

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

JP Autoceste FBiH d.o.o. Mostar

**PROJECT IMPLEMENTATION REPORT:
CONSTRUCTION OF THE CORRIDOR Vc MOTORWAY
IN THE FEDERATION OF BOSNIA AND HERZEGOVINA**

as of 31 December 2022



This document was prepared with the financial aid of the Joint Fund for the Western Balkans as part of the Investment Framework for the Western Balkans. The views expressed in this document are the views of JP Autoceste FBiH, and therefore cannot be considered as the official opinion of the contributors to the Joint Fund for the Western Balkans or the EIB as co-manager of the Joint Fund for the Western Balkans.

Sarajevo, January 2023

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1. INTRODUCTION

Javno preduzeće Autoceste Federacije Bosne i Hercegovine d.o.o. Mostar (hereinafter: JP Autoceste FBiH) was established by the Law on Roads of the Federation of Bosnia and Herzegovina (Law on Roads of FBiH) and has been operating in the form of a public company since January 1, 2011. The activity of JP Autoceste FBiH by the Law on Roads of FBiH based on which JP Autoceste FBiH became the holder and implementer of the realization of a very complex and important project for the construction of part of the international motorway Corridor Vc, which connects Eastern and Central Europe with the Mediterranean coast. The legal framework for the operations of the Company, in addition to the Law on Roads, also includes the Law on Motorways on Corridor Vc, the Law on Business Companies and the Law on Public Enterprises in FBiH, as well as other positive regulations in Bosnia and Herzegovina.

At the second Pan-European Transport Conference held in Crete in 1994, the European Union defined the priorities in the domain of infrastructure, as well as 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 changes were made. One of these changes was the introduction of Corridor Vc (Budimpešta - Osijek - Sarajevo - Ploče) into the main European transport network.

Corridor Vc is a multimodal road corridor that connects Hungary (Budapest) and Croatia (Luka Ploče), via Osijek (Croatia) and Sarajevo (Bosnia and Herzegovina), and it is also the largest transport infrastructure project in Bosnia and Herzegovina with a total length of about 340 km, while the 285 km long route passes through the Federation of Bosnia and Herzegovina. The construction of the motorway on Corridor Vc improves the connection of Bosnia and Herzegovina with neighboring countries and improves the potential for economic development. The project enjoys the strong support of the Government of the Federation of BiH, and is expected to enable Bosnia and Herzegovina to better integrate with economic and social structures in Europe.

A total of 121,40 km of motorway on Corridor Vc has been constructed so far, and it refers to the following sections:

- Svilaj – Odžak
- Bypass motorway around Zenica (includes a part of the subdivision Zenica Tunnel – Donja Gračanica, subdivision Klopče - Donja Gračanica and subdivision Drivuša – Klopče)
- Zenica South - Sarajevo North
- Sarajevo North - Sarajevo West
- Sarajevo West – Tarčin
- Tarčin – Ivan (including Ivan Tunnel as well)
- Zvirovići – Bijača.

In the continuation of this document, we provide a report on the dynamics of the implementation of projects under the jurisdiction of JP Autoceste FBiH d.o.o. Mostar, as of 31 December 2022.



Map: Motorway on Corridor Vc in BiH

2. LOAN AGREEMENTS

According to the Law on Roads of FBiH, financial resources for the maintenance, protection, reconstruction, renovation and construction of motorways in FBiH are provided from:

- public revenues (income from excise tax, road tolls, income from the exploitation of road land);
- loans;
- donations (grants).

For the construction of sections of the motorway on Corridor Vc in the Federation of Bosnia and Herzegovina, Bosnia and Herzegovina signs loan agreements with international financial institutions. In the period between 2008 and 2020, contracts were concluded with the European Investment Bank, the European Bank for Reconstruction and Development, the OPEC Fund and the Kuwait fund for Arab Economic Development. Main data about all concluded loan agreements for the construction of the motorway on Corridor Vc is provided in the three tables below:

EIB			
European Investment Bank			
Number and date of contract	Financed section	Loan amount EUR	Loan status
No. 24.775 from 18 December 2008	Kakanj – Drivuša (including 1. Mart Tunnel)	75 million	Loan repayment in progress.
No. 31.174 from 22 July 2012	Vlakovo – Tarčin and Svilaj – Odžak	166 million	Loan repayment in progress.
No. 83.975 from 11 November 2014	Počitelj – Zvirovići	100 million	Loan funds are operational and the withdrawal of tranches is ongoing. Request for withdrawal of 6 loan tranches submitted to the bank in November 2022.
No. 86.971 from 26 April 2018	Ponirak – Vraca	50 million	Loan funds are operational and the withdrawal of tranches is ongoing. A request to amend the Financing Agreement was submitted. An Addendum to the Financing Agreement is being prepared in order to enable the withdrawal of loan funds in full.
No. 87.195 from 26 April 2018	Kvanj Tunnel – Buna	100 million	The financing agreement was ratified in December 2018, and the financing subcontract was signed in November 2018. All conditions for withdrawing the first tranche have been met.
No. 89.502 from 27 February 2020	Tarčin – Ivan (LOT 1) and Poprikuše – Nemila	140 million	The financing agreement was ratified in October 2020, and the Subsidiary Agreement and Loan Sub-agreement were signed. The fifth tranche of the loan was withdrawn in December 2022.

No. 91.682 from 28 December 2020	Medakovo – Ozimice and Ozimice - Poprikuše	340 million	The financing agreement was ratified in June 2021. The procedure for accepting the Loan Agreement was completed with the adoption of a decision in the Parliament of the Federation of Bosnia and Herzegovina in February 2022 with the adoption of the Decision on Accepting the Loan. Loan subcontract signed in October 2022.
The total amount of the EIB's portfolio on Corridor Vc:		971 million EUR	

Table no. 1 – Loan agreements with the EIB

EBRD European Bank for Reconstruction and Development			
Number and date of contract	Financed section	Loan amount EUR	Loan status
No. 38716 from 28 October 2008	Kakanj – Drivuša Vlakovo – Tarčin Počitelj – Southern border Odžak – Northern border	205 million	Loan repayment in progress.
No. 47372 from 22 December 2015	Tunnel Zenica – Donja Gračanica and Buna – Počitelj	80 million	Loan funds were withdrawn in the amount of approximately 71 million EUR. The rest of the project costs will be paid from grant funds.
No. 48999 from 22 December 2016	Donja Gračanica - Klopče and Svilaj - Odžak	76 million	Loan funds were completely withdrawn on 31 December 2020.
No. 49058 from 12 September 2018	Poprikuše - Nemila Ivan Tunnel (LOT 2) Mostar Jug – Kvanj Tunnel	70 million 50 million 60 million	Loan funds have been operational since 26 November 2020, and payment of applications by creditors is ongoing. From May 2021, funds from Tranche B are also available for the construction of the Mostar South – Kvanj Tunnel subsection (60 million EUR).
No. 50603 from 09 May 2019	Putnikovo brdo – Medakovo	60 million	The loan agreement was ratified. The subsidiary agreement was signed on 18 February 2021, and the loan sub-agreement on 23 February 2021. JPAC received notification of the validity of the Loan Agreement on 27 April 2021
Total amount of EBRD portfolio on Corridor Vc:		601 million EUR	

Table no. 2 – Loan agreements with EBRD

OFID			
OPEC International Development Fund			
Number and date of contract	Financed section	Loan amount EUR	Loan status
No. 1588P from 03 September 2014	Klopče – Donja Gračanica	48 million USD (43 million EUR)	Most of loan funds have been withdrawn (about 17.000 USD left)
No. 1589PB from 03 September 2014	Klopče – Donja Gračanica	24 million EUR	Loan funds completely withdrawn.
No. 12665 P from 30 August 2018	Vranduk – Ponirak	27.150.000 USD (23.193.838 EUR)	Loan funds were completely withdrawn in July 2022.
No. 12663 PB from 30 August 2018	Vranduk – Ponirak	24.300.000 EUR	Loan funds completely withdrawn.
KFAED			
Kuwait fund for Arab Economic Development			
Number and date of contract	Financed section	Loan amount EUR	Loan status
No. 794 od 21 July 2014	Drivuša – Klopče	10.500.000 KWD (31 million EUR)	Loan funds completely withdrawn.
No. 1012 from 19 February 2019	Nemila - Vranduk	11.600.000 KWD (cca. 36 million EUR)	On 26 November 2020, a notification was received from the Kuwait Fund that confirmed the Loan Agreement is legally binding. The loan funds are operational, the withdrawal of funds is in progress.
The total amount of the portfolio of other creditors on Corridor Vc:			181,4 million EUR

Table no. 3 – Loan agreements with other creditors

In order to continue the construction of sections on the Vc Corridor, JP Autoceste also launched new debt initiatives. The statuses of the initiatives are shown in Table number 4.

No.	Sections of motorway on Corridor Vc	Total grant awarded
1.	Ovčari – Prenj Tunnel entrance Prenj Tunnel Prenj Tunnel - Mostar North	600 million EUR
Implementer: EIB/ EBRD		
<p>The FBiH Government passed the Decision on giving consent for signing the Mandate letter for the financing of the section of the motorway on Corridor Vc Ovčari – Prenj Tunnel – Mostar North. In July 2021, JPAC administration passed a Decision on the initiation of a request for a loan in order to finance the construction of sections of the motorway from Ovčari to Mostar South. In October 2021, the FBiH Government supported the initiative for credit debt in the amount of 300 million EUR with EIB and EBRD. The Council of Ministers also adopted the aforementioned debt initiatives.</p>		
2.	Mostar North – Mostar South	200 million EUR
Implementer: EIB/ commercial banks		
<p>After the Decision of the FBiH Government on granting consent in March 2021, the EBRD Mandate letter for the section Mostar North - Mostar South was signed. In July 2021, JPAC submitted a request for credit for the purpose of financing the construction of sections of the motorway from Ovčari to Mostar South. In October 2021, the FBiH Government supported the initiative for credit debt with the EBRD for up to 50 million EUR.</p> <p>In December 2021, JPAC, with the assistance of a procurement consultant insured by the EBRD, announced a tender for the procurement of credit loan from commercial banks in the amount of up to 150 million EUR, and the rest of the funds would be provided through loans from commercial banks.</p> <p>The first public procurement procedure of credit loan from commercial banks with the assistance of EBRD procurement experts was not successfully completed. Taking into account the passage of time and the significant increase in the estimated value of the project due to price movements on the global market, a new project financing structure was agreed upon, which implies an increase in the EBRD's participation from 50 million EUR to 110 million EUR, i.e. a potential sum of 220 million EUR. In accordance with the new financing structure, an updated Request for Credit Indebtedness was submitted in July 2022. In November 2022, the Council of Ministers approved a proposal for a loan agreement in the amount of 220 million EUR with the premise for its signing, which will be sent to the BiH Presidency. The signing of the Loan Agreement is expected after the BiH Presidency appoints an authorized signatory on behalf of BiH.</p> <p>The tender for the procurement of commercial banks was re-announced on 29 June 2022. The contract for procurement of commercial banks was awarded and signed in December 2022. Obtaining guarantees from the Federation of Bosnia and Herzegovina is in progress. Moreover, a draft grant application for EU funds in December 2022 was submitted.</p>		
3.	Vranduk – Ponirak additional loan	25 million EUR
Implementer: OFID		
<p>In September 2019, the Federal Ministry of Finance issued a negative opinion on the initiative for additional debt with instructions for finding more favorable sources of financing. In March 2021, OFID submitted a letter of intent with updated credit conditions. In July 2021, JPAC submitted an updated request for debt under new, more favorable conditions. In September, FBiH Government supported the initiative for additional debt with the Conclusion. In December 2021, the BiH Council of Ministers adopted the MFIT initiative and appointed a delegation to conduct negotiations to conclude the Loan Agreement. In November 2022, the Council of Ministers adopted the final draft of the Loan Agreement with the proposal of the signatories in front of BiH. The signing of the Loan Agreement is expected after the BiH Presidency appoints an authorized signatory on behalf of BiH. Activities related to the signing of the Loan Agreement are ongoing.</p>		
4.	Nemila Vranduk additional loan	21 million EUR
Implementer: KFAED		
JP Autoceste submitted to the FMF and FMPIK a Request for additional credit loan with the Kuwait Fund in the amount		

of 21 million EUR. The FBiH Government supported the initiative that foresees additional credit funds for the Nemila - Vranduk section secured by the Kuwait Fund. In December 2021, the BiH Council of Ministers adopted the MFIT initiative and appointed a delegation to conduct negotiations to conclude the Loan Agreement. The submission of the Draft Loan Agreement by the creditor is expected.		
5.	Ivan - Ovčari	162 million EUR
Implementer: EIB		
The request for debt was submitted in September 2022 in the amount of 162 million EUR (that is, 50% of the project costs) in accordance with the draft of the Feasibility Study from June 2022, where the new estimated value of the subdivision is stated in the amount of 324 million EUR. The EIB will also support the WBIF investment grant application for up to 40% of the estimated cost of the project. JP Autoceste will also send inquiries to other international financial institutions in order to complete the financial construction of the project from the remaining 10% of costs. In November 2022, the FBiH Government supported the initiative for debt with the EIB in the amount of 162 million EUR.		
6.	Ponirak – Vraca additional loan	7.5 million EUR
Implementer: EIB		
The request for debt was submitted in September 2022 in the amount of 162 million EUR (that is, 50% of the project costs) in accordance with the draft Feasibility Study from June 2022, where the new estimated value of the subdivision is stated in the amount of 324 million EUR. The EIB will also support the WBIF investment grant application for up to 40% of the estimated cost of the project. JP Autoceste will also send inquiries to other international financial institutions in order to complete the financial structure of the project from the remaining 10% of costs. In November 2022, the FBiH Government supported the initiative to secure additional funds from the EIB in the amount of 7.5 million. EUR.		
Total amount of submitted initiatives for new debts on Corridor Vc:		1.015,5 million EUR

Table no. 4 – Initiatives for new loans

3. EU GRANTS

JP Autoceste, as the end user of loans from European banks, also applies for non-refundable pre-accession funds of the European Union (Connectivity Agenda), which are implemented through the Investment Framework for the Western Balkans. Until the middle of 2022, EU has approved more than 300 million EUR in grants for Corridor Vc in the Federation of Bosnia and

Herzegovina. The funds are implemented through the creditor that finances the construction of the section (EIB or EBRD). If the grant is implemented through the EBRD, separate agreements are concluded on the investment grant (between the EBRD and BiH) and the technical assistance grant (signed between the EBRD and JP Autoceste). If the grant is implemented through the EIB, one grant agreement covering both components is signed. Below is the status of the grants approved for the sections of the motorway on Corridor Vc.

No.	Section of motorway on the route of Corridor Vc	Total grant awarded
1.	Svilaj – Odžak	19.6 million EUR
Date of approval: December 2015		Implementer: EIB
Grant funds were withdrawn in the amount of EUR 14 million for the investment part. The TA component of the grant is expected to be withdrawn in 2023.		
2.	Putnikovo brdo – Medakovo	16,55 million EUR
Date of approval: December 2019		Implementer: EBRD
Agreement on investment grant has been agreed. The signature is expected after the BiH Presidency appoints an authorized signatory.		
Agreement on technical assistance grant will be signed directly between the creditor and JP Autoceste.		
3.	Medakovo – Ozimice	79 million EUR
Date of approval: February 2022		Implementer: EIB
Application approved in 2022, the creditor will submit a draft of the Grant Agreement in the following period.		
4.	Poprikuše – Nemila	41.17 million EUR
Date of approval: December 2019		Implementer: EBRD
Agreement on investment grant in the amount of 36.07 million EUR signed in April 2022. The BiH Parliamentary Assembly passed the Decision on giving consent for ratification in July 2022. The ratification procedure will be completed after the adoption of the Decision by the BiH Presidency. In September 2022, the FBiH Government passed the Decision on giving consent for the acceptance of the investment grant. Grant subcontract was signed in December 2022.		
Agreement on technical assistance grant in the amount of 5.05 million EUR was signed between the EBRD and JP Autoceste on 2 August 2021. In February 2022, the EBRD refunded the funds for the TA component and continued with the direct payment of the costs of supervision services.		
5.	Zenica Tunnel – Donja Gračanica	12.06 million EUR
Date of approval: June 2018		Implementer: EBRD
Agreement on investment grant in the amount of 9.2 million EUR has been signed in March 2021. In July 2021, BiH Presidency passed the Decision on ratification, and in the same month the Subgrant Agreement was signed. In March 2022, the bank's notification on the effectiveness of the Grant Agreement was received, after which the EBRD refunded JPAC's own funds and continued with to pay the costs of the works.		

Agreement on technical assistance grant in the amount of 2.80 million EUR has been signed between EBRD and JP Autoceste on 2 August 2021. The EBRD refunded the funds for the TA component in February 2022 and continued to pay the costs.

6.	Ponirak – Vraca (Tunel Zenica)	19 million EUR
Date of approval: June 2018		Implementer: EIB
<p>Agreement on investment grant was signed in December 2019. The Decision on ratification was announced in October 2020. The FBiH Government accepted the Grant Agreement. The Subsidiary Agreement and the Subgrant Agreement were signed in December 2020.</p> <p>The first tranche of the grant in the amount of EUR 5 million was withdrawn in June 2022.</p>		
7.	Tarčin – Ivan Tunnel entrance (Lot 1)	11.78 million EUR
Date of approval: December 2018		Implementer: EIB
<p>Agreement on investment grant was signed on 29 July 2020 and the Decision on ratification was published in February 2021. The FBiH Government accepted the Grant Agreement. The Subsidiary Agreement and the Subgrant Agreement were signed in February 2021. The letter of waiver was signed in August 2022. The withdrawal of the first tranche is expected in the first quarter of 2023.</p>		
8.	Ivan Tunnel (Lot 2)	11.48 million EUR
Date of approval: December 2018		Implementer: EBRD
<p>Agreement on investment grant was signed in April 2022 and sent to the ratification procedure. The BiH Parliamentary Assembly passed the Decision on giving consent for ratification in July 2022. In September 2022, the FBiH Government passed the Decision on giving consent for accepting the grant. Grant subcontract signed in December 2022.</p>		
<p>Agreement on technical assistance grant in the amount of EUR 2.25 million was signed between the EBRD and JP Autoceste on 2 August 2021. In February 2022, the EBRD refunded the funds for the TA component. Direct payment of monitoring applications is ongoing.</p>		
9.	Prenj Tunnel	3.5 million EUR
Date of approval: June 2022		Implementer: EBRD
<p>Technical assistance was approved in June 2022 for the costs of technical assistance services to the Project Implementation Unit. The Agreement on technical assistance grant will be signed directly with the creditor.</p>		
10.	Mostar South – Kvanj Tunnel	30.33 million EUR
Date of approval: February 2022		Implementer: EBRD
<p>The grant application was officially approved in 2022. The creditor will submit a draft of the Grant Agreement in the following period.</p>		
11.	Kvanj Tunnel – Buna	43.8 million EUR
Date of approval: November 2020 / February 2022		Implementer: EIB
<p>Two applications were approved: the first 20% in 2020, and an additional 20% in the Sixth call in 2022. The creditor will submit a draft of the Grant Agreement in the following period.</p>		

12.	Buna – Počitelj	8.78 million EUR
Date of approval: December 2018		Implementer: EBRD
<p>Agreement on investment grant in the amount of 6.2 million EUR was signed in March 2021. On 15 June 2021, the BiH Presidency passed the Decision on Ratification. The sub-grant agreement was signed in August 2021. In March 2022, the bank's notification on the effectiveness of the Grant Agreement was received. In May 2022, the EBRD refunded the funds and continued the payment of works from the grant.</p>		
<p>Agreement on technical assistance grant in the amount of 2.52 million EUR was signed between the EBRD and JP Autoceste in August 2021. The EBRD reimbursed the funds for the TA component in March 2022 and continued to pay the works from the grant.</p>		
13.	Počitelj – Zvirovići	5 million EUR
Date of approval: June 2018		Implementer: EIB
<p>TA Grant Agreement between EIB, MFIT and JPAC signed in November 2021. In February 2022, the FBiH Government passed the Decision on granting consent for the acceptance of the grant. The BiH Presidency made a decision on the ratification of the Grant Agreement in March 2022. The withdrawal of the first tranche of the grant is expected in the first quarter of 2023.</p>		
TOTAL AMOUNT OF APPROVED GRANT FUNDS		302.165.813 EUR

Table no. 5 – WBIF Investment grants

In December 2022, JP Autoceste submitted the first drafts of applications to the Eighth Call for co-financing of investment projects through WBIF. Applications were submitted for co-financing of five sections of the motorway on Corridor Vc as follows:

Section/Subsection	The value of the amount of WBIF applications from the Eighth call
Putnikovo Brdo - Medakovo	(additional 20% of the investment amount)
Ozimice - Poprikuše	(40% of the value of the works + 100% of the value of supervision)
Poprikuše - Nemila	(additional 20% of the investment amount)
Prenj Tunnel	(40% of the value of the works + 100% of the value of supervision)
Mostar North - Mostar South	(40% of the value of the works + 100% of the value of supervision)

Table no. 6 – WBIF applications from the Eighth call

In addition to investment grants, WBIF has approved technical assistance grants for certain projects on Corridor Vc, which will be implemented through the IPF (Infrastructure Project Facility). As a result of these grants, JP Autoceste shall receive study and project documentation.

An official request for increasing the value of technical assistance grants has been submitted and the approval procedure is underway.

Details of technical assistance grants are provided in the Table below.

Subsection	IFI	Amount €	Grant implementer	Status
Ivan – Ovčari	EIB	2.512.500	IPF9	IPF9 is in charge of developing project documentation, namely: Feasibility study, Environmental impact study, preliminary design, detailed design and review of the detailed design. The preparation of study documentation began in January 2021.
Ovčari – Prenj Tunnel entrance	EBRD	3.051.180	IPF8	Two WBIF grants are implemented together through two components. Component 1 includes a gap analysis, an environmental impact study and a package of environmental and social documents in accordance with EBRD standards. The study started in June 2020. The preparation of the documentation is ongoing.
Prenj Tunnel exit – Mostar North	EBRD	3.893.500	IPF8	Component 2 includes the detailed design and tender documentation; the completion of the detailed design is expected in October 2022. The tender will be launched after the completion of the detailed design.

Table no. 7 – WBIF technical assistance grants

4. PROCUREMENT PLAN

JP Autoceste FBiH has prepared the expected plan for the procurement of works and services according to the procedures of international creditors. Estimated values are laid out in the plan, while the actual values are determined after the end of the tender procedure.

