limit of the project Svilaj-Odžak (traffic connection to Croatia) has not been finished yet; project Odžak-Vukoslavlje, Section 3 of Lot 1 at the southern limit of this project Svilaj-Odžak is in the authority of the Government of the RS, and probably will not start earlier than the end of 2018; tolling and traffic management systems are to be installed at a later stage in order to prevent possible theft of the equipment. In the Addendum No.3 the accepted contract amount for Section 1 has been amended to EUR 41.069.250,13, while the Accepted contract amount for Section 2 remains the same in the amount of EUR 44.579.348,66. This Addendum also defines the accepted contract amount for remaining works of Section 2 that is estimated at EUR 15.000.000,00 from a total of EUR 44.579.348,66 for Section 2. Hereinafter, remaining works of Section 2 are considered as a separate section and shall be completed within 400 days calculated from the commencement date for remaining works of Section 2 including 200 days of the embankment settlement period. Remaining works of Section 2 are specified in the Bill of Quantities as: border

crossing Svilaj, two rest areas, landscaping, toll system and buildings and traffic management system including electrical installations. The commencement date for remaining works of Section 2 is also added and defined as seven days after obtaining the construction permit for the border crossing Svilaj or on 15<sup>th</sup> March 2018 - whatever happens earlier. Works have started as it is planned on 15.03.2018, even though the construction permit for border crossing has not been issued yet. Works will be performed just on remaining part of structures. The work was carried out at the charging point of Odžak and the resting place Vrbovački Lipik. Meanwhile, it was agreed with the UIO that the JP Autoceste FBiH would carry out part of the works at the location of the GP Svilaj located within the motorway area. The contractor started these works in July 2018 and the works are completed. In the next step, it is left to provide a consolidation of the embankment, after which conditions will be obtained to perform the remaining end layers of the pavement construction. With the contractor, the contract No.4 was signed in which it was determined that the part of the retention for the first phase of the works for which the guarantee period expired will be refunded. The addendum No.5 to the contract was signed with the Contractor because new changes in local law. Considering that it was necessary to solve the water supply as well as the supply of the motorway section, which was not included in the basic project, the ad No. 6 was signed (June 17, 2019). The deadline for the completion of the works is September 2019.

### **Supervision**

- Consultant: AECOM Inocsa S.L.U. Spain;
- Number of Contract for Consultancy Services: JPAC 328-E152-12 in the amount of 2.645.311, 50 EUR including VAT signed on 2<sup>nd</sup> September, 2013, and the duration of the Contract is 38 months.
- Addendum No. 1 was signed on 2<sup>nd</sup> October, 2015 by the Investor and 6<sup>th</sup> October, 2015 by the Consultant of supervision with regards to an extension of time for completion of the work under the Contract on construction no. JPAC 327-B45-12 and dividing the existing section in the Phase/Section 1 and Phase/Section 2 in Addendum 1 to the Contract on construction No. JPAC 327-B45-12 dated April 30<sup>th</sup>, 2015. Therefore, the period of consulting services is extended to 46.9 months as well the contract price is increased to EUR 3.204.199, 44 including VAT.
- Number of Contract for Consultancy Services: JPAC 819-E426- 17 - Consulting Services for supervision of works on Construction of motorway in Corridor Vc, section Svilaj - Odžak, Phase II in the amount of 1.186.672,50 EUR including VAT was signed on 13<sup>th</sup> March, 2017, and the duration of the Contract is 33 months.
- Project realization is divided into two phases (sections), because the construction works on the bridge over the Sava River, which connects parts of the Corridor Vc in Croatia and Bosnia and Herzegovina have not been started.
- Works on the realization for Phase/Section I of the project were completed.
- The technical inspection of completed works for Phase/Section I is completed.
- The use permit was obtained for Section/Phase I in November 2015.
- Works on Phase/Section II have commenced on 16<sup>th</sup> March, 2017, in accordance with the Addendum No. 1.
- Value of works for Section I is EUR 41.069.250,13, based on Addendum No.3.

- Value of works for Section II is EUR 44.579.348,66, based on Addendum No.3.
- Construction period for Section I is 660 days.
- Construction period for Section II is 642 days (including 200 days for sailing the border crossing) for the remaining works of Phase II, based on Addendum No.3.
- Current progress of works: works on water and electrical supply are in final stage.

## **6.2. Subsection Drivuša - Klopče**

- Contractor: Hering d.d Široki Brijeg;
- Number of Construction Contract: JPAC 373-A66-12;
- Construction contract signed on September 25<sup>th</sup>, 2014
- The value of the Contract amounts to 33.527.849 EUR including VAT;
- The construction period is 900 days;
- The new deadline for completion should be defined shortly.

### **Supervision:**

- Consultant: Consortium Divel d.o.o. and TAEP;
- Number of Contract for consultancy services: JPAC 375-E171-12 in the amount of 2.538.315 EUR including VAT signed on September 23<sup>rd</sup>, 2014;
- The duration of the Contract is 54 months.
- Addendum No.1 of the Contract for Consultancy Services No. JPAC 375-E171-12 is valid from August 23<sup>rd</sup>, 2017 in which the value of the contract is increased to a new amount of 3,051,106.40 EUR including VAT and the duration of the contract has been extended to 66 months.
- Addendum No.2 to the Contract for Consultancy Services No. JPAC 375-E71-12 was signed on May 18<sup>th</sup>, 2018 because of extension of Construction Contract no. JPAC 373-A66-12 due to the Contractor's delay to complete the works within contractual deadline and the fact that remaining works need to be completed. Therefore, in the Addendum No.2 the value of the contract is increased to a new amount of 3.323.916,41 EUR including VAT and the duration of the contract has been extended to 69 months and 15 days.

The Contract no. JPAC 373-A66-12 represents the completion of part of motorway Donja Gračanica - Drivuša, subsection 1, Drivuša - Klopče. The route of this subsection 1 at its beginning connects to section Drivuša - Bilješevo in the zone of interchange Drivuša at chainage km 0 + 450, 00 and ends at km 2+680.00. The total projected length of the motorway is approximately 2,230 km. The expropriation of this subsection was completed and the construction permit was obtained.

The subsection Drivuša - Klopče is under construction. The relocation of underground gas, water, electric and telecommunication installations and transmission lines was performed in 2015.

The construction work in relation to the substructure and construction objects is being performed on this subsection. Also, in 2016, the construction has been performed on this subsection, out of which the most important is construction of the bridge Drivuša (in the length

of 650 m) and viaduct Perin Han (in the length of 400 m). The construction of the bridge Drivuša, viaduct Perin Han and local roads is completed.

All works in order to ensure slope stability, asphalt works on the main and local roads are completed during the installation of elastic deflection fences.

The route is located in the area with very complex geology. On the motorway route appearance of two landslides have been recorded, which complicates the construction and significantly slows down the dynamics of the construction. On the section of the route KM 2 + 600 - 2 + 680 there were occurrences of slipping of the part of the embankment. The investor ordered the Geotechnical Mission G5 (Geotechnical Diagnostics). The Mission concerned has been submitted to the Investor and the Supervisor for observation. A landslide remediation project has been completed and the contractor is working on landslide remediation.

### **6.3. Subsection Klopče - Donja Gračanica**

- Contractor: JV Euro - Asfalt d.o.o. (Lead partner) and Strabag A.G.;
- Number of Construction Contract: JPAC 608-B63/14;
- Construction contract signed on May 9<sup>th</sup>, 2016
- The value of the Contract amounts to 107.879.287,94 EUR including VAT;
- The construction period is for section 1 - 900 days, and for section 2 (Viaduct Pehare) - 600 days;
- Addendum No.1 to the Construction Contract JPAC 608-B63/14 signed on September 13<sup>th</sup>, 2018, is a result of entering into force a new Law on Financial Operations that stipulates time limits for execution of financial liabilities. The contract amount as well as the construction period has not been changed.
- Addendum No.2 to the Construction Contract JPAC 608-B63/14 signed on December 26<sup>th</sup>, 2018 for purpose of modifying provisions regarding the time for completion, i.e. for Section 1: additional 365 days (up to the 18<sup>th</sup> November 2019), and for Section 2: additional 365 days (up to the 18<sup>th</sup> November 2019). Since the signature of the Contract (May 9<sup>th</sup>, 2016), significant changes of the Main design have been made in order to consider the changing geological conditions on the site (with respect to the described geological conditions in the original Main design) as well as the damages of the landslides that have been activated due to poor geological conditions on the site. These changes will have influence on the contractual price.
- Addendum No.3 to the Construction Contract JPAC 608-B63/14 has been prepared and currently is under review.

