

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

**JP Autoceste FBiH d.o.o. Mostar (Public Company Motorways of  
FBiH d.o.o.)**

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

**As of December 31, 2023**



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

**Sarajevo, January 2024**

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## 1. INTRODUCTION

The Public Company Autoceste Federacije Bosne i Hercegovine d.o.o. Mostar (hereinafter: JP Autoceste FBiH) was founded in accordance with the Law on Roads of the Federation of Bosnia and Herzegovina, and has been operating as a public company since 01 January 2011. The activity of JP Autoceste FBiH is defined by the Law on Roads of FBiH, on the basis of which JP Autoceste of FBiH became the holder and implementer of the 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 Company's business activities, except of the Law on Roads, is also the Law on Motorway on Corridor Vc, Law on Companies, and Law on Public Companies in the Federation of Bosnia and Herzegovina, as well as other positive regulations in Bosnia and Herzegovina.

At the second Pan-European Conference on Transport held on Crete in 1994, the European Union defined its priorities in terms of infrastructure, and transport corridors toward the East, to be implemented by 2015. At the third Pan-European conference held in Helsinki in 1997, the number of corridors was increased to ten and some changes were made. One of these changes was the introduction of Corridor Vc (Budapest - Osijek - Sarajevo - Ploče) into the basic European transport network.

Corridor Vc is a multimodal road corridor that connects Hungary (Budapest) and Croatia (Port Ploče), via Osijek (Croatia) and Sarajevo (Bosnia and Herzegovina), and is also the largest project transport infrastructure in Bosnia and Herzegovina with a total length of around 340 km, while a 285 km long route passes through the Federation Bosnia and Herzegovina. The construction of motorways on Corridor Vc improves the connection of Bosnia and Herzegovina with neighboring countries and improves the potential for economic development. The project is strongly supported by the Government of the Federation of Bosnia and Herzegovina, and it is expected to enable Bosnia and Herzegovina a better integration with the European economic and social structures in Europe.

A total of 121.40 km of motorway was built and opened to traffic on Corridor Vc, and it refers to the following sections:

- Svilaj - Odžak
- Zenica bypass (includes part of the sub-section Zenica Tunnel – Donja Gračanica, sub-section Klopče - Donja Gračanica and sub-section Drivuša – Klopče)
- Zenica South - Sarajevo North
- Sarajevo North - Sarajevo West
- Sarajevo West - Tarčin
- Tarčin - Ivan (including Tunnel Ivan)
- Zvirovići – Bijača.

In the continuation of the document, we provide a report on the dynamics of the implementation of projects under the jurisdiction of the JP Autoceste of FBiH LLC Mostar as of December 31, 2023.



**Map: Motorway on Corridor Vc in Bosnia and Herzegovina**

## 2. LOAN AGREEMENTS

Pursuant to the Law on Roads of the Federation of Bosnia and Herzegovina, the funds for maintenance, protection, restoration, reconstruction, and construction of motorways in the FBiH are obtained from:

- public incomes (revenues from excise taxes, toll fees, revenues from the use of road land);
- loans;
- donations (grants).

For the construction of sections of the motorway on Corridor Vc in the Federation of BiH, Bosnia and Herzegovina signed loan agreements with international financial institutions. In the period from 2008 to 2020, agreements 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. Basic data on all concluded loan agreements for the construction of the motorways on Corridor Vc are given in three tables below.

EIB			
European Investment Bank			
Agreement number and date	Sections being financed	Loan amount in EUR	Loan status
No. 24.775 dated 18 December 2008	Kakanj – Drivuša (including Tunnel 1. Mart)	75 mil.	Loan repayment in progress.
No. 31.174 dated 22 July 2012	Vlakovo – Tarčin and Svilaj - Odžak	166 mil.	Loan repayment in progress.
No. 83.975 dated 11 November 2014	Počitelj – Zvirovići	100 mil.	Loan funds are operative and drawdown of funds is in progress. Addendum No. 2. to the Financing Agreement signed and effective from October 2023. The drawdown No. 6 is expected
No. 86.971 dated 26 April 2018	Ponirak – Vraca	50 mil.	Loan funds are operative and drawdown of funds is in progress. A request has been submitted to supplement the Financing Agreement. The consent of the bank on Addendum No. 1 of the Financing Agreement as to enable the draw down of loan funds in its entirety is expected.

No. 87.195 dated 26 April 2018	Tunnel Kvanj – Buna	100 mil.	The Financing Agreement was ratified in December 2018, and in November 2018, the Subordinated Financing Agreement was signed. All conditions for the first drawdown of funds were fulfilled.
No. 89.502 dated 27 February 2020	Tarčin – Ivan (LOT 1) and Poprikuše - Nemila	140 mil.	Loan funds drawn down in full.
No. 91.682 dated 28 December 2020	Medakovo – Ozimice and Ozimice - Poprikuše	340 mil.	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 by passing the Decision on Accepting the Loan. The Subordinate Loan Agreement was signed in October 2022. The first tranche of the loan was withdrawn in December 2023 in the amount of 63 million. EUR.
<b>Total amount of the EIB portfolio on Corridor Vc:</b>		<b>971 million EUR</b>	

**Table no. 1 – Loan Agreements with the EIB**

EBRD European Bank for Reconstruction and Development			
Agreement number and date	Sections being financed	Loan amount in EUR	Loan status
No. 38716 dated 28 October 2008	Kakanj – Drivuša Vlakovo – Tarčin Počitelj – Zvirovići Odžak – Northern border	205 mil.	Loan repayment in progress.
No. 47372 dated 22 December 2015	Tunnel Zenica – Donja Gračanica and Buna – Počitelj	80 mil.	Loan funds were drawn down in the amount of approx. 71 million EUR. The rest of the project costs will be paid from grant funds.
No. 48999 dated 22 December 2016	Donja Gračanica - Klopče and Svilaj - Odžak	76 mil.	Fully drawn down loan funds as at 31 December 2020.
No. 49058 dated 22 September 2018	Poprikuše - Nemila Tunnel Ivan (LOT 2) Mostar South - Tunel Kvanj	70 mil. 50 mil. 60 mil.	Loan funds have been operational since November 26, 2020, and payment application by creditors is ongoing. Tranche B funds have been available for the construction of subsections Mostar South – Tunnel Kvanj (60 mil. Euro) Since May 2021.
No. 50603 dated on 08 May 2019	Putnikovo Brdo - Medakovo	60 mil.	JP Autoceste received notification on the Loan Agreement coming into effect in April 2021. In May 2023, JP Autoceste FBiH and JP Autoputevi RS concluded an Agreement on the potential reallocation of funds for the Doboj bypass.
Total amount portfolio EBRD on Corridor Vc:		601 million EUR	

Table no. 2 – Loan Agreements with the EBRD



<b>OFID</b> <b>OPEC Fund for International Development</b>			
<b>Agreement number and date</b>	<b>Sections being financed</b>	<b>Credit amount EUR</b>	<b>Loan status</b>
No. 1588P dated 03 September 2014	Klopče – Donja Gračanica	48 million USD (43 million EUR)	Most of the loan funds were drawn down (approx. 17,000 dollars are remaining)
No. 1589PB dated 03 September 2014	Klopče – Donja Gračanica	24 million EUR	Loan funds were drawn down in full.
No. 12665 P dated 30 August 2018	Vranduk – Ponirak	27.150,000 USD (23.193,838 EUR)	Loan funds were fully drawn down in July 2022.
No. 12663 PB dated 30 August 2018	Vranduk – Ponirak	23.193,838 EUR	Loan funds were drawn down in full.

<b>KFAED</b> <b>Kuwait Fund for Arab Economic Development</b>			
<b>Agreement number and date</b>	<b>Sections being financed</b>	<b>Credit amount EUR</b>	<b>Loan status</b>
No. 794 dated 21 July 2014	Drivuša – Klopče	10.500,000 KWD (31 mil. EUR)	Loan funds fully drawn down.
No. 1012 dated 19 February 2019	Nemila - Vranduk	11.600,000 KWD (cca. 36 mil. EUR)	On November 26, 2020, a notification was received from the Kuwait Fund that the Loan Agreement is legally binding. Loan funds are operational, funds drawdown is in progress.
<b>Total amount portfolio of the other creditors on Corridor Vc:</b>			<b>181.4 mil. EUR</b>



**Table no. 3 – Loan agreements with other creditors**

In order to move forward with the construction of sections on Corridor Vc, JP Autoceste also launched new bank debt initiatives. Status of initiatives is shown in Table no 4.

Number	Motorway section of Corridor Vc	Total amount of the initiated actions
1.	Ovčari - entrance to the Tunnel Prenj Tunnel Prenj Tunnel Prenj - Mostar North	600 mil. EUR
Implementer: EIB/ EBRD		
<p>The FBiH Government passed the Decision on Approval for signing the Mandate Letter for financing of the motorway section on Corridor Vc Ovčari – Tunnel Prenj – Mostar North. In July 2021, the Management of the JP Autoceste passed the Decision on submission of the Debt Request for financing the construction works on motorway section from Ovčari to Mostar South. In October 2021, the government of Federation of Bosnia and Herzegovina supported with conclusions the bank debt initiative with the EIB and the EBRD in the amount of EUR 300 million each. The Council of Ministers also adopted the above-mentioned bank debt initiatives</p>		
2.	Mostar North – Mostar South	260 mil. EUR
Implementer: EIB / commercial banks		
<p>Following the Decision of the Government of the Federation on granting consent in March 2021, the Mandate letter of EBRD was signed for the section Mostar North - Mostar South. JP Autoceste submitted the Request for Bank Debt in July 2021, to finance the construction of motorways sections from Ovčari to Mostar South. In October 2021, the Government of Federation of Bosnia and Herzegovina in their conclusions supported the initiative for bank debit with EBRD in the amount of EUR 50 million.</p> <p>In December 2021, JP Autoceste, with the assistance of a procurement consultant provided by the EBRD, announced a tender for procurement of debt from commercial banks in the amount of up to EUR 150 million, and the rest of the funds are to be ensured through loans from commercial banks.</p> <p>The first procedure of public procurement of the commercial banks with assistance of the expert for procurement of EBRD was not successfully finished. Taking into account the passage of time and significant increase in estimated values of the project caused by the price fluctuations on the global market, a new project financing structure was agreed, which implies an increase in participation of EBRD from 50 million EUR to 110 million EUR, respectively potentially 220 million EUR. In accordance with the new financing structure, an updated Bank Debt Request was submitted in July 2022.</p> <p>In November 2022, the Council of Ministers approved a proposal for a loan agreement in the amount of 220 million EUR with the grounds for its signing. The BiH Presidency passed the Decision on accepting the Loan Agreement in April 2023. The Loan Agreement signed by an authorized representative on behalf of BiH and EBRD on 20 December 2023.</p> <p>The tender for the procurement with the commercial banks was again announced on June 29, 2022. Procurement Agreement with commercial banks awarded and signed in December 2022. Obtaining guarantees from the Federation of Bosnia and Herzegovina is in progress. Also, a draft grant application for EU funds was submitted in December 2022.</p>		

<b>3.</b>	<b>Vranduk – Ponirak additional indebtedness</b>	<b>25 mil. EUR</b>
<b>Implementer: OFID</b>		
<p>In September 2019, the Federal Ministry of Finance gave a negative opinion on the initiative for additional indebtedness with instructions for finding more favourable sources of funding. In March 2021, OFID submitted a letter of intent with updated loan conditions. In July 2021, JP Autoceste submitted an updated request for debt under new, more favourable conditions. In September, the FBiH Government supported with the Conclusion the initiative for additional indebtedness. In December 2021, the BiH Council of Ministers adopted the initiative of the Ministry of Finance and Treasury 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 on behalf BiH. On April 12, 2023, the BiH Presidency passed the Decision on the Acceptance of the Loan Agreement, and appointed an authorized signatory on behalf of BiH. In September 2023, JP Autoceste submitted comments on the draft Loan Agreement.</p> <p>At the last EIB monitoring mission of the, the Bank's views on new potential financing in the amount of EUR 70 million on the Vranduk - Ponirak section were presented.</p>		
<b>4.</b>	<b>Nemila Vranduk additional indebtedness</b>	<b>21 mil. EUR</b>
<b>Implementer: KFAED</b>		
<p>JP Autoceste submitted to the FBiH Ministry of Finance and the FBiH Ministry of Transport and Communications, the Request for the additional bank debt with the Kuwait Fund in the amount of 21 million euros. The Government of the Federation of Bosnia and Herzegovina supported the initiative for the additional loan funds for section Nemila - Vranduk to be provided by the Kuwait Fund. In December 2021, the BiH Council of Ministers adopted the initiative of the Ministry of Finance and Treasury and appointed a delegation to conduct negotiations to conclude the Loan Agreement. The Draft Loan Agreement is to be delivered by the creditors.</p>		
<b>5.</b>	<b>Ivan – Ovčari</b>	<b>162 mil. EUR</b>
<b>Implementer: EIB</b>		
<p>The request for debt was submitted in September 2022, in the amount of 162 million EUR (which is 50% of the project costs) in accordance with the draft of the Feasibility Study dated June 2022, where the new estimated value of the subsection is indicated in the amount of EUR 324 million.</p> <p>EIB will also support the application for WBIF investment grant up to 40% of the estimated value of the project expenses. JP Autoceste will also send inquiries to other international financial institutions so as to finalize the financial construction of the project of the remaining 10% of costs.</p> <p>In November 2022, the FBiH Government supported the debt initiative with EIB in the amount of 162 million EUR. The Ministry of Finance and Treasury of Bosnia and Herzegovina submitted on December 30, 2022 a request to the bank for an additional indebtedness. The bank is expected to submit the draft Loan Agreement.</p>		
<b>6.</b>	<b>Ponirak – Vraca additional indebtedness</b>	<b>7.5 mil. EUR</b>
<b>Implementer: EIB</b>		
<p>JP Autoceste submitted a request for additional indebtedness in September 2022. In November 2022, the FBiH Government supported the initiative to secure additional funds from the EIB in the amount of 7.5 million EUR. The Ministry of Finance and Treasury of Bosnia and Herzegovina submitted on December 12, 2022 a request to the bank for an additional indebtedness. The process of additional indebtedness in the amount of EUR 7.5 million will most likely be cancelled as an intervention of the Bank. The management of JP Autoceste FBiH d.o.o. Mostar passed the decision to abandon the request for additional credit indebtedness number: 01-10861-19/23 dated 21 December 2023. New potential financing in the amount of 70 million EUR on the neighbouring section Vranduk - Ponirak, which is financed by OFID, is under consideration.</p>		
<b>Total amount of submitted initiatives for the new debts on Corridor Vc:</b>		<b>1151.48 mil. EUR</b>

**Table no. 4 – Initiatives for new debts**

### 3. EU GRANTS

JP Autoceste as the final beneficiary of the loans of European banks applies for European Union pre-accession grants (Connectivity Agenda), which are implemented through the Western Balkans Investment Framework. By the mid-2022, the EU has approved more than 300 million EUR in grants for Corridor Vc to the Federation of Bosnia and Herzegovina. The funds are implemented through the creditor who 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 is signed covering both components. Below is the status of the grants that are approved for the motorway section of Corridor Vc.

Number	Motorway section of Corridor Vc	Total amount of the approved grant
1.	Svilaj - Odžak	19.6 mil. EUR
Date of the approval: December 2015		Implementer: EIB
Grant funds in the amount of 14 million EUR for investment part were drawn down. The TA component of the grant was withdrawn in July 2023 in the amount of EUR 1.4 million.		
2.	Putnikovo Brdo - Medakovo	16.55 mil. EUR
Date of the approval: December 2019		Implementer: EBRD
<p><b>The Investment Grant Agreement</b> has been agreed upon. The signing is expected after the BiH Presidency appoints an authorized signatory. In February 2023, the BiH Council of Ministers approved a proposal for an Investment Grant Agreement that will be submitted to the BiH Presidency for signing. In April 2023, the Presidency of Bosnia and Herzegovina passed the Decision on acceptance of the Grant Agreement. The Grant Agreement was signed in May 2023. The Presidency of Bosnia and Herzegovina adopted the Decision on ratification on 29 December 2023.</p>		
<p><b>The Technical Assistance Grant Agreement</b> will be signed directly between the creditors and JP Autoceste.</p>		
3.	Medakovo – Ozimice	79 million EUR
Date of the approval: February 2022		Implementer: EIB
Application approved in 2022, the creditor will deliver draft Grant Agreement in the upcoming period.		
4.	Ozimice - Poprikuše	141.35 million EUR
Date of the approval: December 2019		Implementer: EIB
The application was officially approved in 2023. Creditor will submit the draft Grant Agreement in the upcoming period.		

5.	Poprikuše - Nemila	41.17 million EUR
Date of the approval: December 2019		Implementer: EBRD
<p><b>The Investment Grant Agreement</b> in the amount of 36.07 million EUR was signed in April 2022. The BiH Parliamentary Assembly passed the Decision on Granting Consent for Ratification in July 2022. In September 2022, the FBiH Government passed the Decision on Granting Consent for the Acceptance of the Investment Grant. The ratification process will be completed after the adoption of the Decision by the BiH Presidency. Subcontract to Grant Agreement was signed in December in 2022. The Presidency of Bosnia and Herzegovina issued a Decision on the Ratification of the Grant Agreement on September 19, 2023. Fulfilment of the conditions for the Grant Agreement to become legally binding is in progress.</p>		
<p><b>The Technical Assistance Grant Agreement</b> in the amount of 5.05 million EUR was signed between the EBRD and JP Autoceste on August 2, 2021. In February 2022, the EBRD reimbursed funds for TA component and continued with the direct payment of supervision service costs.</p>		
6.	Tunnel Zenica – Donja Gračanica	12.06 million EUR
Date of the approval: June 2018		Implementer: EBRD
<p><b>The Investment Grant Agreement</b> in the amount of 9.2 million EUR was signed in March 2021. In July 2021, the BiH Presidency adopted the Decision on Ratification, and in the same month the Subgrant Agreement was signed. In March 2022, the notification by the bank on the effectiveness of the Grant Agreement was received, after which the EBRD reimbursed their own funds to JP Autoceste and continued with payment of construction works.</p>		
<p><b>The Technical Assistance Grant Agreement</b> in the amount of 2.80 million EUR was signed between the EBRD and JP Autoceste on August 2, 2021. The EBRD reimbursed funds for the TA component in February 2022, and continued with payment of the expenses.</p>		
7.	Ponirak – Vraca (Tunnel Zenica)	19 million EUR
Date of the approval: June 2018		Implementer: EIB
<p><b>The Investment Grant Agreement</b> was signed in December 2019. The Decision on Ratification was published in October 2020. FBiH Government accepted the Grant Agreement. Subsidiary Agreement and Subgrant Agreement were signed in December 2020.</p> <p>The first tranche of the grant in the amount of 5 million EUR was drawn down in June 2022.</p> <p>The second tranche of the grant in the amount of 7.22 million EUR was disbursed in January 2023.</p> <p>The second tranche of the grant in the amount of 3.94 million EUR was disbursed in December 2023.</p>		
8.	Tarčin – Entrance to Ivan tunnel (Lot 1)	11.78 million EUR
Date of the approval: December 2018		Implementer: EIB
<p><b>The Investment Grant Agreement</b> was signed on July 29, 2020, and the Decision on Ratification was published in February 2021. FBiH Government accepted the Grant Agreement. Subsidiary Agreement and Subgrant Agreement were signed in February 2021. Waiver Letter was signed in August 2022.</p> <p>The first tranche of the grant in the amount of 10.6 million EUR was drawn down in March 2023. The draw down of the remaining second tranche is expected in Q1 2024.</p>		