No.	Description	Evaluation	Financed by	Contract	Procurement	Tender	Contract	
		Value of contract	EBRD, EIB KFAED, OFID/OPEC	Type	Method	Call month/year	Signature month/year	Ending month/year
1.	Putnikovo brdo - Medakovo motorway construction	55.500.000	EBRD	Construction works	Open procedure	Sep - 20	Nov - 22	Nov - 24
2.	Putnikovo brdo - Medakovo construction supervision	3.500.000	EBRD	Services	Competitive procedure	Nov - 20	Dec - 22	Dec - 26
3.	Subsection Medakovo – Ozimice Motorway construction	160.000.000	EIB and WBIF	Construction works	Open procedure	May - 22	Nov – 22	Apr – 25
4.	Subsection Medakovo – Ozimice construction supervision	4.400.000	WBIF	Services	Competitive procedure	Feb - 22	Nov – 22	Apr – 25
5.	Section Medakovo – Poprikuše Technical support to the Project Implementation Unit	850.000	WBIF	Services	Competitive procedure	Jan - 22	Oct - 22	Apr - 25
6.	Subsection Ozimice - Poprikuše motorway construction	272.000.000	EIB and WBIF	Construction works	Open procedure	Oct - 22	Feb - 23	Mar - 25
7.	Subsection Ozimice - Poprikuše motorway construction supervision	4.700.000	WBIF	Services	Competitive procedure	May - 22	Oct - 22	Mar - 25
8.	Mostar South - Tunel Kvanj motorway construction	66.970.000	EBRD	Construction works	Open procedure	Dec - 20	Feb - 23	Mar - 26
9.	Mostar South - Tunel Kvanj construction supervision	3.500.000	EBRD	Services	Competitive procedure	Oct - 20	Jun - 22	Sep - 22
10.	Kvanj Tunnel - Buna motorway construction	98.100.000	EIB	Construction works	Open procedure	Aug - 22	May - 23	Jul - 25
11.	Mostar North - Mostar South Development of preliminary design and detailed design	7.400.000	EBRD	Services	Competitive procedure	Dec - 21	Oct - 22	Apr - 23
12.	Mostar North - Mostar South Audit services	1.500.000	EBRD	Services	Competitive procedure	Dec - 21	Oct - 22	Jul - 23
13.	Mostar North - Mostar South Motorway construction supervision	10.000.000	EBRD	Services	Competitive procedure	May - 22	Apr - 23	Oct - 26

14.	Mostar North - Mostar South Motorway construction	350.000.000	EBRD and commercial banks	Constru ction works	Open procedure	Dec - 22	Aug - 23	Sep - 26
15.	Development of preliminary design with elements of detailed design for the purpose of Prenj Tunnel construction	6.000.000	EBRD	Services	Competitive procedure	Dec - 21	Oct - 22	Apr - 23
16.	Technical support to the Project Implementation Unit for the Prenj Tunnel section	4.500.000	EBRD	Services	Competitive procedure	Jul - 22	Feb - 23	Jan - 31
17.	Prenj Tunnel Construction of access roads	20.000.000	EBRD	Constru ction works	Open procedure	Aug - 22	Dec - 22	Oct - 23
18.	Prenj Tunnel Supervision of access roads' construction	750.000	EBRD	Services	Competitive procedure	Sep - 22	Dec - 22	Nov - 24
19.	Prenj Tunnel construction	400.000.000	EBRD EIB WBIF	Constru ction works	Open procedure	Jul - 23	Oct - 23	Oct - 29
20.	Prenj Tunnel - Nadzor	15.200.000	WBIF	Services	Competitive procedure	Jan - 23	Oct - 23	Nov - 29
21.	Development of preliminary design and detailed design and audit of detailed design Kvanj Tunnel	2.000.000	EIB	Services	Competitive procedure	Oct - 22	Nov - 22	Dec - 22
INTERNATIONAL FINANCIAL INSTITUTIONS:		1.486.870.000,00	EBRD, EIB, WBIF and commercial banks					
VAT (17%) JPAC FBiH		252.767.900,00						
TOTAL:		1.739.637.900,00						

Table no. 8 – Procurement plan

Chart 1 shows the participation of international financial institutions, WBIF grant funds, as well as own funds of JP Autoceste FBiH in contracts for works and services whose procurement is in progress.

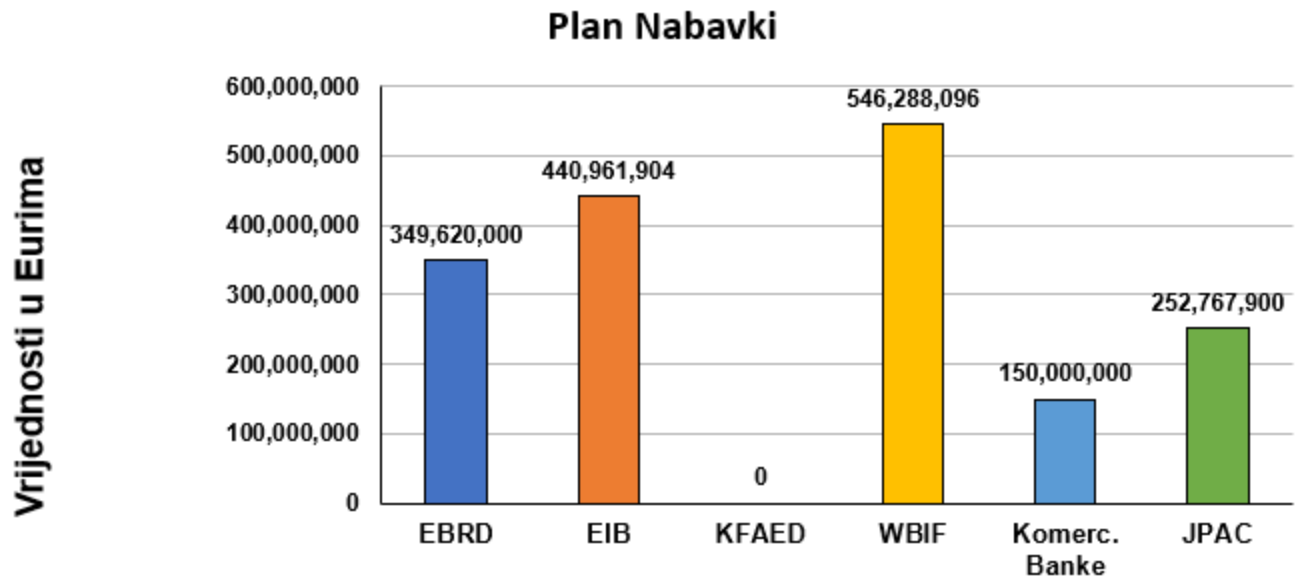


Chart 1. Procurement plan

*/Caption next to the Chart 1 on the left: Value in Euros
Caption on top of the Chart 1: Procurement plan/*

5. LOTS ON CORRIDOR Vc



Corridor Vc in BiH includes four main sections, which are called Lots in official documents and are divided from North to South, as follows:

- **LOT 1:** Svilaj on the Sava River – Doboju South;
- **LOT 2:** Doboju South - Sarajevo South (Tarčin);
- **LOT 3:** Sarajevo South (Tarčin) - Mostar North;
- **LOT 4:** Mostar North - Bijača on the southern border with Croatia.

In the continuation of the Report, according to the mentioned LOTs, progress is shown on the subsections that are under preparation or under construction.

5.1. LOT 1: SVILAJ - KARUŠE



LOT 1 begins with the section of the Svilaj - Odžak motorway, which was put into circulation on 30 September 2021. Sections of the motorway from Odžak to Putnikovo brdo Tunnel are under the jurisdiction of JP Autoputevi RS, after which the subsection Putnikovo brdo - Medakovo continues. Although one part of the subsection Putnikovo brdo - Medakovo (from Karuš to Medakovo) belongs to LOT 2, the data will be presented in this chapter.

SECTION SVILAJ – ODŽAK

TECHNICAL DESCRIPTION

The total length of the section is 10+400 km. The starting point of the section is Svilaj Bridge, that stretches for 300 m to GP Svilaj, after which there is Svilaj interchange. Further on, there is the Svilaj front toll station. The section ends at the Odžak interchange, which is located near Odžak. The implementation of the project was divided into two phases, aiming to harmonize and go along with the dynamics of the construction of the bridge over the Sava River. The construction of this section connects parts of Corridor Vc in Croatia and Bosnia and Herzegovina.

Financing	EIB loan no. 31.174
	EBRD loan no. 48999
	EU grant no. WBIF CF 1006 BIH TRA
	Own funds
Number and date of environmental permit	UP-I/03/02-23-4-46/05 from 7 September 2010 Environmental permit supplement UPI 05/02-23-11-75/16 from 6 June 2016
Number and date of building permit	UPI/03-23-2-321/12 from 14 December 2012 Building permit supplement UPI/03-23-2-321-1/12 from 10 October 2014
Number and date of Phase I use permit	UPI/03-23-2-229/15 from 9 November 2015
Number and date of Phase II use permit	UPI/03-19-2-320/20 from 13 September 2021

CONSTRUCTION WORKS

Contractor	Joint Venture Strabag AG, Euro - Asfalt d.o.o. Sarajevo and GP ŽGP d.d. Sarajevo
Contract number	JPAC 327-B45-12 from 12 September 2013 (in the course of the contract realization, 6 Addendums to the contract were concluded)
Value of contract	83.822.098 EUR with VAT, later modified by Addendums to 41.069.250,13 EUR for Phase I and 44.579.348,66 Eura for Phase II
Construction period	420 days, later modified by Addendums to 400 days starting from 15 March 2018

SUPERVISION SERVICES

Consultant	Aecom Inocsa S.L.U. Spain
Contract number	Phase I: JPAC 328-E152-12 from 2 September 2013 (in the course of the contract realization, 1 Addendum to the contract was concluded) Phase II: JPAC 819-E426-17 from 10 March 2017 (in the course of the contract realization, 1 Addendum to the contract was concluded)
Value of contract	The value of contract for Phase I amounts to 2.645.311,50 EUR with VAT, which, according to the Addendum 1, was increased to 3.204.199,44 EUR with VAT The value of contract for Phase II amounts to 1.186.672,50 EUR with VAT which, according to the Addendum 1, was increased to 1.382.793,75 EUR with VAT

Contract duration	Phase I: 38 months, which was extended to 46 months by the Addendum
	Phase II: 33 months, which was extended to 51 months by the Addendum
Federal Ministry of Physical Planning issued a permit for use and the section Svilaj – Odžak was put into circulation on 30 September 2021	
RECAPITULATION OF CONSTRUCTION WORK PAYMENTS	
Recapitulation of construction work payments	67.948.008,32 EUR without VAT or 79.499.169,73 EUR with VAT
RECAPITULATION OF PAYMENTS FOR SUPERVISION	
Recapitulation of payments for supervision	3.920.507,00 EUR without VAT or 4.586.993,19 EUR with VAT

Recapitulation: EIB loan no. 31.174, EBRD loan no. 48999, own funds and WBIF grant

Payment by categories	Svilaj – Odžak: Phase I	Svilaj - Odžak: Phase II
Construction works: loan funds	11.047.127,36	9.446.733,01
Construction works: own funds	23.822.546,05	8.768.887,57
Construction works: grant funds*	520.135,33	14.342.579,00
TOTAL WORKS:	35.389.808,74	32.558.199,58
Supervision: loan funds	421.224,50	748.712,50
Supervision: own funds	2.317.407,50	197.795,50
Supervision: grant funds	0,00	235.367,00
TOTAL SUPERVISION:	2.738.632,00	1.181.875,00

NOTE: In Q1 2020, part of the grant funds for the section Svilaj - Odžak were returned based on the Request of the Ministry of Finance and Treasury of BiH number 06-21-2-1876-37/19 in the amount of 4,711,491 EUR

SECTION PUTNIKOVO BRDO – MEDAKOVO

TECHNICAL DESCRIPTION
The length of the section is 8.5 km. The start of the route is at the exit from the Putnikovo brdo 2 Tunnel at the inter-entity border. Further on, the route extends towards the Usora interchange, more precisely towards a lateral toll station, after which the route crosses a bridge over the regulated riverbed of the Usora river to finally reach the settlement of Karuše. In Karuše, the route passes through a hill, and a cut & cover system of 220 m is planned at that location. In the continuation of the route, it passes through the inhabited towns of Tešanjka and Medakovo, as well as uninhabited areas. The section ends after the Medakovo interchange.
FINANCING
EBRD, contract number 50603 EU grant number WB-IG04-BIH-TRA-01
PROJECT DOCUMENTATION
At the end of September 2020, the development of the innovative detailed design for the sections Putnikovo brdo - Karuše and Karuše - Medakovo was completed.
CONSENTS AND PERMITS
In June 2016, the Federal Ministry of Environment and Tourism issued a Decision on the renewed environmental permit for the complete LOT 1 Svilaj - Doboj south (Karuše), while in September 2019 they issued an environmental permit for the complete LOT 2 Doboj south (Karuše) - Sarajevo North. In September 2021, the Federal Ministry of Physical Planning issued a Decision on urban planning approval for the entire Putnikovo brdo - Medakovo section. The application for the issuance of the Building Permit was submitted in July 2022. Federal Ministry of Physical Planning issued approval for the construction of this section on 8 November 2022.
EXPROPRIATION
The route of this section passes through the municipalities of Tešanj, Doboj South and Usora, and the expropriation procedure has been initiated in all mentioned municipalities. In the Municipality of Tešanj, 327 cases out of a total of 332 were completed for the construction of the motorway route, which represents a total of 99% of the area planned to be included in the expropriation study. In the Municipality of Usora, 118 cases out of a total of 133 cases were completed. In the Municipality of Doboj South, all 76 cases were completed. In total, 100% of the area covered by the study on expropriation was expropriated, including the decisions of the FBiH Government on early possession.
PROCUREMENT – SERVICES
Construction work services Procurement method: Open procedure with prequalification The procurement procedure ended with the signing of the contract on 11 November 2022 with the Company “Euro-asfalt” d.o.o. Sarajevo, in the amount of 147.778.508,56 EUR without VAT or 167.052.555,93 EUR with VAT
Supervision services Procurement method: Competitive procedure The procurement procedure ended with the signing of the contract on 1 December 2022 with the consultants “IRD Engineering S.r.l.” in the amount of 2.450.000,00 EUR without VAT or 2.866.500,00 EUR with VAT.

5.2. LOT 2: KARUŠE - TARČIN



LOT 2 is long 145 km and it is the longest LOT on the Corridor. It includes sections from Doboju South to Sarajevo South (Tarčin). The largest part of LOT 2 consists of the already built motorway sections (Zenica North - Zenica South and Zenica South - Tarčin), which are in use and already included in the toll system in the length of 92.9 kilometers. The Zenica bypass (Zenica North - Zenica south), which consists of the subdivisions Drivuša - Klopče, Klopče - Donja Gračanica and part of the section Tunnel Zenica - Donja Gračanica, was put into traffic on 15 July 2021. Other sections on this LOT are either in the preparation phase or in the construction phase, as shown in the next chapter. Information about the section of the motorway from Karuš to Medakovo was presented in the previous chapter, and we begin this chapter with the section Medakovo - Ozimice

MEDAKOVO – OZIMICE SECTION

TECHNICAL DESCRIPTION

The length of the section according to the detailed design is 21.7 km. The start of the section is located after the Medakovo interchange, and in the next 10 km the route passes mostly through the following populated areas: Medakovo, Alispahići, N. Šeher, Ljubatović. A tunnel with a length of approx. 2200 m and two two-sided rest areas also crosses this route. After exiting the tunnel, the route faces South. It continues passing around the edges of smaller settlements and reaches the Ozimica interchange, where the section in question ends.

FINANCING

EIB, contract number 91.682
EU grant, application submitted in the Sixth WBIF call. This application was evaluated positively.

PROJECT DOCUMENTATION

The detailed design and the review of the detailed design have been completed.

CONSENTS AND PERMITS

In September 2019, the Federal Ministry of Environment and Tourism issued an environmental permit for the complete LOT 2 Doboj South (Karuše) - Sarajevo North.
Urban planning approval was obtained.
The building permit will be obtained after meeting the legal requirements, which implies a revised detailed design and the completion of the expropriation procedure.

EXPROPRIATION

The route of this section passes through Tešanj municipality, Maglaj municipality and Žepče municipality. The expropriation procedure is ongoing. The main characteristic of this section is the large number of residential buildings that need to be expropriated. A total of 704 plots need to be expropriated in the Tešanj municipality, of which 542 plots have been expropriated so far. Judging by the number of cases out of a total of 407 cases, 332 of them have been fully completed so far. In total, 69.92% of the area included in the expropriation study was expropriated.
A total of 211 plots of land need to be expropriated in the Maglaj Municipality. Out of a total of 97 cases formed in the administrative procedure, 90 cases were completed. In total, 67.37% of the area included in the expropriation study was expropriated.
In the area of the cadastral municipality of Ljubatovići, in terms of the number of cases out of a total of 74 cases, 46 cases were completed. A total of 45 cases were formed for the cadastral municipality of Golješnica, of which 14 cases have been completed so far. So far, 22 cases of expropriation have been completed in the area of cadastral municipality Ozimica.

PROCUREMENT – SERVICES

Services of the Contractor

Procurement method: Open procedure without prequalifications

The drafting of the tender documentation has been completed and the bank's consent to the tender documentation was submitted on 9 June 2022. On the same day, a call for tender was published with a deadline of 16 August 2022. Evaluation of bids is underway.

Supervision services

Procurement method: Competitive procedure

The call for expressions of interest was published at the end of February 2022, while the deadline for submitting applications was mid-April 2022. The evaluation of the applications was completed and the Bank's approval of the evaluation report was received in May 2022. The call for tenders was published in June 2022, and the deadline for submitting tenders was 28 July 2022. The evaluation of technical offers has been completed, the technical evaluation report was sent to the Bank for approval on 12 September 2022. The Bank approved the technical evaluation report on 29 September 2022. Financial offers opened on 10 October 2022. The Bank's consent to the financial statement was submitted on 23 November 2022. The procurement procedure is in the final stage, the bidder has been selected. The next step is to sign a contract for monitoring services with the selected bidder.

Technical assistance services PIU Medakovo – Poprikuše

The procurement procedure was completed with the signing of the contract on 8 December 2022 in the amount of 844.150,00 EUR without VAT or 987.655,50 EUR with VAT with consultants from "ARUP" d.o.o. Belgrade.

Biodiversity services for the section Medakovo - Poprikuše

Type of procedure: Direct

A contract worth 40.000,00 EUR without VAT or 46,800.00 EUR with VAT signed with Zagrebinspekt d.o.o. Mostar.

Road safety audit (RSA) services for the section Medakovo - Poprikuše

Type of procedure: Direct

A contract worth 49.240,00 EUR without VAT or 57.610,80 EUR with VAT was signed with Ecoplan d.o.o. Mostar.

SECTION OZIMICE – POPRIKUŠE

TECHNICAL DESCRIPTION

The length of the section is 12.8 km. The section from Ozimica to Tatarbudžak is in the corridor of the route that was previously adopted by the local community. From Tatarbudžak, the route descends to the area of the Šećin Han settlement between the main road and railway corridor on one side and the Bosna River bed on the other. Further, the route mainly follows that corridor all the way to the beginning of the next section Poprikuša - Zenica North. The route passes by the settlements of Varišište, Šećin Han, Brezovo polje and ends in Golubinja. The Poprikuše interchange is planned at the very junction of the sections. In total, 10 bridges are planned on the route, and larger and more demanding facilities are designed over the Bosna River bed, the main road and the railway line. The route also includes four tunnels and one rest stop.

FINANCING

EIB, contract number 91.682
EU grant, application was sent in the Sixth WBIF call, but due to the level of readiness of the project, the application shall be repeated in the next WBIF call.

PROJECT DOCUMENTATION

Preliminary design was completed. Detailed design and its review have also been completed.

CONSENTS AND PERMITS

In September 2019, the Federal Ministry of Environment and Tourism issued an environmental permit for the complete LOT 2 Dobož South (Karuše) - Sarajevo North. The request for urban planning approval will be submitted after the selected designer in charge of the preparation of the detailed design has consolidated and completed the previously prepared project documentation together with the new one in order to obtain all approvals without hindrance. The request for urban planning approval has not yet been submitted. The building permit will be obtained after meeting the legal requirements, which implies a revised detailed design and the completion of the expropriation procedure.

EXPROPRIATION

The expropriation procedure was initiated in the Municipality of Žepče on the basis of the available expropriation studies for the 6.2 km route. Out of a total of 279 plots included in 4 cadastral municipalities in Žepče, 220 plots were expropriated, which, expressed as a percentage, represents 50.46% of the total expropriated area included in the expropriation study for the first part of this section.

PROCUREMENT – SERVICES

Services of the Contractor

Procurement method: Open procedure with prequalifications

The decision to initiate the procedure was made in April 2022. Pre-qualification documentation sent to the Bank for approval in July 2022. Coordination on changes to the pre-qualification documentation is in progress, it is possible to change to a single stage procedure.

Supervision services

Procurement method: Competitive procedure

The decision to initiate the procedure was made in April 2022. The call for expressions of interest was published in May 2022, the deadline for submitting applications is 6 July 2022. The evaluation of the applications has been completed; the

evaluation report sent to the Bank in August 2022. The Bank's consent to the evaluation report was submitted at the beginning of September 2022. The call for tenders is being prepared.

SUBSECTION POPRIKUŠE – NEMILA

TECHNICAL DESCRIPTION

The start of the section is in the immediate vicinity of Poprikuše settlement, south of the town of Žepča. The route starts with the bridge over the Bosna river, the Poprikuše interchange, continues via the viaduct over the M17 motorway, and enters the Golubinja Tunnel with a length of approx. 3.5 km. After exiting the Golubinja Tunnel, the route again crosses the M17 main road and the Bosna river with a bridge of approx. 220 m length, and the railway line with a viaduct of approx. 110 m. After the mentioned viaduct, the route ends and joins the next section. The total length of the route is approximately 5.5 km.