### **Supervision**

- Consultant: Consortium Egis International and IPSA Institut;
- Number of Contract for Consultancy Services: JPAC 609-E314-14 in the contractual amount of 5.473.143 EUR including VAT signed on May 7<sup>th</sup>, 2016.
- The duration of the Contract is 54 months.

- Addendum No.1 to the Contract for Consultancy Services signed on September 1<sup>st</sup>, 2016 for purpose of modifying to the available personnel within the supervision team to deal with the specific requirements of additional geotechnical investigation. These changes have no influence on the current contractual price, which remained the same.
- Addendum No.2 to the Contract for Consultancy Services: JPAC 609-E314-14 was concluded on May 16<sup>th</sup>, 2018 for purpose of modifying the nominated personnel within the supervision team because significant changes of the main design have been made due to poor geological conditions on the construction site. These changes have no influence on the contractual price, which remained the same.
- Addendum No.3 to the Contract for Consultancy Services: JPAC 609-E314-14 has been prepared and currently is under review.

The route of the subsection 2. Klopče - Donja Gračanica at its beginning connects to section Drivuša - Klopče in the zone of viaduct Perin Han at km 2+680.00, and ends in the zone of Tunnel Pečuj at km 8+460,00. Overall length of projected motorway of this subsection is 5,78 km.

The expropriation of this subsection has been completed and the construction permit has been obtained. After the procurement procedures for selecting the best bidder for construction works and the best consultant for supervision were finished, the contract for construction works was signed on May 9<sup>th</sup>, 2016 while the contract for providing supervision services of construction works was signed on May 6<sup>th</sup>, 2016.

Geological conditions along the main alignment are very complex which makes the execution of earthworks more complicated. Additional geotechnical investigations have been conducted during November 2018, which resulted in corrections of main design.

Change of main design has been completed due to the complex geology of the main alignment which caused the relocation of expropriation line. Therefore, construction permit has been updated.

#### Ongoing works:

##### Main alignment

- bulk excavation with removal to approved disposal areas,
- drilling and installation of geotechnical anchors and sub horizontal drains for RC grid structure,
- works on RC grid structure (installation of formwork, reinforcement and concreting),
- drilling of piles, installation of reinforcement and concreting of piles
- 
- filling works between RC grid structure, beams (Stone lining, reinforcement mesh, sprayed concrete),
- embankment construction (reinforced earth) - installation of panels and construction of reinforced embankment for walls

##### Structures:

##### Tunnel (cut and cover) Klopče

- bulk excavation, pile drilling and concrete work



#### Tunnel Ričice

- concreting of secondary lining in both tunnel tubes as well as contact injecting, finalization of joints between segments, edges of tunnel niches and checking the installation ducts are finalized,
- construction of drainage system in both tunnel tubes are finalized (central collector and longitudinal drainage),
- construction of carriageway structure – filter, sub base layer, cement stabilization and two asphalt layers are in finalized,
- final arrangement of exit portal (reinforced earth) is in progress,
- electro-mechanical works are in progress,
- preparation of secondary lining for painting,

#### Tunnel Pečuj

- concreting of secondary lining in both tunnel tubes as well as contact injecting, finalization of joints between segments, edges of tunnel niches and checking the installation ducts are finalized,
- construction of drainage system in both tunnel tubes are finalized (central collector and longitudinal drainage),
- final arrangement of entrance portal (reinforced earth) is in progress for both tunnel tubes,
- electro-mechanical works are in progress,
- preparation of secondary lining for painting,

#### Viaduct Klopče:

- piers S3 and S4 is concreted,
- first and second span of superstructure are concreted,

#### Viaduct Klopačke Stijene:

- work on superstructure for both viaducts are completed except minor scope of works on abutments (wings, side curtains) and finishing works (equipment, waterproofing and concrete safety barriers),

#### Viaduct Babina Rijeka:

- works on superstructure for right viaduct are completed,
- concreting works on superstructure for left viaduct,

#### Viaduct Babina Rijeka Annex

- assembly of scaffolding, preparation for concreting first span on superstructure as well as installation of reinforcement, cables for superstructure,

#### Viaduct Pehare:

- construction of piers, piers as well as superstructures,

#### Viaduct Ričice:

- works on abutments, piers and superstructure are finalized for both viaducts,
- installation of expansion joint on right viaduct, drainage, waterproofing, asphalt and other finalisation works are pending,

#### Bridge Drivuša

- piers S5 are concreted,
- RC beams of fourth and fifth are installed.

Relocation of utility installations: underground gas pipe line (completed in March 2017), water lines, electrical and telecommunication lines are progressing in line with dynamic of works on the alignment.

#### **6.4. Section Donja Gračanica - Tunnel Zenica**

- Contractor: Cengiz Insaat Sanayi ve Ticaret A.S.;
- Number of construction Contract: JPAC 742-B73-16;
- Construction contract signed on November 8<sup>th</sup>, 2018;
- The value of the Contract amounts to 67.360.069,25 EUR including PDV;
- The construction period is 900 days.
- Addendum No. 1 to the Contract for construction: JPAC 742-B73-16 was signed on February 18<sup>th</sup>, 2019. The amendment is related to compliance with the new Law on Financial Operations ("Official Gazette of the Federation BiH" No. 48/16). These changes have no influence on the current contractual price, which remained the same. This is the first contract of construction on the Corridor Vc where Yellow FIDIC contractual conditions are applied - the contractor designs and builds (based on the initial drawings of the Employer).

#### **Supervision**

- Consultant: Consortium Technital S.p.A (lider) i TZI Inžinjering d.o.o.;
- Number of Contract for Consultancy Services: JPAC 744-E379-16 signed on July 31<sup>th</sup>, 2018.
- The value of the Contract amounts to 2.837.086,20 EUR including VAT;
- The duration of the Contract is 54 months.
- Addendum No. 1 to the Contract for consulting services: JPAC 744-E379-16 was signed on 04.02.2019. The amendment refers to the change of the commercial bank from the Contract with the new bank. These changes have no influence on the current contractual price, which remained the same.

The subject alignment of section Donja Gračanica - tunnel Zenica continues at the subsection Ponirak-Vraca after the exit from the tunnel Zenica, and ends immediately before entering the tunnel Pecuj and the continuation of the next section Klopče - Donja Gračanica. According to the Preliminary Design developed by the Contractor, the alignment starts at the chainage km 0+000.00, and ends at the chainage km 3+699.03. The total length of the section according to the Preliminary Design is 3,7 km.

Contractor was introduced into the property of an expropriated area on January 7<sup>th</sup>, 2019. After the access possession, the Contractor started the preliminary works and the construction of the site.

Up to date geological-investigation works were performed, a construction site with associated facilities and infrastructure built, access and construction roads, works on the temporary portal structure of the Hum tunnel are finished and preparatory works for the foundation of the Donja Gračanica viaduct also are finished.

For the whole section, the Contractor / Designer has made a Preliminary Design based on which the Urban approvals were obtained.

On this section, it is planned to build two tunnels and three viaducts with "Zenica North" interchange.

As part of this contract is planned construction a connecting road with a toll station. This connecting road below connecting the highway with the M17 and the bridge over the river Bosna is establishing a connection with the city of Zenica construction of roads connecting the town Zenica "North joint".

Main designs have been made for the objects Viaduct Donja Gračanica and the Hum Tunnel. The mentioned projects together with other necessary documentation were submitted to the Federal Ministry of Physical Planning for the purpose of obtaining construction permits.

The contractor / designer is currently in the final stages of developing other projects in the southern section.

### **6.5. Section Vranduk - Ponirak**

- Contractor: Consortium AZVIRT L.L.C. i HERING d.d.
- Number of construction Contract: JPAC 848-B82-17;
- Construction contract signed on May 15<sup>th</sup>, 2019;
- The value of the Contract amounts to 76.592.799,03 EUR including VAT;
- The construction period is 24 months.