9.	<b>Tunnel Ivan (Lot 2)</b>	<b>11.48 million EUR</b>
<b>Date of the approval:</b> December 2018		<b>Implementer:</b> EBRD
<p><b>The Investment Grant Agreement</b> was signed in April 2022, and has been sent to the ratification procedure. The BiH Parliamentary Assembly passed the Decision on Granting Consent for Ratification in July 2022. In September 2022, the FBiH Government passed the Decision on Granting Consent for acceptance of the grant. Subcontract to Grant Agreement was signed in December in 2022. The ratification process will be completed after the adoption of the Decision by the BiH Presidency. The Presidency of Bosnia and Herzegovina issued a Decision on the Ratification of the Grant Agreement on September 19, 2023. Fulfilment of the conditions for the Grant Agreement to become legally binding is in progress.</p>		
<p><b>The Technical Assistance Grant Agreement</b> in the amount of 2.25 million EUR was signed between the EBRD and JP Autoceste on August 2, 2021. In February 2022, the EBRD reimbursed the funds for the TA component. Direct payment of monitoring applications is ongoing.</p>		
10.	<b>Mostar North – Mostar South</b>	<b>155.9 million EUR</b>
<b>Date of the approval:</b> June 2023		<b>Implementer:</b> EBRD
<p>The application was officially approved in 2023. Creditor will submit the draft Grant Agreement in the upcoming period.</p>		
11.	<b>Tunnel Prenj</b>	<b>3.5 million EUR</b>
<b>Date of the approval:</b> June 2022		<b>Implementer:</b> EBRD
<p><b>Technical Assistance Grant</b> for the expenses of the technical help services to the Unit for implementation of the project was approved in June 2022. The Technical Assistance Grant Agreement will be signed directly with the creditor.</p>		
12.	<b>Mostar South - Tunel Kvanj</b>	<b>30.33 million EUR</b>
<b>Date of the approval:</b> February 2022		<b>Implementer:</b> EBRD
<p>Grant application was officially approved in 2022. Creditor will submit the draft Grant Agreement in the upcoming period.</p>		
13.	<b>Tunnel Kvanj – Buna</b>	<b>43.8 million EUR</b>
<b>Date of the approval:</b> November 2020/ February 2022		<b>Implementer:</b> EIB
<p>Two applications were approved: the first 20% in 2020, and the additional 20% in the Sixth call in 2022. Creditor will submit the draft Grant Agreement in the upcoming period.</p>		
14.	<b>Buna – Počitelj</b>	<b>8.78 million EUR</b>
<b>Date of the approval:</b> December 2018		<b>Implementer:</b> EBRD
<p><b>The Investment Grant Agreement</b> in the amount of 6.2 million EUR was signed in March 2021. On June 15, 2021, the BiH Presidency passed the Decision on Ratification. The Subgrant Agreement was signed in August 2021. The notice from the bank on efficiency of the Grant Agreement was received in March 2022. In May 2022, the EBRD reimbursed the funds and continued the payment of construction works from the grant.</p>		
<p><b>Technical Assistance Grant Agreement</b> in the amount of 2.52 million EUR was signed between EBRD</p>		

and the JP Autoceste on 2 August 2021. The EBRD reimbursed the funds for the TA component in March in 2022, and continued payment of construction works from the grant.		
15.	Počitelj – Zvirovići	5 million EUR
Date of the approval: June 2018		Implementer: EIB
<b>Technical Assistance Grant Agreement</b> between EIB and Ministry of Finance and Treasury and the Public Company Motorways was signed in November 2021. FBiH Government passed the Decision on Granting Consent for acceptance of the Grant in February 2022. The Presidency of Bosnia and Herzegovina passed the Decision on Ratification of the Grant Agreement in March 2022. The first tranche of the grant in the amount of 3.5 million EUR was drawn down in December 2023.		
<b>TOTAL AMOUNT OF THE APPROVED GRANT FUNDS</b>		<b>589.5 million EUR</b>

**Table no. 5 – WBIF Investment grants**

At the Eighth Call from December 2022 for the co-funding of investment projects through WBIF, the applications listed below were not accepted and will be applied for through the written procedure:

Section/Subsection	Value amount of the WBIF Eighth Call Applications
Putnikovo Brdo - Medakovo	(the additional 20% of the investment amount)
Poprikuše - Nemila	(the additional 20% of the investment amount)
Tunnel Prenj	(40% of the value of the works + 100% of the value of supervision)

**Table no. 6 – WBIF Eighth Call Applications**

In addition to the investment grants, WBIF approved grants for certain technical assistance projects on Corridor Vc that will be implemented through the IPF (Infrastructure Project Facility). As a result of these grants, JP Autoceste will receive study and project documentation. An official request has been submitted to increase the value of the technical assistance grants and the approval procedure is pending.

Details on technical assistance grants are given in the Table below.

Subsection	IFI	Value €	Grant Implementer	Status
Ivan – Ovčari	EIB	5.366.400	IPF9	IPF9 is in charge of creating project documentation as follows: Feasibility Study, Environmental Impact Study, the Preliminary Design, the Detailed Design and Detailed Design review. The preparation of study documentation started in January 2021. The Preliminary Design is completed, and the Detailed Design is being developed. The deadline for completing the Detailed Design Q4 is 2024.
Ovčari – Entrance to Tunnel Prenj	EBRD	4.753.082	IPF8	Two WBIF grants are implemented together in two components. Component 1 includes gap analysis, Environmental impact study and package of environmental and social documents in accordance with EBRD standards. The preparation of study began in June 2020. The preparation of documentation is in progress. The Preliminary Design is completed, and the Detailed Design is being developed.
Exit from tunnel Prenj – Mostar North	EBRD	4.973.412	IPF8	Component 2 includes the Detailed Design and tender documentation. The completion of the Detailed Design is expected in Q2 2024. Tender will be launched after completion of the Detailed Design.

**Table no. 7 – WBIF Technical Assistance Grants**



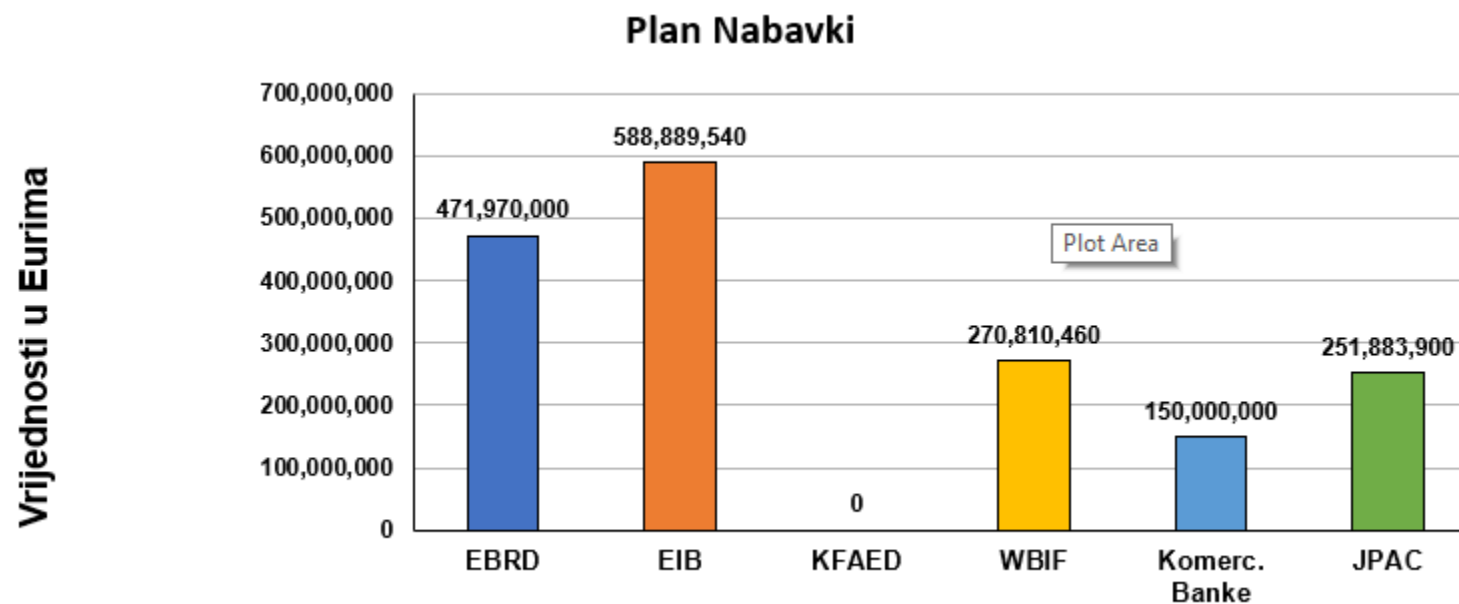
#### 4. PROCUREMENT PLAN

JP Autoceste FBiH has prepared the expected plan for procurement of work and services according to the international creditors' procedures. The plan contains estimated values while actual values are to be determined after completion of tender procedure.

No	Description	Assessment	Funded by	Contract	Procurement	Tender	Contract	
		Contract Value	EBRD, EIB KFAED, OFID/OPEC	Type	Method	Call month/year	Signature month/year	Completion month/year
1.	Sub-section Ozimice - Poprikuše Construction of the motorway	350.000.000	EIB and WBIF	WORKS	Open procedure	Apr - 23	Mar - 24	Sept - 26
2.	Sub-section Ozimice - Poprikuše Supervision of the motorway construction	4.700.000	WBIF	Services	Competitive procedure	May - 22	Feb-24	May-27
3.	Mostar South - Tunnel Kvanj construction of the motorway	66.970.000	EBRD	WORKS	Open	Dec - 20	Feb - 24	Feb-26
4	Kvanj Tunnel - Buna construction of the motorway	150.000.000	EIB	Work	Open	Jan - 24	May - 24	Nov - 27
5.	Mostar North – Mostar South Supervision of the motorway construction	10.000.000	EBRD	Services	Competitive	May - 22	Feb - 24	Sep - 27
6.	Mostar North – Mostar South Construction of the motorway	350.000.000	EBRD and Commercial banks	Work	Open	Jan - 23	Sep - 24	Oct - 27
7.	Construction of Prenj Tunnel	550.000.000	EBRD, EIB WBIF	Work	Open	Feb - 24	Sep - 24	Sep - 30
<b>INT. FIN. INSTITUTIONS:</b>		<b>1.481.670.000,00</b>	<b>EBRD, EIB, WBIF and Commercial Banks</b>					
<b>VAT (17%)</b>		<b>251.883.900,00</b>						
<b>JP Autoceste FBiH</b>								
<b>TOTAL</b>		<b>1.733.553.900,00</b>						

Table no. 8 – Procurement Plan

**Graph 1.** shows the participation of the international financial institutions, WBIF grant funds, as well as own funds of JP Autoceste in work and services agreements whose procurement is in progress.



Graph 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 - Doboj South;
- **LOT 2:** Doboj South - Sarajevo South (Tarčin);
- **LOT 3:** Sarajevo South (Tarčin) - Mostar North;
- **LOT 4:** Mostar North - Bijača at the southern border with Croatia.

The following pages of the Report show the progress according to the above-mentioned LOTs on sub-sections that are under preparation or under construction.

## 5.1. LOT 1: SVILAJ - KARUŠE



LOT 1 starts with the motorway section Svilaj - Odžak which was opened to traffic on September 30, 2021. Motorway sections from Odžak to Tunnel Putnikovo brdo are under the jurisdiction of JP Autoptutevi RS, after which the subsection Putnikovo brdo - Medakovo continues. Although one part of the subsection Putnikovo brdo – Medakovo (from Karuša to Medakovo) belongs to LOT 2, data will be nevertheless presented in this chapter.

SVILAJ – ODŽAK SECTION	
TECHNICAL DESCRIPTION	
<p>The total length of the section is 10+400 km. The initial point of the section is Svilaj Bridge, then it stretches for 300 m until border crossing Svilaj, after which there is the Interchange Svilaj. Further on, there is the main Svilaj toll booth. The section ends at the Odžak interchange, which is located near Odžak. The realization of the project is divided into two phases for the sake of harmonization with dynamics of bridge construction over the Sava River. The construction of this section connected parts of Corridor Vc in Croatia and Bosnia and Herzegovina.</p>	
<b>Funding</b>	EIB Laon No. 31.174
	EBRD loan number 48999
	EU grant number WBIF CF 1006 BIH TRA
	Own funds
<b>Number and date of the environmental permit</b>	UP-I/03/02-23-4-46/05 dated September 07, 2010. Supplement to the environmental permit no. UPI 05/02-23-11-75/16 dated June 06, 2016.
<b>Number and date of the building permit</b>	UPI/03-23-2-321/12 dated December 14, 2012. Supplement to the construction permit no. UPI/03-23-2-321-1/12 dated October 10, 2014.
<b>Number and date of the use permit for Phase I</b>	UPI/03-23-2-229/15 dated November 09, 2015.
<b>Number and date of the use permit for Phase II</b>	UPI/03-19-2-320/20 dated September 13, 2021.
CONSTRUCTION WORKS	
<b>Contractor</b>	Joint Venture Strabag AG, Euro-Asfalt d.o.o. Sarajevo and GP ŽGP d.d.
<b>Contract Number</b>	JP Autoceste 327-B45-12 dated September 12, 2013(during the implementation of the Contract, 6 Addendums to the Contract were concluded)
<b>Contract Value</b>	83.822,098 EUR including VAT, which was changed by Addendums to 41.069.250,13 EUR for Phase I and 44.579.348,66 EUR for Phase II
<b>Construction deadline</b>	420 days, which was changed to 400 days by the Addendums dated March 15, 2018.
SUPERVISION SERVICES	
<b>Consultant</b>	Aecom Inocs S.L.U. Spain
<b>Contract Number</b>	Phase I: JPAC 328-E152-12 dated September 02, 2013 (during the implementation of the Contract, 1 Addendum to the Contract was concluded)
	Phase II: JPAC 819-E426-17 dated March 10, 2017 (during the implementation of the contract, 1 Addendum to the Contract was concluded)
<b>Contract Value</b>	Contract value for Phase I amounts to 2.645.311,50 EUR including VAT, and in Addendum no. 1 it was increased to 3.204.199,44 EUR including VAT

	Contract value for Phase II amounts to 1.186.672,50 EUR including VAT, and with Addendum No. 1 it was increased to 1.382.793,75 EUR including VAT
<b>Duration of the Contract</b>	Phase I: 38 months and in Addendum it was extended to 46 months
	Phase II: 33 months and in Addendum it was extended to 51 months
<b>The Federal Ministry of the Physical Planning issued the use permit and the section Svilaj – Odžak was opened to traffic on September 30, 2021.</b>	
<b>SUMMARY OF PAYMENT FOR WORKS</b>	
<b>Summary of payment for works</b>	EUR 67.948.008,32 excluding VAT or EUR 79.499.169,73 including VAT
<b>SUMMARY OF PAYMENT FOR WORKS</b>	
<b>Summary of payment for works</b>	3.920.507,00 EUR excluding VAT, respectively 4.586.993,19 EUR including VAT

**Summary: EIB Loan No. 31.174, EBRD Loan No. 48999, own funds and WBIF grant**

<b>Payment per categories</b>	<b>Svilaj - Odžak Phase I</b>	<b>Svilaj - Odžak: Phase II</b>
Works: loan funds	11.047.127,36	9.446.733,01
Works: own funds	23.822.546,05	8.768.887,57
Works: grants*	520.135,33	14.342.579,00
<b>TOTAL WORKS:</b>	<b>35.389.808,74</b>	<b>32.558.199,58</b>
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
<b>TOTAL SUPERVISION:</b>	<b>2.738.632,00</b>	<b>1.181.875,00</b>

**Note:** In Q1 2020, part of the grant funds for the section Svilaj - Odžak in the amount of EUR 4.711,491 were returned based on the Request of the Ministry of Finance and Treasury of BiH number 06-21-2-1876-37/19.

SECTION PUTNIKOVO BRDO – MEDAKOVO	
TECHNICAL DESCRIPTION	
<p>The length of the section is 8.5 km. The route starts at the exit of the tunnel Putnikovo brdo 2 at the border between two entities. The route stretches towards the Usora interchange where the side toll booth is located and after which the route crosses the bridge over the regulated riverbed of the Usora river and over the bridges it reaches the village of Karuše. In Karuše, the route passes through a hill and on that location cut &amp; cover system is planned in the length of 220 m. Further on, the route passes through the inhabited places Tešanjka and Medakovo as well as through the uninhabited areas. The section ends after the interchange Medakovo.</p>	
Funding	EBRD Agreement number 50603
	EU Grant number WB-IG01-BIH-TRA-01
Number and date of the environmental permit	UPI 05/2-23-11-144/19 dated 27 September, 2019 UPI 05/2-02-19-5-48/21 SN 19 dated April, 2021
Number and date of the urban permit	UPI/03-23-2-22/15 ID DATED 1 September, 2015  Amendment 1: UPI/03-23-2-22/15 dated 9 September, 2021 Amendment 2: UPI/03-23-2-22/15 dated 3 November, 2022
Number and date of the building permit	UP1-03-19-2-601/22 dated 8 November, 2022
CONSTRUCTION WORKS	
Contractor	Euro-asfalt d.o.o. Sarajevo
Contract Number	JPAC-1245-B118-20
Contract Value	167.052.555,93 EUR including VAT
Construction deadline	24 months
Addendum	Addendum no. 1 from December 2022 (bank guarantee for advance payment).
	Addendum no. 2 dated 24 April 2023 (for ESAP)
	Addendum no. 3 dated 4 December 2023 concerning change of personnel
SUPERVISION SERVICES	
Consultant	IRD Engineering S.r.l.
Contract Number	JPAC-1248-E654-20
Contract Value	2.866.500,00 EUR including VAT



<b>Duration of the Contract</b>	48 months
<b>Addendum</b>	Addendum no. 1 dated 1 March, 2023 (for archaeological works)
	Addendum no. 2 dated 24 April, 2023 (for ESAP)
	Addendum no. 3 dated 4 December 2023 concerning change of personnel
<b>CONSTRUCTION SITE ACTIVITIES IN THE REPORTING PERIOD</b>	
<b>Description of completed works</b>	
<p><b><u>Activities carried out in the period 01 Oct 2023 - 31 Dec 2023</u></b></p> <p>The start date of the project was issued by the Engineer on 01 June. In 2023, for the construction of the motorway on the Corridor, Vc, the Putnikovo brdo 2 - Medakovo tunnel section, Contract No. JPAC 1245-B118-20 dated 11 Nov 2022.</p> <p>The main activities carried out in this period are following:</p> <ul style="list-style-type: none"> <li>- Clearing and grubbing up 95% of completed works.</li> <li>- Earthworks, embankment construction 60% of works completed.</li> <li>- Tunnel works/Cutting and coverage (on portals) 20% of works completed.</li> <li>- Constructions (piles drilling, concrete-work, columns, etc.) 25% of works completed.</li> <li>- Regulation of the rivers Tešanjka and Usora 15% of works completed.</li> </ul>	
<b>Current challenges regarding implementation of the project and measures taken</b>	
<p>The Contractor submitted 10 Variation Orders-Proposals for Improvements, and the Engineer reviews and evaluates the proposal in accordance with GCC sub-clause 13.3 Variation Procedure and sub-clause 3.5 "Determinations". The status of each VO is as follows:</p> <ul style="list-style-type: none"> <li>- VO1 was rejected by the Engineer and the Investor</li> <li>- VO2 was rejected by the Engineer and cancelled by the Contractor.</li> <li>- VO3 evaluation in progress.</li> <li>- VO4 accepted and the Engineer's Evaluation was issued.</li> <li>- VO5 cancelled (due to archaeology issues).</li> <li>- VO6 accepted and the Engineer's Evaluation was issued.</li> <li>- VO7 evaluation in progress.</li> <li>- VO8 accepted and the Engineer's Evaluation was issued.</li> <li>- VO9 accepted and the Engineer's Evaluation was issued.</li> </ul>	

- V10 accepted and the Engineer's Evaluation was issued.