Financing	EIB contract number 89.502
	EBRD contract number 49058
	EU grant number WB-IG04-BIH-TRA-02
Number and date of environmental permit	No.: UPI 05/2-23-11-144/19 from 27 September 2019
Number and date of urban planning permit	No.: UPI/03-23-2-325/18 from 29 November 2018 Modified urban planning permit no. UPI/03-23-2-325/18 from 7 January 2022
Number and date of building permit	No.: UPI/03-19-2-126/22 from 11 July 2022

CONSTRUCTION WORKS

Contractor	Cengiz İnşaat Sanayi ve Ticaret A.S.
Contract number	JPAC 990-B99-18 from 16 November 2020
Value of contract	208.059.247,42 EUR with VAT
Construction period	42 months, or May 2024

SUPERVISION SERVICES

Consultant	IRD Engineering S.r.l.
Contract number	JPAC 988-E506-18 from 29 April 2020
Value of contract	5.194.800 EUR with VAT
Contract duration	67 months

Addendums	Addendum 1 was signed on 6 October 2021. The agreed price was increased by the amount of 48,000.00 EUR excluding VAT due to the hiring of a social expert in order to provide adequate consulting services regarding social issues during the construction of the Poprikuše - Nemila section. The value of the contract is currently 4,488,000.00 EUR without VAT or 5,250,960.00 EUR with VAT.
TECHNICAL ASSISTANCE PIU	
Consultant	Joint Venture: Hill International N.V. and OMEK Consulting Engineers S.A.
Contract number	JPAC 989-E507-18 from 22 July 2020
Value of contract	1.391.482,17 EUR with VAT
Contract duration	67 months
ACTIVITIES ON THE CONSTRUCTION SITE IN THE REPORTING PERIOD	
Description of completed work	
<p>Golubinja Tunnel: Excavation and primary substructure, waterproofing, construction of base vault, foundation and secondary lining</p> <p>Motorway route: Earthworks - excavations, embankments, abutments, armored barrages</p> <p>Connecting road to M17: Construction of embankments, subsoil replacement, securing of slopes</p> <p>Overbridge Kovanići: Construction of spanning structures, installation of bearings, expansion joints, security fences</p> <p>Golubinja Bridge 1: production of middle columns and abutments, construction of spanning structures, installation of bearings, expansion joints, security fence</p> <p>Golubinja Bridge 2: Installation of expansion joints</p> <p>Bosna Bridge: Installation of expansion joints</p>	
Current challenges related to project implementation and measures taken	

Challenges:

Tunnel excavation and primary construction:

The current geological conditions are very demanding, and the strongest support system is used for stabilization. The change of deformations (convergence) in the tunnel is up to 20 centimeters. Based on this data, it can be concluded that the tunnel is at the bottom of the construction ability scale according to NATM method.

Procurement of materials:

So far, the Contractor has no problems with the procurement of materials that would be caused by the war in Ukraine. Problems are created by the constant and enormous increase in prices, meaning that certain suppliers are unable to deliver the ordered materials.

Measures taken:

Work on the primary construction and excavation of the tunnel is carried out in accordance with the predicted geological conditions and project documentation.

Number of workers	October: 320	November: 307	December: 307
Number of hired subcontractors	October: 21	November: 21	December: 21

WORKS - Cengiz İnşaat Sanayi ve Ticaret A.S.			
∑1-18	until 30.9.2022	73.067.188,07	85.488.610,04
PS 19	10.10.2022	5.541.224,84	6.483.233,06
PS 20	7.10.2022	5.952.089,83	6.963.945,10
PS 21	16.11.2022	7.222.115,84	8.449.875,53
PS 22	29.12.2022	5.704.264,58	6.673.989,56
PS 23	29.12.2022	7.581.160,94	8.869.958,30
Q4	01.10-31.12.2022	32.000.856,03	37.441.001,56
TOTAL WORKS	until 31.12.2022	105.068.044,10	122.929.611,60
SUPERVISION-IRD Engineering S.R.I.			
∑1-18	until 30.9.2022	1.875.754,48	2.194.632,74
PS 19	29.9.2022	83.664,00	97.886,88
PS 20	27.10.2022	86.139,12	100.782,77
PS 21	8.12.2022	85.960,50	100.573,79
Q4	01.10-31.12.2022	255.763,62	299.243,44
TOTAL SUPERVISION	until 31.12.2022	2.131.518,10	2.493.876,18
TA-Joint Venture: Hill International N.V. and OMEK Consulting Engineers S.A.			
∑1-14	until 30.9.2022	206.817,04	241.975,94
PS 15	12.10.2022	22.277,50	26.064,68

PS 16	11.11.2022	22.401,96	26.210,29
Q4	01.10-31.12.2022	44.679,46	52.274,97
TOTAL TECHNICAL ASSISTANCE	until 31.12.2022	251.496,50	294.250,91
TOTAL PROJECT IMPLEMENTATION COSTS PAID UNTIL 31 DECEMBER 2022		107.451.058,70	125.717.738,68

RECAPITULATION ACCORDING TO FINANCING SOURCES		
SOURCE OF FINANCING	TYPE OF EXPENSE	AMOUNT
EBRD no. 49058	WORKS	61.169.123,38
EIB no. 89.502	WORKS	43.898.920,72
WBIF Grant for TA component	SUPERVISION	2.131.518,10
Own funds	Technical assistance	251.496,50
TOTAL		107.451.058,70

NOTE: The technical assistance services were paid from own funds to enable the reimbursement of service costs from the WBIF grant, and after signing the addendum to the Technical Assistance Grant Agreement with the EBRD.

SUBSECTION NEMILA – VRANDUK	
TECHNICAL DESCRIPTION	
The length of the section is 5.6 km. Among the buildings on this section, the following ones stand out: the Stara Stanica Viaduct, four underpasses with the displacement of local roads and the extended bridge at the entrance to the Nemila settlement stand out. Then the relocation of the main road M-17 in a length of about 3.6 km and the regulation of the bed of the river Bosna.	
Financing	Kuwait fund for Arab Economic Development, contract number 1012 (KFAED)
Number and date of environmental permit	No: UPI 05/2-23-11-144/19 from 27 September 2019
Number and date of urban planning permit	No: UPI 03-23-2-384/18 from 14 January 2019
Number and date of building permit	No: UPI 03-19-2-172/21 from 14 September 2021
CONSTRUCTION WORKS	
Contractor	HGG İnşaat Anonim Sirketi

Contract number	JPAC 1084-B104-19 from 28 February 2022
Value of contract	64.956.530,00 EUR with VAT
Contract duration	24 months
Addendums	Addendum 1 was signed on 12 August 2022. The contractor is committed to the completion of all works on Section 2 within 730 days from the start date which is equal to the time required for the completion of works on Section 1.
SUPERVISION SERVICES	
Consultant	Adel Al-Obaid Engineering Consultants and Ipsa Institute d.o.o.
Contract number	JPAC 956-E487-18 from 25 August 2021
Value of contract	1.500.525,00 EUR with VAT
Contract duration	50 months
Addendums	Addendum 1 was signed on June 26, 2022. The purpose of the supplement is of an administrative nature for easier and faster business, whereby the bank accounts of the leading member of the Consultant changed its currency preference to EUR, while the transfer account of the VAT representative (to BAM currency) and new bank accounts were delivered to the Client.
ACTIVITIES ON THE CONSTRUCTION SITE IN THE REPORTING PERIOD	
Description of completed work	
<p>In the previous reporting period, preparatory and permanent works on the construction of the motorway route and the relocation of the M17 main road were carried out on the construction site, namely: land clearing, forest cutting, geo-investigative works, excavation and filling works, mostly on the relocated M-17 main road and partly on the motorway route. The contractor carried out the AB facilities of the underpasses ("Nemila North" and "Odmorište") as well as plate and pipe culverts under the body of the motorway and the relocated main road. AB structures of the retaining wall M17-1 and M-17-3 and M17-4 are being constructed as part of the main road M17, which are located along the Bosna River bed. AB works are being carried out on the object of regulation of the Nemila riverbed, as well as AB retaining walls Z4 and Z5 near the existing bridge in Nemila.</p> <p>In correlation to earthwork and concrete work, relocation, protection and construction of various communal installations are being carried out as well. Moreover, the missing project and contract documentation (detailed designs, executive designs, geotechnical missions, etc.) is being prepared.</p>	
Current challenges related to project implementation and measures taken	

Challenges: The works are being carried out near the existing main road with heavy traffic.

Measures taken: An Elaborate on temporary traffic regulation was prepared, on the basis of which the consent of the competent ministry was obtained. Work performance zones are properly marked with traffic equipment and signage.

Challenges: It is planned to carry out works in the immediate vicinity of residential buildings (houses) in the Stara Stanica part of the settlement.

Measures taken: Discussions and meetings with the local population and information about the works are held. Marking of the work zone completed, the supervising engineer made an analysis and recommendations for solving and carrying out the work at this location. Currently, this issue has not yet been resolved, and an alternative route (construction of a tunnel) is being found in order to avoid the direct impact of the motorway on these residential buildings.

Challenges: Planned execution of works on the regulation of the Bosna River through Nemila. It is one of the largest watercourses in Bosnia and Herzegovina, which often overflows and causes flooding in this locality.

Measures taken: A detailed design for the regulation of the Bosna River with all the necessary technical solutions and measures for protection against the flooding of hundred-year-old waters has been prepared. The necessary approvals and permits for these works are currently being obtained.

Number of workers	October: 119	November: 119	December: 117
Number of hired subcontractors	October: 8	November: 9	December: 9

PROJECT REALISATION COSTS			
Interim certificate	Date of payment	EUR amount without VAT	EUR amount with VAT
RADOVI - HGG İnşaat Anonim Sirketi			
∑1-1	until 30.9.2022	6.162.318,55	7.209.912,70
PS 2	5.10.2022	1.070.803,47	1.252.840,06
PS 3	27.10.2022	664.727,41	777.731,07
PS 4	8.12.2022	2.397.305,26	2.804.847,15
PS 5	29.12.2022	1.858.080,58	2.173.954,28
Q4	01.10-31.12.2022	5.990.916,72	4.835.418,28
TOTAL WORKS	until 31.12.2022	12.153.235,27	14.219.285,27
SUPERVISION-Adel Al-Obaid Engineering Consultants and Ipsa Institute d.o.o.			
∑1-3	until 30.9.2022	120.108,25	140.526,65
PS 4	12.10.2022	27.470,78	32.140,81

PS 5	2.11.2022	39.188,00	45.849,96
PS 6	8.12.2022	41.391,40	48.427,94
PS 7	29.12.2022	38.410,59	44.940,39
Q4	01.10-31.12.2022	146.460,77	126.418,71
TOTAL SUPERVISION	until 31.12.2022	266.569,02	311.885,75
TOTAL PROJECT REALISATION COSTS PAID UNTIL 31 DECEMBER 2022		12.419.804,29	14.531.171,02

RECAPITULATION ACCORDING TO FINANCING SOURCES		
FINANCING SOURCE	TYPE OF EXPENSE	AMOUNT
KFAED no. 1012	WORKS	12.153.235,27
KFAED no. 1012	SUPERVISION	266.569,02
TOTAL		12.419.804,29

VRANDUK - PONIRAK SUBSECTION	
TECHNICAL DESCRIPTION	
<p>According to the project, the total length of the section is 5.3 km. Among the buildings on the route the ones that stand out are, Vranduk 1 and Vranduk 2 bridges, built using cantilever construction technology, the Vranduk Tunnel, and three smaller viaducts. The specificity of the route is that the left and right carriageways of the motorway are separated in plan and height due to the fact that the motorway stretches through very steep slopes. Most of the motorway is located in a side cut, which is why a significant number of high retaining walls have been designed, which will be built using reinforced soil technology.</p>	
Financing	OFID loan number 12665P
	OFID loan number 12665PB
Number and date of environmental permit	No.: UPI 05/2-23-11-144/19 from 27 September 2019
Number and date of building permit	No.: UPI/03-23-2-356/18 from 09 April 2019

CONSTRUCTION WORKS	
Contractor	Consortium AZVIRT L.L.C. and HERING d.d.
Contract number	JPAC 848-B82-17 from 15 May 2019
Value of contract	76.592.799,03 EUR with VAT
Construction period	24 months, or August 2021. (The contract expired 4 months ago) + 426 Addendum signed with the contractor for the extension of the deadline for the execution of works. The new deadline for the completion of the contract is September 2022. An addendum is being prepared to extend the deadline for execution by 388 days, but it has not yet been approved by the JPAC Management.
SUPERVISION SERVICES	
Consultant	Consortium DRI Investment Management d.o.o.– DIVEL d.o.o.
Contract number	JPAC 849-E440-17 from 08 May 2019
Value of contract	2.435.823 EUR with VAT
Contract duration	24 months + 24 months deadline for reporting defects (DNP). Signed addendum to extend the deadline for consulting services. The total duration of the contract is now 66 months. An addendum for the extension of the deadline for consulting services is being prepared.
Addendums	The JPAC administration made a decision on the adoption of Addendum 1 from 21 April 2022, which defined a new contract duration of 66 months, and the value of the contract increased from 2,081,900.00 EUR without VAT to 3,006,849.71 EUR without VAT.
PROJECT MANAGEMENT SERVICES	
Consultant	Engineering Institute IG d.o.o. Banja Luka and Saraj inženjering d.o.o. Sarajevo
Contract number	JPAC-1219-E637-20 from 23 June 2020
Value of contract	857.000 BAM (without VAT)
Contract duration	24 months
ACTIVITIES ON THE CONSTRUCTION SITE IN THE REPORTING PERIOD	
Description of completed work	
<p>Route: Completion of works on Sector 4 (920 meters long) according to the new project. Reduced intensity of work in this sector, stacking of gabion walls to face the reinforced soil. The road construction remains to be carried out in the spring, weather conditions allowing.</p> <p>Works on Sector 5 (138 meters) are being carried out according to a new project. Excavation of the last slope by blasting, transportation of materials to landfills and securing of the incision by placing reinforcing mesh, concrete beams and geotechnical anchors.</p>	

Sector 2 – Continuation of excavation of the second floor and protection of the slope of the first floor. A reinforced concrete grill is being constructed, and geotechnical anchors and AB vertical and horizontal beams are currently being installed. The contractor submitted a work plan and cost sheet for Sector 6, the project which was created by the company YUKSEL Proye. Other sectors are currently in the phase of creation of detailed design.

Waste disposal sites:

Boški Potok: Waste material from Sector 2 is disposed here

The following waste disposal sites are also active: L9. The rest of waste disposal sites are in the process of being closed.

Deforestation at the Malinjak 2 waste disposal site. The waste material is currently being transported to Malinjak 1, and part of it is being transported by the HGG company to the neighboring section of Nemila Vranduk for installation in the embankment for the purpose of M17 motorway relocation.

Vranduk Tunnel: Completed works on the three portal buildings of the tunnel. Work on the last gallery in progress. Installation of hollow curbs.

Vranduk 1 Bridge: Completed works on the construction of this structure. Installation of the asphalt layer, waterproofing and drainage elements was prolonged on all structures at the request of the contractor and the approval of the Client. This prolongation will not affect the further execution of the work, as it is delayed on other parts of the section.

Vranduk 2 Bridge: Completed works on the construction of this structure.

Crni potok Viaduct: Completed works on the construction of this structure.

Koprivna 1 Viaduct: Completed works on the construction of this structure.

Work on the Koprivna 2 bridge has not yet begun due to the unresolved construction issues of Sectors 6 and 7, in between which the aforementioned facility is located.

Notes:

Sectors 2 and 5 are currently under construction according to the new project.

Addendum for the extension of the deadline for execution and supervision was signed. The deadline for the extension has expired, and a new addendum is expected to be prepared for both construction and consulting services. The contractor stated that there are no problems with the procurement of materials due to the war in Ukraine, but that the material has become more expensive due to inflation both in Bosnia and Herzegovina and in the rest of the world.

By the end of Q1 of 2023, all funds for the financing of construction contracts and consulting services will be used up. Negotiations with banks on obtaining additional funds for this section are ongoing. It is estimated that approximately another 80 million EUR is needed to complete all works, including works on new projects for sectors that have not yet started with the construction (including a sliding scale of 25%, 20 million EUR).

Number of workers	October:	244	November:	257	December:	255
Number of hired subcontractors	October:	4	November:	5	December:	5

PROJECT REALISATION COSTS			
Interim certificate	Date of payment	EUR amount without VAT	EUR amount with VAT
WORKS – Consortium AZVIRT L.L.C. and HERING d.d.			
∑1-32	until 30.9.2022	56.739.250,51	66.384.923,10
PS 33	12.10.2022	1.225.831,54	1.434.222,90
PS 34	11.11.2022	986.438,28	1.154.132,79
PS 35	12.12.2022	1.404.799,28	1.643.615,16
Q4	01.10-31.12.2022	3.617.069,10	4.231.970,85
TOTAL WORKS	until 31.12.2022	60.356.319,61	70.616.893,94
SUPERVISION- Consortium DRI Investment Management d.o.o.– DIVEL d.o.o			
∑1-34	until 30.9.2022	2.469.917,45	2.889.803,42
PS 35	12.10.2022	84.009,50	98.291,12
PS 36	11.11.2022	86.708,77	101.449,26
PS 37	12.12.2022	83.758,06	97.996,93
Q4	01.10-31.12.2022	254.476,33	297.737,31
TOTAL SUPERVISION	do 31.12.2022	2.724.393,78	3.187.540,72
Project management services – Civil Engineering Institute IG d.o.o. Banja Luka and Saraj inženjering d.o.o. Sarajevo			
∑1-16	do 30.9.2022	158.218,42	185.115,55
PS 17	1.9.2022	7.375,98	8.629,90
PS 18	29.9.2022	7.375,98	8.629,90
PS 20	30.11.2022	7.375,98	8.629,90
PS 21	30.11.2022	7.375,98	8.629,90
Q4	01.10-31.12.2022	29.503,92	34.519,59
TOTAL TECHNICAL ASSISTANCE	until 31.12.2022	187.722,34	219.635,14
TOTAL PROJECT REALISATION COSTS PAID UNTIL 31 DECEMBER 2022		63.268.435,73	73.804.434,67

RECAPITULATION ACCORDING TO FINANCING SOURCES		
SOURCE OF FINANCING	TYPE OF EXPENSE	AMOUNT
OFID 12665P	WORKS	21.025.865,48
OFID 12663PB	WORKS	24.300.000,00
OFID 12665P	SUPERVISION	2.082.460,95
Own funds	WORKS	15.030.454,13
Own funds	SUPERVISION	641.932,83
Own funds	PROJECT MANAGEMENT	187.722,34
TOTAL		63.268.435,73

Note: The costs of works and supervision for the section Vranduk - Ponirak are paid from own funds and will be reimbursed from the OFID loan after legal effect.

SUBSECTION PONIRAK – VRACA	
TECHNICAL DESCRIPTION	
The total length of the section is 2.65 km, and the main structure on this section is the Zenica Tunnel, which makes up over 90% of this motorway route and consists of two pipes (the right pipe is 2420 m long, while the left pipe is 2475 m long). The anticipated excavation method is NATM (New Austrian Tunneling Method), which is deemed as suitable considering the expected changes in geological and geotechnical conditions.	
Financing	EIB contract no. 86.971
	EU grant number WB-IG01-BIH-TRA-01a
Number and date of environmental permit	No.: UPI 05/2-23-11-144/19 from 27 September 2019
Number and date of building permit	No.: UPI/03-23-2-385/18 from 18 February 2019 The amended building permit was issued by the Federal Ministry of Physical Planning on 11 June 2021.
CONSTRUCTION WORKS	
Contractor	Euro - Asfalt d.o.o. Sarajevo
Contract number	JPAC 851- B83-17 from 01 August 2019
Value of contract	69.508.325,70 EUR with VAT
Construction period	30 months or April 2022
Addendums	Addendum 1 was signed on 20 September 2022. This Addendum puts into force the Tripartite Agreement that was signed on 20 February 2020, which is based on the new detailed design of the Zenica Tunnel made by the company “Yuksel Proje”, Ankara, for which an amendment to the construction permit was obtained.
	Addendum 2 was signed on 20 September 2022. This Addendum extends the duration of the contract is extended by additional 387 days, and the time for the completion of the contract has been revised to 8 May 2023.
SUPERVISION SERVICES	
Consultant	Consortium PROYAPI Engineering and Consulting INC
Contract number	JPAC 850-E441-17 signed on 10 September 2019

Value of contract	2.244.528 EUR with VAT
Contract duration	54 months
Addendums	Addendum 1 was signed on 13 September 2021 due to an increase in the contracted price by the amount of 93,540.00 EUR, which resulted in the current value of contract of 2,011,940.00 EUR without VAT, or 2,353,968.80 EUR with VAT. The contracted price was increased due to the increased scope of works due to the extension of the tunnel, reorganization and change of the workforce and engagement of quality experts.
	Addendum 2 was signed on 19 September 2022 due to an increase in the contracted price by the amount of 686,544.53 EUR, which resulted in the current value of contract of 2,698,484.53 EUR without VAT or 3,157,226.90 EUR with VAT. The agreed price and time of consulting services are for the purpose of extending the performance deadline until 5 August 2023.
TECHNICAL ASSISTANCE PIU	
Consultant	Roughton International Ltd
Contract number	JPAC 936-E477-18; signed on 22 March 2019
Value of contract	671.580,00 EUR with VAT
Contract duration	57 months
Addendums	Addendum 1 was signed on 13 September 2021 due to an increase in the contracted price by the amount of 14,860.00 EUR without VAT due to the preparation of the analysis of cumulative impacts for the section Nemila - Donja Gračanica, and the value now amounts to 588,860.00 EUR without VAT or 688,966.20 EUR with VAT.
ACTIVITIES ON THE CONSTRUCTION SITE IN THE REPORTING PERIOD	
Description of completed work	
<p>In the reporting period between 1 October 2022 until 31 December 2022. The contractor continued performing earlier activities from the previous period:</p> <ul style="list-style-type: none"> - Works on the secondary lining of the foundation, lateral drains, correction of the final shotcrete in the left tunnel pipe. These works have been completed in both tunnel tubes. - Beginning of work on cleaning the construction roads inside the tunnel, and laying the internal waste water collector, as well as collective work on the secondary lining and foundations. The material for the pavement layers is being prepared, as well as the implementation projects for the electro-mechanical phase. 	

Current challenges related to project implementation and measures taken

Challenges:

1. The daily price increase in the global and local market causes escalation of prices included in the contract, which will further lead to the contracted budget overrun. Price escalation cannot be estimated due to the unpredictable market situation.
2. Work progress is still not satisfactory. The contractor has not prepared detailed designs for the phases following the completion of the secondary coating, neither the requests for the approval of a large number of materials for these phases. Part of the material is made on order and delivery takes several months. It is already questionable whether the contractor will fulfill all its contractual obligations by 8 May 2023.
3. Three sections located behind the Zenica Tunnel in the direction of Dobož are under construction and the estimated time for their completion is 2 years. Without these sections, the tunnel cannot be put into traffic, which means that if fully equipped and taken over by the Client, the tunnel would be exposed to risks such as: alienation of the equipment (the Client has already had similar bad experiences), equipment failures due to not being put into operation and exposure to atmospheric conditions, expiration of manufacturer's guarantees. The issue of procurement and installation of electro-mechanical equipment are the key questions in this matter.