#### **Supervision**

- Consultant: Consortium DRI Upravljanje investicij d.o.o. i DIVEL d.o.o.;
- Number of Contract for Consultancy Services: JPAC 849-E440-17, signed on May 8<sup>th</sup>, 2019.
- The value of the Contract amounts to 2.435.823 EUR including VAT;
- The construction period is 24 months.

Subsection "Vranduk-Ponirak" has the beginning at southeast of the Stara Stanica settlement. Passing by the Stara Stanica settlement, the motorway route extends in the direction of south towards the Vranduk area. On this stretch, from the beginning of Subsection II (km 0+000.00) up to the Vranduk area km 1+225.00 (including the last approx. 800 m of Subsection I) the left and right motorway pavements are separated in plan view and vertically. Then, the motorway route passes through Suvodolska Kosa hillsides by the Vranduk tunnel, further in the direction of southeast between the slopes of Stranate Vlasače and Suvodolska Kosa hillsides, the motorway route with two bridges "Vranduk 1" and "Vranduk 2". The motorway route further runs with three smaller viaducts east of the Koprivna settlement over the slope of the Osoja hillside. Passing by the Koprivna settlement, the motorway route further extends southwards towards the Ponirak settlement. The end of Subsection II Vranduk-Ponirak is southeast of the Ponirak settlement at chainage 5+309.30 km (on the central motorway axis).

Work officially started on 19.08.2019., and the Contractor took site possession on 21.08.2019.. Currently are in progress preparatory works.

## 6.6. Section Ponirak - Vraca (Tunnel Zenica)

- Contractor: Euro - Asfalt d.o.o. Sarajevo;
- Number of construction Contract: JPAC 851- B83 - 17;
- Construction contract signed on August 01<sup>th</sup>, 2019;
- The value of the Contract amounts to 81.324.741,10 EUR including VAT;
- The construction period is 30 mounts.

### Supervision

- Consultant: Consortium: PROYAPI Engineering and Consulting INC.;
- Number of Contract for Consultancy Services: JPAC 850-E441-17 in the contractual amount of 2.244.528 EUR including VAT signed on September 10<sup>th</sup>, 2019.
- The duration of the Contract is 54 months.

### Technical assistance to the project implementation unit

- Consultant: Roughton International Ltd;
- Number of Contract for PIU: JPAC 936 - E477-18;
- Construction contract signed on March 22<sup>th</sup>, 2019;
- The value of the Contract amounts to 671.580,00 EUR including VAT;
- The construction period is 57 mounts.

A building permit was obtained for this section and the expropriation process completed. The actions were prescribed by the terms of the FIDIC contract: The investor sent to the Contractor a letter of appointment of representatives of the Investor and the Supervisor. The contractor sent the proposal to the BIM consultant. After the BIM consultant approval procedure is completed, the contractual deadline for the execution of works begins. The contractor started the preparatory work. The investor has sent a letter to the Supervisor under Article 13.1 of the PUU, about the beginning of providing the services of the Supervisor.

## 6.7. Section Buna - Počitelj

- Contractor: Hering d.d Široki Brijeg;
- Number of construction Contract: JPAC 743-B74-16;
- Construction contract signed on May 18<sup>th</sup>, 2018;
- The value of the Contract amounts to 25.692.383,53 EUR including VAT;
- The construction period is 540 days.
- Appendix no. 1 The contract on construction of JPAC 743-B74-16, with the consent of the loan, was signed on October 19<sup>th</sup>, 2018 and it defines - in order to receive the new law on financial operations - the deletion of the provision of the contract on the retained amount.

## Supervision

- Consultant: Consortium: Aecom Inocsa S.L.U. and Aecom d.o.o.;
- Number of Contract for Consultancy Services: JPAC 745-E380-16 in the contractual amount of 1.533.987,00 EUR including VAT signed on May 8<sup>th</sup>, 2018.
- The duration of the Contract is 42 months.

The contract No. JPAC 743-B74-16 was signed for the construction of the motorway between Buna and Počitelj in length of 7.2 km. The course of the subunit of Buna - Počitelj starts at km 11 + 100 and ends at km 18 + 280. At its end it is connected to the subsection Počitelj - Zvirovići.

Expropriation for this subsection has been completed and the construction permit has been obtained. The Commencement Date was on August 3<sup>rd</sup> 2018, and possession to site was given to the Contractor on August 23<sup>rd</sup> 2018 for the part of site located in municipality of Čapljina and on August 29<sup>th</sup> for the part of site in Mostar city area.

Contractor continued with the excavation on entire main alignment and with execution of embankment. Regarding structures state of the works is as follows.

Overpass "Grabovina":

- Earthworks finished
- Concrete works - finished

Underpass "Bivolje Brdo":

- Concrete works finished
- Execution of hydro-isolation finished

Overpass "Kevčić":

- Excavation of the foundations

Passage for animals on 12+500:

- Earthworks finished
- Concrete works on foundations finished
- Execution of hydro-isolation finished

Passage for animals on 15+660:

- Concrete works finished
- Execution of hydro-isolation finished

Contractor has started with the works on construction of the edge channels, slope protection and mounting of the wire fence.

Most of the works on relocation of several existing High-voltage powerlines has been finished:

- Relocation of the powerline DV 220 kV Mostar3-Trebinje 1(II)
  - All works finished
  - Internal technical acceptance conducted by the Elekroprijenos and line under power
- Relocation of the powerline DV 220 kV Mostar3-Trebinje 1(I)
  - All works finished
  - Internal technical acceptance conducted by the Elekroprijenos and line under power
- Relocation of the powerline DV 220 kV Mostar1-He Čapljina 1
  - All works finished

- Internal technical acceptance conducted by the Elekroprijenos and line under power
- Relocation of the powerline DV 220 kV Mostar1-He Čapljina 2
  - All works finished
  - Internal technical acceptance conducted by the Elekroprijenos and line under power
- Relocation of the powerline DV 220 kV Mostar3-He Čapljina
  - Works on foundations finished
  - 3 out of 5 piers mounted

Contractor continued with the works on several culverts and relocation of the existing waterpipelines.

## **6.8. Section Počitelj - Zvirovići**

### **6.8.1. LOT 1 Crossing Počitelj - beginning of the Počitelj Bridge and end of Počitelj Bridge- crossing Zvirovići**

- Contractor: China State Construction Engineering Corporation Ltd;
- Contract no. for construction works: JPAC 975-B96-18;
- Contract signed 20 June 2019;
- Contract value: 66.131.723,39 EUR including VAT;
- Construction period 730 days,

#### **Supervision**

- Consultant: IRD Engineering S.r.l. Rome, Italy .;
- Contract no. for consultant services: JPAC 840-E438-17, in amount of 4.434.300,00 EUR including VAT, signed 11 June 2019.
- Contracted period 57 months.

Contract no.JPAC 975-B96-18 was signed for the construction of the 10.1 km highway between Počitelj and Zvirović. The route of the section Počitelj - Zvirovići is divided into two sections. The first section covers the section from km 0 + 000 to 3 + 425 and the second from km 4 + 404 to 11 + 079. At its end, it connects to the subsection Zvirovići - Bijača.

The expropriation for this section was completed and a construction permit was obtained. The commencement date of works is 26. september 2019, and the Contractor shall take site into possession in the beginning of October. The contractor is in the process of obtaining an advance guarantee, after which it will be paid.

### **6.8.2. LOT 2 Bridge “Počitelj”**

- Contractor: Konzorcij Azvirt Limited Liability Company i Sinohydro Corporation Limited i Powerchina Roadbridge Group Co, Ltd,;
- Contract no. for construction works: JPAC 975-B96-
- Contract signed 20. june 2019;

- Contract value: 32.894.420,75 EUR including VAT;
- Construction period 900 days

### **Supervision**

- Consultant: IRD Engineering S.r.l. Rome, Italy .;
- Contract no. for consultant services: JPAC 840-E438-17, in amount of 4.434.300,00 EUR including VAT, signed 11. june 2019.
- Contracted period 57 months.

Contract no.JPAC 976-B97-18 was signed for the construction of the 979 m highway between Počitelj and Zvirovići, ie for the construction of the bridge „Počitelj“ on the section in subject. This section is located between Sections 1 and 2 of the contract for construction of LOT 1. The expropriation for this section was completed and a construction permit was obtained. The commencement date of works is 26. September 2019, and the Contractor shall take site into possession in the beginning of October. The contractor is in the process of obtaining an advance guarantee, after which it will be paid.