Additionally,

According to the Detailed Design, an archaeological site was discovered in section 3b ch:3+480 – 4+760. After a detailed investigation by the Institute for the Protection of Monuments, a significant archaeological find was discovered. Thus, after a joint meeting with representatives of engineers, representatives of the Institute and the employers, it was decided to carry out additional research in the Gračac area using geophysical methods. Due to the archaeological finds, the Engineer tasked the Contractor with clearing the area and surveying the entire area before the archaeologist/geophysicist begins work. Archaeological research began on the 15 September, 2023 and ended on the 18 September, 2023. Preliminary report submitted by GEOAVAS on 18 September 2023 concluded the following:

- Carry out, in accordance with the Decision of the Institute for the Protection of Monuments at the Federal Ministry of Culture and Sports, systematic archaeological excavation and removal of the archaeological site,
- Carry out detailed analyses and changes to the Vc highway construction plan and the necessary load-bearing structures (potential access roads, landfills, slopes, etc.), and move them completely outside the area of the archaeological site.

The final decision was submitted by the Institute for the Protection of Monuments, where it was decided to change the design for this section (in line with the item (b)).

The Contractor has submitted bids for the design modification for the Tešanjka 1 and Tešanjka 2 bridges and the routing of the above-mentioned section. After consultation with the client, the Engineer accepted the offer for the new design for bridges T1 and T2 (submitted by the Contractor) and rejected the offer for the route (submitted by the Contractor). After the inspection, the Engineer accepted the offer of the chief designer IPSA to prepare a new design for the settlement. The Contractor agreed and concluded a new contract with both companies for the development of a new design INFRA d.o.o. for bridges and IPSA d.o.o. for routing. Therefore, the new Design for the above-mentioned section is in the drafting phase.

<b>Number of workers</b>	<b>October: 428    November: 432    December: 432</b>
<b>Number of hired subcontractors</b>	<b>October: 4    November: 4    December: 4</b>

PROJECT IMPLEMENTATION COSTS			
Interim (payment) certificate	Payment date	Amount in EUR excluding VAT	Amount in EUR including VAT
<b>WORKS - Euro-asphalt d.o.o. Sarajevo</b>			
Σ PS 7	until 30/09/023	29,280,289.20	34,257,938.36
PS 8	09/11/2023	2,560,841.49	2,996,184.54
PS 9	21/11/2023	3,588,914.48	4,199,029.94
PS 10	21/12/2023	2,852,373.76	3,337,277.30
Q4	01/10-31/10/2023	9,002,129.73	10,532,491.78
<b>WORKS IN TOTAL</b>	<b>until 31/12/2023</b>	<b>38,282,418.93</b>	<b>44,790,430.15</b>
<b>SUPERVISION-Consortium: IRD Engineering S.r.l.</b>			
Σ PS 6	until 30/09/2023	633,676.14	741,401.08
PS 7	25/10/2023	48,573.75	56,831.29
PS 8	23/11/2023	57,518.52	67,296.67
PS 9	20/12/2023	64,841.55	75,864.61
Q4	01/10-31/12/2023	170,933.82	199,992.57
<b>SUPERVISION IN TOTAL</b>	<b>until 31/12/2023</b>	<b>804,609.96</b>	<b>941,393.65</b>
<b>TOTAL PROJECT IMPLEMENTATION COSTS PAID UNTIL 31 DEC 2023</b>		<b>39,087,028.89</b>	<b>45,731,823.80</b>

RECAPITULATION OF FUNDING SOURCES		
FUNDING SOURCE	TYPE OF EXPENSE	AMOUNT
EBRD no. 50603	WORKS	38,282,418.93
Own funds	SUPERVISION	804,609.96
<b>TOTAL</b>		<b>39,087,028.89</b>

*Note: Monitoring services were paid for from own funds to enable subsequent reimbursement of service costs from the WBIF grant to be implemented through the EIB.*

## 5.2. LOT 2: KARUŠE - TARČIN



LOT 2 in the length of 145 km is the longest LOT on the Corridor. It includes the sections from Doboj South to Sarajevo South (Tarčin). The largest part of LOT 2 consists of already constructed motorway section (Zenica North – Zenica South and Zenica South – Tarčin) which is already in use and in the toll system, in the length of 92.9 km. Zenica bypass (Zenica North - Zenica South) which consists of the subsections Drivuša - Klopče, Klopče – Donja Gračanica and part of the section Tunnel Zenica – Donja Gračanica was opened to traffic on July 15, 2021. Other sections of this LOT are in the preparation phase or in the construction phase which is shown below. Information concerning section of the motorway from Karuše to Medakovo was presented in the previous chapter, and we start this chapter with section Medakovo – Ozimice.

SECTION MEDAKOVO – OZIMICE	
TECHNICAL DESCRIPTION	
Length of the section according to the Detail Design is 21.7 km. The beginning of the section is located after the Medakovo interchange, and in the next 10 km the route passes mostly through populated areas: Medakovo, Alispahići, N. Šeher, Ljubatović. The route also contains a tunnel with the approximate length of 2200 m and rest area on both sides. After the exit from tunnel, the route is laid down towards the south. The route, further on, passes around borders of smaller settlements and reaches Ozmice interchange where the subject section ends.	
Funding	EIB; Agreement Number: 91.682
	EU grant; number: WB – IG04-BIH-TRA-01
Number and date of the environmental permit	UPI 05/2-23-11-144/19 dated 27/09/2019 and UPI 05/2-02-19-5-48/21 SN dated 19/04/2021.
Number and date of the urban permit	UPI/03-23-2-229/15 dated 09/09/2021.
Number and date of the building permit	UPI 03-19-2-322/23 dated 19/07/2023.
CONSTRUCTION WORKS	
Contractor	Cengiz İnşaat Sanayi ve Ticaret A.S.
Contract Number	JPAC 1397-B-138-22, signed on 09/03/2023.
Contract Value	423.251.425,94 EUR including VAT
Construction deadline	30 months
SUPERVISION SERVICES	
Consultant	JV: Yuksel Proje – Trasa d.o.o. Sarajevo
Contract Number	JPAC 1394-E-744-22 + Amendment No.1 to Contract for Consultant's services
Contract Value	5,335,682.29 EUR including VAT
Duration of the Contract	54 months
TECHNICAL SUPPORT SERVICES	
Consultant	ARUP d.o.o. Beograd
Contract Number	JPAC 1370-E-728-22 signed on 08/12/2022.
Contract Value	987,655.50 EUR including VAT
Duration of the Contract	54 months

## CONSTRUCTION SITE ACTIVITIES IN THE REPORTING PERIOD

### Description of completed works

The official start of works is 01 December 2023. The Contractor is in the period of early access to the property according to the Article 17 of the Motorway Act 05/23-12/23 performed preparatory works - access roads, necessary excavations, created additional documentation, protection of slopes, embankments, culverts and hydrotechnical facilities. The following works were carried out in December:

The main route:

Excavation, terrain preparation, installation of geotextiles and embankment construction

Ozimica interchange

Execution and testing of the second layer of filling on leg IV, excavation, preparation and testing of the subsoil on legs II and III

Rest area Tugovići

Excavation, installation of geotextile and stone material filling

Rest area Galovac

Excavations have begun on the right side of the rest area

Tunnel Crni Vrh

Preparatory works, necessary excavations and preparation for the construction of the portal structure on the exit portal Landfills

Forest cutting works for the Ljubatovići and Crni Vrh landfills.

After the end of the period of six months for the execution of preparatory works, the Contractor has at full capacity proceeded with the works on the entire section, with the exception of the entrance portal of the Crni vrh tunnel, and bridges M1, M4 and M5. It is not clear why the Contractor has not started works on this location and since the Work Program is pending, we cannot know the method of execution and the planned dynamics. The Contractor was obliged to submit the Work Program within 28 days from the official start of works, which was on 01 December 2023.

During that period, initial meetings were held with representatives of the local communities of the municipalities of Žepče, Maglaj, Tešanj, whose goal was a detailed presentation of the motorway design through the municipalities, instructing local communities regarding obligations of the Contractor and JPAC in the construction of the section, as well as the presentation of complaint forms of the local community and functioning of the complaint mechanism.

A complaint mechanism was established and all complaints received from the local community and local population, were referred for decision to the Contractor by the Supervisory Board, and forwarded to the Investor.

### Current challenges regarding implementation of the project and measures taken

The project is currently facing several challenges affecting its implementation. Among these challenges the imperfect process of relocation of residents from expropriated land, as well as the incomplete procedure for landfills permits acquisition stand out. In response to these challenges, the Investor took a number of steps, including sending a letter to the residents of the municipalities of Maglaj and Žepče in order to inform them of their contractual obligations regarding relocation from parcels that were expropriated. Currently, identical letters are being prepared and sent to the residents of Tešanj municipality. 7 houses are left to move out. Problems are likely to happen with the building of Ilija Sinanović near the Ozimica interchange, who despite the payment and the Agreement according to which he was supposed to leave the building in June 2023, is still not preparing for leaving.

As for the process of obtaining the necessary landfills permits, the procedure is currently being carried out and is expected to be completed in the following period.

Unresolved collisions of electrical installations according to the Detailed Design and unresolved property legal relations can affect the project implementation. Additional survey for installations and additional design solutions for installations that are not defined by Detailed Design are in the development phase.

<b>Number of workers</b>	<b>October: 532    November: 532    December: 432</b>
<b>Number of hired subcontractors</b>	<b>October: 5    November: 5    December: 5</b>



PROJECT IMPLEMENTATION COSTS			
Interim (payment) certificate	Payment date	Amount in EUR excluding VAT	Amount in EUR including VAT
<b>WORKS - CENGİZ İNŞAAT SANAYİ VE TİCARET A</b>			
Σ	until 30/09/2023	0.00	0.00
Advance payment	26/10/2023	36,175,335.55	42,325,142.59
PS 1	26/10/2023	277,095.26	324,201.45
PS 2	26/10/2023	2,144,715.67	2,509,317.33
PS 3	03/11/2023	3,173,164.96	3,712,603.00
PS 4	28/12/2023	3,642,837.23	4,262,119.56
Q4	01/10-31/12/2023	45,413,148.67	53,133,383.94
<b>WORKS IN TOTAL</b>	<b>until 31/12/2023</b>	<b>45,413,148.67</b>	<b>53,133,383.94</b>
<b>SUPERVISION-Consortium: IRD Engineering S.r.l.</b>			
Σ PS 3	until 30/09/2023	217,005.07	253,895.93
PS 4	25/10/2023	91,492.67	107,046.42
PS 5	23/11/2023	89,353.31	104,543.37
PS 6	20/12/2023	99,483.26	116,395.41
Q4	01/10-31/12/2023	280,329.24	327,985.21
<b>SUPERVISION IN TOTAL</b>	<b>until 31/12/2023</b>	<b>497,334.31</b>	<b>581,881.14</b>
<b>Consulting services to support the implementation and monitoring of protection measures for the Motorway Project on Corridor Vc, Medakovo-Poprikuše section - Arup doo Belgrade</b>			
Σ PS 6	until 30/09/2023	73,796.32	86,341.69
PS 7	25/10/2023	6,717.50	7,859.48
PS 8	23/11/2023	8,902.50	10,415.93
PS 9	20/12/2023	10,611.25	12,415.16
Q4	01.10.-31.12.2023	26,231.25	30,690.56
<b>Consulting services to support the implementation and monitoring of protection measures for the Vc Corridor Motorway Project TOTAL</b>		<b>100,027.57</b>	<b>117,032.26</b>
<b>TOTAL PROJECT IMPLEMENTATION COSTS PAID UNTIL 31 DEC 2023</b>		<b>46,010,510.55</b>	<b>53,832,297.34</b>

RECAPITULATION OF FUNDING SOURCES		
FUNDING SOURCE	TYPE OF EXPENSE	AMOUNT
EIB 91,682	WORKS	45,413,148.67
Own funds	SUPERVISION	497,334.31
Own funds	Consulting services to support the implementation and monitoring of protection measures for the Corridor Vc Motorway Project	100,027.57
<b>TOTAL</b>		<b>46,010,510.55</b>



**Note:** The monitoring services were paid for from own funds to enable subsequent reimbursement of service costs from the EIB.

SECTION OZIMICA – POPRIKUŠE	
TECHNICAL DESCRIPTION	
<p>The length of the section is 12.8 km. The section from Ozimice 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 on, the route follows mainly that corridor until the starting point of the next section Poprikuše – Zenica North. The route touches the settlements of Varišiste, Šećin Han, Brezovo polje and ends in Golubinja. Interchange Poprikuše is planned to be built at the very junction of the two sections. In total, 10 bridges are planned on the route, while larger and more demanding facilities are designed over the Bosna River bed, the main road and the railway line. The route includes four tunnels and one rest area.</p>	
FUNDING	
<p>EIB Agreement Number 91.682</p> <p>EU grant, applied for in the Sixth WBIF call, but due to the level of readiness of the project, the application will be repeated in the next WBIF call.</p>	
PROJECT DOCUMENTATION	
<p>The Preliminary Design has been completed. Detailed Design and Detailed Design Revision have also been completed.</p>	
CONSENTS AND PERMITS	
<p>In September 2019, the FBiH Ministry of Environment and Tourism issued the Environmental permit for the complete LOT 2 Dobož South (Karuše) - Sarajevo North.</p> <p>Request for issuing the urban permit will be submitted after the selected Architect, who is in charge for preparation of the Detailed Design, unites and completes the previously completed project documentation together with the new one, with the aim of unobstructed obtaining of all permits. The request for urban planning permit 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.</p>	
EXPROPRIATION	
<p>The expropriation procedure in the Municipality of Žepče was initiated on the basis of available expropriation studies along the entire section which is 12.8 km long including additional surveys and extension of the route. Out of total 582 plots included in 8 cadastral municipalities in Žepče, 304 plots were expropriated. The total number of cases on this section is 394, of which 174 cases have been closed. A total of 49.98% of the surface area included in the expropriation study was expropriated.</p>	

## PROCUREMENT – SERVICES

### **Contractor Services**

#### **Type of procedure: Competitive**

The decision to initiate the procedure was adopted in April 2022. The amended Decision was adopted on 02 February 2023. The deadline for submission of offers was 29 September 2023. Evaluation of technical offers is ongoing.

### **Supervision Services**

#### **Type of procedure: Competitive**

The decision to initiate the procedure was adopted in April 2022. The call for expressions of interest was published in May 2022, the deadline for submitting applications was 06 July, 2022. The evaluation of the applications has been completed; the evaluation report was sent to the Bank in August 2022. The Bank's consent to the evaluation report was submitted at the beginning of September 2022. The management appointed a new evaluation committee to review the technical offers, and the evaluation report was sent to the Bank. The bank's consent to the revised evaluation report has been submitted. Financial offers are open on the 12 October 2023. Evaluation report of financial offers was submitted to the Bank for approval on 15 December 2023.

## SUBSECTION POPRIKUŠE – NEMILA

### TECHNICAL DESCRIPTION

The start of the section is in the immediate vicinity of the Poprikuše settlement, south of the town of Žepča. The route starts with the bridge over the Bosna River, the Poprikuša interchange, continues via the viaduct over the M17 main road, and enters the Golubinja tunnel approx. 3.5 km long. 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.

<b>Funding</b>	EIB Agreement Number 89.502
	EBRD Agreement Number 49058
	EU Grant number WB-IG01-BIH-TRA-01
<b>Number and date of the environmental permit</b>	No.: UPI 05/2-23-11-144/19 dated 27 September 2019.
<b>Number and date of the urban permit</b>	No.: UPI/03-23-2-325/18 dated 29 November 2018. Amended urban permit Nr. UPI/03-23-2-325/18 dated 07 January 2022.
<b>Number and date of the building permit</b>	No.: UPI/03-19-2-126/22 dated 11 July 2022.

### CONSTRUCTION WORKS

<b>Contractor</b>	Cengiz İnşaat Sanayi ve Ticaret A.S.
<b>Contract Number</b>	JPAC 990-B99-18 dated 16 November 2020
<b>Contract Value</b>	EUR 208.059.247,42 including VAT
<b>Construction deadline</b>	42 months, i.e. May 2024

### SUPERVISION SERVICES

<b>Consultant</b>	IRD Engineering S.r.l.
<b>Contract Number</b>	JPAC 988-E506-18 dated 29 April 2020
<b>Contract Value</b>	EUR 5.194.800 including VAT
<b>Duration of the Contract</b>	67 months
<b>Addenda</b>	Addendum No. 1 was signed on 06 October 2021. The agreed price was increased for the amount of EUR 48,000.00 excluding VAT due to the hiring of a Social Expert in order to provide the adequate consulting services regarding the social issues during the construction of Poprikuša - Nemila section. The value of the contract is now EUR 4.488.000,00 excluding VAT or EUR 5.250.960,00 including VAT.