Measures taken:

- The engineer warned the contractor on several occasions since the beginning of the year about the risks listed under point 2, however, the contractor did not act on these warnings. The contractor must mobilize more resources and improve the organization of the construction site in order to complete the full scope of work within the stipulated time. The risk analysis explained under point 3 is ongoing.

Number of workers	October: 40	November: 35	December: 50
Number of hired subcontractors	October: /	November: /	December: /

PROJECT REALISATION COSTS			
Interim certificate	Date of payment	EUR amount without VAT	EUR amount with VAT
WORKS - Euro - Asfalt d.o.o. Sarajevo			
∑1-35	until 30.9.2022	41.845.900,80	48.959.703,94
Q4	01.10-31.12.2022	0,00	0,00
WORKS TOTAL	until 30.09.2022	41.845.900,80	48.959.703,94
SUPERVISION-Consortium: PROYAPI Engineering and Consulting INC			
∑1-32	until 30.9.2022	1.920.057,45	2.246.467,22
PS 33	12.10.2022	55.125,00	64.496,25
PS 34	11.11.2022	47.375,00	55.428,75
PS 35	12.12.2022	47.460,00	55.528,20

Q4	01.10-31.12.2022	102.500,00	175.453,20
SUPERVISION TOTAL	until 31.12.2022	2.070.017,45	2.421.920,42
TA-Roughton International Ltd			
∑1-37	until 30.9.2022	407.597,02	476.888,51
Q4	01.10-31.12.2022	0,00	0,00
TA TOTAL	until 31.12.2022	407.597,02	476.888,51
Communication activities within the framework of construction promotion - Fabrika doo Sarajevo			
∑ Account no. 191-06/22	until 30.09.2022	9.924,90	11.612,13
Q4	01.10.-31.12.2022	9.924,90	11.612,13
Communication activities within the construction promotion TOTAL		9.924,90	11.612,13
TOTAL PROJECT REALISATION COSTS PAID UNTIL 31 DECEMBER 2022		44.333.440,17	51.858.512,87

RECAPITULATION ACCORDING TO FINANCING SOURCES		
SOURCE OF FINANCING	TYPE OF EXPENSE	AMOUNT
EIB no. 86.971	WORKS	31.999.999,99
WBIF Grant for INV component	WORKS	4.880.806,77
WBIF Grant for the commercial activities' component	Communication activities within the framework of construction promotion	9.924,90
Own funds	WORKS	4.965.094,04
Own funds	SUPERVISION	2.070.017,45
Own funds	TA	407.597,02
TOTAL		44.333.440,17

Note: The costs of the works, monitoring services and technical assistance were paid from own funds to enable the subsequent reimbursement of the costs from the WBIF grant to be implemented through the EIB.

SUBSECTION ZENICA TUNNEL – DONJA GRAČANICA

TECHNICAL DESCRIPTION

The total length of the section after the route change is 2.7 km. The construction of the following facilities is planned: one tunnel (Hum), three viaducts (viaduct on the interchange, Jelovik and Donja Gračanica), Zenica North interchange and toll station. As part of this section, the construction of a connecting road is planned, which will connect the City of Zenica with Corridor Vc.

Financing	EBRD contract number 47372
	EU grant number WB-IG01-BIH-TRA-01b
Number and date of environmental permit	No.: UPI 05/2-23-11-144/19 from 27 September 2019
Number and date of building permits	No.: UPI/03-19-2-139/20 from 06 October 2020
	No.: UPI/03-23-2-268/19 from 09 December 2019
	No.: UPI/03-23-2-269/19 from 24 January 2020
	No.: UPI/03-19-2-54/21 from 24 May 2021
Number and date of exploitation permit	No.: UPI/03-19-2-319/20 from 04 May 2021
	No.: UPI/03-19-2-321/20 from 14 July 2021
	No.: UPI/03-19-2-322/20 from 14 July 2021
	No.: 03-19-8733/20 from 24 January 2021

CONSTRUCTION WORKS

Contractor	Cengiz İnşaat Sanayi ve Ticaret A.S.
Contract number	JPAC 742-B73-16 from 08 November 2018
Value of contract	67.360.069,25 EUR with VAT
Construction period	900 days or May 2021
Addendums	Addendum 1 signed on 18 February 2019 in order to comply with the new Law on Financial Operations and does not affect the contracted value.
	Addendum 2 signed on 17 June 2020 in order to change the route and does not affect the contracted price.
	Addendum 3 signed on 30 March 2022 for additional works, exempted works, claims and due to changes in the sliding scale.

SUPERVISION SERVICES

Consultant	Consortium Technital S.p.A (leader) and TZI Engineering d.o.o.
Contract number	JPAC 744-E379-16 signed on 31 July 2018
Value of contract	2.837.086,20 EUR with VAT
Contract duration	54 months
Addendums	Addendum 1 signed on 04 February 2019 refers to the change of commercial bank and does not affect the contracted value of services.
	Addendum 2 signed on 17 March 2021 refers to the additional engagement of the social expert at the Bank's request, which affected the change in the contracted value of the services and it was increased by 17,550 EUR without VAT.

TECHNICAL ASSISTANCE PIU

Consultant	IPSA Institut d.o.o. Sarajevo
Contract number	JPAC 1057-E549-19 from 22 February 2019
Value of contract	594.225,45 BAM
Contract duration	54 months

ACTIVITIES ON THE CONSTRUCTION SITE IN THE REPORTING PERIOD

Description of completed work				
Considering that the contract is in the phase of elimination of defects (DNP), there were no significant works.				
Number of workers	October: /	November: /	December: /	
Number of hired subcontractors	October: /	November: /	December: /	

PROJECT REALISATION COSTS			
Interim certificate	Date of payment	EUR amount without VAT	EUR amount with VAT
WORKS- Cengiz İnşaat Sanayi Ve Ticaret A.S.			
∑1-31	until 30.09.2022	58.005.710,12	67.866.680,84
Q4	01.10-31.12.2022	0,00	0,00
TOTAL WORKS	until 31.12.2022	58.005.710,12	67.866.680,84
SUPERVISION-Technital S.p.A (leader) and TZI İnžinjeriņg d.o.o.			

∑1-28	until 30.09.2022	2.422.449,15	2.834.265,51
Q4	01.10-31.12.2022	0,00	0,00
TOTAL SUPERVISION	until 31.12.2022	2.422.449,15	2.834.265,51
TA-IPSA Institute d.o.o. Sarajevo			
∑1-34	until 30.09.2022	235.332,72	275.339,28
Q4	01.10-31.12.2022	0,00	0,00
TA TOTAL	until 31.12.2022	235.332,72	275.339,28
TOTAL PROJECT REALISATION COSTS PAID UNTIL 31 DECEMBER 2022		60.663.491,99	70.976.285,63

RECAPITULATION ACCORDING TO FINANCING SOURCES		
SOURCE OF FINANCING	TYPE OF EXPENSE	AMOUNT
EBRD no. 47372	WORKS	50.651.189,42
EBRD no. 47372	SUPERVISION	1.101.614,70
WBIF Grant for INV component	WORKS	7.354.520,70
WBIF Grant for TA component	SUPERVISION	1.320.834,45
Own funds	TA	235.332,72
TOTAL		60.663.491,99

KLOPČE - DONJA GRAČANICA SUBSECTION

TECHNICAL DESCRIPTION

The total length of the section is approximately 5.8 km, and several important buildings are located on it: on the first part of the route there are two viaducts (Klopče, Klopačke Stijene) and one tunnel (Klopče artificial Tunnel), while the particularity of the second half of the route consists in the fact that it is practically open and composed mainly of a total of three viaducts (Babina Rijeka with its extension, Pehare, Ričice) and two mountain tunnels (Ričice, Pečuj). Part of this subdivision includes the road on the right bank of the Bosna River with a roundabout, the junction with the M17, the Drivuša Bridge and the route on the left bank of the Bosna river with the roundabout, connecting with R445.

Financing	OFID loan number 1588P and 1589BP
	EBRD loan number 48999
	Own funds
Number and date of environmental permit	No. UPI05/2-23-11-4/14SS from 18 February 2014. Environmental permit renewed by decision UPI 05/2-23-11-144/19 from 27 September 2019
Number and date of building permit	N. UPI/ 03-23-2-129/15 ID from 2 July 2015 The building permit was amended and supplemented several times due to changes in the detailed design due to the consequences of the landslide. Revisions and amendments: 15 January 2019; 13 September 2019; 12 May 2020; 30 May 2020.
Number and date of exploitation permit	UPI/03-19-2-318/20 from 12 April 2021

CONSTRUCTION WORKS

Contractor	JV Euro - Asfalt d.o.o. Sarajevo (managing partner) and Strabag A.G.
Contract number	JPAC 608-B63-14 from 9 May 2016 (during the contract realization a total of 5 addendums were concluded)
Value of contract	107.879.287,94 EUR with VAT. Addendum 3 is a defined estimate of the increase in the contract amount to 148,409,915.45 EUR including VAT, this amount does not include an estimate of the value of the correction due to the change in costs (sliding scale, OUU sub-point 13.8).
Construction period	900 days for section 1, 600 days for section 2 (Pehare Viaduct) which was extended by addendums, deadline for the completion of works in November 2020 as defined by Addendum 4.

SUPERVISION SERVICES	
Consultant	Consortium Egis International and IPSA Institute d.o.o. Sarajevo
Contract number	JPAC 609-E314-14 signed on 07 May 2016 (during the contract realization a total of 5 addendums were concluded)
Value of contract	5.473.143,00 EUR with VAT. According to the Addendum 4 it was estimated at 7.256.005,00 EUR without VAT
Contract duration	78 months
STATUS DIONICE	
The Drivuša - Klopče, Klopče - Donja Gračanica section and the southern section of Zenica Tunnel - Donja Gračanica section make up the Zenica bypass, which was put into traffic on 15 July 2021 after the usage permits were obtained.	

PROJECT REALISATION COSTS			
Interim certificate	Date of payment	EUR amount without VAT	EUR amount with VAT
WORKS - JV Euro - Asfalt d.o.o. Sarajevo (managing partner) and Strabag A.G.			
∑1-67	until 30.9.2022	142.870.395,33	167.158.362,54
Q4	01.10-31.12.2022	0,00	0,00
TOTAL WORKS	until 31.12.2022	142.870.395,33	167.158.362,54
SUPERVISION-Consortium Egis International and IPSA Institute d.o.o. Sarajevo			
∑1-69	until 30.9.2022	7.529.650,06	2.592.514,54
PS 71	12.10.2022	23.927,60	27.995,29
PS 72	12.12.2022	23.961,53	28.034,99
Q4	01.10-31.12.2022	47.889,13	56.030,28
TOTAL SUPERVISION	until 31.12.2022	7.577.539,19	2.648.544,82
TOTAL PROJECT REALISATION COSTS PAID UNTIL 31 DECEMBER 2022		150.447.934,52	169.806.907,35

RECAPITULATION ACCORDING TO FINANCING SOURCES		
SOURCE OF FINANCING	TYPE OF EXPENSE	AMOUNT
OFID A	WORKS	39.467.850,86
OFID B	WORKS	19.172.707,44
EBRD no. 48999	WORKS	64.922.012,62
Own funds	WORKS	19.307.824,41
OFID A	SUPERVISION	2.572.010,10
OFID B	SUPERVISION	4.827.292,56
Own funds	SUPERVISION	178.236,53
TOTAL		150.447.934,52

Note: Part of the costs were paid from own funds due to the fact that the loan funds were used up.

SUBSECTION DRIVUŠA - KLOPČE	
TECHNICAL DESCRIPTION	
The length of this section is 2.23 km. Important structures on the route are the Drivuša Bridge, 650 meters long, over the Bosna River and the Perin Han Viaduct, approx. 400 meters long.	
Financing	KFAED contract number 794
Number and date of environmental permit	No.: UPI 05/2-23-11-4/14SS from 18 February 2014 Environmental permit renewed by decision UPI 05/2-23-11-144/19 from 27 September 2019
Number and date of building permit	No.: UPI/03-23-2-265/13 from 14 November 2013 Revisions and amendments of building permit from: 30 May 2016; 27 February 2017; 22 September 2017; 20 November 2019
Number and date of exploitation permit	No.: UPI/03-19-2-161/20 from 14 December 2020
CONSTRUCTION WORKS	
Contractor	Hering d.d. Široki Brijeg
Contract number	JPAC 373-A66-12 from 25 September 2014 (during the contract realization a total of 3 addendums were concluded). The JPAC administration made a decision on the adoption of Addendum 4.
Value of contract	33.527.849 EUR with VAT was increased to 36.231.262,80 EUR with VAT by Addendum 3. After signing the Addendum 4, the value of the works will amount to 36.269.376,59 EUR with VAT
Construction period	900 days or January 2020
SUPERVISION SERVICES	
Consultant	Consortium Divel d.o.o. and TAEP
Contract number	JPAC 375-E71-12 from 23 September 2014 (during the contract realization a total of 3 addendums were concluded)
Value of contract	2.538.315 EUR with VAT was increased to 3.647.917,14 EUR with VAT by Addendum 4.
Contract duration	54 months, extended to 75 months and 15 days by Addendum 3
SECTION STATUS	

The Drivuša - Klopče, Klopče - Donja Gračanica section and the southern section of the Zenica Tunnel - Donja Gračanica section compose the Zenica bypass, which was put into traffic on 15 July 2021 after the usage permits were obtained.

PROJECT REALISATION COSTS			
Interim certificate	Date of payment	EUR amount without VAT	EUR amount with VAT
WORKS - HGG İnşaat Anonim Sirketi			
∑1-67	until 30.9.2022	30.965.089,00	36.229.154,13
PS 67	4.11.2022	34.453,17	40.310,21
Q4	01.10-31.12.2022	34.453,17	40.310,21
TOTAL WORKS	until 31.12.2022	30.999.542,17	36.269.464,34
SUPERVISION-Adel Al-Obaid Engineering Consultants and Ipsa Institute d.o.o.			
∑1-73	until 30.9.2022	3.117.877,17	3.647.916,29
Q4	01.10-31.12.2022	0,00	0,00
TOTAL SUPERVISION	until 31.12.2022	3.117.877,17	3.647.916,29
TOTAL PROJECT REALISATION COSTS PAID 31 DECEMBER 202231.12.2022.		34.117.419,34	39.917.380,63

RECAPITULATION ACCORDING TO FINANCING SOURCES		
SOURCE OF FINANCING	TYPE OF EXPENSE	AMOUNT
KFAED no. 794	WORKS	27.022.061,69
KFAED no. 794	SUPERVISION	2.996.814,35
Own funds	WORKS	3.977.480,48
Own funds	SUPERVISION	121.062,82
TOTAL		34.117.419,34

Note: Interim certificates were paid from own funds due to the fact that the KFAER loan funds have already been used up.

5.3. LOT 3: TARČIN – MOSTAR NORTH



LOT 3 includes sections from Tarčin to Mostar North. An integral part of this LOT is the most demanding structure on Corridor Vc – Prenj Tunnel, measuring 10 kilometers of length. The Tarčin - Ivan section, which includes the Ivan Tunnel, is under construction, while the other sections are in the preparation phase for realization.

TARČIN – IVAN TUNNEL LOT 1 ENTRANCE SUBSECTION

TECHNICAL DESCRIPTION

Subsection with a length of 5.1 km is located in Sarajevo Canton. On this subsection of the motorway, Raštelica 1 and Raštelica 2, two long viaducts with a total length of 1150 m, stand out.

Financing	EIB contract number 89.502
	EU grant WB-IG02-BIH-TRA-06
Number and date of environmental permit	No.: UP-I-05/2-23-11-177/17 from 13 December 2017
Number and date of building permit	No.: UPI/03-23-2-331/19 from 24 December 2019 Building permit supplement no.: UPI/03-23-2-331/19 from 05 July 2021

CONSTRUCTION WORKS

Contractor	Consortium: Euro- Asfalt d.o.o. Sarajevo and Granit AD Skopje
Contract number	JPAC 1132-B109-19 from 24 August 2020
Value of contract	77.903.313,84 EUR with VAT
Construction period	20 months or March 2022 (deadline extended to August 2022)
Addendums	The JPAC administration made a decision on the adoption of Addendum 1, which extends the deadline for the completion of the contract by 136 days and increases the value of the works. The new deadline for the completion of the works is 15 September 2022, and the value of the works is 75,393,525.31 EUR without VAT. This Addendum will be signed after obtaining the creditor's consent.

SUPERVISION SERVICES

Consultant	Institut IGH d.d., Zagreb
Contract number	JPAC 1113-E582-19 from 11 August 2020
Value of contract	2.454.964,20 EUR with VAT
Contract duration	46 months (including the defects elimination period)
Addendums	The JPAC administration made a decision on the adoption of Addendum 1 which increases the contracted value of services by the amount of 373,692.10 EUR (without VAT) and the new contracted value of services amounts to 2,471,952.10 EUR without VAT, i.e., EUR 2.892.183,96 with VAT

TECHNICAL ASSISTANCE PIU			
Consultant	Technital S.p.A. Italy (this contract also includes technical assistance services on the Kvanj - Buna Tunnel section)		
Contract number	JPAC 1079-E566-19 signed on 12 April 2021		
Value of contract	818.274,60 EUR with VAT		
Contract duration	60 months		
ACTIVITIES ON THE CONSTRUCTION SITE IN THE REPORTING PERIOD			
Description of completed work			
The works have been completed on 15 September 2022. During the reporting period, the contractor performed activities related to elimination of defects.			
Number of workers	October: On demand	November: On demand	December: On demand
Number of hired subcontractors	October: 0	November: 0	December: 0

PROJECT REALISATION COSTS			
Interim certificate	Date of payment	EUR amount without VAT	EUR amount with VAT
WORKS - Consortium: Euro- Asfalt d.o.o. Sarajevo i Granit AD Skopje			
∑1-24	until 30.09.2022	71.548.613,21	83.711.877,46
PS 25	25.10.2022	1.602.449,65	1.874.866,09
PS 26	26.12.2022	2.057.898,21	2.407.740,91
Q4	01.10-31.12.2022	3.660.347,86	4.282.607,00
TOTAL WORKS	until 31.12.2022	75.208.961,07	87.994.484,45
SUPERVISION-Institut IGH d.d., Zagreb			
∑1-17	until 30.09.2022	1.651.527,50	1.932.287,18
PS 19	5.12.2022	104.631,24	122.418,55
PS 20	5.12.2022	82.305,50	96.297,44
Q4	01.10-31.12.2022	207.711,64	218.715,99
TOTAL SUPERVISION	until 31.12.2022	1.838.464,24	2.151.003,16
TA: Technital S.p.A. Italy			
∑1-12	until 30.9.2022	141.100,00	165.087,00
Q4	01.10-31.12.2022	14.820,00	17.339,40
TA TOTAL	until 31.12.2022	155.920,00	182.426,40
TOTAL PROJECT REALISATION COSTS PAID UNTIL 31 DECEMBER 2022		77.203.345,31	90.327.914,01

RECAPITULATION ACCORDING TO FINANCING SOURCES		
SOURCE OF FINANCING	TYPE OF EXPENSE	AMOUNT
EIB no. 89.502	WORKS	63.563.666,54
Own funds	WORKS	11.645.294,53
Own funds	SUPERVISION	1.838.464,24
EIB no. 89.502	TA	155.920,00
TOTAL		77.203.345,31

Note: The costs of works and supervision services are pre-financed from own funds to enable subsequent reimbursement from the WBIF grant which will be implemented through the EIB.

SUBSECTION IVAN TUNNEL LOT 2

TECHNICAL DESCRIPTION

Ivan Tunnel was designed to be built according to NATM (New Austrian Tunneling Method). The adopted form and position of the portal are such that it fits into the natural terrain and least disturbs the natural environment, which gives the road a higher quality. The length of the right tunnel tube, including the portal structure, is 1721.50 m, while the left tunnel tube is 1761.50 m long. As part of this subdivision, the construction of a connection to the main road in the town of Bradina is planned. It creates a temporary connection between the M17 main road and the motorway on Corridor Vc.

Financing	EBRD contract number 49058
	EU grant WB-IG02-BIH-TRA-06
Number and date of environmental permit	No.: UP-I 05/2-23-11-177/17 from 13 December 2017
Number and date of building permit	No.: UPI/03-23-2-331/19 from 24 December 2019 Building permit supplement no.: UPI/03-23-2-331/19 from 05 July 2021

CONSTRUCTION WORKS

Contractor	Euro - Asfalt d.o.o. Sarajevo
Contract number	JPAC 985-B98-18 from 28 October 2019
Value of contract	67.425.427,33 EUR with VAT
Construction period	30 months or May 2022
Addendums	Addendum 1 was signed on 28 September 2022 due to the extension of the deadline for the execution of works by an additional 113 days. The new deadline for completing the works is September 15, 2022. years. The contracted value of the works was not changed by this addendum.