Details on work progress and status of construction projects are presented in **Appendix 1**.



## 6. FINANCIAL POSITION

### 7.1. Section: Svilaj - Odžak

Payments from the EIB (31.174), EBRD (48999), WBIF and own funds

No.	Loan EIB (31.174) and EBRD (48999)		The amount of the payment without VAT	
	Own funds			
1.	JV STRABAG AG, Euro Asphalt d.o.o., GP ŽGP d.d. .	I phase	39.077.000,16	€
		II phase	27.618.735,92	
2.	AECOM INOCSA S.L.U.	I phase	2.738.632,00	€
		II phase	1.014.250,00	
<b>TOTAL:</b>			<b>70.448.618,08</b>	<b>€</b>

#### Recapitulation of payment - construction

No.	Funding source	The amount of the payment without VAT	The amount of the payment with VAT
1.	EIB - I phase (166 mil €)	10.924.585,49	12.866.467,67
2.	EBRD - I phase	122.541,87	143.873,99
3.	Own funds - I phase	25.757.535,18	30.051.114,69
4.	WBIF - I phase	2.272.337,18	2.658.634,50
5.	EBRD - II phase	9.446.733,01	11.004.813,41
6.	Own funds - II phase	1.092.830,08	1.278.611,19
7.	WBIF - II phase	17.079.173,27	20.042.541,77
8.	<b>TOTAL:</b>	<b>66.695.736,08</b>	<b>78.046.057,22</b>

#### Recapitulation of payment - supervision services of construction

No.	Funding source	The amount of the payment without VAT	The amount of the payment with VAT
1.	EIB – I phase (166 mil €)	421.224,50	492.832,67
2.	Own funds	2.317.407,50	2.711.366,77
3.	EBRD – II phase	748.712,50	875.993,63
4.	Own funds- II phase	30.170,50	35.299,49
5.	WBIF - II phase	235.367,00	275.379,39
6.	<b>TOTAL:</b>	<b>3.752.882,00</b>	<b>4.390.871,95</b>

## 7.2. Subsection: Drivuša - Klopče

### Recapitulation of the KFAED loan

No.	KFAED loan		The amount of the payment without VAT	
	10.500.000,00 KWD			
		Total amount of the loan approx. 28.355.250 €		
1.	HERING d.d.		26.259.514,75	(€)
2.	JV „Divel“doo -TEAP		2.936.450,42	(€)
		<b>TOTAL:</b>	<b>29.195.965,17</b>	<b>(€)</b>

### Recapitulation of payment - construction

No.	Payment	The amount of the payment without VAT	The amount of the payment with VAT	Note:
1.	HERING d.d.	26.259.514,75	31.293.605,71	58 Interim Certificate
2.	<b>TOTAL:</b>	<b>26.259.514,75</b>	<b>31.293.605,71</b>	

### Recapitulation of payment - supervision services of construction

No.	Payment	The amount of the payment without VAT	The amount of the payment with VAT	Note:
1.	JV „Divel“doo - TEAP	2.936.450,42	3.435.646,98	58 Interim Certificate
2.	<b>TOTAL:</b>	<b>2.936.450,42</b>	<b>3.435,646,98</b>	

## 7.3. Subsection: Klopče - Donja Gračanica

### Recapitulation of the OFID loan

No.	OFID loan 1588P 48.000.000 \$		The amount of the payment without VAT	
	Total amount of the loan approx. 60.000.000€			
1.	JV „Strabag“AG - „Euroasfalt“doo		39.467.850,86	€
2.	JV „Egis“ - „IPSA Institut“doo		2.572.010,10	€
		<b>TOTAL:</b>	<b>42.039.860,96</b>	<b>€</b>

**Recapitulation of the OFID B loan 25.000.000 €**

No.	OFID loan 1589 BP 25.000.000 €	The amount of the payment without VAT	
1.	JV „Strabag“AG - „Euroasfalt“doo	11.560.647,39	€
2.	JV „Egis“ - „IPSA Institut“doo	921.646,13	€
<b>TOTAL:</b>		<b>12.482.293,52</b>	<b>€</b>

**Recapitulation of the EBRD loan 76.000.000 €**

No.	EBRD loan 48999 76.000.000 €	The amount of the payment without VAT	
1.	JV „Strabag“AG - „Euroasfalt“doo	31.367.293,24	€
2.	JV „Egis“ - „IPSA Institut“doo		€
<b>TOTAL:</b>		<b>31.367.293,24</b>	<b>€</b>

**Recapitulation of payment - construction**

No.	Payment	The amount of the payment without VAT	The amount of the payment with VAT	Note:
1.	JV Strabag - Euroasfalt from OFID A	39.467.850,86	46.958.598,78	38 Interim Certificate
2.	JV Strabag - Euroasfalt from OFID B	11.560.647,39	13.525.957,52	
3.	JV Strabag - Euroasfalt from EBRD-a	31.367.293,24	37.173.148,59	
4.	<b>TOTAL:</b>	<b>82.395.791,49</b>	<b>97.667.704,89</b>	

**Recapitulation of payment - supervision services of construction**

No.	Payment	The amount of the payment without VAT	The amount of the payment with VAT	Note:
1.	JV Egis - IPSA Institut from OFID A	2.572.010,10	3.009.251,81	33 Interim Certificate
2.	JV Egis - IPSA Institut from OFID B	921.646,13	1.078.325,97	
	<b>TOTAL:</b>	<b>3.493.656,23</b>	<b>4.087.577,78</b>	

#### 7.4. Subsection: Donja Gračanica (Zenica North) - Tunnel Zenica

##### *Recapitulation of the EBRD loan 56.000.000 €*

No.	EBRD loan 47372 56.000.000 €	The amount of the payment without VAT	
1.	Cengiz infaat Sanayi ve Ticaret A.S.	7.190.615,42	€
2.	Technital S.p.A (lider) i TZI Inžinjering d.o.o.	709.641,99	€
<b>TOTAL:</b>		<b>7.900.257,41</b>	<b>€</b>

##### *Recapitulation of payment - construction*

No.	Payment	The amount of the payment without VAT	The amount of the payment with VAT	Note:
1.	Cengiz infaat Sanayi ve Ticaret A.S.	7.190.615,42	8.413.020,04	7 Interim Certificate
2.	<b>TOTAL:</b>	<b>7.190.615,42</b>	<b>8.413.020,04</b>	

##### *Recapitulation of payment - supervision services of construction*

No.	Payment	The amount of the payment without VAT	The amount of the payment with VAT	Note:
1.	Technital S.p.A (lider) i TZI Inžinjering d.o.o.	709.641,99	830.281,12	4 Interim Certificate
2.	<b>TOTAL:</b>	<b>709.641,99</b>	<b>830.281,12</b>	

#### 7.5. Poddionica: Ponirak - Vraca (tunel Zenica)

##### *Recapitulation of the EIB loan 50.000.000 €*

No.	EIB loan 86971 50.000.000 €	The amount of the payment without VAT:	
1.	Euro - Asfalt d.o.o.	5.940.882,54	€
2.	PROYAPI Engineering and Consulting INC	0,00	€
<b>TOTAL:</b>		<b>5.940.882,54</b>	<b>€</b>

**Recapitulation of payment – construction**

No.	Payment	The amount of the payment without VAT	The amount of the payment with VAT	Note:
1.	Euro - Asfalt d.o.o.	5.940.882,54	6.950.832,57	Advance
2.	<b>UKUPNO:</b>	<b>5.940.882,54</b>	<b>6.950.832,57</b>	

**Recapitulation of payment - supervision services of construction**

No.	Payment	The amount of the payment without VAT	The amount of the payment with VAT	Note:
1.	PROYAPI Engineering and Consulting INC	0,00	0,00	Do 30.09.2019.g
2.	<b>UKUPNO:</b>	<b>0,00</b>	<b>0,00</b>	

**Recapitulation of payment - Project Implementation Unit (PIU)**

No.	Payment	The amount of the payment without VAT	The amount of the payment with VAT	Note:
1.	Roughton International Ltd - Own funds	50.350,90	58.910,55	3 Interim Certificate
2.	<b>UKUPNO:</b>	<b>50.350,90</b>	<b>58.910,55</b>	