PIU TECHNICAL ASSISTANCE			
Consultant	Joint Venture: Hill International NV and OMEK Consulting Engineers S.A.		
Contract Number	JPAC 989-E507-18 dated 22 July 2020		
Contract Value	1.391.482,17 EUR including VAT		
Duration of the Contract	67 months		
Addenda	Addendum No. 1 was signed on 05 October 2023. Apart from the change of Key Personnel, there were no other changes related to the organization and financial items of the Contract.		
CONSTRUCTION SITE ACTIVITIES IN THE REPORTING PERIOD			
Description of completed works			
Tunnel Golubinja Excavation and primary substructure, construction of foot vault, foundation and secondary lining, waterproofing and drainage of rock water, drainage of water from the roadway inside the tunnel Route of the highway: embankment construction, slope vegetation Ramp and roundabout: embankment construction, slope vegetation Completion of the section (an additional 200 m of the route): production of piles and header beams Golubinja bridge 1: drainage of the right bridge Viaduct Golubinja 2: bridge drainage completed Toll booth: Construction of concrete islands Traffic Control Center: Construction of walls and canopy			
Current challenges regarding implementation of the project and measures taken			
Challenges: Tunnel excavation and primary construction: Current geological conditions are very demanding, and for stabilisation the strongest structural support system is used. Change of deformations (convergence) in the tunnel is up to 20 centimetres. Based on these data, it can be concluded that the tunnel falls at bottom of the construction capability scale according to NATM regulations. Material procurement: The Contractor at the moment has no problems with the procurement of materials that could result from the war in Ukraine. The problems arise because of constant and enormous increase in prices, so that certain suppliers are unable to deliver ordered materials. Measures taken: Works on the primary construction and excavation of the tunnel are performed in accordance with the predicted geological conditions and project documentation. Problems with the procurement of materials do not affect the dynamics of the works, considering that the Contractor has contracts with more than one supplier, and payment is generally made in advance.			
Number of workers	October: 341	November: 354	December: 350
Number of hired subcontractors	October: 29	November: 29	December: 29

PROJECT IMPLEMENTATION COSTS			
Interim (payment) certificate	Payment date	Amount in EUR excluding VAT	Amount in EUR including VAT
<b>WORKS - Cengiz İnşaat Sanayi Ve Ticaret A.S.</b>			
Σ1-31	until 30/09/2023	138,303,858.33	161,815,514.25
PS 32	25/10/2023	3,806,905.03	4,454,078.89
PS 33	28/11/2023	4,297,422.22	5,027,984.00
Q4	01/10-31/12/2023	8,104,327.25	9,482,062.88
<b>WORKS IN TOTAL</b>	<b>until 31/12/2023</b>	<b>146,408,185.58</b>	<b>171,297,577.13</b>
<b>SUPERVISION-IRD Engineering SRL</b>			
Σ1-30	until 30/09/2023	3,117,983.82	3,648,041.07
PS 31	13/10/2023	106,971.00	125,156.07
PS 32	13/10/2023	84,668.84	99,062.54
Q4	01/10-31/12/2023	191,639.84	224,218.61
<b>SUPERVISION IN TOTAL</b>	<b>until 31/12/2023</b>	<b>3,309,623.66</b>	<b>3,872,259.68</b>
<b>TA-Joint Venture: Hill International N.V. and OMEK Consulting Engineers S.A.</b>			
Σ1-26	until 30/09/2023	464,790.07	543,804.38
Q4	01/10-31/12/2023	0.00	0.00
<b>TOTAL TA</b>	<b>until 31/12/2023</b>	<b>464,790.07</b>	<b>543,804.38</b>
<b>TOTAL PROJECT IMPLEMENTATION COSTS PAID UNTIL 31 DEC 2023</b>		<b>150,182,599.31</b>	<b>175,713,641.19</b>

RECAPITULATION OF FUNDING SOURCES		
FUNDING SOURCE	TYPE OF EXPENSE	AMOUNT
EBRD no. 49058	WORKS	61,169,123.38
EIB No. 89.502	WORKS	76,241,413.45
WBIF Grant for TA component	SUPERVISION AND TA	3,774,413.73
Own funds	WORKS	8,997,648.75
<b>TOTAL</b>		<b>150,182,599.31</b>

**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 constructions on this section, there is Stara Stanica Viaduct, four underpasses with the displacement of local roads and the extended bridge at the entrance to the Nemila settlement. Then, there is the relocation of the main road M-17 in a length of about 3.6 km and Bosna riverbed regulation.	
<b>Funding</b>	Kuwait Fund for Arab Economic Development, Contract No. 1012 (KFAED)
<b>Number and date of the environmental permit</b>	No: UPI 05/2-23-11-144/19 dated 27 September 2019.
<b>Number and date of the urban permit</b>	No: UPI 03-23-2-384/18 dated 14 January 2019.
<b>Number and date of the building permit</b>	No: UPI 03-19-2-172/21 dated 14 September 2021.
CONSTRUCTION WORKS	
<b>Contractor</b>	HGG İnşaat Anonim Sirketi
<b>Contract Number</b>	JPAC 1084-B104-19 dated 28 February 2022
<b>Contract Value</b>	EUR 64.956.530,00 including VAT
<b>Construction deadline</b>	24 months
<b>Addenda</b>	Addendum No. 1 was signed on 12 August 2022. The Contractor undertook to complete all the works on Section 2 within 730 days from the starting date which is equal to the time needed to complete the works on Section 1.
	Addendum No. 2 was signed on 19 May 2023, and it refers to the additional financing by KFAED, in the amount of 809,376 KM excluding VAT, i.e. EUR 413.827,38 excluding VAT because of the works under the Friendly Environment Program with the City of Zenica.
SUPERVISION SERVICES	
<b>Consultant</b>	Adel Al-Obaid Engineering Consultants and Ipsa Institut d.o.o.
<b>Contract Number</b>	JPAC 956-E487-18 dated 25 August 2021.
<b>Contract Value</b>	EUR 1.500.525,00 including VAT
<b>Duration of the Contract</b>	50 months
<b>Addenda</b>	Addendum No. 1 was signed on 26 June 2022. The purpose of the addendum is of an administrative nature for easier and faster operations, whereby the bank accounts of the leading consultant member were changed to the currency EUR and the Giro account of the VAT representative (to the currency BAM), and new bank accounts were delivered to the client.

## CONSTRUCTION SITE ACTIVITIES IN THE REPORTING PERIOD

### Description of completed works

In the previous reporting period, works on the construction of the motorway route and the relocation of the were carried out, namely: land clearing, excavation and filling, works on the construction of underpasses, RC retaining walls, geotechnical works, construction of culverts, relocation of installations, etc.

The contractor has built RC structures of underbridge ("Nemila North" and "Rest area") as well as most of the box and pipe culverts under the base of the motorway and the relocated main road. All works on the relocation of a part of the main road M17 have been completed with profile P104 to profile P178 and after obtaining a use permit from the Federal Ministry of Physical Planning the road was opened to traffic. Since the said section of the main road was relocated and has received a positive opinion from the commission for technical acceptance, handover documentation is being prepared. By rerouting to the new road, works on a larger portion of the motorway section have started. RC retaining walls M17-1, M-17-3 and M17-4 were built as part of the main road M17, which are located along the Bosna River bed. Retaining wall M17-2 is 90% complete. RC works relating to regulation of the Nemila riverbed were finished, and RC retaining walls Z4 and Z5 near the existing bridge in Nemila were finished. Works on the rehabilitation of the Oglavak landslide, the finalization of which is a key part of the project related to the relocation of the remaining part of the M17 main road and the continuation of the construction of the rest of the motorway route. Geotechnical works on slope protection are being carried out on the route using the installation of shotcrete, reinforcing mesh and geotechnical anchors.

Regarding the Friendly Environment Agreement, the Contractor has completed the Works: on the construction of a pedestrian bridge at Orahovačka River, asphaltting of the plateau in front of the House of Culture and the Nemila Local Community building and improving the infrastructure of the Football club Nemila.

### Current challenges regarding implementation of the project and measures taken

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

Very demanding and potentially dangerous terrain on which Slope stabilization works are performed.

Measures taken: The necessary Surveys on temporary traffic regulation were prepared, the approvals of the competent ministries were obtained. Construction zones are properly marked by traffic equipment and signalisation. Constant team monitoring of H&S managers hired by the Contractor and the Supervisory team.

Challenges: Construction works are planned to be performed closely to the residential buildings (houses) in the area of settlement Stara Stanica.

Measures taken: This issue was resolved by building a newly designed tunnel, in order to avoid the direct impact of the motorway on these residential buildings. Currently, the development of the Detailed Design of the tunnel is being finalized.

Challenges: Works on the regulation of the Bosna River through the Nemila to be carried out. It is one of the largest watercourses in BiH, which often overflows and causes flooding in this locality.

Measures taken: Detailed Design for the regulation of the Bosna River with all the necessary technical solutions and measures for protection from flooding of the hundred-year-old water courses has been prepared. Urban planning permission for these works is currently being obtained.

Challenges: Works on part of the detected landslide above the existing M17 main road.

Measures taken: The necessary project documentation has been prepared, according to which the works are carried out.

<b>Number of workers</b>	<b>October: 149</b>	<b>November: 160</b>	<b>December: 125</b>
<b>Number of hired subcontractors</b>	<b>October: 12</b>	<b>November: 13</b>	<b>December: 17</b>



PROJECT IMPLEMENTATION COSTS			
Interim (payment) certificate	Payment date	Amount in EUR excluding VAT	Amount in EUR including VAT
<b>WORKS - HGG İnşaat Anonim Sirketi</b>			
Σ1-12	until 30/09/2023	20,418,905.81	23,890,119.80
PS 13	02/10/2023	1,372,053.55	1,605,302.65
PS 14	03/10/2023	1,012,853.02	1,185,038.03
PS 15	11/10/2023	1,791,320.02	2,095,844.42
PS 16	15/11/2023	566,254.20	662,517.41
Q4	01/10-31/12/2023	4,742,480.79	5,548,702.52
<b>WORKS IN TOTAL</b>	<b>until 31/12/2023</b>	<b>25,161,386.60</b>	<b>29,438,822.32</b>
<b>SUPERVISION-Adel Al-Obaid Engineering Consultants and Ipsa Institute d.o.o.</b>			
Σ1-14	until 30/09/2023	594,632.90	695,720.49
PS 15	02/10/2023	43,906.80	51,370.96
PS 16	03/10/2023	44,613.60	52,197.91
PS 17	24/10/2023	41,842.32	48,955.51
PS 18	15/11/2023	47,899.75	56,042.71
Q4	01/10-31/12/2023	178,262.47	208,567.09
<b>SUPERVISION IN TOTAL</b>	<b>until 31/12/2023</b>	<b>772,895.37</b>	<b>904,287.58</b>
<b>TOTAL PROJECT IMPLEMENTATION COSTS PAID UNTIL 31 DEC 2023</b>		<b>25,934,281.97</b>	<b>30,343,109.90</b>

RECAPITULATION OF FUNDING SOURCES		
FUNDING SOURCE	TYPE OF EXPENSE	AMOUNT
KFAED no. 1012	WORKS	25,161,386.60
KFAED no. 1012	SUPERVISION	772,895.37
<b>TOTAL</b>		<b>25,934,281.97</b>

SUBSECTION VRANDUK - PONIRAK	
TECHNICAL DESCRIPTION	
<p>The total length of the section according to the design is 5.3 km. Structures on this route include bridges Vranduk 1 and Vranduk 2, which are built using cantilever construction technology and tunnel Vranduk, as well as three small 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 a very steep slope. Most of the motorway is located in a cut, which is why a significant number of high retaining walls have been designed, which will be built using reinforced earth technology.</p>	
Funding	OFID loan number 12665P
	OFID loan number 12665PB
Number and date of the environmental permit	No: UPI 05/2-23-11-144/19 dated 27 September 2019.
Number and date of the building permit	No: UPI/03-23-2-356/18 dated 09 April 2019
CONSTRUCTION WORKS	
Contractor	Consortium AZVIRT L.L.C. and HERING d.d.
Contract Number	JPAC 848-B82-17 dated 15 May 2019
Contract Value	76.592.799,03 EUR including VAT
Construction deadline	<p>24 months, i.e. August 2021</p> <p>Addendum no. 1 signed on 17 June, 2022 with the contractor to extend the deadline for the execution of works by an additional 426 days.</p> <p>Addendum no. 2 signed on 20 March, 2023 with the contractor to extend the deadline for the execution of works by an additional 388 days, without changing the financial value of the contract.</p> <p>Addendum no. 3 signed on 26 April, 2023 with the contractor to extend the deadline for the execution of works by an additional 388 days.</p> <p>The new deadline for the completion of the contract is November 2023. The total time for the execution of works on this section has now increased to 1544 days.</p> <p>Due to the Temporary Suspension of Works, which was initiated by the Decision of JP Autocesta FBiH on 22 August 2023, the total time for the execution of the Works on this section will be additionally extended for the period for which the Suspension of Works will last.</p> <p>The last signed extension of the deadline for the completion of the Works is until 01/01/2024.</p>

SUPERVISION SERVICES	
<b>Consultant</b>	Consortium DRI Upravljanje investicijama d.o.o.– DIVEL d.o.o
<b>Contract Number</b>	JPAC 849-E440-17 dated 08 May 2019.
<b>Contract Value</b>	2,435,823 EUR with VAT
<b>Duration of the Contract</b>	24 months
<b>Addenda</b>	<p>Addendum no. 1 signed on 01/02/2022 which defined the value of the contract in the amount of EUR 3,006,849.71 excluding VAT with a total duration of 66 months.</p> <p>Addendum no. 2 signed on 26/04/2022 which defined the value of the contract in the amount of EUR 3,867,617.64 excluding VAT with a total duration of 78 months.</p>
PROJECT MANAGEMENT SERVICES	
<b>Consultant</b>	Institut za građevinarstvo IG d.o.o. Banja Luka and Saraj inženjering d.o.o. Sarajevo
<b>Contract Number</b>	JPAC-1219-E637-20 dated 23/06/2020
<b>Contract Value</b>	857,000 BAM (excluding VAT)
<b>Duration of the Contract</b>	24 months
CONSTRUCTION SITE ACTIVITIES IN THE REPORTING PERIOD	
<b>Description of completed works</b>	
<p><b>Note:</b> <i>In accordance with the Decision of JP Autocesta FBiH on the temporary suspension of works, which is effective as of 22 August 2023, all works on the construction site are temporarily suspended.</i></p> <p><b>Route:</b> Sector 4 (length 920 metres) completion of works according to the new design. Works on slope protection and internal drainage have been completed.</p> <p>Works on Sector 5 (138 meters) are being carried out according to the new design. Works on slope protection have been completed.</p> <p>Sector 2 – construction of vertical reinforced concrete prestressed beams completed</p> <p>The contractor submitted the work plan and price schedule for sector 6, the design of which was developed by the company YUKSEL Proye. Detailed designs are being developed for other sectors.</p> <p><b>Landfills:</b></p> <p>Boški Potok: Due to the temporary suspension, the transport of excavated material stopped</p> <p>In accordance with the final process of incomplete expropriation, landfill L9. was returned to the plot owners.</p> <p>Deforestation at the Malinjak 2 landfill. The material is currently being transported to Malinjak 1, and part of it is being transported by the HGG company to the neighbouring section of Nemila Vranduk for filling during the relocation of M17 motorway.</p>	

**Tunnel Vranduk:** Work completed on the three portal structures of the tunnel. Installation of waterproofing membrane and stream regulation above the entrance portal gallery of the right tunnel tube were in progress.

**Bridge Vranduk 1:** Construction of this structure was finished. Installation of the asphalt layer, waterproofing and drainage elements has been prolonged on all constructions.

**Bridge Vranduk 2:** Construction of this structure was finished.

**Viaduct Crni Potok:** Construction of this structure was finished.

**Viaduct Koprivna 1:** Construction of this structure was finished.

#### Notes:

Sectors 0, 1, 6 and 7 are currently in the final design process, i.e. in the revision phase.

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 our country and in the rest of the world.

The last payment by the Client, the Contractor's Interim (payment) certificate is PS no. 45 for the month of July 2023. Based on the increase of the sliding scale under the point 13.8 of the contract, €4,261,095.43 has been paid so far.

According to the financial report, all funds provided by OFID for construction and consulting services have currently been used. The contract is financed from the budget of JP Autocesta FBiH. Negotiations with banks on obtaining additional funds for this section are ongoing. It is estimated that for the completion of all works, including works on new projects for sectors that have not yet started construction, it will be needed approx. 80 million euros (including a sliding scale of 25%, 20 million Eur).

<b>Number of workers</b>	<b>October: 103</b>	<b>November: 95</b>	<b>December: 92</b>
<b>Number of hired subcontractors</b>	<b>Oktober: 0</b>	<b>November: 0</b>	<b>December: 0</b>

PROJECT IMPLEMENTATION COSTS			
Interim (payment) certificate	Payment date	Amount in EUR excluding VAT	Amount in EUR including VAT
<b>WORKS - Consortium AZVIRT LLC and HERING d.d.</b>			
Σ1-43	until 30/09/2023	67,846,013.22	79,379,835.47
PS 44	05/10/2023	749,014.66	876,347.15
Q4	01/10-31/12/2023	749,014.66	876,347.15
<b>WORKS IN TOTAL</b>	<b>until 31/12/2023</b>	<b>68,595,027.88</b>	<b>80,256,182.62</b>
<b>SUPERVISION-Consortium DRI Upravljanje investicijama d.o.o.– DIVEL d.o.o</b>			
Σ1-42	until 30/09/2023	3,437,087.13	4,021,391.94
PS 43	06/11/2023	79,843.96	93,417.43
PS 44	06/11/2023	77,389.11	90,545.26
PS 45	06/11/2023	42,660.03	49,912.24
PS 46	23/11/2023	33,209.82	38,855.49
PS 47	20/12/2023	46,319.42	54,193.72
Q4	01/10-31/12/2023	279,422.34	326,924.14
<b>SUPERVISION IN TOTAL</b>	<b>until 31/12/2023</b>	<b>3,716,509.47</b>	<b>4,348,316.08</b>
<b>Project management services - Institute for Construction IG doo Banja Luka and Saraj inženjering LLC Sarajevo</b>			
Σ1-26	until 30/09/2023	226,354.95	264,835.29
Q4	01/10-31/12/2023	0.00	0.00
<b>TOTAL TA</b>	<b>until 31/12/2023</b>	<b>226,354.95</b>	<b>264,835.29</b>
<b>TOTAL PROJECT IMPLEMENTATION COSTS PAID UNTIL 31 DEC 2023</b>		<b>72,537,892.30</b>	<b>84,869,333.99</b>

RECAPITULATION OF FUNDING SOURCES		
FUNDING SOURCE	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	23,269,162.40
Own funds	SUPERVISION	1,634,048.52
Own funds	PROJECT MANAGT.	226,354.95
<b>TOTAL</b>		<b>72,537,892.30</b>

**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 it enters into 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 Tunnel Zenica, which makes up over 90% of the motorway route and consists of two tubes (the right tube is 2420 m long, and the left tube is 2475 m long). The anticipated excavation method is NATM (New Austrian Tunneling Method), which is very suitable considering the expected changes in geological and geotechnical conditions.	
Funding	EIB contract no. 86.971
	EU grant Number WB-IG01-BIH-TRA-01a
Number and date of the environmental permit	No.: UPI 05/2-23-11-144/19 dated 27 September 2019.
Number and date of the building permit	No.: UPI/03-23-2-385/18 dated 18 February 2019 The amended building permit was issued by the Federal Ministry of Spatial Planning on 11/06/2021
CONSTRUCTION WORKS	
Contractor	Euro - Asfalt d.o.o. Sarajevo
Contract Number	JPAC 851- B83-17 dated 01/08/2019
Contract Value	69,508,325.70 EUR with VAT
Construction deadline	30 months, i.e. April 2022
Addenda	Addendum No. 1 was signed on 20/09/2022. With this addendum, the Tripartite Agreement signed on 20/02/2020 is put into effect, based on the new Detailed Design of the Zenica Tunnel, developed by the company "Yuksel Proje", Ankara, for which the amended construction permit was amended:
	Addendum No. 2 was signed on 20/09/2022. With this Addendum, the duration of the contract is extended by an additional 387 days, and the time for the completion of the contract has been revised to 08/05/2023.
	Addendum No. 3 was signed on 24/04/2023. This Addendum establishes the new estimated Contractual price and amounts to 7.454.023,10 EUR excluding VAT, i.e. 87.111.207,00 EUR including VAT.
	Addendum No. 4 is being prepared. With this addendum, the duration of the contract is extended by an additional 175 days, and the time for the completion of the contract has been revised to 31/10/2023. Also, this addendum refers to the execution of additional works and the postponement of electromechanical and related construction works.