SUPERVISION SERVICES

Consultant	IRD Engineering S.r.l.
Contract number	JPAC 986-E504-18 from 11 October 2019
Value of contract	2.163.037,50 EUR with VAT
Contract duration	57 months
Addendums	Addendum 1 was signed on 24 November 2020 in order to change the description of services according to the request of the EBRD, and the amount was increased by 37.200,00 EUR excluding VAT.
	Addendum 2 was signed on 28 September 2022 due to the extension of the deadline for the execution of works until 15 September 2022, after which the 24-month defects removal period

	(DNP) begins. The contracted amount was increased to 2.025.785,65 EUR without VAT or 2.370.169,21 EUR with VAT		
ACTIVITIES ON THE CONSTRUCTION SITE IN THE REPORTING PERIOD			
Description of completed work			
The works were completed on 15 September 2022. During the reporting period, the contractor performed activities related to elimination of defects.			
Current challenges related to project implementation and measures taken			
<p>Challenges: The deadline for the completion of all works was 15 September 2022 (in accordance with Addendum 1). By 30 September, the works were completed except for the minor ones that will be part of the defects' list for the defects Reporting Period.</p> <p>Measures of mitigation: The notification about taking over the works or part of the works was submitted by the contractor on 09 September 2022 and the engineer is currently preparing all the necessary documentation in accordance with the contract to issue a Certificate of Acceptance of the works or part of the works.</p>			
Number of workers	October: On demand	November: On demand	December: On demand
Number of hired subcontractors	October: 0	November: 0	December: 0

PROJECT REALISATION COSTS			
Interim certificate	Date of payment	EUR amount without VAT	EUR amount with VAT
WORKS - Euro - Asphalt d.o.o. Sarajevo			
∑1-29	until 30.9.2022	47.772.040,59	55.893.287,49
PS 30	3.10.2022	2.600.357,33	3.042.418,08
PS 31	10.10.2022	4.046.797,34	4.734.752,89
PS 32	18.11.2022	2.358.014,94	2.758.877,48
PS 33	5.12.2022	1.998.339,03	2.338.056,67
Q4	01.10-31.12.2022	11.003.508,64	12.874.105,11
TOTAL WORKS	until 31.12.2022	58.775.549,23	68.767.392,60
SUPERVISION-IRD Engineering S.r.l.			
∑1-29	until 30.9.2022	1.800.204,66	2.106.239,45
PS 30	8.11.2022	58.769,00	68.759,73
PS 32	2.12.2022	46.667,00	54.600,39
Q4	01.10-31.12.2022	105.436,00	123.360,12

TOTAL SUPERVISION	until 31.12.2022	1.905.640,66	2.229.599,57
TOTAL PROJECT REALISATION COSTS PAID UNTIL 31.12.2022.		60.681.189,89	70.996.992,17

RECAPITULATION ACCORDING TO FINANCING SOURCES		
SOURCE OF FINANCING	TYPE OF EXPENSE	AMOUNT
EBRD no. 49058	WORKS	54.419.195,26
WBIF Grant for TA component	SUPERVISION	1.905.640,66
Own funds	WORKS	4.356.353,97
TOTAL		60.681.189,89

IVAN – OVČARI SUBSECTION

TECHNICAL DESCRIPTION

The section starts right behind the Ivan Tunnel portal. Most of the route is made up of bridges and tunnels (12 bridges with a total length of 3.6 kilometers and 6 tunnels with a total length of 3.6 kilometers) and passes through the settlements: Vrbljani, Badanj, Gajevo Bradina and Zukići, ending with a temporary connection to the M17 motorway in Ovčari.

FINANCING

Not defined. The section is included in the Public Investment Program of the Federation of BiH for the period 2021 - 2023, which is a prerequisite for starting the debt procedure with international financial institutions. The EIB submitted a Letter of Intent for the financing of this section.

PROJECT DOCUMENTATION

WBIF grant funds were secured for the development of the detailed design. The ToR for the detailed design was agreed between IFICO, EUD, and IFI. IPF 9 is responsible for the implementation of the grant, that is, for the preparation of project documentation: feasibility study, environmental impact study, preliminary design, detailed design and revision of the detailed design.

Component 1 includes a GAP analysis, an environmental impact study and a package of environmental and social documents in accordance with EBRD standards. Preparation of documentation is in progress. The funds that were earmarked for the detailed design were mostly used for the preliminary design, which the Bank was informed about. Currently, the process of finding modalities for additional funds is underway in order for the foreseen activities of the detailed design, i.e., Component 2 to be completed.

The preparation of study and project documentation is ongoing, and the planned completion for the preparation of documentation at the level of the detailed design is Q4 of 2023.

CONSENTS AND PERMITS

Urban planning approval was previously obtained for the part of the route that has not been changed.

EXPROPRIATION

In November 2022, the FBiH Government adopted the Decision on the declaration of public interest for the construction of the Ivan – Ovčari motorway section.

PROCUREMENT

The procurement procedure will be initiated according to the creditor's rules after the conditions for procedure initiation have been met.

OVČARI – PRENJ (TUNNEL ENTRANCE) SUBSECTION

TECHNICAL DESCRIPTION

The section begins with the M1 bridge above the Ovčari interchange, on the slopes to the right of the M17 main road and continues as the bridge that crosses the main road and the Trešanica river. There are 7 bridges and 2 tunnels on this section, out of which the most important are: the viaduct over the industrial zone and the 2.2-kilometer-long tunnel on the eastern side of Konjic, as well as the Neretva Bridge.

FINANCING

EIB and EBRD, debt initiative is in the process
In July 2021, JPAC filed a request for debt for sections from Ovčari to Mostar South.
The EU grant application will be prepared when the project documentation is in the final stage

PROJECT DOCUMENTATION

Preliminary design completed. For the sections Ovčari – Prenj Tunnel entrance and Prenj Tunnel exit - Mostar North WBIF grant funds were secured for the preparation of project and study documentation. These two grants are implemented together in two components:

- Component 1: includes a Gap analysis, an environmental impact study and a package of environmental and social documents in accordance with EBRD standards. The start of the study was in June 2020. The preparation of documentation is ongoing, including the hydrogeological research. The preparation of the study is in the final stage. On the section Ovčari - Prenj Tunnel entrance, the surveying of the terrain and the creation of new geodetic foundations have been completed. The demining of the part of terrain that was contaminated with mines and explosives was completed. The geo-research works for the needs of the G1 mission have been completed and the preparation of the study is in progress in order to continue the execution of the G21 mission. The designer is currently working on the disposition of the facilities, while the continuation of the detailed design is expected after the approval of the requested IPF funds by the Bank.
- Component 2 includes the detailed design and tender documentation, and work on the preparation of this part of the documentation began in Q1 of 2021. Q2 of 2023 is the deadline for completing the design documentation for Component 2.

IPF 8 is in charge of the implementation.

CONSENTS AND PERMITS

The validity of the previous water approval was extended. The approvals of BH GAS and the necessary electrical approvals have been obtained. The Consultant prepared a request for a preliminary Environmental Impact Assessment and submitted it to JP Autoceste in February 2022. The request for a preliminary Environmental Impact Assessment for the section of the motorway on the Corridor Vc Konjic (Ovčari) - Prenj Tunnel - Mostar North was submitted to the Federal Ministry of Environment and Tourism and the prepared study documentation was made available for public inspection. In April 2022, a decision was issued determining the content and scope of the Environmental Impact Study. The preparation of the Study is in the final stage.

The urban permit will be obtained after the correction of the preliminary design and the decision on the approval of the Environmental Impact Study.

EXPROPRIATION

In June 2022, the FBiH Government adopted the Decision on the declaration of public interest for the construction of the section of the Konjic – Prenj Tunnel motorway on Corridor Vc.

PROCUREMENT

The procurement procedure will be initiated according to the creditor's rules after the conditions for initiating the procedure are met.

PRENJ TUNNEL SECTION

TECHNICAL DESCRIPTION

The key feature of the Prenj Tunnel is its length of 10.15 km, according to which it belongs to long tunnels and is subject to the application of all prescribed safety measures in tunnels, according to Directive 2004/54/EC. Along with the Prenj Tunnel itself, this section implies access to the northern and southern portals of the Tunnel as well.

FINANCING

EIB and EBRD, debt initiative is in the process
In July 2021, JPAC filed a request for debt for sections from Ovčari to Mostar South.
The EU grant application will be prepared when the project documentation is in the final stage

PROJECT DOCUMENTATION

Preliminary design completed in 2016. The procurement of services for preliminary design with the elements of detailed design was announced.

The detailed design will be prepared by the contractor since the project realization is foreseen according to the FIDIC Yellow Book provisions. As part of the G1 mission, the following were prepared:

- Report on engineering, geological, hydrogeological and geotechnical investigation works for Prenj Tunnel, WINNER PROJECT d.o.o. Sarajevo, 2016
Preliminary geotechnical project for Prenj Tunnel

In cooperation with external collaborators, a Program of additional investigative works was drawn up. The implementation of the part of the Program related to hydrogeological research and trial IG mapping and research from the Program of additional investigative works is underway.

In cooperation with CTP Zagreb, a project assignment was prepared for the preparation of Quantitative Risk Analysis and accompanying studies (Ventilation Study, Risk Assessment Study for Transport of Hazardous Materials, Fire Risk Assessment Study). Financing and preparation of the Risk Analysis and accompanying studies will be realized through the fund implemented by the European Union's Technical Assistance Program - Connecta. The preparation of the analysis and accompanying studies was completed in the second quarter of 2021, and the preparation of additional reports and documentation is underway.

A consulting contract was signed for the implementation of fire safety measures - Prenj Tunnel.

CONSENTS AND PERMITS

The validity of the previous water consent was extended.

The consultant prepared a request for a preliminary Environmental Impact Assessment for the section of the motorway on the corridor Vc Konjic (Ovčari) - Prenj Tunnel - Mostar North and submitted it to JP Autoceste in February 2022. The request for a preliminary Environmental Impact Assessment for the section of the motorway on Corridor Vc Konjic (Ovčari) – Prenj Tunnel - Mostar North was submitted to the Federal Ministry of the Environment and Tourism, and the prepared study documentation was made available for public inspection. In April 2022, a decision was issued which the content and scope of the Environmental Impact Study is determined. The preparation of this Study is in the final stage.

The planning consent will be obtained after the correction of the preliminary design and the decision on the approval of the Environmental Impact Study.

EXPROPRIATION

In July 2020, and later in November 2022, the FBiH Government adopted the Decision on the declaration of public interest for the construction of the Prenj Tunnel section of the Vc Corridor. Elaborations for the expropriation of the access roads to the tunnel portals, both north and south, have been submitted.

In July 2022, a public advertisement was announced for the consensual acquisition of real estate, after which requests for the division of plots were submitted. Proposals for expropriation with associated studies were submitted to the competent local self-government units of the City of Mostar and the City of Konjic.

PROCUREMENT ACCORDING TO INTERNATIONAL PROCEDURES

PROCUREMENT – SERVICES

Creation of preliminary design with elements of detailed design

Procurement method: Open procedure

The public procurement procedure ended with the signing of the contract with the designer “Elea iC d.o.o” from Slovenia. The value of contract is 5.934.530,80 EUR without VAT, or 6.943.401,04 EUR with VAT.

Technical assistance during the tender procedure for procurement of works and supervision and monitoring of environmental and social issues

Procurement method: Competitive procedure

The management of JP Autoceste passed the Decision on the initiation of the procedure in January 2022. The call for expressions of interest was published in July 2022. The evaluation of the received applications has been completed, and the revised evaluation report was sent to the Bank for approval on 30 September 2022. The Bank submitted the consent on 6 October 2022. A draft for the Invitation to Bid was prepared and submitted to the Bank for approval on 29 November 2022.

Drafting of the preliminary and detailed design for preparatory works and preparation of tender documentation

Procurement method: Competitive procedure

The public procurement procedure ended with the signing of the contract on 13 May 2022, with JV: Design & QC Ltd. Sarajevo and IPSA Institute d.o.o. Sarajevo in the amount of 578,402.00 EUR - without VAT or 676,730.34 EUR with VAT.

Contractor for access roads construction

Procurement method: Open procedure

The decision to initiate the procedure was made in July 2022. The tender documentation was completed and the Bank's consent to TD was submitted on 21 September 2022. The call for submission of applications was published on 21 September 2022, and the deadline for submission of offers was 30 December 2022. Evaluation of bids is underway.

Supervision services on access roads construction

Procurement method: Competitive procedure

<p>The decision to initiate the procedure was made in July 2022. The tender documentation was completed and the Bank's consent to TD was submitted on 12 September 2022. The call for bids was published on 12 September 2022, and the deadline for submitting applications was 27 October 2022. The evaluation of the applications was completed and the evaluation report was sent to the Bank for approval on 28 December 2022.</p>
<p>Contractor services Procurement method: Open procedure with prequalification The decision to initiate the procedure was adopted on 06 July 2022, the Bank's consent to the pre-qualification documentation was obtained on 12 July 2022. Consent to the publication of pre-qualification documentation obtained on 14 July 2022. The pre-qualification documentation for the Prenj Tunnel was published on 14 July 2022. The deadline for submission of tenders was 26 September 2022. Evaluation of tenders is ongoing.</p>
<p>Supervision services on Prenj Tunnel construction Procurement method: Competitive procedure The documentation for the call for expressions of interest was completed and sent to the Bank for approval on 26 November 2022.</p>

PRENJ TUNNEL EXIT – MOSTAR NORTH SECTION
TECHNICAL DESCRIPTION
<p>The section, approximately 13 kilometers long, passes entirely through the Herzegovina-Neretva Canton. Among the facilities on the motorway route, there is an 800m long tunnel, three viaducts between 300 and 400 meters long and a 2.2 km long tunnel at the end of the route. This section (as well as the section Ovčari - Prenj) is functionally connected and made apt for traffic as a consequence of the construction of Prenj Tunnel.</p>
FINANCING
<p style="text-align: center;">EIB and EBRD, debt initiative is in the process In July 2021, JPAC filed a request for debt for sections from Ovčari to Mostar South. The EU grant application will be prepared when the project documentation is in the final stage</p>
PROJECT DOCUMENTATION
<p>Preliminary design completed. For the sections Ovčari - Prenj Tunnel entrance and Prenj Tunnel exit - Mostar North, WBIF grant funds for the preparation of project and study documentation have been secured. These two WBIF grants are implemented together in two components.</p> <p>Component 1 includes a GAP analysis, an Environmental Impact Study and a package of environmental and social documents in accordance with EBRD standards. The start of the study was in June 2020. Preparation of documentation is in progress. On the section in question, geodetic and geo-investigative works were completed in the past period, and a Rockfall analysis is currently being prepared by the designer, which will present the safety aspects of the passage of the route in the area of the Klenova Draga site. The end of the Rockfall analysis will come after the approval of the funds for Component 2. The demining at Šljeme has been completed and has been confirmed by the BH - MAC.</p> <p>Component 2 includes the detailed design and tender documentation, and work on the preparation of this part of the documentation began in the first quarter of 2021. IPF 8 is in charge of implementation. The preparation of study and project documentation is ongoing. Q2 of 2023 is the deadline for completing the design documentation for Component 2.</p>
CONSENTS AND PERMITS

The validity of the previous water consent was extended. The approvals of BH GAS, JP Željeznice FBiH and the necessary electrical approvals have been obtained. The consultant prepared the Request for Preliminary Environmental Impact Assessment for the section of the motorway on the Corridor Vc Konjic (Ovčari) - Prenj Tunnel - Mostar North and submitted it to JP Autoceste in February 2022. The request for a preliminary environmental impact assessment for the section of the motorway on the Corridor Vc Konjic (Ovčari) - Prenj Tunnel - Mostar North was submitted to the Federal Ministry of Environment and Tourism, and the prepared study documentation was made available for public inspection. In April 2022, a decision was issued determining the content and scope of the Environmental Impact Study. The preparation of the study is in the final stage. Urban planning consent will be obtained after the correction of the preliminary design and the decision on the approval of the environmental impact study.

EXPROPRIATION

In June 2022, the FBiH Government adopted the Decision on the declaration of public interest for the construction of the Prenj - Mostar North motorway section on Corridor Vc.

PROCUREMENT

The procurement procedure will be initiated according to the creditor's rules after the conditions for initiating the procedure are met.

5.4. LOT 4: MOSTAR NORTH – BIJAČA



LOT 4 represents the southern part of Corridor Vc. Three sections of this LOT are in the preparatory phase for realization, two sections are under construction, while the 10 km section Zvirovići - Bijača is in use and registered in the toll system.

MOSTAR NORTH – MOSTAR SOUTH SECTION

TECHNICAL DESCRIPTION

The length of the section is approx. 15 km. According to the preliminary design, the section includes the Mostar North interchange with a toll station, six tunnels with a total length of around 9 km and six relatively short viaducts/bridges with a total length of about 2 km. The length of the open route is around 4 km.

FINANCING

EBRD and commercial banks, initiative is in procedure
In July 2021, JPAC filed a request for debt for sections from Ovčari to Mostar South.
The EU grant will be applied for in the Seventh WBIF call in 2022

PROJECT DOCUMENTATION

The preliminary and detailed design are currently in the development phase, but the route of the motorway has been changed by the Spatial plan of important monuments for the Federation - Motorway on Corridor Vc. For this section, investigative works were carried out and a preliminary geotechnical mission G1 was prepared for the route adopted by the Spatial plan.

CONSENTS AND PERMITS

The EBRD grant financed the preparation of the Environmental Impact Study and other documents according to the EBRD's Environmental Protection and Social Issues Policy. The consulting company Enova d.o.o. Sarajevo was hired to prepare the documentation. A complete environmental impact assessment procedure was carried out according to the current law. A Decision was obtained on the acceptance of the Environmental Impact Assessment Study in May 2022. The urban permit will be obtained after the environmental permit. The Decision on the acceptance of the Environmental Impact Study was issued.

EXPROPRIATION

In July 2020 and in November 2022, the FBiH Government adopted the Decision on the declaration of public interest for the construction of the section of the Mostar North - Mostar South motorway on Corridor Vc.

PROCUREMENT – SERVICES

Contractor services

Procurement method: Open procedure

The first procedure was canceled on 28 October 2022. The preparation of pre-qualification documentation for the repeated procedure began on 1 December 2022. Coordination with the Bank on pre-qualification documentation is in progress.

Supervision services**Procurement method: Competitive procedure**

The decision to launch public procurement was made in December 2021. The call for submissions was published in May 2022, and the deadline for submitting applications was the end of June 2022. The evaluation of received applications has been completed. The revised evaluation report was created on 29 September 2022 and was sent to the Bank for approval. The bank submitted its consent on 6 October 2022. The call for tender is being prepared.

Detailed and preliminary design creation services**Procurement method: Competitive procedure**

The public procurement procedure was completed on 26 September 2022, by signing the contract with JV: Yuksel Proje (Turkey), PPG d.o.o. Sarajevo (BiH), Design & QC d.o.o. Sarajevo (BiH), Integra d.o.o. Mostar (BiH), Trasa d.o.o. Sarajevo (BiH). The value of contract is 7,209,615.30 EUR without VAT or 8,435,249.90 EUR with VAT.

Detailed design audit drafting services**Procurement method: Competitive procedure**

The public procurement procedure was completed on 11 October 2022, by signing the contract with the JV: IPSA Institute d.o.o. Sarajevo, Rina Consulting S.p.A and Mega Muhendislik Musavirlik A.S.
The value of the contract for auditing services is: 1,397,000.00 EUR without VAT, or 1,634,490.00 EUR with VAT.

MOSTAR SOUTH – KVANJ TUNNEL SUBSECTION	
TECHNICAL DESCRIPTION	
The length of the section is 8.6 km. Two bridges and two double-tube tunnels stand out as important structures on this section.	
FINANCING	
EBRD, contract number 49058 (Tranche B) EU grant, applied in the Sixth WBIF call	
PROJECT DOCUMENTATION	
Preliminary design completed. The procurement procedure for the detailed design was canceled due to the fact that the FBiH Government changed the implementation method of this project from the FIDIC Red Book to the FIDIC Yellow Book, which implies that the selected contractor creates the detailed design based on the investor's preliminary design.	
CONSENTS AND PERMITS	
<p>Previous approvals for urban permit have been obtained. In July 2020, the updated Environmental Impact Study, Waste Management Plan, Biodiversity Assessment, and other documents prescribed by the EBRD Environmental Protection and Social Issues Policy were finalized and publicly announced. The public hearing, which is a prerequisite for issuing an environmental permit, was held on 14 September 2020 in Mostar. The Federal Ministry of Environment and Tourism on issued a decision on the environmental permit on 17 February 2021. On 18 November 2021, a final decision was made on the validity of the environmental permit.</p> <p>A request for urban permit has been submitted to the competent ministry and the application is being processed, awaiting approval from the Ministry of Defense of Bosnia and Herzegovina, which is a prerequisite for obtaining the urban permit.</p>	
EXPROPRIATION	
The city of Mostar is responsible for the expropriation procedure. The expropriation procedure was initiated on 29 January 2019. 323 plots out of 383 plots were expropriated, that is, 212 cases out of a total of 240 cases were completed. Expressed as a percentage, 83.38% of the area included in the expropriation study was expropriated, including 12 decisions of the FBiH Government on early entry into possession.	
NABAVKE – USLUGE	
<p>Contractors' services Procurement method: Open procedure without prequalifications The decision to launch the procurement was made on 7 September 2020. The drafting of tender documentation was completed and submitted to the Bank for approval on 21 December 2020. The Bank submitted its consent to the tender documentation on 23 December 2020 and the call for bids was published the same day while the extended deadline for submitting bids was 22 March 2021. The evaluation of bids is ongoing.</p>	
<p>Consultantske supervision services Procurement method: Competitive procedure The call for applications was published in October 2020, and the deadline for submitting applications was December 2020. The call for tender was published in May 2022. The deadline for submission of offers was 11 July 2022. Evaluation of bids was completed and the Bank's approval of the technical evaluation report was submitted on 16 August 2022. Financial offers open on 30 August 2022. The financial report was submitted to the Bank on 28 September 2022.</p>	

and the Bank's approval of the financial statement was submitted on 29 September 2022. The bidder has been selected and the signature of the contract with the selected bidder is awaited.

SUBSECTION TUNEL KVANJ – BUNA

TECHNICAL DESCRIPTION

The length of the section is 5.1 km and includes a two-tube tunnel approx. 2.6 km long and a bridge approximately 220 meters long.

FINANCING

EIB contract number 87.195

EU grant: in the Fifth WBIF call, a grant was approved in the amount of 20% of the investment, and an application for additional 20% was made in the Sixth WBIF call

PROJECT DOCUMENTATION

Preliminary design completed. The tender for the procurement of a detailed preliminary design was published, and the opening of bids was on 28 July 2022. The detailed design will be prepared by the contractor, since the project is realized according to the FIDIC Yellow Book.

On 15 June 2022, a notice was published on the procurement "Development of a detailed preliminary design, Corridor Vc, subsection Kvanj Tunnel - Buna". Due to several complaints about the tender documentation, the tender was not completed until mid-October 2022. Considering that it is not possible to predict an approximate date for the end of the procedure due to frequent appeals, the EIB expressed interest and confirmed that the procurement in question is financed by the EIB. The public procurement procedure for the selection of consulting services has been launched, which will be conducted through a single-stage open call with post-qualification, two envelopes in accordance with the Procurement Guide for EIB-financed projects. The deadline for submitting offers is 27 January 2023.

CONSENTS AND PERMITS

The environmental permit was issued in May 2019.

In December 2019, the Federal Ministry of Physical Planning issued an urban permit.

The building permit will be obtained after the detailed design has been prepared by the contractor.

EXPROPRIATION

Municipalities Čapljina, Stolac and the City of Mostar are in charge for the expropriation procedure. The degree of realization of expropriation in the area of the municipality of Čapljina is 100%. The degree of realization of expropriation in the area of the city of Mostar is 100% of the area (taking into account the two decisions of the FBiH Government on early entry into possession). In the municipality of Stolac, 100% of the area was expropriated, including one decision of the FBiH Government on early possession. Realization of expropriation on the complete subdivision is 100%.