**7.6. Section: Buna - Počitelj**

**Recapitulation of the EBRD loan 80.000.000 €**

No.	Loan EBRD 47372 80.000.000 €	The amount of the payment without VAT:	
1.	HERING d.d.	7.800.213,74	€
2.	JV AECOM INOCSA S.L.U i AECOM doo BiH	684.703,00	€
<b>TOTAL:</b>		<b>8.484.916,74</b>	<b>€</b>

**Recapitulation of payment – construction**

No.	Payment	The amount of the payment without VAT	The amount of the payment with VAT	Note:
1.	HERING d.d.	7.800.213,74	9.126.250,08	11 Interim Certificate
2.	<b>TOTAL:</b>	<b>7.800.213,74</b>	<b>9.126.250,08</b>	

**Recapitulation of payment - supervision services of construction**

No.	Payment	The amount of the payment without VAT	The amount of the payment with VAT	Note:
1.	JV AECOM INOCSA S.L.U and AECOM BiH	684.703,00	801.102,53	14 Interim Certificate
2.	<b>TOTAL:</b>	<b>684.703,00</b>	<b>801.102,53</b>	

**7.7. Dionica: Počitelj-Zvirovići LOT 1**

**7.7.1 LOT 1 Crossing Počitelj - beginning of the Počitelj Bridge and end of Počitelj Bridge- crossing Zvirovići**

**Recapitulation of the EIB loan 100.000.000 €**

Br.	Loan EIB 83975 100.000.000 €	Iznos bez PDV-a:	
1.	China State Construction Engineering Corporation Ltd	0,00	€
2.	IRD ENGINEERING S.R.L.	<b>379.000,00</b>	€
<b>TOTAL:</b>		<b>379.000,00</b>	€

**Recapitulation of payment – construction**

No.	Payment	The amount of the payment without VAT	The amount of the payment with VAT	Note:
1.	China State Construction Engineering Corporation Ltd	0,00	0,00	
2.	<b>UKUPNO:</b>			

**Recapitulation of payment - supervision services of construction**

No.	Payment	The amount of the payment without VAT	The amount of the payment with VAT	Note:
1.	IRD ENGINEERING S.R.L.	379.000,00	443.430,00	Advance
2.	<b>UKUPNO:</b>	<b>379.000,00</b>	<b>443.430,00</b>	

**Recapitulation of payment - Project Implementation Unit (PIU)**

No.	Payment	The amount of the payment without VAT	The amount of the payment with VAT	Note:
1.	IPSA d.o.o.- vlastita sredstva	94.448,00	110.504,16	4 Interim Certificate
2.	<b>UKUPNO:</b>	<b>94.448,00</b>	<b>110.504,16</b>	

## 7. ENVIRONMENTAL IMPACT

The environmental permit prescribes measures for protection against harmful effects on the environment during the construction and use of motorways. The Federal Ministry of Environment and Tourism is in charge of issuing environmental permits for the construction of motorway sections on Corridor Vc.

The first environmental permit was issued in February 2009 for sections of LOT 2: Doboj South (Karuše) - Sarajevo South (Tarčin) for a period of five years. After its expiry, it was extended in February 2014 for a period of five years.

The second one was issued in September 2010 for the section from Svilaj (including a part of the bridge that belongs to Bosnia and Herzegovina - The Bridge over the River Sava) to Doboj South (Karuše) and it has been extended for five years too.

The environmental permit for the section Mostar North - Southern border with Croatia, subsection Bijača - Zvirovići was issued in October 2010.

The environmental permit for the section Sarajevo South - Mostar North, subsection Tarčin - Konjic, was issued in June 2012, extended in February 2017.

The environmental permit for the section Buna - Počitelj, was issued in October 2016.

The environmental permit for the section Tunnel Kvanj - Buna, was issued in May 2019.

The environmental permit for the section Ovčari - Prenj, was issued in May 2019.

In the 2019 the following activities were carried out in accordance with the aforementioned environmental permits and contracts were signed with the selected bidders - contractors or service providers. During this period the completed activities for the implementation of obligations under environmental permits are the following:

- The first control testing of water quality from the separators was performed in May/June under the Annual Contract no. JPAC 787-E405-16 "Monitoring of waste water from the separators on the sections: Zenica South -Tarčin; Zvirovići - Bijača".
- Air quality control testing along the motorway was carried out in June based on the Contract No. JPAC 787-E405-16 "Control testing of Air quality along the motorway Zenica South - Tarčin and Bijača - Zvirovići".
- The control testing of soil quality along the motorway was carried out in September based on the Contract No. JPAC 787-E405-16 "Control testing of soil quality along the motorway Zenica South - Tarčin and Bijača - Zvirovići".
- Noise level control testing along the motorway was carried out in June based on the Contract No. JPAC 787-E405-16 "Control testing of Noise level along the motorway Zenica South - Tarčin and Bijača - Zvirovići".
- Annual Environment and Social Report was submitted to the EBRD representatives for year 2018.
- Annual Environment Report of Motorway A1 was submitted to the Federal Ministry of Environment and Tourism.