SUPERVISION SERVICES				
Consultant	Consortium: PROYAPI Engineering and Consulting INC			
Contract Number	JPAC 850-E441-17 signed on 10/09/2019			
Contract Value	2,244,528 EUR including VAT			
Duration of the Contract	54 months			
Addenda	Addendum No. 1 was signed on 13/09/2021 due to an increase in the agreed price by the amount of EUR 93,540.00, and now the value is EUR 2,011,940.00 without VAT or EUR 2,353,968.80 including VAT. The contracted price was increased due to the increased scope of works, all because of the extension of the tunnel, reorganization and change of the workforce and engagement of quality experts.			
	Addendum No. 2 was signed on 19/09/2022 due to an increase in the contracted price by the amount of EUR 686,544.53, and now the value of the contract is EUR 2,698,484.53 without VAT or EUR 3,157,226.90 with VAT. The agreed price and time of consulting services are for the purpose of extending the deadline until 05/08/2023.			
	Addendum no. 3 is being prepared. Due to the increase in the agreed price by the amount of EUR 513,703.72, the value of the contract now amounts to EUR 3,212,188.25 without VAT. The agreed price and time of consulting services are for the purpose of extending the deadline until 31/10/2023.			
PIU TECHNICAL ASSISTANCE				
Consultant	Roughton International Ltd			
Contract Number	JPAC 936-E477-18; signed on 22/03/2019			
Contract Value	671.580,00 EUR including VAT			
Duration of the Contract	57 months			
Addenda	Addendum No. 1 was signed on 13/09/2021 as a result of the increase in the contracted price by the amount of EUR 14.860,00 excluding VAT due to the preparation of the analysis of cumulative impacts for the section Nemila - Donja Gračanica, and the value now amounts to EUR 588.860,00 excluding VAT or EUR 688.966,20 including VAT.			
	Addendum no. 2 is being prepared.			
CONSTRUCTION SITE ACTIVITIES IN THE REPORTING PERIOD				
Description of completed works				
-				
Number of workers	October: 30	November: 30	December: 30	
Number of hired subcontractors	October: 0	November: 0	December: 0	



PROJECT IMPLEMENTATION COSTS			
Interim (payment) certificate	Payment date	Amount in EUR excluding VAT	Amount in EUR including VAT
<b>WORKS - Euro - Asfalt d.o.o. Sarajevo</b>			
Σ1-45	until 30/09/2023	58,652,069.90	68,622,921.78
PS 46	16/10/2023	870,178.11	1,018,108.39
PS 47	23/11/2023	537,900.76	629,343.89
PS 48	20/12/2023	774,742.85	906,449.13
PS 49	29/12/2023	790,985.31	925,452.81
Q4	01/10-31/12/2023	2,973,807.03	3,479,354.23
<b>WORKS IN TOTAL</b>	<b>until 31/12/2023</b>	<b>61,625,876.93</b>	<b>72,102,276.01</b>
<b>SUPERVISION-Consortium: PROYAPI Engineering and Consulting INC</b>			
Σ1-45	until 30/09/2023	2,626,515.01	3,073,022.56
PS 46	25/10/2023	40,740.00	47,665.80
PS 47	23/11/2023	30,883.00	36,133.11
PS 48	26/12/2023	38,278.22	44,785.52
Q4	01/10-03/12/2023	109,901.22	128,584.43
<b>SUPERVISION IN TOTAL</b>	<b>until 31/12/2023</b>	<b>2,736,416.23</b>	<b>3,201,606.99</b>
<b>TA-Roughton International Ltd</b>			
Σ1-50	until 30/09/2023	538,509.36	630,055.95
PS 51	25/10/2023	10,070.18	11,782.11
PS 52	23/11/2023	10,070.18	11,782.11
PS 53	20/12/2023	10,070.18	11,782.11
Q4	01/10-31/12/2023	30,210.54	35,346.33
<b>TOTAL TA</b>	<b>until 31/12/2023</b>	<b>568,719.90</b>	<b>665,402.28</b>
<b>Communication activities within the scope of construction promotion - Fabrika doo Sarajevo</b>			
Σ Invoice 191-06/22, 406-11/22, 081-03/23	until 30/09/2023	49,623.48	58,059.47
<b>Q4</b>	<b>01/20-31/12/2023</b>	<b>0.00</b>	<b>0.00</b>
<b>Communication activities within the construction promotion TOTAL</b>		<b>49,623.48</b>	<b>58,059.47</b>
<b>TOTAL PROJECT IMPLEMENTATION COSTS PAID UNTIL 31 DEC 2023</b>		<b>64,980,636.54</b>	<b>75,969,285.28</b>

RECAPITULATION OF FUNDING SOURCES		
FUNDING SOURCE	TYPE OF EXPENSE	AMOUNT
EIB No. 86.971	WORKS	31,999,999.99
WBIF Grant for INV component	WORKS	11,588,438.98
Own funds	WORKS	18,037,438.05
WBIF Grant for the com. activity component	Communication activities within the construction promotion	49,623.48
EIB Grant 91,856	SUPERVISION	236,878.07
Own funds	SUPERVISION	2,499,538.16
WBIF Grant for TA component	TA	70,491.26
Own funds	TA	498,228.64
<b>TOTAL</b>		<b>64,980,636.63</b>

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

## SUBSECTION TUNNEL ZENICA - DONJA GRAČANICA

### TECHNICAL DESCRIPTION

The total length of the section after the alteration of the route is 2.7 km. The construction of the following structures is planned: 1 tunnel (Hum), three viaducts (Viaduct on the interchange, Jelovik and Donja Gračanica), Zenica North interchange and toll structure. As a part of this section, the construction of a connecting road which will connect the city of Zenica with Corridor Vc is planned.

<b>Funding</b>	EBRD Agreement Number 47372
	EU Grant number WB-IG01-BIH-TRA-01b
<b>Number and date of the environmental permit</b>	No.: UPI 05/2-23-11-144/19 dated 27/09/2019
<b>Number and date of the building permit</b>	No.: UPI/03-19-2-139/20 dated 06/10/2020
	No.: UPI/03-23-2-268/19 dated 19/12/2019
	No.: UPI/03-23-2-269/19 dated 24/01/2020
	No.: UPI/03-19-2-54/21 dated 24/05/2021
<b>Number and date of use permits</b>	No.: UPI/03-19-2-319/20 dated 04/05/2021
	No.: UPI/03-19-2-321/20 dated 14/07/2021
	No.: UPI/03-19-2-322/20 dated 14/07/2021
	No.: 03-19-8733/20 dated 24/01/2021
<b>CONSTRUCTION WORKS</b>	
<b>Contractor</b>	Cengiz İnşaat Sanayi ve Ticaret A.S.
<b>Contract Number</b>	JPAC 742-B73-16 dated 08/11/2018
<b>Contract Value</b>	EUR 67.360.069,25 including VAT
<b>Construction deadline</b>	900 days or May 2021
<b>Addenda</b>	Addendum No. 1 was signed on 18/02/2019 in order to comply with the new Law on Financial Operations and does not affect the contracted value.
	Addendum No. 2 was signed on 17/06/2020 in order to change the route and does not affect the contracted price.

	Addendum No. 3 was signed on 30/03/2022, due to the additional works, exempted works, claims and due to changes in the sliding scale.
<b>SUPERVISION SERVICES</b>	
<b>Consultant</b>	Consortium: Technital SpA (leader) and TZI Inžinjering d.o.o.
<b>Contract Number</b>	JPAC 744-E379-16 signed on 31/07/2018
<b>Contract Value</b>	EUR 2.837.086,20 including VAT
<b>Duration of the Contract</b>	54 months
<b>Addenda</b>	Addendum No. 1 was signed on 04/02/2019, and it refers to the change of business bank and does not affect the contracted value of services.
	Addendum No. 2 signed on 17/03/2021, 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 EUR 17,550 excluding VAT.
<b>PIU TECHNICAL ASSISTANCE</b>	
<b>Consultant</b>	IPSA Institute d.o.o. Sarajevo
<b>Contract Number</b>	JPAC 1057-E549-19 dated 22/02/2019
<b>Contract Value</b>	594.225,45 BAM
<b>Duration of the Contract</b>	54 months
<b>CONSTRUCTION SITE ACTIVITIES IN THE REPORTING PERIOD</b>	
<b>Description of completed works</b>	
Considering that the contract is in the phase of elimination of defects (DNP), there were no significant operations.	

PROJECT IMPLEMENTATION COSTS			
Interim (payment) certificate	Payment date	Amount in EUR excluding VAT	Amount in EUR including VAT
<b>WORKS - Cengiz İnşaat Sanayi Ve Ticaret A.S.</b>			
Σ1-31	until 30/09/2023	58,005,710.12	67,866,680.84
Q4	01/10-31/12/2023	0.00	0.00
<b>WORKS IN TOTAL</b>	<b>until 31/12/2023</b>	<b>58,005,710.12</b>	<b>67,866,680.84</b>
<b>SUPERVISION-Technital S.p.A (leader) and TZI Inžinjering d.o.o.</b>			
Σ1-28	until 30/09/2023	2,422,449.15	2,834,265.51
Q4	01/10-31/12/2023	0.00	0.00
<b>SUPERVISION IN TOTAL</b>	<b>until 31/12/2023</b>	<b>2,422,449.15</b>	<b>2,834,265.51</b>
<b>TA-IPSA Institut Ltd. Sarajevo</b>			
Σ1-34	until 30/09/2023	235,332.72	275,339.28
Q4	01/10-31/12/2023	0.00	0.00
<b>TOTAL TA</b>	<b>until 31/12/2023</b>	<b>235,332.72</b>	<b>275,339.28</b>
<b>TOTAL PROJECT IMPLEMENTATION COSTS PAID UNTIL 31 DEC 2023</b>		<b>60,663,491.99</b>	<b>70,976,285.63</b>

RECAPITULATION OF FUNDING SOURCES		
FUNDING SOURCE	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
<b>TOTAL</b>		<b>60,663,491.99</b>

## SUBSECTION KLOPČE - DONJA GRAČANICA

### TECHNICAL DESCRIPTION

The total length of the section is approximately 5.8 km, and several important structures are located on it: on the first part of the route there are two viaducts (Klopče, Klopačke Stijene) and one tunnel (artificial tunnel Klopče), while for the second half it is characteristic that the opened route practically doesn't exist, but it is composed alternately of a total of three viaducts (Babina Rijeka with annex, Pehare, Ričice) and two mountain tunnels (Ričice, Pečuj). Part of this subsection 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, connection to the R445.

<b>Funding</b>	OFID loan number 1588P and 1589BP
	EBRD loan number 48999
	Own funds
<b>Number and date of the environmental permit</b>	No.: No. UPI05/2-23-11-4/14SS dated 18/02/2014 The environmental permit was renewed by decision UPI 05/2-23-11-144/19 dated 27/09/2019
<b>Number and date of the building permit</b>	NO.: UPI/ 03-23-2-129/15 ID dated 02/07/2015 The building permit was amended and supplemented several times due to changes in the Detailed Design due to the impact of the landslide. Amendments: 15/01/2019; 13/09/2019; 15/05/2020; 30/05/2020
<b>Number and date of use permits</b>	UPI/03-19-2-318/20 dated 12/04/2021

### CONSTRUCTION WORKS

<b>Contractor</b>	JV Euro - Asfalt d.o.o. Sarajevo (leading partner) and Strabag A.G.
<b>Contract Number</b>	JPAC 608-B63-14 dated 09 May 2016 (during the implementation of the Contract, 5 Addenda to the Contract were concluded)
<b>Contract Value</b>	107.879.287,94 EUR including VAT Addendum No. 3 defined the estimate of the increase in the Contract amount to €148,409,915.45, including VAT, this amount does not include an estimate of the correction value due to the change in costs (sliding scale, GCC subsection 13.8).
<b>Construction deadline</b>	900 days for section 1, 600 days for section 2 (Viaduct Pehare) which was extended by Addenda and the deadline for the completion of the works is November 2020 as defined by Addendum No. 4.

SUPERVISION SERVICES	
<b>Consultant</b>	Consortium Egis International and IPSA Institute d.o.o. Sarajevo
<b>Contract Number</b>	JPAC 609-E314-14 signed on 07 May 2016 (during the implementation of the Contract, 5 Addenda to the Contract were concluded)
<b>Contract Value</b>	5.473.143,00 EUR including VAT The same is Addendum no. 4 estimated at 7,256,005.00 Eur without VAT
<b>Duration of the Contract</b>	78 months
SECTION STATUS	
Section Drivuša - Klopče, Klopče - Donja Gračanica and the southern section of the Tunnel Zenica - Donja Gračanica form the Zenica bypass, which was opened for traffic on 15/07/2021, after obtaining the use permits.	

PROJECT IMPLEMENTATION COSTS			
Interim (payment) certificate	Payment date	Amount in EUR excluding VAT	Amount in EUR including VAT
<b>WORKS - JV Euro - Asfalt d.o.o. Sarajevo (leading partner) and Strabag A.G.</b>			
Σ1-68	until 30/09/2023	142,870,395.33	167,158,362.54
Q4	01/10-31/12/2023	0.00	0.00
<b>WORKS IN TOTAL</b>	<b>until 31/12/2023</b>	<b>142,870,395.33</b>	<b>167,158,362.54</b>
<b>SUPERVISION - Consortium Egis International and IPSA Institute d.o.o. Sarajevo</b>			
Σ1-77	until 30/09/2023	7,619,904.08	8,915,287.77
Q4	01/10-31/12/2023	0.00	0.00
<b>SUPERVISION IN TOTAL</b>	<b>until 31/12/2023</b>	<b>7,619,904.08</b>	<b>8,915,287.77</b>
<b>TOTAL PROJECT IMPLEMENTATION COSTS PAID UNTIL 31 DEC 2023</b>		<b>150,490,299.41</b>	<b>176,073,650.31</b>

RECAPITULATION OF FUNDING SOURCES		
FUNDING SOURCE	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	217,735.41
<b>TOTAL</b>		<b>150,487,433.40</b>



**Note:** Part of the costs were paid from own funds, as the loan funds were used up.

SUBSECTION DRIVUŠA - KLOPČE	
TECHNICAL DESCRIPTION	
The length of this section is 2.23 km. Significant structures on the route are the Drivuša Bridge, 650 meters long over the Bosna River and the Perin Han viaduct, approx. 400 meters.	
<b>Funding</b>	KFAED Agreement Number 794
<b>Number and date of the environmental permit</b>	No.: UPI 05/2-23-11-4/14SS dated 18/02/2014 The environmental permit was renewed by decision UPI 05/2-23-11-144/19 dated 27/09/2019
<b>Number and date of the building permit</b>	No.: UPI/03-23-2-265/13 dated 14/11/2013 Amendments to the building permit as of: 30/05/2016; 27/02/2017, 22/09/2017, 20/11/2019
<b>Number and date of use permits</b>	No.: UPI/03-19-2-161/20 dated 14/12/2020
CONSTRUCTION WORKS	
<b>Contractor</b>	Hering d.d. Široko Brijeg
<b>Contract Number</b>	JPAC 373-A66-12 dated 05/09/2014 (during the implementation of the Contract, 3 Addenda to the contract were concluded). The JPAC Management brought a decision on the adoption of Addendum No. 4.
<b>Contract Value</b>	EUR 33.527,849 including VAT was increased by Addendum No. 3 to EUR 36.231.262,80 including VAT. After signing Addendum No. 4, the value of the works will amount to EUR 36.269.376,59 including VAT
<b>Construction deadline</b>	900 days, i.e. January 2020
SUPERVISION SERVICES	
<b>Consultant</b>	Consortium Divil d.o.o. and TAEP
<b>Contract Number</b>	JPAC 375-E71-12 dated 23/09/2014 (during the implementation of the Contract, 4 Addendums to the Contract were concluded).
<b>Contract Value</b>	2,538,315 EUR with VAT was increased by Addendum number 4 to 3,647,917.14 EUR with VAT
<b>Duration of the Contract</b>	54 months which was extended by Addendum no. 3 for 75 months and 15 days
SECTION STATUS	
Section Drivuša - Klopče, Klopče - Donja Gračanica and the southern section of the Tunnel Zenica - Donja Gračanica form the Zenica bypass, which was opened for traffic on 15/07/2021, after obtaining the use permits.	

PROJECT IMPLEMENTATION COSTS			
Interim (payment) certificate	Payment date	Amount in EUR excluding VAT	Amount in EUR including VAT
<b>WORKS - Hering dd Široki Brijeg</b>			
Σ1-67	until 30/09/2023	30,999,542.17	36,269,464.34
Q4	01/10-31/12/2023	0.00	0.00
<b>WORKS IN TOTAL</b>	<b>until 31/12/2023</b>	<b>30,999,542.17</b>	<b>36,269,464.34</b>
<b>SUPERVISION - Consortium Divil doo and TAEP</b>			
Σ1-73	until 30/09/2023	3,117,877.17	3,647,916.29
Q4	01/10-31/12/2023	0.00	0.00
<b>SUPERVISION IN TOTAL</b>	<b>until 31/12/2023</b>	<b>3,117,877.17</b>	<b>3,647,916.29</b>
<b>TOTAL PROJECT IMPLEMENTATION COSTS PAID UNTIL 31 DEC 2023</b>		<b>34,117,419.34</b>	<b>39,917,380.63</b>

RECAPITULATION OF FUNDING SOURCES		
FUNDING SOURCE	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
<b>TOTAL</b>		<b>34,117,419.34</b>

**Note:** Interim (payment) certificates were paid from own funds because the KFAER credit 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 construction on Corridor Vc - Tunnel Prenj in the length of 10 kilometres. Section Tarčin - Ivan which includes the Tunnel Ivan, is under construction, while the other sections are in the preparation phase for implementation.

## SUBSECTION TARČIN - ENTRANCE TO TUNNEL IVAN LOT 1

### TECHNICAL DESCRIPTION

The 5.1 km long subsection is located in Sarajevo Canton. Two long viaducts Raštelica 1 and Raštelica 2 with a total length of 1150 m stand out on this subsection of the motorway.

<b>Funding</b>	EIB Agreement Number 89.502
	EU grant WB-IG02-BIH-TRA-06
<b>Number and date of the environmental permit</b>	No.: UP-I-05/2-23-11-177/17 dated 13/12/2017
<b>Number and date of the building permit</b>	No.: UPI/03-23-2-331/19 dated 24/12/2019 Building permit supplement No.: UPI/03-23-2-331/19 dated 05/07/2021

### CONSTRUCTION WORKS

<b>Contractor</b>	Consortium: Euro-Asfalt d.o.o. Sarajevo and Granit AD Skopje
<b>Contract Number</b>	JPAC 1132-B109-19 dated 24/08/2020
<b>Contract Value</b>	EUR 77.903.313,84 including VAT
<b>Construction deadline</b>	20 months, i.e. March 2022 (the new deadline is August 2022)
<b>Addenda</b>	The JPAC Management brought a decision on the adoption of Addendum No. 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 15/09/2022. and the value of the works is 75.393.525,31 EUR without VAT. The addendum will be signed after obtaining the creditor's consent.

### SUPERVISION SERVICES

<b>Consultant</b>	Institute IGH d.d., Zagreb
<b>Contract Number</b>	JPAC 1113-E582-19 dated 11/08/2020
<b>Contract Value</b>	EUR 2,454,964.20 including VAT.
<b>Duration of the Contract</b>	46 months (including defect elimination period)
<b>Addenda</b>	The JPAC Management passed the decision on the adoption of Addendum No. 1 which increases the contracted value of services by the amount of EUR 373.692,10 (excluding VAT) and the new contracted value of services is now EUR 2.471.952,10 excluding VAT, i.e. EUR 2.892.183,96 excluding VAT
	Addendum No. 2 is being prepared.

PIU TECHNICAL ASSISTANCE			
Consultant	Technital S.p.A. Italy (the contract also includes technical assistance services on the Kvanj - Tunnel Buna section)		
Contract Number	JPAC 1079-E566-19 signed on 12/04/2021		
Contract Value	EUR 818.274,60 including VAT		
Duration of the Contract	60 months		
CONSTRUCTION SITE ACTIVITIES IN THE REPORTING PERIOD			
Description of completed works			
Works on the motorway route have been completed and deficiency correction activities in progress. Also, activities on the implementation of works stipulated by the agreement on the friendly environment with the local community are also carried out in parallel.			
Number of workers	July : /	August: /	September: /
Number of hired subcontractors	July : /	August: /	September: /

PROJECT IMPLEMENTATION COSTS			
Interim (payment) certificate	Payment date	Amount in EUR excluding VAT	Amount in EUR including VAT
<b>WORKS - Consortium: Euro-Asfalt d.o.o. Sarajevo and Granit AD Skopje</b>			
Σ1-28	until 30/09/2023	78,440,126.93	91,774,948.51
PS 29	23/11/2023	865,735.35	1,012,910.36
Q4	01/10-31/12/2023	865,735.35	1,012,910.36
<b>WORKS IN TOTAL</b>	<b>until 31/12/2023</b>	<b>79,305,862.28</b>	<b>92,787,858.87</b>
<b>SUPERVISION - Institute IGH d.d., Zagreb</b>			
Σ1-29	until 30/09/2023	2,458,001.98	2,875,862.32
Q4	01/10-31/12/2023	0.00	0.00
<b>SUPERVISION IN TOTAL</b>	<b>until 31/12/2023</b>	<b>2,458,001.98</b>	<b>2,875,862.32</b>
<b>TA: Technital S.p.A. Italy</b>			
Σ1-15	until 30/09/2023	211,220.00	247,127.40
PS 16	25/10/2023	24,240.00	28,360.80
Q4	01/10-31/12/2023	24,240.00	28,360.80
<b>TOTAL TA</b>	<b>until 31/12/2023</b>	<b>235,460.00</b>	<b>275,488.20</b>
<b>TOTAL PROJECT IMPLEMENTATION COSTS PAID UNTIL 31 DEC 2023</b>		<b>81,999,324.26</b>	<b>95,939,209.38</b>

RECAPITULATION OF FUNDING SOURCES		
FUNDING SOURCE	TYPE OF EXPENSE	AMOUNT
EIB No. 89.502	WORKS	63,563,666.54
Grant for INV component	WORKS	8,952,000.00
Own funds	WORKS	6,790,195.74
Grant for TA component	SUPERVISION	1,650,000.00
Own funds	SUPERVISION	808,001.98
EIB No. 89.502	TA	155,920.00
Own funds	TA	79,540.00
<b>TOTAL</b>		<b>81,999,324.26</b>

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

## SUBSECTION TUNNEL IVAN LOT 2

### TECHNICAL DESCRIPTION

The Ivan tunnel was designed to be constructed 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 a part of this subsection, the construction of a connection to the main road in the location of Bradina is planned. It creates a temporary connection between the M17 main road and the motorway on Corridor Vc.