PROCUREMENT – SERVICES

Contractors' services

Procurement method: Open procedure

The management of JP Autoceste on 25 March 2022 passed the Decision on canceling the procurement procedure that was initiated in 2019. A new procedure was initiated by the Management Board's Decision of 21 April 2022. Preparation of pre-qualification documentation has been completed. Call for submission of technical offers was published on 9 August 2022, and the extended deadline for submission was set for 28 November 2022. Evaluation of submitted offers has not yet begun.

Consulting supervision services

Procurement method: Competitive procedure

The contract was signed with the company Proyapi on 14 October 2020 in the value of 4,485,169.23 EUR without VAT or 5,247,648.00 EUR with VAT.

Technical assistance to the project implementation Unit

Procurement method: Competitive procedure

The contract was signed on 12 April 2021 with the company Technital S.p.A. - Italy.
The value of contract amounts to 699.380 EUR without VAT or 818.274,60 EUR with VAT.

BUNA - POČITELJ SECTION	
TECHNICAL DESCRIPTION	
The section is 7.18 km long and contains the following structures: two overpasses (Grabovina and Kevčić), two passages for animals, one underpass (Bivolje Brdo), one revetment. During the construction of this section, the relocation of 5 high-voltage transmission lines is also planned.	
Financing	EBRD loan number 47372
	WBIF grant
Number and date of environmental permit	Br: UPI 05/2-23-11-72/16 SN from 12 October 2016
Number and date of building permit	Br: UPI/03-23-2-181/18 from 25 July 2018
CONSTRUCTION WORKS	
Contractor	Hering d.d. Široki Brijeg
Contract number	JPAC 743-B74-16; signed 18 May 2018
Value of contract	25.692.383,53 EUR with VAT
Construction period	540 days + 126 days + 515 days, or 27 October 2021
Addendums	Addendum 1 was signed on 19 October 2018 in order to comply with the new Law on Financial Operations and does not affect the contracted price
	Addendum 2 was signed on 29 May 2020 with deadline extension for another 126 days
	Addendum 3 was signed on 10 November 2021 with the deadline on 27 October 2021
SUPERVISION SERVICES	
Consultant	Consortium: Aecom Inocsa S.L.U. and Aecom d.o.o
Contract number	JPAC 745-E380-16 from 08 May 2018
Value of contract	2.154.800,70 EUR with VAT
Contract duration	51 months

Addendums	Addendum 1 was signed on 22 September 2020 with an extension of the deadline to 51 months in total and an upper limit of funds of EUR 2,154,800 70 including VAT. The value of contract is 2.154.800,70 EUR with VAT.		
	Addendum 2 was signed on 23 December 2021 with an extension of the deadline to 63 months in total and an upper limit of funds of 2.564.252,73 EUR with VAT. The value of contract is 2.564.252,73 EUR with VAT.		
ACTIVITIES ON THE CONSTRUCTION SITE IN THE REPORTING PERIOD			
Description of completed work			
Considering that the contract is in the phase of elimination of defects (DNP), no significant works were registered.			
Number of workers	October: /	November: /	December: /
Number of hired subcontractors	October: /	November: /	December: /

PROJECT REALISATION COSTS			
Interim certificate	Date of payment	EUR amount without VAT	EUR amount with VAT
WORKS - Hering d.d. Široki Brijeg			
∑1-42	until 30.09.2022	21.315.038,56	24.938.595,12
Q4	01.10-31.12.2022	0,00	0,00
TOTAL WORKS	until 31.12.2022	21.315.038,56	24.938.595,12
SUPERVISION-Consortium: Aecom Inocsa S.L.U. and Aecom d.o.o			
∑1-45	until 30.09.2022	2.169.153,74	2.537.909,88
Q4	01.10-31.12.2022	0,00	0,00
TOTAL SUPERVISION	until 31.12.2022	2.169.153,74	2.537.909,88
TOTAL PROJECT REALISATION COSTS PAID UNTIL 31.12.2022.		23.484.192,30	27.476.504,99

RECAPITULATION ACCORDING TO FINANCING SOURCES		
SOURCE OF FINANCING	TYPE OF EXPENSE	AMOUNT
EBRD no. 47372	WORKS	17.529.890,73
EBRD no. 47372	SUPERVISION	1.000.534,00
WBIF Grant for INV component	WORKS	3.785.147,83
WBIF Grant for TA component	SUPERVISION	1.168.619,74
TOTAL		23.484.192,30

SUBSECTION POČITELJ – ZVIROVIĆI LOT 1 AND LOT 2

TECHNICAL DESCRIPTION

The section is 11,07 kilometers long and it is divided in two LOTs.

LOT 1 consists of a motorway route with a length of over 10 kilometers, with the following important structures: Počitelj interchange with toll station and access roads, interregional junction, three viaducts, a tunnel and an open route.

LOT 2 is the impressive Počitelj Bridge that measures 980 meters in length. The pillars of the bridge crossing the Neretva River are 92, 97, 92, 91, 88 and 66 meters high, which makes it the highest bridge on the Vc Corridor. According to the construction method, it is a continuous prestressed reinforced concrete bridge with a box cross-section, which is built using the technology of free cantilever construction.

Financing	EIB loan number 83975
	WBIF application number WB19-BiH-TRA-01
Number and date of environmental permit	UPI 05 / 2-23-11-3 / 14 SS from 2 April 2014 and updated environmental permit UPI 05 / 2-23-11-21 / 19 SN from 11 April 2019
Number and date of building permit	UPI / 03-23-2-271 / 15 ID from 12 November 2015 and updated building permit UPI / 03-23-2-271 / 15 ID from 23 December 2015 and updated building permit UPI / 03-23-2-271 / 15 from 29 September 2021
CONSTRUCTION WORKS LOT 1	
Contractor	China State Construction Engineering Corporation Ltd;
Contract number	JPAC 975-B96-18 from 20 June 2019
Value of contract	66.131.723,39 EUR with VAT
Construction period	730 days, or September 2021. (The contractor submitted a request for an extension of the construction deadline. The decision of the Supervising Engineer is expected on this request.)
Addendums	Addendum 1 signed on 11 November 2021 due to the extension of the deadline for the completion of the works to 730 days.
	Addendum 2 signed on 9 May 2022, which extends the deadline for the completion of the works by a total of 395 days, the new deadline for the completion of the works is 26 October 2022. years.
CONSTRUCTION WORKS LOT 2	
Contractor	JV AzVirt L.L.C (Azerbaijan), Sinohydro Corporation Ltd. (China) and Power China Road Bridge Group Co. Ltd. (China);

Contract number	JPAC 976-B97-18 from 20 June 2019
Value of contract	32.894.420,75 EUR with VAT
Construction period	900 days or March 2022 (The contractor has submitted a request to extend the construction deadline. The decision of the Supervising Engineer is expected on this request.)
SUPERVISION SERVICES	
Consultant	Consortium: IRD Engineering S.r.l. Rome, Italy
Contract number	JPAC 840-E438-17 from 11 June 2019
Value of contract	4.434.300,00 EUR with VAT
Contract duration	57 months
Addendums	Addendum 1 was signed on 26 October 2020 due to a change in positions and personnel of the Engineering Team and does not affect the value of the contract.
	Addendum 2 was signed on 27 September 2022 due to the extension of the deadline for supervision services for a total of 67 months, and the increase of the upper limit of the amount to a total of 5,072,401.63 EUR excluding VAT
TECHNICAL ASSISTANCE PIU	
Consultant	JV: IPSA d.o.o and VCE
Contract number	JPAC 839-E437-17 from 18 June 2018
Value of contract	350.830,35 EUR with VAT
Addendums	Addendum 1 signed on 27 November 2018 due to changes related to the introduction of BAM as a payment currency
	Addendum 2 approved by the creditor; signature is expected
ACTIVITIES ON THE CONSTRUCTION SITE IN THE REPORTING PERIOD	
Description of completed work LOT 1	
<p>LOT1: Main route and other roads: Cut and side cut excavations; Subgrade preparations; Construction of subbase and cement stabilization and asphalt works on Section 1 and Section 2; Protecting the cut slope with a wire mesh; Wire mesh; Central drainage collector on Sections 1 and 2, works on the water protection system; Construction of gutters and external drainage channels, construction of portal foundations, TK and SN installations, Relocation of the regional road R425a; Access way from the main motorway to the M17 and M6 roads; local and unclassified roads, earthworks, subgrade preparations, construction of subbases and installation of buffer fence Section 1 and Section 2, Construction of foundations for noise protection Section 2, Works in Počitelj Tunnel – works on construction of hydrant distribution system in Počitelj Tunnel, Construction of water tanks for the hydrant system, Relocation of the existing water supply system Section 1, installation of buffer fence Section 2, Works on the following structures: M2 Bridge – Excavation of the abutment foundation, construction of the abutment foundation, construction of support and formwork for the span structure, installation of reinforcement and concrete of the span structure; M3 Bridge - Excavations, construction of pillar foundations, excavations and concrete works on the construction of culverts, Počitelj toll station – Works on the control facility, Međugorje toll station</p>	

– masonry works on the facility, IRI Počitelj: final works on Počitelj Tunnel (Cut & Cover), excavation and embankment on IRI Počitelj, Construction of lateral foundations of the portal, construction of drainage under gutter.

Description of completed work LOT 2

Foundations of Pillars S1, S2, S3, S4, S5 and S6 completed; Abutment U1 completed Pillars - S1, S2, S3, S4, S5 and S6 - completed; Pillar S1 – 3 segments of the span construction were constructed (20% of the span construction completed); Span construction S2-S3-S4-S5 completed, Pillar S6 – 2 segments of span construction constructed (13% of span construction completed).

Current challenges related to project implementation and measures taken LOT 1

Challenges:

- Low level of personnel resources and low rate of advancement of contractors
- Unforeseen geological conditions on the section 4+404 to 5+250 as well as the deviation of the geodetic data from the detailed design due to actual situation on the ground.
- High risk of damage to railway infrastructure

Measures:

- Letter to the main office of the contractor to plead intensification of work. The contractor has replaced senior personnel at the site. Consideration of imposition of additional subcontractors in accordance with SC 8.6 of PCC.
- Additional geotechnical investigation works were carried out and new detailed designs of Groups A, C, D, G, E and I were prepared for the section 4+404 to 5+250. It is necessary to obtain an amendment to the building permit.
- Established communication procedure as well as the Agreement between all Railway Administrations, Contractors and Clients. The design and construction of barriers was carried out.

Current challenges related to project implementation and measures taken LOT 2**Challenges:**

Long delays for the construction of the span structure. Lack of resources – not enough manpower. The main contractor has not yet been engaged in the construction of the span structure.

Measures:

Due to long delays in the construction of the span structure, the Engineer issued a Notice on the elimination of defects on 20 January 2022. In this Notice, the Contractor is also reminded once more that the Contract does not allow subcontracting of the span construction. Several meetings of the JPAC management and the Contractor were held. In his letter dated 18 March 2022, the contractor obliged to provide an additional two pairs of brackets for free cantilever construction in time. The contractor has submitted a new program of works on 9 May 2022 in which he provided for an additional two pairs of brackets for free cantilever construction. However, the contractor brought only one additional pair of dowels, and in his updated work program (submitted on 29 September 2022), he predicted the use of only one additional pair of dowels for free cantilever construction.

Number of workers LOT 1	October: 258	November: 263	December: 270
Number of hired subcontractors LOT 1	October: 9	November: 10	December: 10
Number of workers LOT 2	October: 100	November: 97	December: 96
Number of hired subcontractors LOT 2	October: 3	November: 3	December: 3

PROJECT REALISATION COSTS			
Interim certificate	Date of payment	EUR amount without VAT	EUR amount with VAT
WORKS - China State Construction Engineering Corporation Ltd;			
∑1-32	until 30.09.2022	37.518.903,91	43.897.117,57
PS 33	9.11.2022	886.507,30	1.037.213,54
PS 34	16.11.2022	726.692,43	850.230,14
PS 35	15.12.2022	829.531,28	970.551,60
Q4	01.10-31.12.2022	2.442.731,01	2.857.995,28
TOTAL WORKS	until 31.12.2022	39.961.634,92	46.755.112,86
WORKS - JV AzVirt L.L.C (Azerbaijan), Sinohydro Corporation Ltd. (China) and Power China Road Bridge Group Co. Ltd. (China);			
∑1-30	until 30.09.2022	18.953.725,19	22.175.858,47
PS 31	3.11.2022	888.122,89	1.039.103,78
PS 32	9.11.2022	1.045.080,87	1.222.744,62
PS 33	8.12.2022	864.679,14	1.011.674,59
Q4	01.10-31.12.2022	2.797.882,90	3.273.522,99
TOTAL WORKS	until 31.12.2022	21.751.608,09	25.449.381,47
SUPERVISION- IRD Engineering S.r.l. Rome, Italy			
∑1-32	until 30.09.2022	3.789.999,90	4.434.299,88
PS 33	12.12.2022	696.777,03	815.229,13
Q4	01.10-31.12.2022	696.777,03	815.229,13
TOTAL SUPERVISION	until 31.12.2022	4.486.776,93	5.249.529,01
TA: JV: IPSA d.o.o and VCE			
∑1-16	until 30.09.2022	301.553,61	352.817,72
PS 17	9.11.2022	17.085,00	19.989,45
Q4	01.10-31.12.2022	17.085,00	19.989,45
TA TOTAL	until 31.12.2022	318.638,61	372.807,17
TOTAL PROJECT REALISATION COSTS PAID UNTIL 31 DECEMBER 2022		66.518.658,55	77.826.830,50

RECAPITULATION ACCORDING TO FINANCING SOURCES		
SOURCE OF FINANCING	TYPE OF EXPENSE	AMOUNT
EIB no. 83.975	WORKS LOT 1	39.961.634,92
EIB no. 83.975	WORKS LOT 2	21.751.608,09
EIB no. 83.975	TA	318.638,61
Own funds	SUPERVISION	4.486.776,93
TOTAL		66.518.658,55

Note: Supervision services were paid from own funds in order to enable subsequent reimbursement of service costs from the WBIF grant that will be implemented through the EIB.

6. IMPACT ON THE ENVIRONMENT

The Law on Environmental Protection (Official Gazette of the Federation of Bosnia and Herzegovina no. 15/21) defines the conditions and procedure for issuing an environmental permit in the Federation. The Federal Ministry of Environment and Tourism is responsible for issuing environmental permits for the construction of sections of the motorway on Corridor Vc. In chapter 5 of this Report, you can find specific data on all environmental permits that have been obtained for sections of the motorway that are under preparation and construction.

The environmental permit prescribes general and special measures to mitigate and avoid negative impacts on the environment during the construction and during use of the motorway, which includes measures to mitigate impacts on the population, microclimate, water, air, soil, flora, fauna, landscape, protected parts of nature, cultural and historical legacy, existing infrastructure. Special measures also apply to noise and vibration protection.

The implementation of the measures prescribed by the environmental permit during the construction is carried out by the contractor, and monitored and supervised by the supervising engineer, while during the exploitation the implementation is carried out by JP Autoceste with the support of specific service providers, e.g., for wastewater monitoring, noise monitoring, etc.

According to the provisions of the environmental permit, JP Autoceste is obliged to report to the Federal Ministry of Environment and Tourism no later than 30 June of the current year for the previous year, which it does on a regular basis.

In addition to the obligations prescribed by federal law, JP Autoceste (together with contractors and supervisory teams) is obliged to implement and monitor the environmental and social standards of European creditors on the Corridor, which entails the preparation of various plans (environmental and social plan, biodiversity management plan, resettlement plan, plan for inclusion of interested parties and other planning documents) for each section financed with EIB and EBRD funds, and submit reports on the implementation of said plans to creditors.

Also, the Annual Environmental and Social Report is submitted to the EBRD concerning all the sections they finance in the Corridor, while information is submitted to the EIB through individual half-yearly reports through which the progress in the realization of each of the financing contracts is monitored.

ANNEX 1.

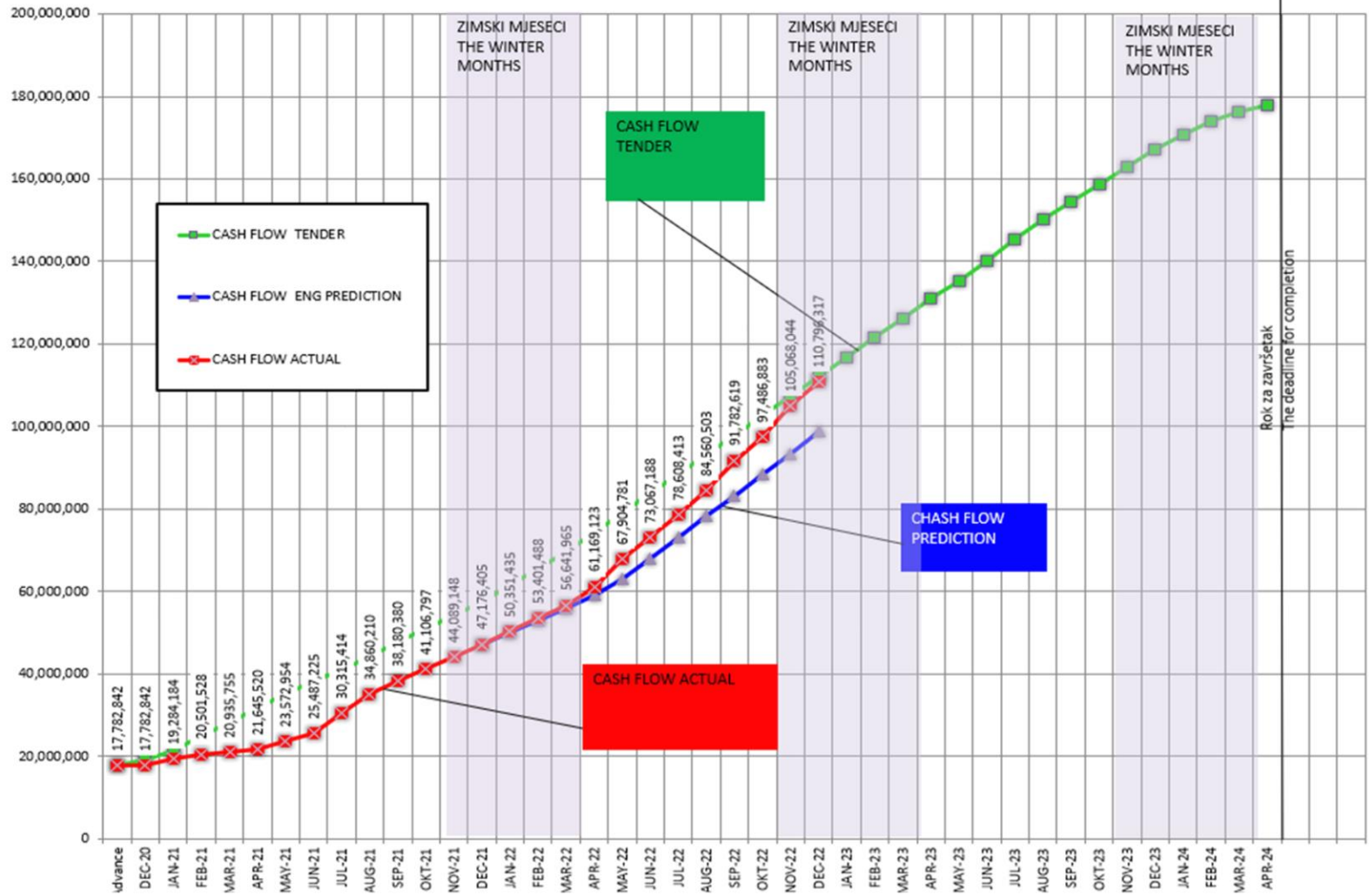
Work dynamics and cash flow on construction projects

Subsection Poprikuše - Nemila

No.	Description of works	Duration (days)	Commencement	Deadline	Completed %	Status of construction work
1.	Mobilization	441	01.12.2020	15.02.2022	100	
2.	Drafting and approval of the detailed design	441	01.12.2020	15.02.2022	98	
3.	Preliminary works	120	09.12.2020	08.04.2021	100	
4.	Motorway route with interchange and M17 junction with the toll station and center for traffic control	700	05.06.2020	06.05.2022	64	Excavations and subsoil replacement 95% Embankments 50%
5.	Golubinja Tunnel	880	07.12.2021	55.05.2024	38	A total of 2,800 meters of tunnels were excavated, the basement vault 8,500 m ³ , foundations 5,970 m ³ , secondary lining 17,820 m ³
6.	Golubinja 1 Bridge and Golubinja 3 Bridge (interchange ramp)	810	07.12.2021	25.02.2024	86	Foundations and columns are completed, span construction: left bridge is completed, right bridge 96% completed
7.	Golubinja 2 Bridge	705	20.02.2022	26.01.2024	94	Bridge construction completed, Fence, bearing pads, dilatations
8.	Bosna 1 Bridge	620	07.12.2021	19.08.2023	95	Bridge construction completed, Fence, bearing pads, dilatations
9.	Bosna 2 (Kovanići) Bridge	630	26.05.2022	15.02.2024	100	
10.	Local road to Kovanići, access roads for fire protection facilities and other access roads if existent	470	23.09.2022	06.01.2024	70	
11.	Bridge crossing Željeznica river	310	02.12.2022	30.07.2023	90	Bridge construction completed
12.	Construction and relocation of installations	819	15.02.2022	14.05.2024	34	Relocated electrical and plumbing installations