## **Appendix 1**

**Progress of construction works on 30<sup>th</sup> September, 2019**

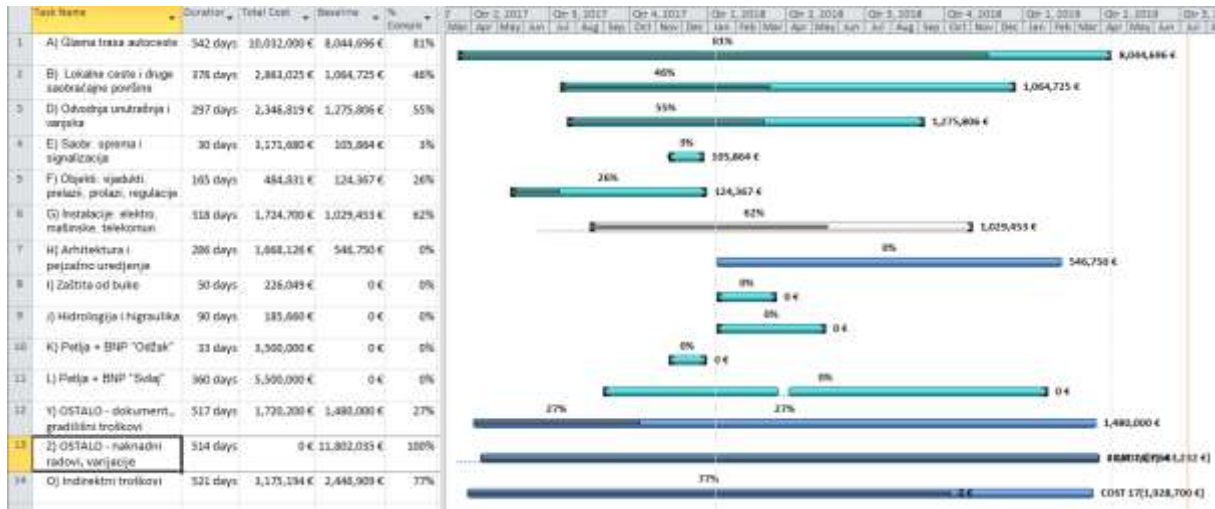
### 1. Lot 1: Section Svilaj - Odžak

Progress of construction works as of 30<sup>th</sup> September, 2019

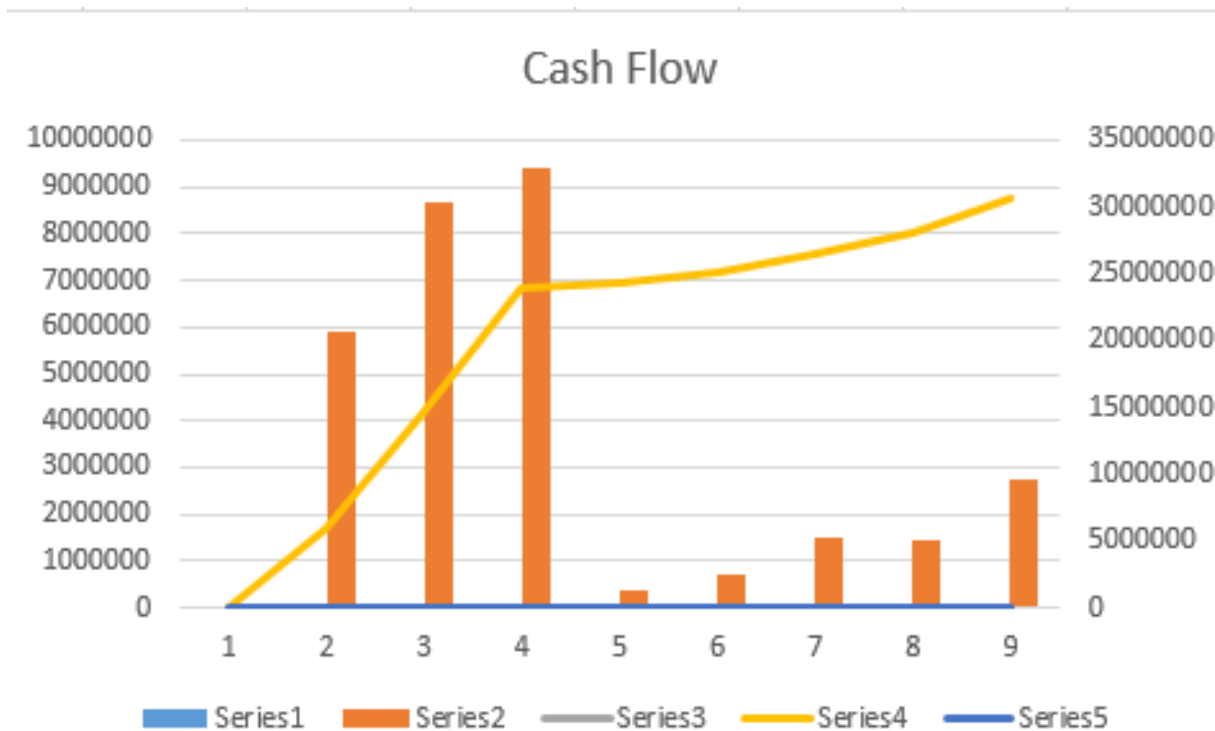
No.	ID	Task Name	Duration	Start	Deadline	(Section II+ Section III)% of Completion	Type of Works in construction
<b>1.</b>		<b>ALIGNMENT</b>					
	1.1.	Motorway alignment	8+14	16.03.2017.	22.04.2019.	100%	Works almost completed (except border crossing Svilaj)
	1.2.	Local road alignment	8+14	16.03.2017.	22.04.2019.	100%	Completed
<b>2.</b>	<b>2.1.</b>	<b>INTERCHANGE SVILAJ</b>	8+14	16.03.2017.	22.04.2019.	100%	Completed
	2.2.	Construction of toll station „Svilaj“	8+14	16.03.2017.	22.04.2019.	100%	Completed
<b>3.</b>	<b>3.1.</b>	<b>INTERCHANGE ODŽAK</b>	8+14	16.03.2017.	22.04.2019.	100%	Completed
	3.2.	Construction of toll station „Odžak“	8+14	16.03.2017.	22.04.2019.	100%	Completed
<b>4.</b>	4.1	<b>CROSSING BORDER SVILAJ</b>	8+14	16.03.2017.	22.04.2019.	100%	Completed
<b>5.</b>	5.1.	<b>PUO Vrbovački Lipik</b>	8+14	16.03.2017.	22.04.2019.	100%	Completed
<b>6.</b>		<b>ENGINEER'S CONSTRUCTIONS AND STRUCTURES</b>	8+14	16.03.2017.	22.04.2019.	100%	Completed
	6.1.	Bridge Potočani	8+14	16.03.2017.	22.04.2019.	100%	Completed
	6.2.	Underpasses	8+14	16.03.2017.	22.04.2019.	100%	Completed
	6.3.	Overpasses	8+14	16.03.2017.	22.04.2019.	100%	Completed
	6.4.	Watercourse regulation	8+14	16.03.2017.	22.04.2019.	100%	Completed
<b>7.</b>		<b>DRAINAGE</b>	8+14	16.03.2017.	22.04.2019.	100%	
	7.1.	Internal drainage	8+14	16.03.2017.	22.04.2019.	100%	Works almost completed (except border crossing Svilaj)
	7.2.	External drainage	8+14	16.03.2017.	22.04.2019.	100%	Works almost completed (except border crossing Svilaj)

Table 3. Progress of construction works on Lot 1: Section Svilaj - Odžak

**Gantt chart 1. Progress of construction works on Lot 1: Section Svilaj - Odžak**



**CASH FLOW 1., 2019-Q3 Section Svilaj-Odžak**



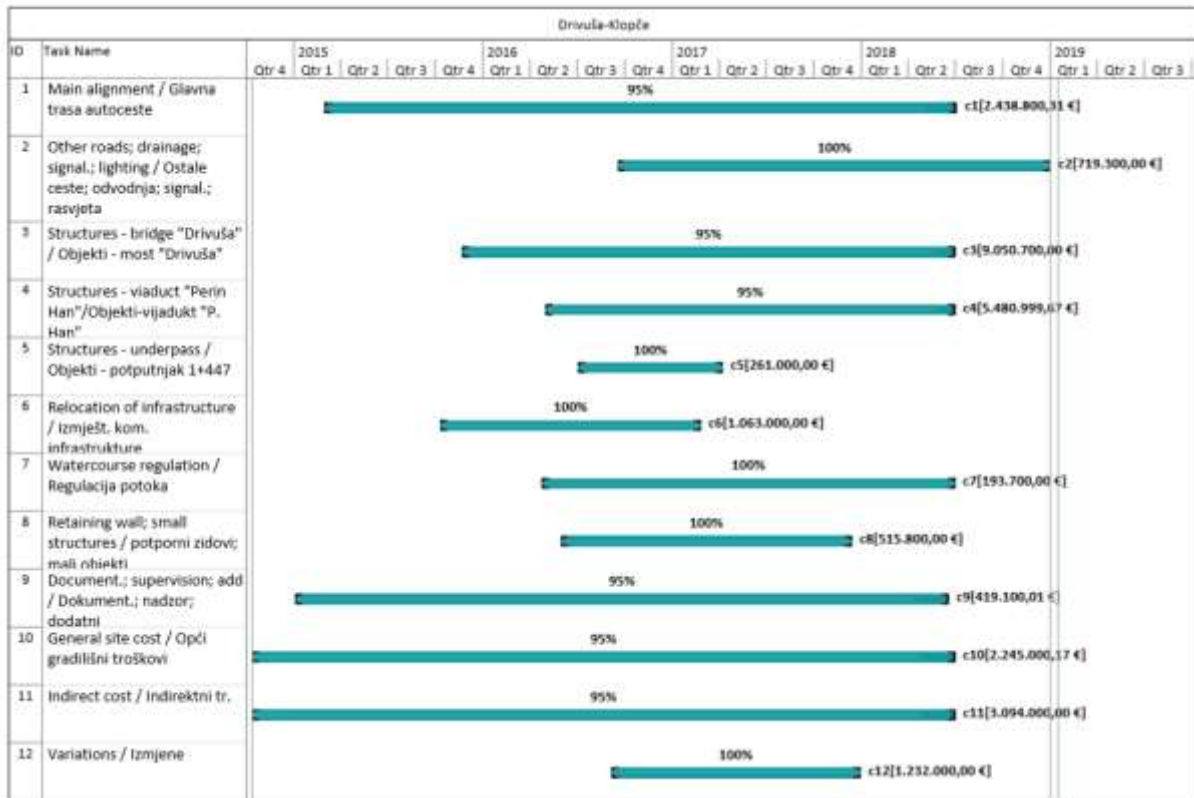
## 2. Lot 1: Subsection: Drivuša – Klopče