<b>Funding</b>	EBRD Agreement Number 49058
	EU grant WB-IG02-BIH-TRA-06
<b>Number and date of the environmental permit</b>	No.: UP-I 05/2-23-11-177/17 dated 13/12/2017
<b>Number and date of the building permit</b>	No.: UPI/03-23-2-331/19 dated 24/12/2019 Building permit supplement No.: UPI/03-23-2-331/19 dated 05/07/2021
<b>CONSTRUCTION WORKS</b>	
<b>Contractor</b>	Euro - Asfalt d.o.o. Sarajevo
<b>Contract Number</b>	JPAC 985-B98-18 dated 28/10/2019
<b>Contract Value</b>	EUR 67.425.427,33 including VAT
<b>Construction deadline</b>	30 months, i.e. May 2022
<b>Addenda</b>	Addendum No. 1 was signed on 28/09/2022, for the purpose of extending the implementation deadline by additional 113 days. The new deadline for completing the works is 15/09/2022 The contracted value of the works was not changed by this addendum.
<b>SUPERVISION SERVICES</b>	
<b>Consultant</b>	IRD Engineering S.r.l.
<b>Contract Number</b>	JPAC 986-E504-18 dated 11/10/2019
<b>Contract Value</b>	EUR 2.163.037,50 including VAT
<b>Duration of the Contract</b>	57 months
<b>Addenda</b>	Addendum No. 1 was signed on 24/11/2020, in order to change the description of services according to the EBRD's request, and the amount was increased by EUR 37,200.00 excluding VAT.
	Addendum No. 2 was signed on 28/09/2022, for the purpose of extending the implementation deadline to 15/09/2022, after which the 24-month defect removal period (DNP) begins. The contracted amount was increased to EUR 2,025,785.65 excluding VAT or EUR 2,370,169.21 including VAT



## CONSTRUCTION SITE ACTIVITIES IN THE REPORTING PERIOD

### Description of completed works

Works on the motorway route have been completed and deficiency correction activities in progress. Also, activities on the implementation of works stipulated by the agreement on the friendly environment with the local community are also carried out in parallel.

<b>Number of workers</b>	<b>July : /</b>	<b>August: /</b>	<b>September: /</b>
<b>Number of hired subcontractors</b>	<b>July : /</b>	<b>August: /</b>	<b>September: /</b>

PROJECT IMPLEMENTATION COSTS			
Interim (payment) certificate	Payment date	Amount in EUR excluding VAT	Amount in EUR including VAT
<b>WORKS - Euro - Asfalt d.o.o. Sarajevo</b>			
Σ1-36	until 30/09/2023	62,212,385.00	72,788,490.45
Q4	01/10-31/12/2023	0.00	0.00
<b>WORKS IN TOTAL</b>	<b>until 31/12/2023</b>	<b>62,212,385.00</b>	<b>72,788,490.45</b>
<b>SUPERVISION-IRD Engineering S.r.l.</b>			
Σ1-35	until 30/09/2023	2,007,978.16	2,349,334.45
PS 36	23/11/2023	2,409.00	2,818.53
Q4	01/10-31/12/2023	2,409.00	2,818.53
<b>SUPERVISION IN TOTAL</b>	<b>until 31/12/2023</b>	<b>2,010,387.16</b>	<b>2,352,152.98</b>
<b>TOTAL PROJECT IMPLEMENTATION COSTS PAID UNTIL 31 DEC 2023</b>		<b>64,222,772.16</b>	<b>75,140,643.43</b>

RECAPITULATION OF FUNDING SOURCES		
FUNDING SOURCE	TYPE OF EXPENSE	AMOUNT
EBRD no. 49058	WORKS	54,419,195.26
WBIF Grant for TA component	SUPERVISION	2,010,387.16
Own funds	WORKS	7,793,189.74
<b>TOTAL</b>		<b>64,222,772.16</b>

## SUBSECTION IVAN – OVČARI

### TECHNICAL DESCRIPTION

The section starts right behind the Tunnel Ivan portal and is one of the most demanding sections on the entire Corridor Vc. The total length of the section is 10.27 km. Most of the route is in bridges and tunnels (about 70%), of which 14 bridges with a total length of 4.7 kilometres and 12 tunnels with a total length of 12.3 kilometres (both tunnel tubes). Length of the longest designed bridge is 450 meters, while the narrowest tunnel is located at the beginning of the section (Kraljevac Tunnel) and the length of the left tunnel tube is 1,129 meters. The section passes through settlements: Vrbjani, Badanj, Gajevo Bradina and Zukići and ends with the Ovčari interchange, where the next section Ovčari - the entrance to the Prenj tunnel begins.

### FUNDING

This section was included in the Public Investment Program of the Federation for the period from 2021 - 2023, which is a prerequisite for starting the debt procedure with the international financial institutions. The EIB submitted a Letter of Intent to finance this section. The request for debt was submitted in September 2022, in the amount of 162 million EUR (which is 50% of the project costs) in accordance with the draft of the Feasibility Study dated June 2022, where the new estimated value of the subsection is indicated in the amount of EUR 324 million.

EIB will also support the application for WBIF investment grant up to 40% of the estimated value of the project expenses.

### PROJECT DOCUMENTATION

WBIF grant was 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 grant implementation, that is, for the preparation of project documentation: Feasibility studies, Environmental impact study, the Preliminary Design, the Detailed Design and revision of the Detailed Design. After a detailed review of the Terms of Reference and after consultation with a leading international financial institution it was agreed that most of the defined ToR must be changed because it significantly deviates from the optimal solutions (especially for part of the section from Zukići to Ovčari in the length of 6.2km). After that, the optimization of the route was started and the most technically acceptable solution was adopted, which reduced the longitudinal slope, removed the third lane for slow vehicles and greatly revised future construction costs. All this resulted in a new Preliminary Design that was completed in the month of April 2023 and the development of the Detailed Design whose deadline for development and completion is Q1 2024 is in progress.

### CONSENTS AND PERMITS

All necessary approvals for this phase of project implementation have been obtained, including the Decision on the approval of the Environmental Impact Study dated 09/11/2023. After the aforementioned Decision was issued, a lawsuit was filed before the Cantonal Court in Sarajevo by the Aarhus Center of Bosnia and Herzegovina, and the case is currently pending.

### EXPROPRIATION

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

### PROCUREMENTS

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

## SUBSECTION OVČARI – (ENTRANCE TO THE TUNNEL) PRENJ

### TECHNICAL DESCRIPTION

The section begins with the M1 bridge above the interchange in Ovčari, on the slopes on the right side of the main road M17 and continues with a bridge that crosses the main road and the river Trešanica. The total length of this route of the motorway section is 10.32 km, of which the length of the open route is 6.8 km, or 66.5%. 5 viaducts have been designed on the route, of which the longest viaduct is 610 meters long. In addition to viaducts, 2 tunnels were also designed, of which the longest tunnel is T2 with a length of 1171 meters. In addition, the section contains two junction points - Ovčari and Konjic Jug junction points as well as two toll booths with the same toponyms. One rest area Konjic Sout has been designed and planned for this section.

### FUNDING

The FBiH Government passed the Decision on Approval for signing the Mandate Letter for financing of the motorway section on Corridor Vc Ovčari – Tunnel Prenj – Mostar North. In July 2021, the Management of the JP Autoceste passed the Decision on submission of the Debt Request for financing the construction works on motorway section from Ovčari to Mostar South. In October 2021, the government of Federation of Bosnia and Herzegovina supported with conclusions the bank debt initiative with the EIB and the EBRD in the amount of EUR 300 million each. The Council of Ministers also adopted the above-mentioned bank debt initiatives. The EU grant application will be prepared when the project documentation enters the final stage.

### PROJECT DOCUMENTATION, CONSENTS AND PERMITS

The Preliminary Design of the section in question has been completed and the development of the Detailed Design is pending, the completion of which is scheduled for Q2 2024. All the necessary approvals have been obtained and the preparation of the decision on the acceptance of the Environmental Impact Study is pending, a draft of the Decision was prepared, a public inspection of the draft was carried out, and the next step is the delivery of the Decision by the competent ministry.

Given that it is a unique study for the section Ovčari - Tunnel Prenj and Tunnel Prenj-Mostar North, two public hearings were held in Konjic and Mostar, and the study and Decision as such will be comprehensive for both sections. Urban planning consent will be obtained after the approval of the Environmental Impact Study.

### EXPROPRIATION

In June 2022, the Government of the Federation of Bosnia and Herzegovina adopted the Decision on the declaration of public interest for the construction of the motorway section Konjic - Tunnel Prenj on Corridor Vc.

### PROCUREMENTS

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

## SECTION TUNNEL PRENJ

### TECHNICAL DESCRIPTION

The key feature of Tunnel Prenj is its length of 10.9 km, which belongs to the category of long tunnels. It is subject to the application of all prescribed safety measures in tunnels, according to the EU Directive 2004/54/EC.

### FUNDING

The FBiH Government passed the Decision on Approval for signing the Mandate Letter for financing of the motorway section on Corridor Vc Ovčari – Tunnel Prenj – Mostar North. In July 2021, the Management of the JP Autoceste passed the Decision on submission of the Debt Request for financing the construction works on motorway section from Ovčari to Mostar South. In October 2021, the government of Federation of Bosnia and Herzegovina supported with conclusions the bank debt initiative with the EIB and the EBRD in the amount of EUR 300 million each. The Council of Ministers also adopted the above-mentioned bank debt initiatives. The WBIF grant was applied for in the 8th WBIF call.

### PROJECT DOCUMENTATION

Final Preliminary Design from 2016 for Physical Plans of areas of special characteristics which was adopted in 2017. The procurement of Preliminary Design services with elements of the Detailed Design has been completed, and the development of project documentation is in progress. Preparation of tender and project documentation is expected in August 2023. The Detailed Design of preparatory works for Tunnel Prenj was completed (access roads, water supply and electricity supply).

Detailed Design will be prepared by the Contractor since it is planned that the project will be realized according to the FIDIC Yellow Book. As part of the G1 mission, the following was prepared:

- Report on engineering, geological, hydrogeological and geotechnical investigation works for the Prenj tunnel, WINNER PROJECT Ltd. Sarajevo, 2016
- Preliminary geotechnical design for Tunnel Prenj

The implementation of the part of the Program related to additional geological research is underway (expected drilling of 3 additional wells at the northern portal of the Prenj tunnel), and completion and submission of complete documentation is expected at the end of January 2024.

Quantitative Risk Analyzes and accompanying studies (Ventilation Study, Risk Assessment Study for Hazardous Material, Fire Risk Assessment Study) were prepared. Financing and preparation of the Risk Analysis and accompanying studies will be realised through the fund implemented by the European Union Technical Assistance Programme - Connecta. Preparation of analysis and accompanying studies was completed in the second quarter of 2021.

### CONSENTS AND PERMITS

The validity of the previous water consent was extended.

The Consultant prepared the Environmental Impact Assessment for the section of the motorway on the corridor Vc Konjic (Ovčari) - Tunnel Prenj - Mostar North and delivered the same to JP Autoceste in February 2022. Request for a preliminary environmental impact assessment for the motorway section on the Corridor Vc Konjic (Ovčari) - Tunnel Prenj - 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, the Decision determining the content and the scope of the Environmental Impact Study was issued. The study has been submitted to FMOiT and is awaiting the final phase. Urban planning approval will be obtained after submitting the Preliminary Design and obtaining the Decision on approval of the Environmental Impact Study.
<b>EXPROPRIATION</b>
In July 2020, and then in November 2022, the Government of the Federation of Bosnia and Herzegovina passed the Decision on the declaration of public interest for the construction of the Tunnel Prenj section of the Vc Corridor. Elaborations for the expropriation of the access roads to the tunnel portals, both north and south, have been submitted. Expropriation for the purpose of building access roads for the construction of the Prenj tunnel has begun, and by now 57 of the 76 items have been completed and 77 out of a total of 130 plots have been expropriated.
<b>PROCUREMENT ACCORDING TO INTERNATIONAL PROCEDURES</b>
<b>PROCUREMENT – SERVICES</b>
<b>Creation of the Preliminary Design with elements of the Detailed Design</b> <b>Type of procedure: Open</b> The public procurement procedure ended with the signing of the contract with the design engineer "Elea iC d.o.o" Slovenia. The value of the contract is EUR 5,934,530.80 excluding VAT, or EUR 6,943,401.04 including VAT.
<b>Technical assistance during the tendering procedure for procurement of works and supervision and monitoring of environmental and social issues</b> <b>Type of procedure: Competitive</b> The public procurement procedure was concluded by signing the contract with the consultants; JV iC consultant ZT GesmbH; ILF Consulting Engineers GesmbH; Elea iC doo The value of the contract is EUR 8.989.200,00 excluding VAT, or EUR 10.517,364 including VAT. The duration of the contract is 96 months (Phase I - 36 months, Phase II 36 months and Phase III 24 months).
<b>Drafting of the Preliminary and Detailed Design for preparatory works and preparation of tender documentation</b> <b>Type of procedure: Competitive</b> The public procurement procedure was concluded by signing the contract on 13 May 2022 with JV: Design & QC Ltd. Sarajevo and IPSA Institute d.o.o. Sarajevo in the amount of EUR 578.402,00 - excluding VAT or EUR 676.730,34 including VAT.
<b>Contractor for the construction of access roads</b> <b>Type of procedure: Open</b> The decision to initiate the procedure was adopted in July 2022. The tender documentation was completed and the Bank's consent regarding the TD was submitted on 21 September 2022. The call for applications was published on 21 September 2022, and the deadline for submitting bids was 30 December 2022. Evaluation of bids is pending. The Management passed the Decision on the annulment of this procedure. The construction works that should have been contracted by the end of this procedure will be carried out under the contract for construction of the Tunnel Prenj.
<b>Supervision services for the construction of access roads</b> <b>Type of procedure: Competitive</b> The decision to initiate the procedure was adopted in July 2022. The tender documentation was completed and the Bank's consent regarding the TD was submitted on 12/092022. The call for bids was published on 12/09/2022, and the deadline for submitting applications was 27/10/2022. The evaluation of the applications was completed and the evaluation report was sent to the bank for approval on 28/12/2022. The bank's consent was submitted on 11/01/2023. The Management passed the Decision on the annulment of this procedure. The construction works that should have been contracted by the end of this procedure will be carried out under the contract for construction of the Tunnel Prenj.

**Contractor Services****Type of procedure: Open procedure with prequalification**

The decision to initiate the procedure was adopted on 06/07/2022, the Bank's consent to the prequalification documentation was obtained on 12/07/2022. Consent to the publication of prequalification documentation obtained on 14/07/2022. The prequalification documentation for the Tunnel Prenj was published on 14/07/2022. The deadline for submission was 26/09/2022. The evaluation of the applications is in the final stage.

**Supervision services on the construction of the Tunnel Prenj****Type of procedure: Competitive**

The first procedure was annulled. The decision to initiate a new procedure was brought on 14/08/2023. The preparation of documentation is in progress.

## SECTION EXIT FROM TUNNEL PRENJ - MOSTAR NORTH

### TECHNICAL DESCRIPTION

The section in the length of 12.34 kilometres passes entirely through the Herzegovina-Neretva Canton. Initial elevation is at 601 meters above sea level, while the last one is at 162 meters. The total difference in elevation between the beginning and the end of the section is 439 meters. The total percentage of structures on the section is 40% and next to the main route in the Preliminary Design phase an accompanying service facility (rest area), 5 service roads and one inert material disposal site were designed in the settlement of Humilišani. The intended disposal site will be for the purpose of disposing of materials from the section as well as disposing of excavation material from the future Tunnel Prenj. When it comes to the mentioned structures, there are 3 designed tunnels and 3 bridges as well as 6 supporting constructions. The ratio of tunnels-bridges-open route is approximately: 30%-10%-60%. Among the planned bridges, the longest bridge is 474 meters long, while the longest tunnel is 2197 meters long and is located at the end of the section just before the interchange Mostar North. The design of the interchange Mostar North belongs to the next section Mostar North - Mostar South.

### FUNDING

The FBiH Government passed the Decision on Approval for signing the Mandate Letter for financing of the motorway section on Corridor Vc Ovčari – Tunnel Prenj – Mostar North. In July 2021, the Management of the JP Autoceste passed the Decision on submission of the Debt Request for financing the construction works on motorway section from Ovčari to Mostar South. In October 2021, the government of Federation of Bosnia and Herzegovina supported with conclusions the bank debt initiative with the EIB and the EBRD in the amount of EUR 300 million each. The Council of Ministers also adopted the above-mentioned bank debt initiatives. The EU grant application will be prepared when the project documentation enters the final stage.

### PROJECT DOCUMENTATION, CONSENTS AND PERMITS

The Preliminary Design of the section in question has been completed and the development of the Detailed Design is pending, the completion of which is scheduled for Q2 2024. All the necessary approvals have been obtained and the preparation of drafting the decision on the acceptance of the Environmental Impact Study, realization of which, like for the previous section, is expected soon. Given that it is a unique study for the section Ovčari - Tunnel Prenj and Tunnel Prenj-Mostar North, two public hearings were held in Konjic and Mostar, and the Study and the Decision as such should be comprehensive for both sections.

Urban planning consent will be obtained after 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 motorway section Tunnel Prenj - Mostar North on Corridor Vc.

### PROCUREMENTS

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 implementation, two sections are under construction, while the 10 kilometre long section Zvirovići - Bijača is in use and in the toll collection system.

## SECTION MOSTAR NORTH - MOSTAR SOUTH

### TECHNICAL DESCRIPTION

The section of the Mostar North-Mostar South motorway in the length of L=14.2 km is a part of LOT 4 Corridor Vc. It connects to the previous section of motorway Tunel Prenj - Mostar North interchange in the Kutlivač settlement northeast of Mostar. The Mostar North interchange represents the connection of the motorway with the M17 main road and is defined within the project for the previous section. There are a total of 10 bridges and 5 tunnels on this motorway section, of which the longest bridge is M4 which is approx. 490 m long, and the longest tunnel is T5 which is approx. 2700 m long. Route on the section passes mainly through hilly and mountainous terrain with significant spatial limitations, so cutting and embankments alternate with a larger number of constructions along the route. The section ends with the Mostar Jug interchange, which connects to the M6.1 road east of Mostar airport.

### FUNDING

EBRD and commercial banks, initiative in procedure  
In July 2021, the JP Autoceste submitted the debt request for Ovčari to Mostar South sections.  
The application for EU grant will be submitted in the Seventh WBIF call during 2022.

### PROJECT DOCUMENTATION

Preliminary and Detailed Design are in the development phase, but the route of the motorway has been changed in the Physical Plan of area of special characteristics of importance for the Federation - Motorway on Corridor Vc. The investigative works were carried out, as well as the preliminary geotechnical mission G1 was prepared for the route as adopted by the Physical Plan.