Table 1. Work dynamics on subsection Poprikuše – Nemila

Paprikuše-Nemila

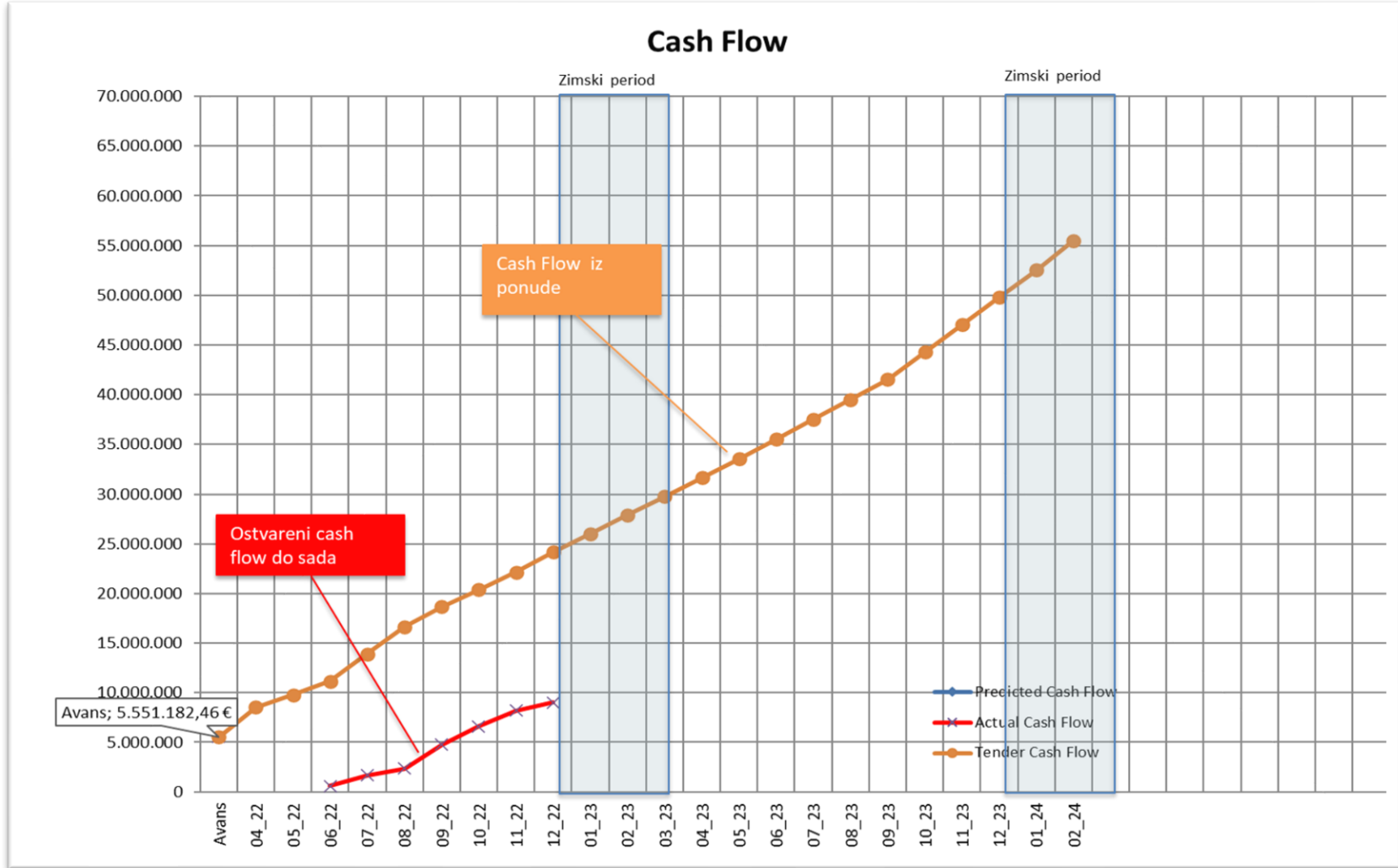


Flow Chart 1. Poprikuše - Nemila

Subsection Nemila - Vranduk

No.	Description of works	Duration (days)	Commencement	Deadline	Completed %	Status of construction work
1.	Route AC – Section 1	681	01.04.2022	10.02.2024	5	Work in progress
2.	Route AC – Section 2	726	22.02.2022	17.02.2024	5	Documentation preparation
3.	Displacement of the road M17	418	30.04.2022	21.06.2023	38	Work in progress
4.	Regulation of the Bosnia River bed	498	20.04.2022	30.08.2023	17	Work in progress / Documentation preparation
5.	Temporary toll station with junction to M17	308	14.12.2022	17.10.2023	0	No works
6.	Preparation of final documentation	90	21.11.2023	18.02.2024	0	-

Table 2. Work dynamics on subsection Nemila - Vranduk



Cash Flow Chart 2. Nemila – Vranduk

/Captions in the Chart 8: Red line – Actual Cash Flow, Orange line – Supply chain Cash Flow

Three vertical blue-colored columns indicate the “Winter period”. The starting vertical column is marked as “advance payment”. /

Subsection Vranduk – Ponirak

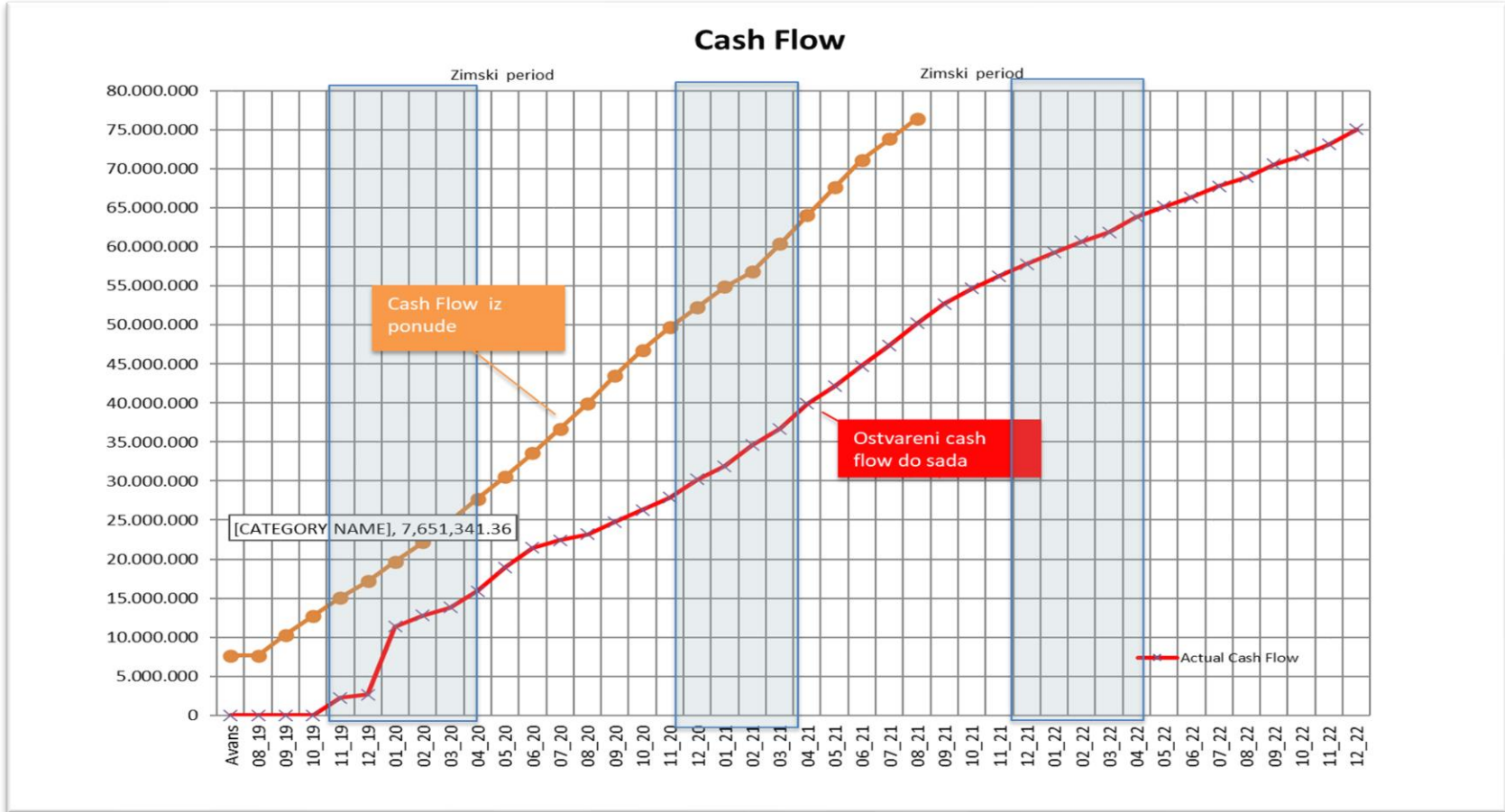
No.	ID	Description of works	Duration (months)	Commencement	Deadline	Completed %	Status of construction work
1		ROUTE					
	A	Motorway route	23	23-Sep-19	17-Aug-21	16 %	<p>Completion of works on Sector 4 (920 meters long) according to the new project.</p> <p>Works on sector 5 (138 meters) are being carried out according to a new project.</p> <p>Sector 2 – Continuation of excavation of the second floor and protection of the slope of the first floor. A reinforced concrete crib is being constructed, while the geotechnical anchors and AB vertical and horizontal beams are currently being installed.</p> <p>The contractor submitted the work plan and cost sheet for Sector 6, the project of which was developed by the company YUKSEL Proye. Other sectors are currently in the detailed design development phase.</p>
2	B	OTHER ROADS AND RUNNING SURFACES	23	28-Sep-19	18-Jul-21	44,68 %	Disposal of excavated materials at waste disposal sides. The material is currently being transported to Malinjak 1, and partly to the neighboring section Nemila - Vranduk.
3	D	DRAINAGE AND WATER CONSERVATION SYSTEM	12	2-Jul-20	22-Jul-21	8,12 %	
4	E	EQUIPMENT AND SIGNALIZATION	3	1-May-21	12-Aug-21	0,00 %	
5	F	ENGINEERING CONSTRUCTIONS AND STRUCTURES					

	F	Bridges	23	19-Aug-19	17-Aug-21	83,29 %	Work in progress
	F	Culverts				60%	There are no current works on culverts.
	F	Underbridge					
	F	Supporting walls					
	F	Tunnel	23	19-08-19	10-07-21	133,9 %	Completed works on the three portal buildings of the tunnel. Work on the last gallery in progress. Installation of hollow curbs.
6	G	INSTALLATIONS	23	19-Aug-19	10-Jul-21	9,43 %	
7		UNPLANNED WORKS AND ADDITIONAL ALLOCATION OF FUNDS					
	VO-3	Carrying out additional geological exploration works for Mission G31				99,8 %	
	VO-4	The difference in the cost of DMS				245,38 %	
	VO-6	Main road protection				100,00 %	
	VO-7	Variation for works of sector 4a				89,87 %	On sector 4a (length 645 meters), the intensity of works has been reduced. The continuation of works depends on the improvement of weather conditions.
	VO-8	Rehabilitation works on local roads				101,30 %	
	VO-9	Alternative waste disposal site for materials from the excavation of the "Malinjak" Project				26,26 %	The material is disposed of at the Malinjak 1 and Boški Potok waste disposal sites. A new waste disposal site, Malinjak 2, will soon become operational.
	VO-10	Additional works on the foundations of the column positions S1L and S1D of the Vranduk 1 Bridge				108,00 %	

VO-11	Improvement number 1: Modification of the foundation method of pillar S1D on the Vranduk 2 bridge and modification of the testing method of the bearing capacity of the piles of the Vranduk 1 and Vranduk 2 bridges				100,00%	
VO-12	Relocation of the EN network				45,5%	Works suspended
VO-13	Modification of the foundation method of the abutment U1D of the Vranduk 2 Bridge				100%	Works completed
VO-14	Works on playgrounds in the settlements of Koprivna and Novi Vranduk				101%	Works completed
VO-15	Rehabilitation of damaged local roads				155%	Works completed
VO-16	Modified geotechnical works and remedial measures for breaks between profiles P124 and P133				89,57%	Works on Sector 4b are taking time. Excavation of the last floor and slope protection in progress
VO-18	Works of the redesigned Sector 5				0%	
VO-19	Remedial measures for supporting walls in Varošiče settlement				100%	Works completed
VO-20	Works of the redesigned Sector 2				0%	New variation order no. 28
VO-21	Construction signs on the M17 road				100%	Signs placed in order to warn road users
VO-22	Regulation of the Gladovići stream				105,6%	Works on this project are in the final phase
VO-23	Construction of a children's playground in Ponik				111,4%	Works completed
VO-24	Preparation of new designs for Sectors 1, 2, 4, 5, 6, 7 and Vranduk Tunnel portal				78,99%	Designing in progress
VO-25	Remedial measures for a break and geotechnical works according to the new design for Sector 5				83,93%	Excavation works in the final phase

	VO-26	Additional research works in Sector 6				99,1%	In progress
	VO-27	Works on moving the underground cable in Sector 2				100%	Completed works before the start of construction of Sector 2
	VO-28	Geotechnical works according to the redesigned Sector 2				39,78%	Commencement of works on Sector 2. Excavation of the second slope and slope protection on the first slope
	VO-29	Costs of renting plots for waste disposal sites L6, L7 and L8				100%	Additional space for storing excavated material
		SUMS RESERVED FOR SPECIFIC PURPOSE					
	VO-1	Cost of creating and updating the BIM model				75,26 %	
	VO-2	Cost of design work supervision				105,6 %	
	VO-5	External quality control				68 %	

Table 3. Work dynamics on subsection Vranduk - Ponirak



Cash Flow Chart 3. Vranduk – Ponirak

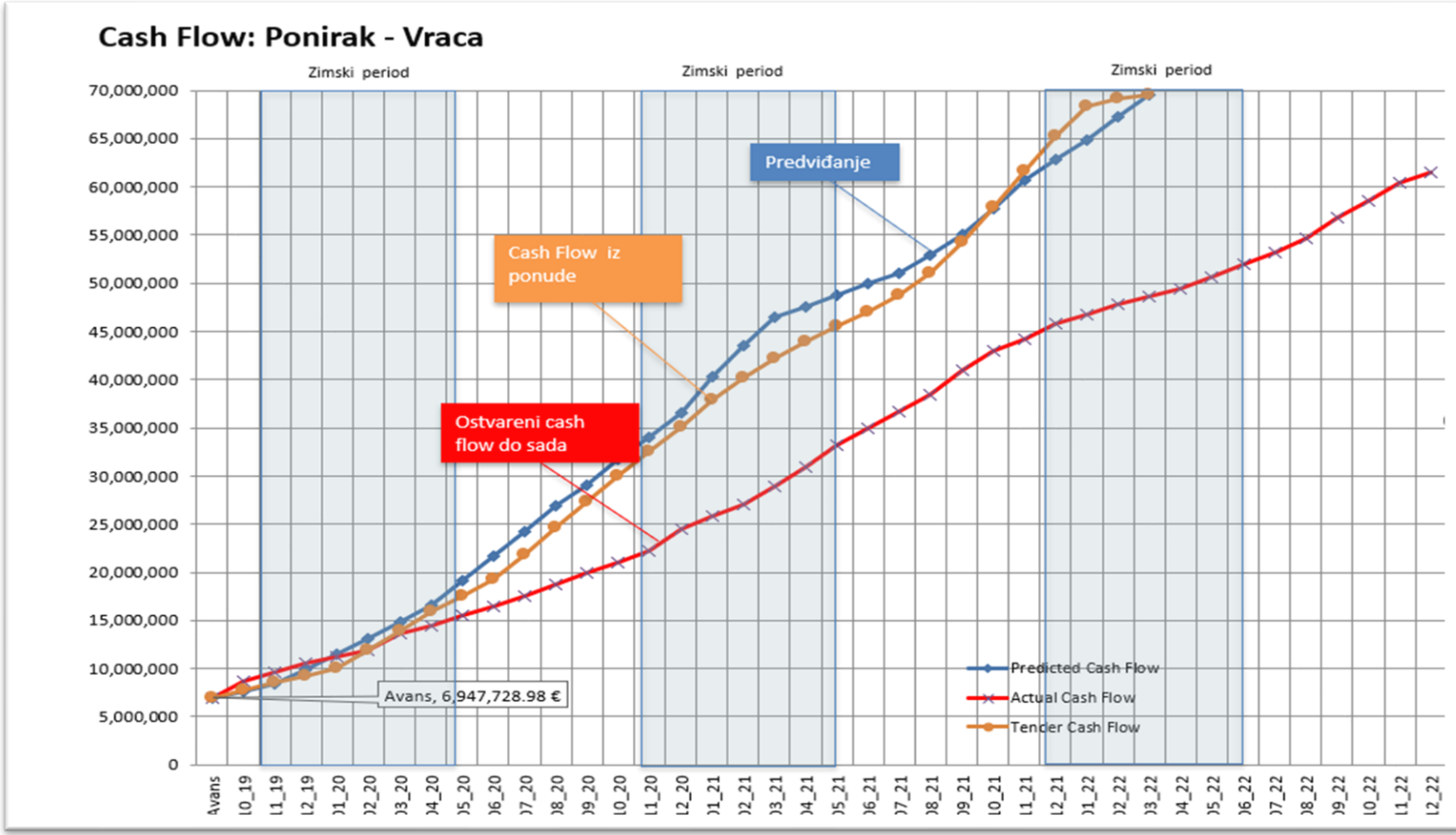
/Captions in the Chart 8: Red line – Actual Cash Flow, Orange line – Supply chain Cash Flow

Three vertical blue-colored columns indicate the “Winter period”. The starting vertical column is marked as “advance payment”. /

Subsection Ponirak - Vraca

No.	Description of works	Duration (months)	Commencement	Deadline	Completed %	Status of construction work
1.	ROUTE					
	Motorway route	20	04.02.2020.	15.10.2021	0	Not commenced
2.	LOCAL ROADS	2	11.11.2019.	03.01.2020	37,74	Currently not running
3.	DRAINAGE AND WATER CONSERVATION SYSTEM	3	19.06.2021.	29.09.2021.	10	Works commenced in mid-November 2022
4.	EQUIPMENT AND SIGNALIZATION	10	19.06.2021.	09.04.2022.	0	Not commenced
5.	ENGINEERING CONSTRUCTIONS AND STRUCTURES					
	Zenica Tunnel	27	11.11.2019	27.02.2022.	72	In progress
	Culvert	4	14.04.2020.	14.08.2020	81,30	Currently not running
	Underbridge	4	14.04.2020.	14.08.2020	0	Not commenced
	Supporting walls	2	14.02.2020.	13.04.2020	0	Currently not running
6.	INSTALLATIONS	7	28.09.2021.	04.04.2022		Not commenced

Table 4. Work dynamics on subsection Ponirak – Vraca



Cash Flow Chart 4. Ponirak – Vraca

/Captions in the Chart 8: Red line – Actual Cash Flow, Blue line – Predicted Cash Flow, Orange line – Tender Cash Flow
 Three vertical blue-colored columns indicate the “Winter period”. The starting vertical column is marked as “advance payment”. /

Subsection Zenica Tunnel – Donja Gračanica

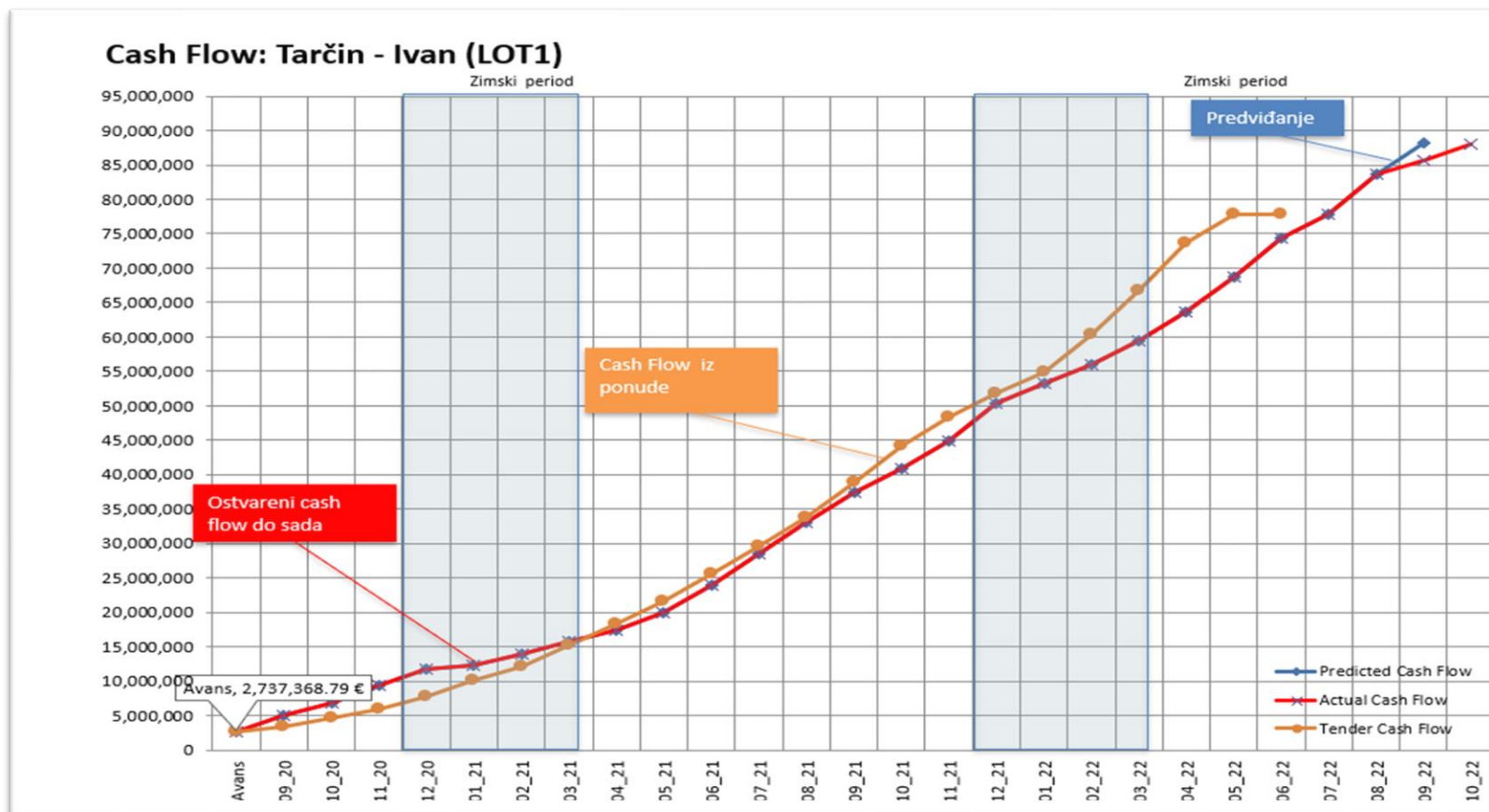
No.	Description of works	Duration(days)	Commencement	Deadline	Completed %	Status of construction work
1	Motorway route "North section"	497	04.01.2020.	14.05.2021.		Works completed
2	Motorway section "South section"	480	29.10.2019.	19.02.2021.		Works completed
3	"Zenica North" interchange and the connecting road to M17 with toll station	300	26.04.2020.	19.02.2021.		Works completed
4	Donja Gračanica Viaduct	435	29.10.2019.	05.01.2021.		Works completed
5	Zenica (Vraca) Tunnel	497	04.01.2020.	14.05.2021.		Works completed
6	Hum Tunnel	380	29.10.2019.	11.11.2020.		Works completed
7	Other roads for which the construction permit is granted by the city of Zenica	433	29.10.2019.	03.01.2021.		Works completed
8	Construction and relocation of installations	564	29.10.2019.	14.05.2021.		Works completed