Progress of construction works as of 30<sup>th</sup> September, 2019

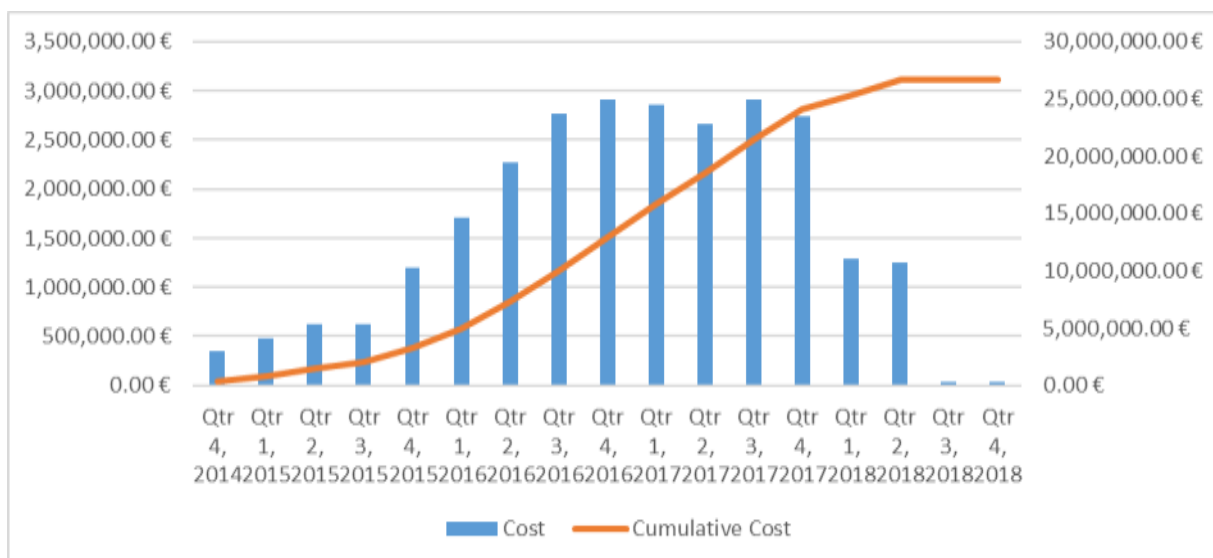
No.	ID	Task Name	Duration	Start	Deadline	% of Completion	Type of Works in construction
1.		<b>ALIGNMENT</b>					
	1.1.	Motorway alignment	42	10.10.2014	15.03.2018.	96 %	Under construction
2.		<b>LOCAL ROADS</b>	36	29.03.2015	15.03.2018.	100 %	Completed works
3.		<b>DRAINAGE AND WATER PROTECTION SYSTEM</b>	41	11.10.2014	25.02.2018.	98 %	Under construction
4.		<b>EQUIPMENT AND SIGNALISATION</b>	3	02.12.2017	15.03.2018.	98 %	Under construction
5.		<b>ENGINEER'S CONSTRUCTIONS AND STRUCTURES</b>					
	5.1.	Underpass at km 1+552	24	04.04.2015	24.03.2017	100%	Completed works
	5.2.	Slope protection	33	25.06.2015	15.03.2018	100 %	Completed works
6.		<b>BRIDGES</b>					
	6.1.	Bridge Drivuša	36	20.10.2014	29.09.2017.	100 %	Completed works
	6.2.	Viaduct Perin Han	34	05.12.2014	02.09.2017.	100 %	Completed works
7.		<b>RELOCATION OF UTILITIES</b>	30	10.10.2014	25.03.2017.	100 %	Completed works
8.		<b>REGULATION OF WATERCOURSE</b>	31	27.02.2015	24.03.2017.	100 %	Completed works

Table 4. Progress of construction works on Lot 1: Subsection Drivuša - Klopče.

**Gantt chart 2. Progress of construction works on subsection Drivuša - Klopče.**



**CASH FLOW 2, 2019-Q3 subsection Drivuša-Klopče**



### 3. Lot 2: Subsection: Klopče - Donja Gračanica

Progress of construction works on subsection Klopče - Donja Gračanica as of 30<sup>th</sup> September, 2019

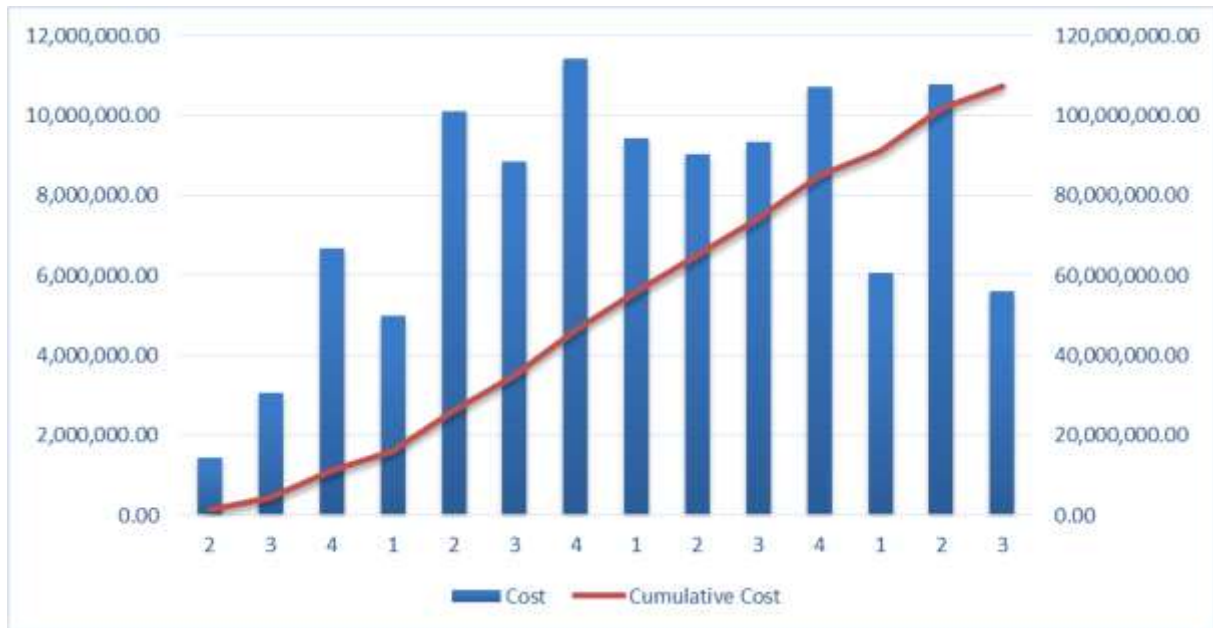
No.	ID	Works description	Duration (months)	Start	Deadline	% of Completion	Type of Works in construction
1.		<b>MOTORWAY ALIGNMENT</b>	42	01.06.2016	18.11.2019	61 %	Under construction
2.		<b>LOCAL ROADS</b>	42	01.06.2016	18.11.2019	45 %	Under construction
3.		<b>DRAINAGE AND WATER PROTECTION SYSTEM</b>	42	01.06.2016	18.11.2019	0 %	Under construction
4.		<b>EQUIPMENT AND SIGNALISATION</b>	42	01.06.2016	18.11.2019	0 %	Under construction
5.		<b>BRIDGES</b>					
	5.1.	Viaduct Klopče	42	01.06.2016	18.11.2019	52 %	Under construction
	5.2.	Viaduct Klopačke Stijene	42	01.06.2016	18.11.2019	92 %	Under construction
	5.3.	Bridge Babina Rijeka with Annex	42	01.06.2016	18.11.2019	61 %	Under construction
	5.4.	Viaduct Pehare	42	01.06.2016	18.11.2019	45 %	Under construction
	5.5.	Viaduct Ričice	42	01.06.2016	18.11.2019	97 %	Under construction
	5.6.	Drivuša Bridge	42	01.06.2016	18.11.2019	73 %	Under construction
6.		<b>TUNNELS</b>					
	6.1	Tunnel (cut and cover) Klopče	42	01.06.2016	18.11.2019	31 %	Under construction
	6.2.	Tunnel Ričice	42	01.06.2016	18.11.2019	91 %	Under construction
	6.3.	Tunnel Pečuj	42	01.06.2016	18.11.2019	95 %	Under construction
7.		<b>RELOCATION OF UTILITY</b>	42	01.06.2016	18.11.2019	65 %	Under construction
8.		<b>REGULATION OF WATERCOURSE</b>	42	01.06.2016	18.11.2019	60 %	Under construction
9.		<b>ENGINEER'S CONSTRUCTIONS AND SMALLER STRUCTURES</b>					
	9.1.	Underpass at km 4+063	42	01.06.2016	18.11.2019	98 %	Under construction
	9.2.	Retention walls and smaller structures	42	01.06.2016	18.11.2019	45 %	Under construction