### CONSENTS AND PERMITS

The preparation of the Environmental Impact Study and other documents according to the Environmental and Social Policy was financed with the EBRD grant funds. Consulting company Enova d.o.o. Sarajevo was hired for preparing the documents. A full environmental impact assessment procedure was carried out according to the applicable law. The Decision on the Acceptance of the Environmental Impact Assessment Study was obtained in May 2022. Decision on the Acceptance of the Environmental Impact Study was issued. Obtaining the necessary approvals for urban permit. After obtaining all previous approvals, a request for urban planning approval will be submitted to the competent ministry.

### EXPROPRIATION

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

### PROCUREMENT – SERVICES

#### Contractor Services

#### Type of procedure: Open

The first procedure was annulled on 28/10/2022. Preparation of prequalification documentation for the repeated procedure began on 01/12/2022. The prequalification documentation was coordinated with the Bank, and the Bank's approval was submitted on 17 January 2023. The invitation to submit prequalification offers was published on 18/01/2023. The delivery deadline was 17/03/2023. Evaluation of bids is in the progress.

**Supervision Services****Type of procedure: Competitive**

The decision to launch public procurement was reached in December 2021. The call for expression of interest 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 sent to the Bank for approval 29/09/2022. The bank submitted the consent on 06/10/2022. The call for bids was completed and sent to the bank on 27/02/2023 (revised call for tenders). The Bank's consent was submitted on 02/03/2023, and the same day a call for tenders was published. The deadline for submitting bids was 16/04/2023. The evaluation of financial offers has been completed. The evaluation report was submitted to the Bank on 12/05/2023. The bank's consent to the evaluation report was submitted on 19/05/2023. Participants in the procurement procedure were notified of the results on 19/05/2023 and again on 08/09/2023.

**Drafting of the Preliminary and Detailed Design****Type of procedure: Competitive**

The public procurement procedure was completed on 26/09/2022 by signing the contract with the 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 contract value is EUR 7.209.615,30 excluding VAT, or EUR 8.435.249,90 including VAT.

**Detailed design review services****Type of procedure: Competitive**

The public procurement procedure was completed on 11/10/2022 by signing the agreement with JV: IPSA Institute d.o.o. Sarajevo, Rina Consulting S.p.A and Mega Muhendislik Musavirlik A.S.

The contract value for review services is: EUR 1.397.000,00 excluding VAT, or EUR 1.634.490,00 including VAT.

SUBSECTION MOSTAR SOUTH – TUNNEL KVANJ	
TECHNICAL DESCRIPTION	
<p>The length of the section is 9.2 km. The subsection begins with the Mostar South interchange at 0+000. The center of the interchange is at -100.00.</p> <p>Significant structures on the Mostar South-Tunnel Kvanj subsection according to the Preliminary Design are:</p> <ul style="list-style-type: none"> <li>- "Mostar south" tunnel, L=150m</li> <li>- "Airport" overpass, at 1+500.00</li> <li>- Underpass "Kosor", at 6+179.82</li> <li>- Bridge "Buna", L=326m</li> <li>- Bridge "Bunica", L=211m</li> <li>- Viaduct "Brijeg", L=258m</li> </ul>	
FUNDING	
<p>EBRD, Agreement no 49058 (Tranche B)</p> <p>EU grant, application submitted in the Sixth WBIF call</p>	
PROJECT DOCUMENTATION	
<p>Preliminary Design completed. The procurement procedure for the Detailed Design was cancelled due to the fact that the Government of the Federation changed the method of realization of this project from the FIDIC Red Book to the FIDIC Yellow Book, which implies that the selected contractor should prepare the Detailed Design based on the Preliminary Design of the investor. The tender procedure for the selection of the contractor is pending.</p>	
CONSENTS AND PERMITS	
<p>Previous approvals for urban permit were obtained. In July 2020, the updated Environmental Impact Study, Waste Management Plan, Biodiversity Assessment, and other documents prescribed by the EBRD's Environmental Protection and Social Issues Policy were finalized and made public. A public hearing which is a prerequisite for the issuance of the environmental permit was held on 14/09/2020 in Mostar.</p> <p>The Federal Ministry of Environment and Tourism issued on 17/02/2021, a decision on the environmental permit. On 18/11/2021, a decision on the validity of the environmental permit was issued.</p> <p>A request for urban planning approval has been submitted to the relevant ministry and the request is currently being processed, the approval of the BiH Ministry of Defense is awaited, which is a prerequisite for obtaining an urban planning approval.</p> <p>Urban planning approval will be obtained after obtaining approval from the Ministry of Defense of Bosnia and Herzegovina.</p>	
EXPROPRIATION	
<p>The city of Mostar is responsible for the expropriation procedure. The expropriation procedure was initiated on 29/01/2019. A total of 327 parcels out of 383 parcels were expropriated i.e. 214 cases out of 246 were completed. Expressed as a percentage, 85.88% of the area included in the expropriation study was expropriated, including 11 decisions of the Government of FBiH on early possession.</p>	

## PROCUREMENT – SERVICES

### **Contractor Services**

#### **Type of procedure: Open procedure without prequalification**

The decision to launch the procurement was brought on 07/09/2020. Preparation of the 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 23/12/2020, the call for bids was published the same day, and the extended deadline for submitting bids was 22/03/2021. Evaluation of bids is in the progress.

### **Supervision consulting services**

#### **Type of procedure: Competitive**

The public procurement procedure was successfully concluded by signing a contract with consultants for the provision of supervision services JV: IPSA Institute d.o.o. Sarajevo (BiH) and Krebs + Kiefer (Germany). The agreed contract value for the provision of supervision services amounts to: 3.200,000 EUR excluding VAT or 3.744.000,00 EUR including VAT.

## SUBSECTION TUNNEL KVANJ – BUNA

### TECHNICAL DESCRIPTION

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

### FUNDING

EIB Agreement Number 87.195

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

### PROJECT DOCUMENTATION

Preliminary Design completed. The tender for the procurement of detailed Preliminary Design was published, and the opening of bids was on 28/07/2022. By the decision of the management, the signed contract was cancelled. The Detailed Design will be prepared by the contractor since the project is realized according to the FIDIC Yellow Book. On 15/06/2022, a notice was published on the procurement of "Development of a detailed Preliminary Design, corridor Vc, Kvanj - Buna tunnel subsection". Due to the several complaints about the tender documentation, the tender was not awarded until mid-October 2022. Considering that it is not possible to predict an approximate date for the end of the procedure due to the frequent complaints, 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 prequalification, two envelopes in accordance with the Procurement Guide for EIB-financed projects. The deadline for submitting bids was 27/01/2023.

### CONSENTS AND PERMITS

The environmental permit was obtained in May 2019.

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

The building permit will be obtained after the Detailed Design has been prepared by the contractor.

### EXPROPRIATION

The municipalities of Čapljina and Stolac and the City of Mostar are responsible 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 2 decisions of the FBiH Government on early possession). In the municipality of Stolac, 100% of the area was expropriated, including 1 decision of the FBiH Government of on early possession. Realization of expropriation on the entire subsection is 100%.

### PROCUREMENT – SERVICES

#### Contractor Services

#### Type of procedure: Open

On 25/03/2022, the management of JP Autoceste passed the Decision on cancelling the procurement procedure that was initiated in 2019. A new procedure was initiated by the Management Board's Decision on 21/04/2022. Preparation of prequalification documentation has been completed. Call for submission of technical offers published on 09/08/2022, and the extended deadline for submitting applications was 28/11/2022.

At the proposal of the Bank, the launched prequalification procedure was cancelled, with an indication that a new procedure for the subject section will be announced in Q1 2024.

**Supervision consulting services**

**Type of procedure: Competitive**

The contract was signed with the company Proyapi on 14/10/2020 in the value of 4.485.169,23 excluding VAT or 5.247.648,00 EUR including VAT.

**Technical assistance to the project implementation unit**

**Type of procedure: Competitive**

The contract was signed on 12/04/2021 with the company Technital S.p.A. - Italy.

Contract value is 699,380 excluding VAT, i.e. 818,274.60 EUR including VAT.



SECTION BUNA - POČITELJ	
TECHNICAL DESCRIPTION	
The section is 7.18 km long with the following structures: 2 overpasses (Grabovina and Kevčić), 2 passages for animals, 1 underpass (Bivolje Brdo), 1 retaining wall. During the construction of this section, the relocation of 5 high-voltage transmission lines is also planned.	
Funding	EBRD Loan number 47372
	WBIF grant
Number and date of the environmental permit	No: UPI 05/2-23-11-72/16 SN dated 12/10/2016.
Number and date of the building permit	No: UPI/03-23-2-181/18 dated 25/07/2018
CONSTRUCTION WORKS	
Contractor	Hering d.d. Široko Brijeg
Contract Number	JPAC 743-B74-16; signed on 18/05/2018
Contract Value	25.692.383,53 EUR including VAT
Construction deadline	540 days + 126 days + 515 days, i.e. 27/10/2021
Addenda	Addendum no. 1 was signed on 19/10/2018 in order to comply with the new Law on Financial Operations and does not affect the contracted price.
	Addendum no. 2 was signed on 29/05/2020 with an extension of 126 days.
	Addendum no. 3 was signed on 10/11/2021 with the completion deadline of 27/10/2021.
SUPERVISION SERVICES	
Consultant	Consortium: <b>Aecom Inocsa S.L.U. and Aecom d.o.o</b>
Contract Number	JPAC 745-E380-16 dated 08/05/2018
Contract Value	2.154.800,70 EUR including VAT
Duration of the Contract	51 months
Addenda	Addendum No. 1 was signed on 22/09/2020 with an extension of 51 months in total and an upper limit of funds of EUR 2,154,800.70 including VAT Contract value 2,154,800.70.
	Addendum No. 2 was signed on 23/12/2021 with an extension of 63 months in total and an upper limit of funds of EUR 2,564,252.73 including VAT Contract value 2,154,800.70. Contract value EUR 2.564.252,73 including VAT.

CONSTRUCTION SITE ACTIVITIES IN THE REPORTING PERIOD			
Description of completed works			
Number of workers	October: 0	November: 0	December: 0
Number of hired subcontractors	October: 0	November: 0	December: 0

PROJECT IMPLEMENTATION COSTS			
Interim (payment) certificate	Payment date	Amount in EUR excluding VAT	Amount in EUR including VAT
<b>WORKS - Hering d.d. Široki Brijeg</b>			
Σ1-42	until 31/03/2023	21.315.038,56	24.938.595,12
Q2	01/03-30/06/2023	0,00	0,00
<b>WORKS IN TOTAL</b>	<b>until 30/06/2023</b>	<b>21.315.038,56</b>	<b>24.938.595,12</b>
<b>SUPERVISION-Consortium: Aecom Inocsa S.L.U. and Aecom d.o.o</b>			
Σ1-45	until 31/03/2023	2.169.153,74	2.537.909,88
Q2	01/03-30/06/2023	0,00	0,00
<b>SUPERVISION IN TOTAL</b>	<b>until 30/06/2023</b>	<b>2.169.153,74</b>	<b>2.537.909,88</b>
<b>TOTAL PROJECT IMPLEMENTATION COSTS PAID UNTIL 30/06/2023</b>		<b>23.484.192,30</b>	<b>27.476.504,99</b>

RECAPITULATION OF FUNDING SOURCES		
FUNDING SOURCE	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
<b>TOTAL</b>		<b>23.484.192,30</b>

## SUBSECTION POČITELJ – ZVIROVIĆI LOT 1 and LOT 2

### TECHNICAL DESCRIPTION

The length of the section is 11.07 km and it is divided into two LOTS.

LOT 1 consists of a motorway route with a length of over 10 kilometres, on which there are following significant constructions: Interchange Počitelj with toll area and access roads, Interregional junction, three viaducts, a tunnel and an open route.

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

<b>Funding</b>	EIB Loan number 83975
	WBIF application number WB19-BiH-TRA-01
<b>Number and date of the environmental permit</b>	UPI 05 / 2-23-11-3 / 14 SS dated 02/04/2014 and updated environmental permit UPI 05 / 2-23-11-21 / 19 SN dated 11/04/2019.
<b>Number and date of the building permit</b>	UPI / 03-23-2-271 / 15 ID dated 12/11/2015 and updated building permit UPI / 03-23-2-271 / 15 ID dated 23/12/2015 and updated building permit UPI / 03-23 -2-271 / 15 dated 29/09/2021.

### CONSTRUCTION WORKS LOT 1

<b>Contractor</b>	China State Construction Engineering Corporation Ltd;
<b>Contract Number</b>	JPAC 975-B96-18 dated 20 June 2019.
<b>Contract Value</b>	66.131.723,39 EUR including VAT
<b>Construction deadline</b>	730 days, i.e. September 2021. (The contractor submitted a request for the extension of the construction deadline. The decision of the Supervisory Engineer regarding this request is pending.)
<b>Addenda</b>	Addendum No. 1 was signed on 11/11/2021, for the purpose of extending the implementation deadline by additional 730 days.
	Addendum No. 2. was signed on 09/05/2022, 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 26/10/2022.
	Addendum no. 3 is being prepared.

### CONSTRUCTION WORKS LOT 2

<b>Contractor</b>	JV AzVirt L.L.C (Azerbaijan), Sinohydro Corporation Ltd. (China) and Power China Road Bridge Group Co. Ltd. (China);
<b>Contract Number</b>	JPAC 976-B97-18 dated 20/06/2019.
<b>Contract Value</b>	32.894.420,75 EUR including VAT

<b>Construction deadline</b>	900 days, i.e. March 2022 (by the decision of DAB extended until 29/08/2023)
<b>Addenda</b>	The engineer determined 05/09/2022 as a new deadline for completing the works. The contractor expressed disagreement with the Engineer's decision and the new deadline for completing the works, and refused to sign the addendum. DAB passed the decision for settlement of dispute no. 2 in which the deadline for completion of the works was extended until 06/10/2022. DAB issued a decision for settlement of dispute no. 3 (column 6) in which the deadline for completion of works was extended until 29/08/2023. The Client expressed disagreement with the decision of the DAB.
<b>SUPERVISION SERVICES</b>	
<b>Consultant</b>	Consortium: IRD Engineering S.r.l. Rome, Italy
<b>Contract Number</b>	JPAC 840-E438-17 dated 11/06/2019
<b>Contract Value</b>	4.434.300,00 EUR including VAT
<b>Duration of the Contract</b>	57 months
<b>Addenda</b>	Addendum No. 1 was signed on 26/10/2020 for the change in positions and personnel of the Engineering Team and does not affect the contract value.
	Addendum No. 2 was signed on 27/09/2022, in order to extend 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 EUR 5.072.401,63 excluding VAT
	Addendum No. 3 was signed on 21/04/2023, in order to extend the deadline for supervision services for a total of 75 months, and the increase of the upper limit of the amount to a total of EUR 6.024.727,93 excluding VAT
	Addendum no. 4 is being prepared.
<b>PIU TECHNICAL ASSISTANCE</b>	
<b>Consultant</b>	JV: IPSA d.o.o and VCE
<b>Contract Number</b>	JPAC 839-E437-17 dated 18/06/2018
<b>Contract Value</b>	350.830,35 EUR including VAT
<b>Addenda</b>	Addendum No. 1 signed on 27/11 2018 containing changes related to the introduction of BAM as a payment currency.
	Addendum No. 2 signed on 29/09/2023 in order to extend the Contract to 54 months and increase the amount of the Contract to EUR 376,830.00 excluding VAT.
	Addendum No. 3 signed on 02/02/2023 in order to extend the Contract to 64 months and increase the amount of the Contract to EUR 439,890.00 excluding VAT.
	Addendum no. 4 is being prepared.
<b>CONSTRUCTION SITE ACTIVITIES IN THE REPORTING PERIOD</b>	

Description of performed works LOT 1
<p>LOT1 The main route and other roads (Section 1 and Section 2; Bed preparation; Making road base and cement stabilization and asphaltting works on section 1 and section 2; Slope protection with anchors on Phase A and Phase C 4+404 to km 5+250, Installation of protective wire fence; Installation of one-sided protective fence Section 1 and Section 2, , Central drainage collector on section 1 and 2, construction of absorption fields for external drainage, works on the water protection system; Construction of gutters and external drainage channels, construction of portal foundations and installation of portals, foundations of traffic signs , and installation of the vertical support for the traffic signs, TC and MV installations, construction of retaining walls - reinforced embankment;</p> <p>Access road from the motorway to the main road M17 and M6: works on excavation, bedding; road base, installation of roadsides, external and internal drainage, asphaltting works, construction of foundations for traffic signals, and retaining walls; Local and unclassified roads, earthworks, bed preparation, making of road base, asphalt works and installation of crash barriers on the local roads Section 1 and Section 2, Slope protection with anchors on M17, horizontal signaling.</p> <p>Construction of foundations for noise protection, installation of absorbing elements for noise protection, construction of a gabion wall for noise protection Section 1 and Section 2.</p> <p>Works in the Počitelj Tunnel - asphalt works in transverse joints; installation of SOS Niche gates, hydrant network gates, works on the installation of fans and electrical works, entrance portal - concrete works on the construction of wing walls, works on the installation and connection of substations of the Tunnel</p> <p>Works on buildings: Bridge M2 - Construction of retaining walls, backfilling of abutments, construction of concrete barrier fence, construction of transition plates; Bridge M3 - Construction of retaining walls, backfilling of abutments; construction of concrete barrier fence, construction of transition plates; Počitelj toll area -Steel canopy installation works, final works on the main building (water, sewerage, electrical works, partitions, ceramic works, Međugorje toll booth - final works on the main building</p> <p>IRI Počitelj: final works Počitelj (Cut &amp; Cover), Installation of protective wire fence.</p>
Description of performed works LOT 2
<p>LOT 2 Foundations of pillars S1, S2, S3, S4, S5 and S6 completed; Columns - S1, S2, S3, S4, S5 and S6 - completed; Span construction S0-S1-S2-S3-S4-S5-S6-S7 completed 100%; Construction of the concrete crash barrier is in progress. Bridge drainage works, substation assembly works, installation works (electrical works), and repair works on field 4 are in progress.</p>
Current challenges related to project implementation and measures taken on LOT 1
<p><b>Issues:</b></p> <ul style="list-style-type: none"> <li>- Low level of personnel resources and low progress rate of the Contractor</li> <li>- A large number of different finishing works and subcontractors</li> <li>- Part of the remaining work technologically depends on weather conditions (bridge sealing, asphalt works)</li> </ul> <p><b>Measures:</b></p> <ul style="list-style-type: none"> <li>- Letter to the Head Office of the contractor for work intensification. The Contractor has replaced senior personnel at the site. Consideration of hiring of additional subcontractors in accordance with PCC SC 8.6</li> <li>- More frequent coordination meetings were arranged</li> </ul>

- Increased activities on the preparation of weather dependent works

### Current challenges related to project implementation and measures taken on LOT 2

#### Issues:

Long delays on the construction of the span structure. Lack of resources – manpower shortage. The main contractor has not yet been employed for the construction of the span structure.

In view of the fact that the Time for completing the works expired on 05/09/2022. (later extended until 06/10/2022 according to the decision of DAB). The Client submitted on 19/01/2023 details of the claim for the collection of the contractual penalty (penalty) according to Article 8.7 GCC. On 28/01/2023, the Contractor submitted to the VRS a request under Dispute No. 1, for the prohibition of the Client to collect the claim *"until the final and binding decisions are passed, which will determine the relevant deadline for the completion of the works and until the issuance of the Certificate of Acceptance"*

In their Decision of 11/04/2023, VRS stated that the contract does NOT prevent the Client from collecting the contract penalty.