Table 5. Work dynamics on subsection Zenica Tunnel – Donja Gračanica

Subsection Tarčin – Ivan Tunnel entrance LOT 1

No.	Description of works	Duration (days)	Commencement date	Deadline	Completed %	Status of construction work
1.	Main route	715	31.08.2021	15.08.2022	100	Works completed on 15 September 2022
2.	Other roads and running surfaces	275	31.08.2021	27.07.2022	100	Works completed on 15 September 2022
3.	External and internal drainage	550	31.08.2021	08.08.2022	100	Works completed on 15 September 2022
4.	Traffic equipment and signalization	340	10.07.2021	17.08.2022	100	Works completed on 15 September 2022
5.	Structures	705	31.08.2021	05.08.2022	100	Works completed on 15 September 2022
	Bridge 1. - Raštelica 1	613	01.12.2021	05.08.2022	100	Works completed on 15 September 2022
	Bridge 2. – Raštelica 2	510	31.08.2021	27.06.2022	100	Works completed on 15 September 2022
6.	Installations	341	15.03.2021	21.04.2022	100	Works completed on 15 September 2022
7.	Landscape design of running surfaces and toll stations	56	23.05.2022	27.07.2022	100	Works completed on 15 September 2022
8.	Other projects	440	15.03.2021	18.08.2022	100	Works completed on 15 September 2022
9.	Documents and additional works	719	31.08.2021	19.08.2022	100	Works completed on 15 September 2022
10.	Indirect costs	719	31.08.2021	19.08.2022	100	Works completed on 15 September 2022
11.	Provisional sums	719	31.08.2021	19.08.2022	100	Works completed on 15 September 2022

Table 6. Work dynamics on subsection Tarčin – Ivan Tunnel entrance LOT 1



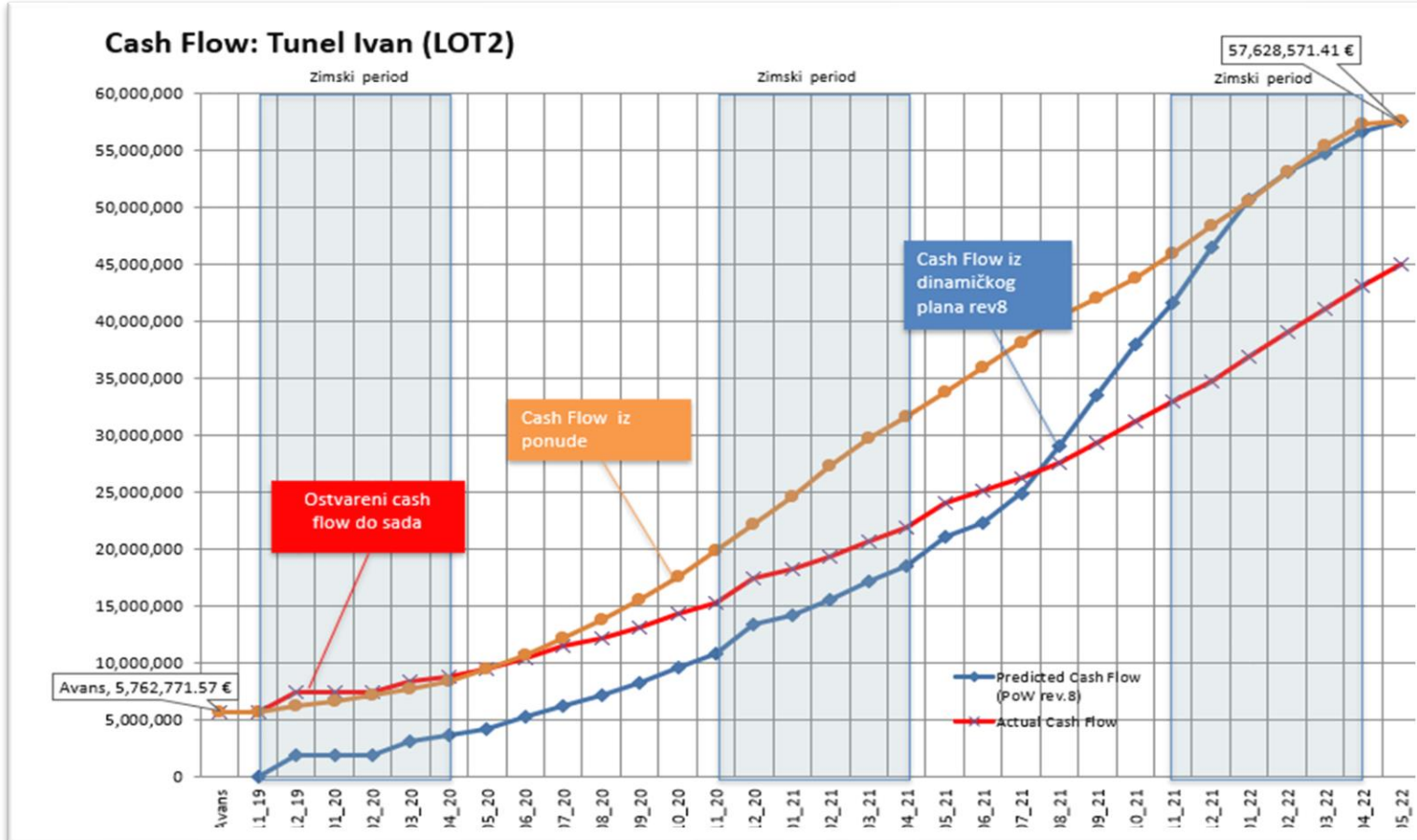
Cash Flow Chart 5. Tarčin – Ivan Tunnel entrance LOT 1

/Captions in the Chart 8: Red line – Actual Cash Flow, Blue line – Predicted Cash Flow, Orange line – Tender Cash Flow
 Three vertical blue-colored columns indicate the “Winter period”. The starting vertical column is marked as “advance payment”. /

Subsection Ivan Tunnel LOT 2

No.	Description of works	Duration (months)	Commencement	Deadline	Completed %	Status of construction work
1.	Main route	30	06.07.2020.	15.09.2022.	100	Completed
2.	Other roads and running surfaces	30	20.11.2019.	15.09.2022.	100	Completed
3.	External and internal drainage	30	18.01.2021.	15.09.2022.	100	Completed
4.	Traffic equipment and signalization	30	03.08.2021.	15.09.2022.	100	Completed
5.	Structures	30	23.11.2019.	15.09.2022.	100	Completed
	Hydrotechnical facilities on Sirovica watercourse	30	04.05.2020.	15.09.2022.	100	Completed
	Tunnel 1 - Ivan	30	23.11.2019.	15.09.2022.	100	Completed
	Bradina Bridge	30	06.05.2020.	15.09.2022.	100	Completed
6.	Installation	30	04.12.2021.	15.09.2022.	100	Completed
7.	Landscape design of running surfaces and toll stations	30	14.10.2021.	15.09.2022.	100	Completed
8.	Other projects	30	06.04.2020	15.09.2022.	100	Completed
9.	Documents and additional works	30	23.11.2019.	15.09.2022.	100	Completed
10.	General (indirect) costs	30	23.11.2019.	15.09.2022.	100	Completed
11.	Provisional sums	30	23.11.2019.	15.09.2022.	100	Completed

Table 7. Work dynamics on subsection Ivan Tunnel LOT 2



Cash Flow Chart 6. Ivan Tunnel LOT 2

/Captions in the Chart 8: Red line – Actual Cash Flow, Blue line – Predicted Cash Flow PoW rev.8, Orange line – Tender Cash Flow
 Three vertical blue-colored columns indicate the “Winter period”. The starting vertical column is marked as “advance payment”. /

Section Buna - Počitelj

No.	Description of works	Duration (months)	Commencement	Deadline	Completed %	Status of construction work
1	MOTORWAY ROUTE		3.8.2018	27.10.2021		completed
2	OTHER ROADS AND RUNNING SURFACES		3.8.2018	27.10.2021		completed
3	GEORESEARCH AND GEOTECHNICAL WORKS		3.8.2018	27.10.2021		completed
4	EXTERNAL AND INTERNAL DRAINAGE		3.8.2018	27.10.2021		completed
5	SIGNALIZATION AND EQUIPMENT		3.8.2018	27.10.2021		completed
6	STRUCTURES		3.8.2018	27.10.2021		completed
	Overbridge Grabovina		3.8.2018	27.10.2021		completed
	Overbridge Kevčić		3.8.2018	27.10.2021		completed
	Underbridge Bivolje Brdo		3.8.2018	27.10.2021		completed
	Passage for animals at 12+500		3.8.2018	27.10.2021		completed
	Passage for animals at 15+660		3.8.2018	27.10.2021		completed
7	INSTALLATION 15+420-18+280		3.8.2018	27.10.2021		completed
8	LANDSCAPE DESIGN OF RUNNING SURFACES AND TOLL STATIONS		3.8.2018	27.10.2021		completed
9	INSTALLATION 11+100-15+420 AND OTHER PROJECTS		3.8.2018	27.10.2021		completed
10	NOISE PROTECTION		3.8.2018	27.10.2021		completed
11	DOCUMENTATION AND ADDITIONAL WORKS		3.8.2018	27.10.2021		completed

12	TOTAL EXPENSES		3.8.2018	27.10.2021		completed
13	COMMISSION AMOUNTS		3.8.2018	27.10.2021		completed

Table 8. Work dynamics on section Buna - Počitelj

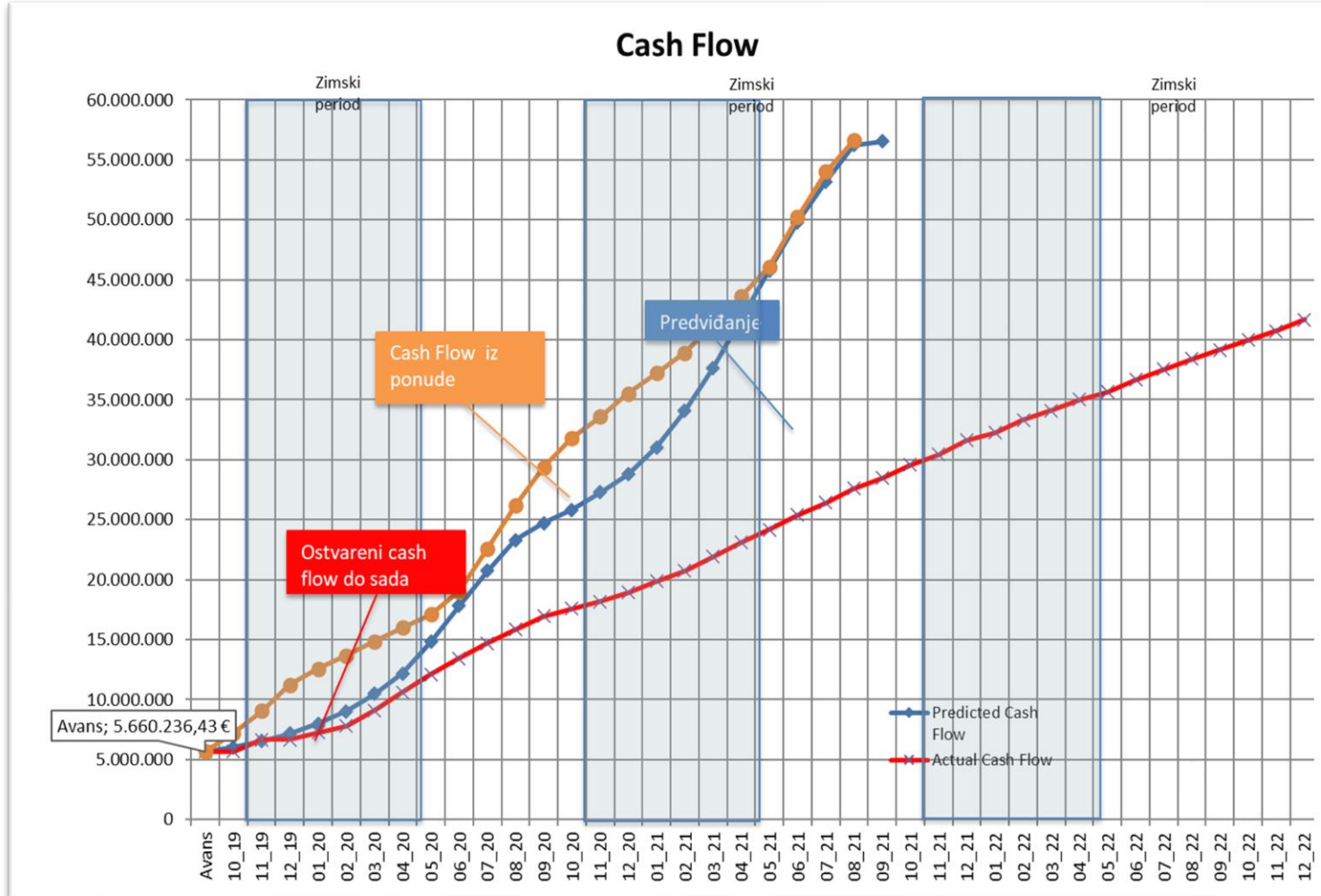
Subsection Počitelj – Zvirovići

No.	ID	Description of works	Duration (months)	Commencement	Deadline	Completed %	Status of construction work
		LOT 1 – SECTION 1					
1		MAIN ROUTE AND INTERSECTIONS	21,5	12.11.2019	01.12.2021	97,7%	In progress
2		OTHER ROADS AND RUNNING SURFACES	27,6	01.1.2020	23.8.2022	58,90%	In progress
3		RESEARCH WORKS AND GEOTECHNICS	0,0			1,00%	In progress
4		EXTERNAL AND INTERNAL DRAINAGE	10,5	14.12.2020	01.12.2021	91,21%	In progress
5		TRAFFIC SIGNALIZATION AND EQUIPMENT	20,5	28.8.2020	17.8.2022	25,20%	In progress
6		STRUCTURES:					
	6,1	Underbridge 0+429, local road Bivolje Brdo	17,2	06.1.2020	27.8.2021	99,42%	In progress
	6,2	Underbridge Počitelj interchange 0+866,	15,3	28.5.2020	15.11.2021	99,00%	In progress
	6,3	Underbridge 1+461, local road Sevas Njive	18,2	29.1.2020	15.4.2020	92,64%	In progress
	6,4	Overbridge 2+967, local road Gradina	15,0	06.4.2020	28.8.2021	80,00%	In progress

	6,5	Culverts	5,5	06.1.2020	23.6.2020	100%	In progress
7		INSTALLATION	11,5	23.12.2020	13.12.2021	95,71%	In progress
8		ARCHITECTURE AND LANDSCAPING	12,3	5.12.2020	17.12.2021	20,16%	In progress
		LOT 1 - SECTION 2					
1		MAIN ROUTE	33,5	26.9.2019	28.11.2022	83,67%	In progress
2		OTHER ROADS AND RUNNING SURFACES	28,7	29.2.2020	28.11.2022	77,50%	In progress
3		RESEARCH WORKS AND GEOTECHNICS	17,4	18.2.2020	24.7.2021	1,00%	In progress
4		EXTERNAL AND INTERNAL DRAINAGE	23,6	10.4.2020	18.7.2022	69,88%	In progress
5		TRAFFIC SIGNALIZATION AND EQUIPMENT	11,0	31.8.2021	28.9.2022	44,25%	In progress
6		STRUCTURES:					
	6,1	M2 bridge	7,7	9.5.2020	26.12.2020	40,00%	In progress
	6,2	M3 bridge	3,6	21.1.2020	8.5.2020	5,00%	In progress
	6,3	M4 bridge	13	15.7.2020	27.9.2021	94,82%	In progress
	6,4	Počitelj Tunnel, right 1163 m / left 1192m	33,2	20.9.2019	28.11.2022	87,52%	In progress
	6,5	Underbridge 10.975, regional road, Orlovaca	25	2.1.2020	24.6.2022	91,98%	In progress
	6,6	Culverts	15	31.1.2020	13.7.2021	89,50%	In progress
7		INSTALLATIONS	24	3.4.2020	24.6.2022	63,17%	In progress
8		ARCHITECTURE AND LANDSCAPING	8,0	31.12.2021	19.9.2022	5,55%	In progress
9		OTHER PROJECTS	2,9	25.2.2021	22.5.2021	17,17%	In progress

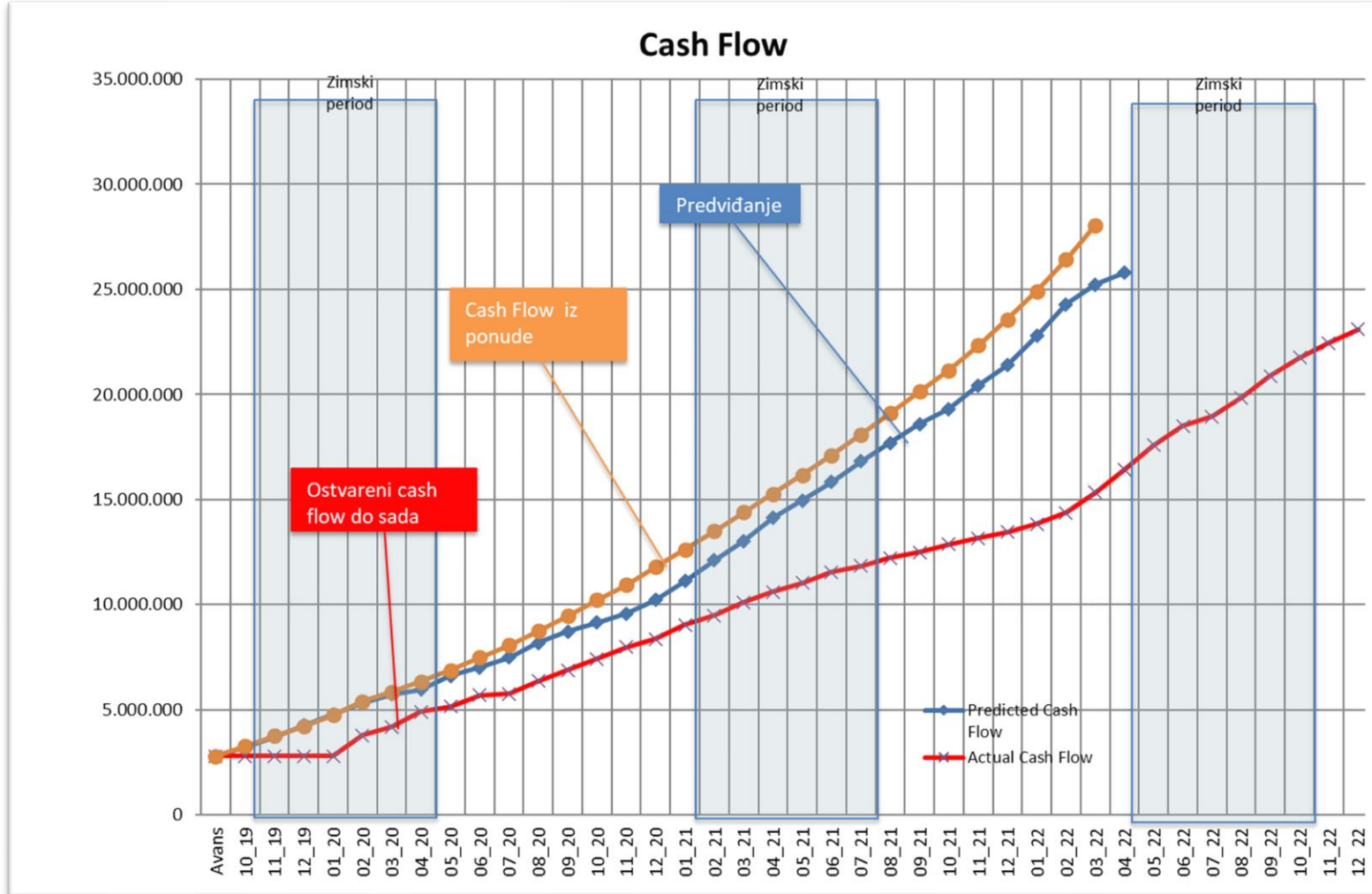
10		DOCUMENTATION AND ADDITIONAL WORKS	0,0			35,00%	In progress
11		GENERAL EXPENSES	0,0			98,07%	In progress
12		COMMISSION AMOUNTS	23,7	10.10.2019	20.9.2021	11,65%	In progress
		LOT 2 – Počitelj Bridge					
1		EXTERNAL AND INTERNAL DRAINAGE	2,8	21.12.2021	14.3.2022	8,45%	In progress
2		OTHER ROADS AND RUNNING SURFACES	2,8	21.12.2021	14.3.2022	13,22%	In progress
3		STRUCTURES	24,4	25.2.2020	26.2.2022		
		Substructure (36%)	20,9	25.2.2020	12.11.2021	95,00%	Construction of foundations S1, S2, S3, S4, S5 i S6 - completed; Construction of pillars S1, S2, S3, S4, S5 and S6 - completed; U1 Abutment – completed
		Superstructure (64%)	16,2	29.10.2020	26.2.2022	65,00%	Span construction – Base segments S1, S2, S3, S4, S5 and S6 - 100% completed; S2, S3, S4 and S5 – span construction - 100% completed; S1 span construction 20% completed S6 – span construction 13 % completed
4		INSTALLATIONS	1,9	24.12.2021	19.2.2022	0,01%	In progress
5		DOCUMENTATION AND ADDITIONAL WORKS				40,31%	In progress
6		GENERAL EXPENSES				97,77%	In progress
7		COMMISSION AMOUNTS				37,00%	In progress

Table 9. Work dynamics on subsection Počitelj – Zvirovići



Cash Flow Chart 7. Počitelj – Zvirovići Lot 1

/Captions in the Chart 8: Red line – Actual Cash Flow, Blue line – Predicted Cash Flow, Orange line – Tender Cash Flow
 Three vertical blue-colored columns indicate the “Winter period”. The starting vertical column is marked as “advance payment”. /



Cash Flow Chart 8. Počitelj – Zvirovići Lot 2

/Captions in the Chart 8: Red line – Actual Cash Flow, Blue line – Predicted Cash Flow, Orange line – Tender Cash Flow
 Three vertical blue-colored columns indicate the “Winter period”. The starting vertical column is marked as “advance payment”. /