**Table 5.** Progress of construction works on Lot 2: Subsection Klopče - Donja Gračanica.

**Gantt chart 3. Progress of construction works on subsection Klopče - Donja Gračanica.**

ID	Task Name	Klopče-Donja Gračanica															
		2016				2017				2018				2019			
		Qr1	Qr2	Qr3	Qr4	Qr1	Qr2	Qr3	Qr4	Qr1	Qr2	Qr3	Qr4	Qr1	Qr2	Qr3	
1	Main signpost / Glavna oznaka autoceste			60.85%												18,590,330.00 €	
2	Other works / Ostale radionjave			44.61%												566,561.21 €	
3	Reconstruction M-17 and bridge "Đerđača" / Saniranje M-17 i most "Đerđača"			73.63%												3,364,604.00 €	
4	Drainage and waterprotection / Odvodnja i zaštita voda					37.53%										380,575.89 €	
5	Viaduct "Klopče" / Vijačnik "Klopče"								52.02%							724,925.82 €	
6	Viaduct "Klopče + Sijes" / Vijačnik "Klopče + Sijes"								92.81%							2,444,917.55 €	
7	Bridge "Bakina Rijeka" with Aszet / Most "Bakina Rijeka" sa podstolom				60.39%											7,589,900.17 €	
8	Viaduct "Pekane" / Vijačnik "Pekane"		35.67%													2,851,342.03 €	
9	Viaduct "Ričice" / Vijačnik "Ričice"					97.00%										2,599,539.84 €	
10	Tunnel (on and over) "Klopče" / Vijačnik i most "Klopče"													31.14%		3,254,688.00 €	
11	Tunnel "Ričice" / Tunnel "Ričice"		90.29%													12,971,796.91 €	
12	Tunnel "Pevaj" / Tunnel "Pevaj"		84.96%													19,092,287.54 €	
13	Excavation: replacement and reinforcement of existing walls / Izdvajanje i saniranje postojećih zidova		59.46%													3,631,555.01 €	
14	Watercourse regulation / Regulacija vodotokova		60.54%													135,304.00 €	
15	Small structures: bus stop / Mala objekta: stajalište		100.00%													75,360.00 €	
16	Landscaping / Izvedba zemljoradnje		58.93%													4,788,920.96 €	
17	Chain / Povezivanje		13.13%													429,388.92 €	

**CASH FLOW 3., 2019-Q3 subsection Klopče - Donja Gračanica.**





#### 4. Lot 3: Subsection Donja Gračanica (Zenica North) - Tunnel Zenica

*Progress of construction works on subsection Donja Gračanica (Zenica North)- Tunnel Zenica as of 30<sup>th</sup> September, 2019*

No.	ID	Work description	Duration [days]	Start	Deadline	Completion of %	Type of Works in construction
1.		Motorway „North section“	497	04.01.2020.	14.05.2021.	0 %	Not in progress
2.		Motorway „South section“	480	29.10.2019.	19.02.2021.	0 %	Not in progress
3.		“Zenica North” Interchange and connection road on M17 with Toll Stations	300	26.04.2020.	19.02.2021.	0 %	Not in progress
4.		Viaduct Donja Gračanica	435	29.10.2019.	05.01.2021.	0 %	Not in progress
5.		Tunnel Vraca	497	04.01.2020.	14.05.2021.	0 %	Not in progress
6.		Tunnel Hum	380	29.10.2019.	11.11.2020.		Not in progress
7.		Other roads for which Permits giving Zenica city	433	29.10.2019.	03.01.2021.	0 %	Not in progress
8.		Utility Works	564	29.10.2019.	14.05.2021.	0 %	Not in progress

**Table 6.** *Progress of construction works on Lot 3: Section: Donja Gračanica (Zenica North) - Tunnel Zenica*

## 5. Section Buna - Počitelj

Progress of construction works as of 30<sup>th</sup> September, 2019

No.	ID	Task Name	Duration	Start	Deadline	(Section I+ Section II) % of Completion	Type of Works in construction
1.		<b>MAIN ALIGNMENT</b>	18	03.08.2018.	25.01.2020.	37,63%	Earth works
2.		<b>OTHER ROADS AND TRAFFICKED AREAS</b>	18	03.08.2018.	25.01.2020.	39,04%	Earth works
3.		<b>EXPLORATORY WORKS AND GEOTECHNICS</b>	18	03.08.2018.	25.01.2020.	20,55%	Preparation activities
4.		<b>EXTERNAL AND INTERNAL DRAINAGE</b>	18	03.08.2018.	25.01.2020.	0,20%	Preparation activities
5.		<b>TRAFFIC SIGNALIZATION AND EQUIPMENT</b>	18	03.08.2018.	25.01.2020.	0,48%	Preparation activities
6.		<b>STRUCTURES</b>	18	03.08.2018.	25.01.2020.	76,52%	
	6.1.	Overpass "Grabovina"	18	03.08.2018.	25.01.2020.	76,43%	Concrete works
	6.2.	Overpass "Kevčić"	18	03.08.2018.	25.01.2020.	0%	Preparation activities
	6.3.	Underpass "Bivolje Brdo"	18	03.08.2018.	25.01.2020.	96,11%	Finishing works
	6.4.	Passages for animals at 12+500	18	03.08.2018.	25.01.2020.	100,38%	Preparation activities
	6.5.	Passages for animals at 15+660	18	03.08.2018.	25.01.2020.	97,20%	Finishing works
7.		<b>INSTALLATIONS</b>	18	03.08.2018.	25.01.2020.	28,72%	Earth and concrete works
8.		<b>LANDSCAPE DESIGN OF TRAFFIC AREA AND ADDITIONAL CONTENTS</b>	18	03.08.2018.	25.01.2020.	0%	Preparation activities
9.		<b>OTHERS PROJECTS</b>	18	03.08.2018.	25.01.2020.	60,63%	Various works
10.		<b>NOISE PROTECTION</b>	18	03.08.2018.	25.01.2020.	0%	Preparation activities
11.		<b>DOCUMENTATION AND ADDITIONAL WORKS:</b>	18	03.08.2018.	25.01.2020.	46,79%	"for construction drawings" and geotechnical missions
12.		<b>GENERAL COSTS:</b>	18	03.08.2018.	25.01.2020.	34,21%	
13.		<b>PROVISIONAL SUMS:</b>	18	03.08.2018.	25.01.2020.	46,89%	BIM Model and archeology

Table 7. Progress of construction works on Section Buna-Počitelj

**Gantt chart 4. Progress of construction works on subsection Buna - Počitelj**

ID	Task Name	Buna - Počitelj									
		2018				2019					
		Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4		
1	Main alignment/ Glavna trasa autoceste									3 101 797,54 €	37,63%
2	Other roads and trafficked areas/ Ostale prometnice i prometne površine									673 836,10 €	39,04%
3	Exploratory works and geotechnics/ Istražni radovi i geotehnika									25 201,95 €	20,55%
4	External and internal drainage/ Unutarnja i vanjska odvodnja									5 310,79 €	0,20%
5	Traffic signalisation and equipment/ Prometna signalizacija i oprema									7 110,00 €	0,48%
6	Structures/ Objekti									859 759,08 €	76,52%
6.1	Overpass "Grabovina"/ Nadvožnjak "Grabovina"									125 533,18 €	76,43%
6.2	Overpass "Kevčić"/ Nadvožnjak "Kevčić"										0,00%
6.3	Underpass "Bivojno Brdo"/ Podvožnjak "Bivojno Brdo"									147 021,67 €	96,11%
6.4	Passage for animals at 12+500/ Protaz za životinje na 12+500									310 289,74 €	100,38%
6.5	Passage for animals at 15+660/ Protaz za životinje na 15+660									276 914,49 €	97,20%
7	Installations/ Instalacije									569 926,11 €	37,99%
8	Landscape design/ Pogazno uređenje										0,00%
9	Other designs/ Ostali projekti									433 034,70 €	23,88%
10	Noise protection/ Zaštita od buke										0,00%
11	Documentation and additional works/ Dokumentacije i ostali radovi									33 375,17 €	48,70%
12	General costs/ Opći troškovi									685 185,71 €	78,35%
13	Provisional sums/ Opcioni iznosi									229 786,14 €	48,89%

**CASH FLOW 4. 2019-Q3 section Buna - Počitelj**