**On 09/07/2023, after the completion of the prestressing of cables for continuity 16 D, 17 and 18, in field 4, cracks appeared in the lower plate on segments 14 and 15 and partly on the joint segment. Later checks confirmed that the cause of the cracks was a changed trajectory of the cables for continuity - the contractor did not fix the position of the cables. Testing confirmed that the same execution error was made in fields 2, 3, 5 and 6. The contractor is currently working on the rehabilitation project. Repair works are already being carried out in field 4, as the repair project for this field has been approved.**

#### 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 again that the Contract does not allow subcontracting of the span construction.

Several meetings of the JP Autoceste Management and the Contractor were held. In his letter dated 18/03/2022 the Contractor was obliged to timely provide an additional two pairs of brackets for free cantilever construction. On 09/05/2022, the Contractor submitted a new work program in which they provided for an additional two pairs of brackets for free cantilever construction. However, the Contractor brought only one additional pair to the site.

**According to the request of the Technical Assistance as well as the EIB, the Client hired an independent consultant who will revise the rehabilitation design solution.**

<b>Number of workers LOT 1</b>	<b>October: 338</b>	<b>November: 295</b>	<b>December: 270</b>
<b>Number of hired subcontractors LOT 1</b>	<b>October: 11</b>	<b>November: 10</b>	<b>December: 10</b>
<b>Number of workers LOT 2</b>	<b>October: 41</b>	<b>November: 22</b>	<b>December: 20</b>
<b>Number of hired subcontractors LOT 2</b>	<b>October: 3</b>	<b>November : 3</b>	<b>December: 3</b>

PROJECT IMPLEMENTATION COSTS			
Interim (payment) certificate	Payment date	Amount in EUR excluding VAT	Amount in EUR including VAT
<b>WORKS - China State Construction Engineering Corporation Ltd;</b>			
Σ1-44	until 30/09/2023	48,253,236.02	56,456,286.14
PS 45	25/10/2023	1,208,112.88	1,413,492.07
PS 46	23/11/2023	1,114,806.65	1,304,323.78
PS 47	20/12/2023	1,173,155.70	1,372,592.17
Q4	01/10-31/12/2023	3,496,075.23	4,090,408.02
<b>WORKS IN TOTAL</b>	<b>until 31/12/2023</b>	<b>51,749,311.25</b>	<b>60,546,694.16</b>
<b>JV AzVirt L.L.C (Azerbaijan), Sinohydro Corporation Ltd. (China) and Power China Road Bridge Group Co. Ltd. (China);</b>			
Σ1-41	until 30/09/2023	26,656,046.92	31,187,574.90
PS 42	12/10/2023	225,881.45	264,281.30
PS 43	25/10/2023	59,078.34	69,121.66
PS 44	23/11/2023	2,309,799.81	2,702,465.78
Q4	01/10-31/12/2023	2,594,759.60	3,035,868.73
<b>WORKS IN TOTAL</b>	<b>until 30/09/2023</b>	<b>29,250,806.52</b>	<b>34,223,443.63</b>
<b>SUPERVISION - IRD Engineering S.r.l. Rome, Italy</b>			
Σ1-41	until 30/09/2023	5,323,193.05	6,228,135.87
PS 42	04/10/2023	103,210.00	120,755.70
PS 43	04/10/2023	100,138.50	117,162.05
PS 44	25/10/2023	111,057.80	129,937.63
PS 45	23/11/2023	186,797.11	218,552.62
PS 46	20/12/2023	80,305.45	93,957.38
Q4	01/10-31/12/2023	581,508.86	680,365.37
<b>SUPERVISION IN TOTAL</b>	<b>until 31/12/2023</b>	<b>5,904,701.91</b>	<b>6,908,501.23</b>
<b>TA: JV: IPSA d.o.o and VCE</b>			
Σ1-20	until 30/09/2023	384,523.37	449,892.34
PS 21	23/11/2023	14,465.00	16,924.05
Q4	01/10-31/12/2023	14,465.00	16,924.05
<b>TOTAL TA</b>	<b>until 31/12/2023</b>	<b>398,988.37</b>	<b>466,816.39</b>
<b>TOTAL PROJECT IMPLEMENTATION COSTS PAID UNTIL 31 DEC 2023</b>		<b>87,303,808.05</b>	<b>102,145,455.42</b>



RECAPITULATION OF FUNDING SOURCES		
FUNDING SOURCE	TYPE OF EXPENSE	AMOUNT
EIB No. 83.975	WORKS LOT 1	38,405,411.21
EIB No. 83.975	WORKS LOT 2	21,751,608.09
EIB No. 83.975	TA	384,523.37
Own funds	TA	14,465.00
Own funds	WORKS LOT 1	13,343,900.04
Own funds	WORKS LOT 2	7,499,198.43
Own funds	SUPERVISION	5,904,701.91
<b>TOTAL</b>		<b>87,303,808.05</b>

**Note:** Monitoring services were paid for from own funds to enable subsequent reimbursement of service costs from the WBIF grant to be implemented through the EIB.

## 6. ENVIRONMENTAL IMPACT

The Law on Environmental Protection (Official Gazette of the F BiH 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 number 5 of this Report, specific data on all environmental permits that have been obtained for motorway sections that are under preparation and construction are available.

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

The implementation of the measures prescribed by the environmental permit during construction is carried out by the Contractor, and monitored and supervised by the supervising engineer, while during exploitation the implementation is carried out by the 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 June 30 of the current year for the previous year, which has been carried out regularly so far.

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 share 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 for all the sections they finance in the Corridor, while information is submitted to the EIB through individual semi-annual reports through which the progress in the realization of each of the financing agreements is monitored.

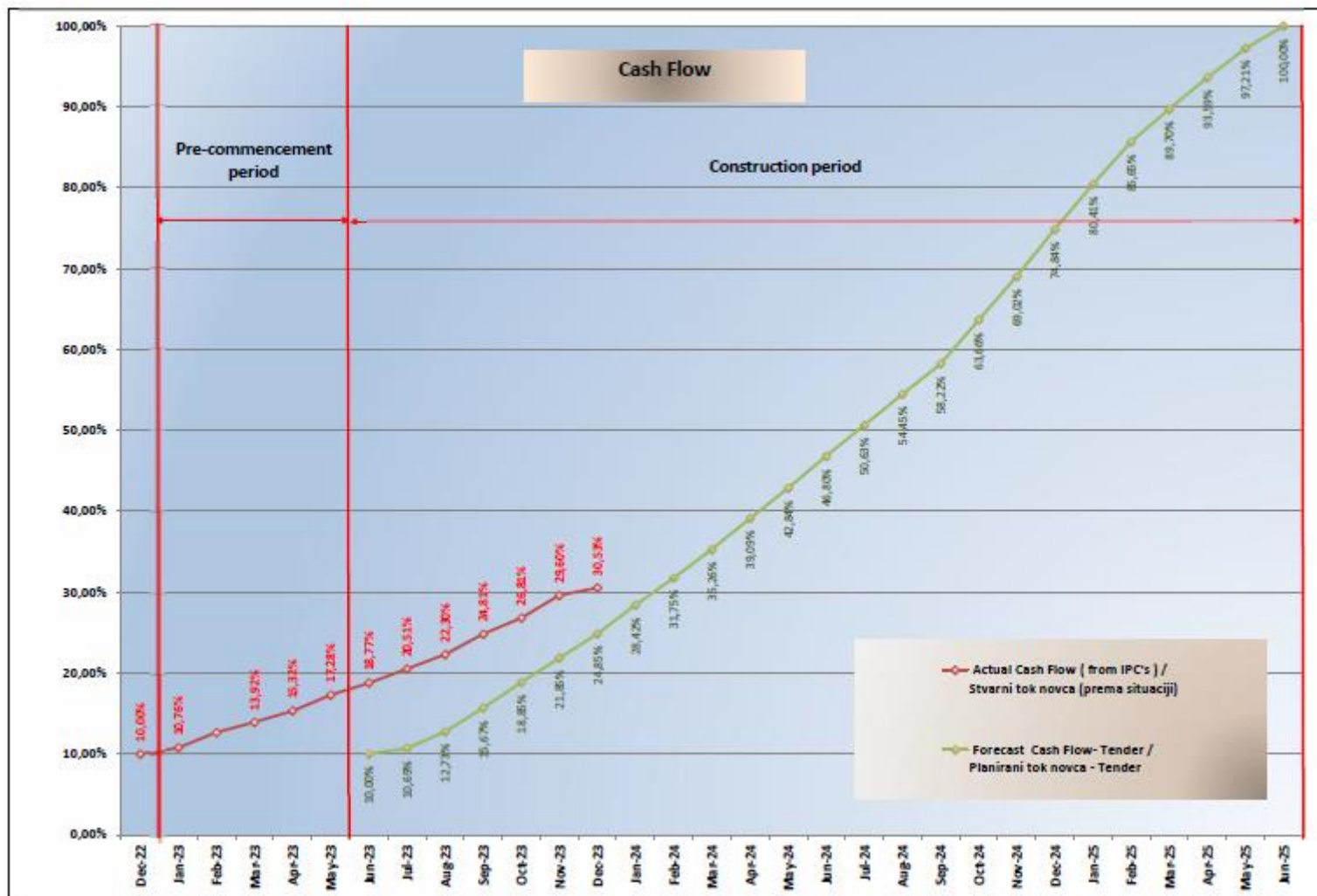
## **APPENDIX 1.**

### **Work dynamics and cash flow on construction projects**

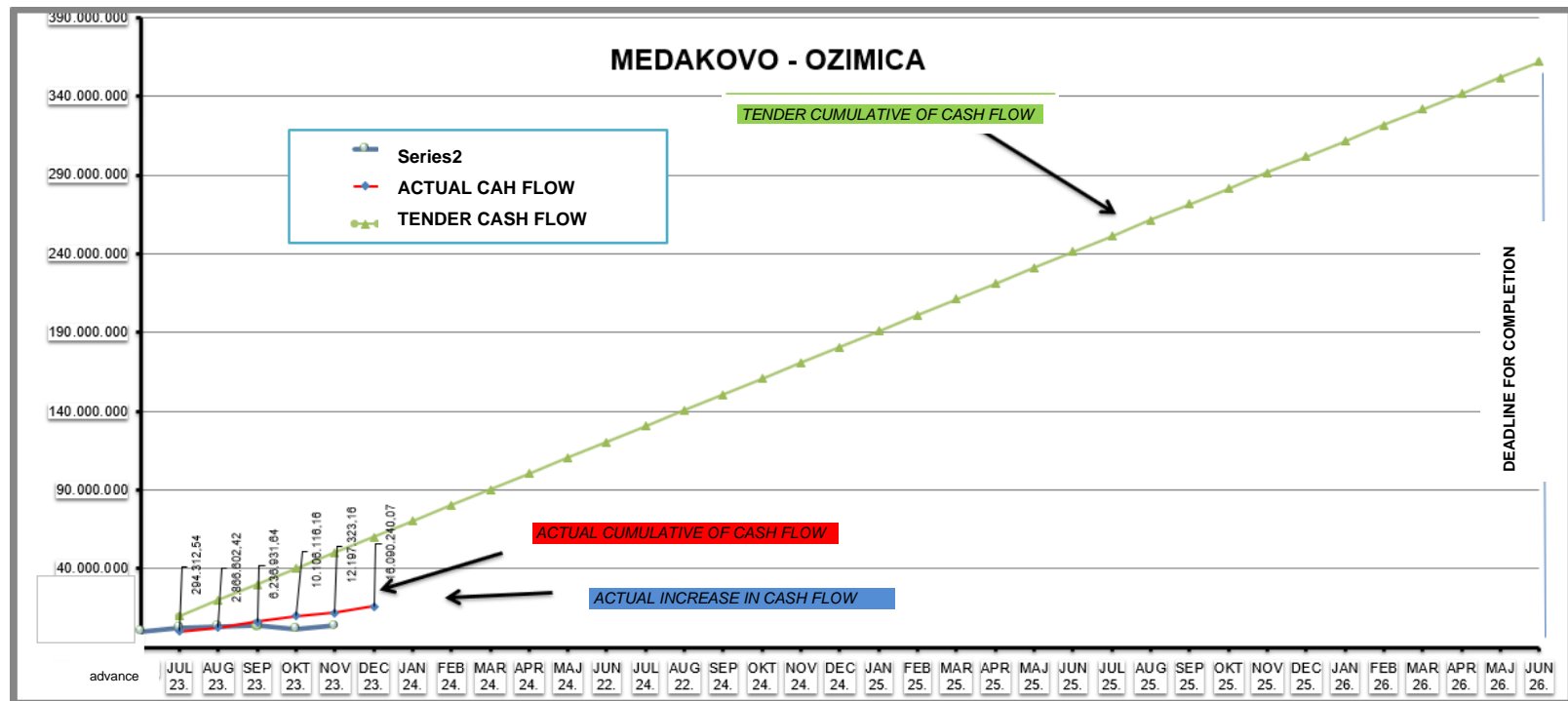
**Subsection Putnikovo Brdo - Medakovo**

No.:	Description of work	Duration (days)	Start date	Deadline	Completed %	Status of construction works in progress
1.	Mobilization	76	01/12/2022	15/02/2023	100.00%	
2.	Motorway route		05/09/2022	22/08/2024	45.00%	
3.	Interchange Usora	478	11/10/2022	27/04/2024	50.00%	
4.	Interchange Medakovo	188	23/11/2023	29/06/2024	10.00%	
5.	Tunnel Hrastik	575	11/10/2022	19/08/2024	30.00%	
6.	Bridge Usora 1	557	27/10/2022	14/08/2024	50.00%	
7.	Bridge Usora 2	471	14/01/2023	22/07/2024	25.00%	
8.	Bridge Usora 3	276	09/12/2022	01/11/2023	35.00%	
9.	Kraševo Bridge	271	14/10/2023	26/08/2024	79.00%	
10.	Underpass PP2	100	27/03/2024	20/07/2024	0.00%	
11.	Underpass Plane	100	11/10/2022	06/02/2024	0.00%	
12.	Hydrotechnical facilities	1,100	11/10/2023	23/05/2024	10.00%	
13.	Regulation of the Usora river bed	550	11/10/2022	20/07/2024	21.00%	
14.	Regulation of the Tešanjka river bed	550	11/10/2022	20/07/2024	6.00%	
15.	Rellocation of installations	688	11/10/2022	29/08/2024	41.00%	

**Table 1.** Basic dynamics of works that are subject to changes on the subsection Putnikovo Brdo - Medakovo



Flow Chart 1. Putnikovo Brdo - Medakovo



Flow Chart 2. Medakovo – Ozimice

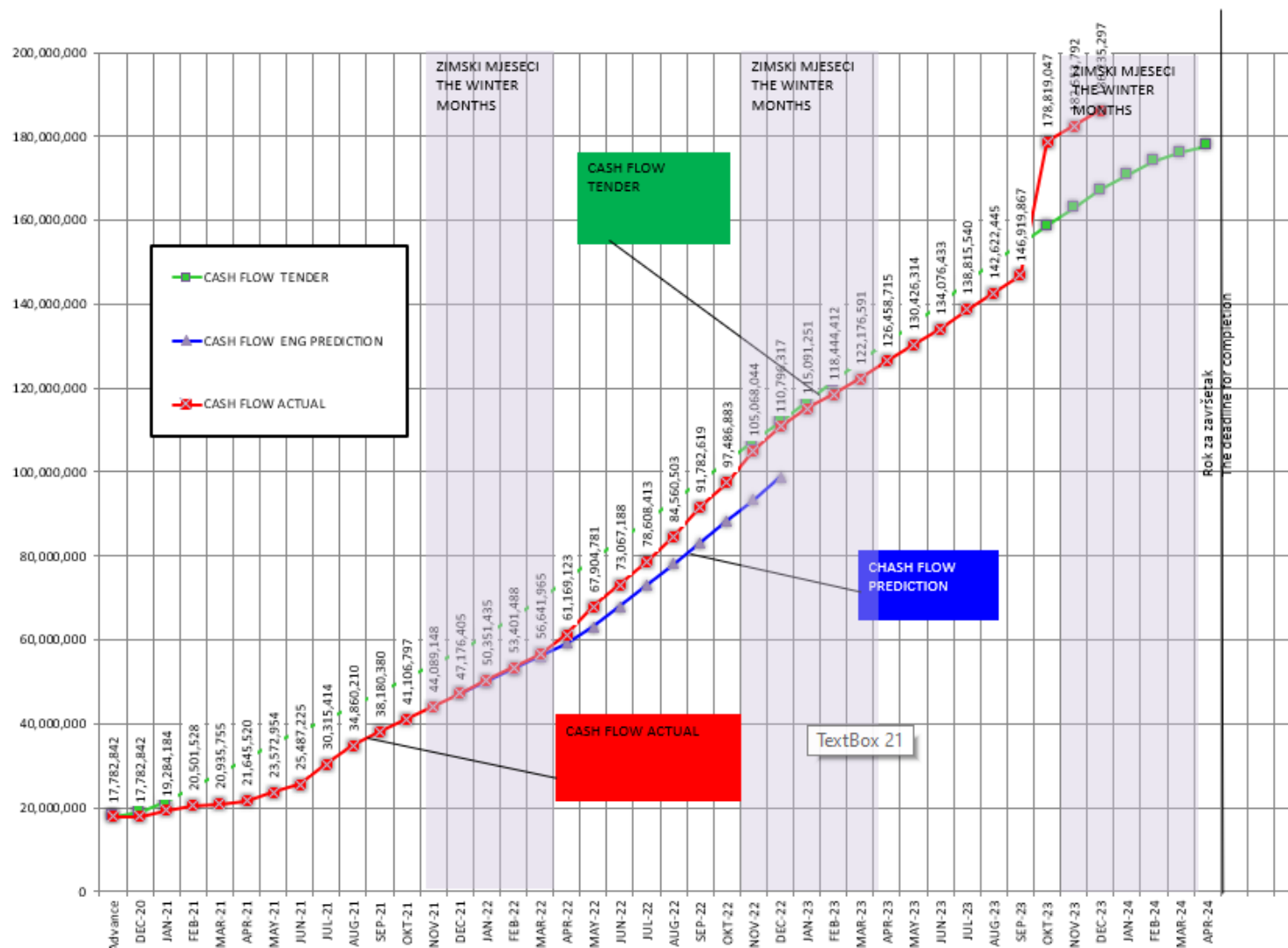
### Subsection Poprikuše – Nemila

No.:	Description of work	Duration (days)	Start date	Deadline	Completed %	Status of construction works in progress
1.	Mobilization	441	01/12/2020	15/02/2022	100%	
2.	Detailed Design development and approvals	441	01/12/2020	15/02/2022	98%	
3.	Preliminary works	120	09/12/2020	08/04/2021	100%	
4.	Interchange motorway route and M17 junction with toll area and traffic control center	700	05/06/2020	06/05/2022	72%	Excavations and subsoil replacement 95%, Embankments: route 85%, Interchange Poprikuše 75%
5.	Tunnel Golubinja	880	07/12/2021	05/05/2024	71%	A total of 5,750 m of tunnel was excavated, concrete of the invert arch 19,340 m <sup>3</sup> , foundations 12,350 m <sup>3</sup> , secondary lining 33,200 m <sup>3</sup> , waterproofing 3,350 m
6.	Golubinja Bridge 1 and Golubinja Bridge 3 (interchange ramp)	810	07/12/2021	25/02/2024	90%	Construction of the Golubinja 1 bridge completed Golubinja 3 bridge works were not started yet
7.	Golubinja 2 bridge	705	20/02/2022	26/01/2024	95%	Bridge construction completed, Fence, beds, dilatations
8.	Bridge Bosna 1	620	07/12/2021	19/08/2023	95%	Bridge construction completed, Fence, beds, dilatations
9.	Most Bosna 2 (Kovanići)	630	26/05/2022	15/02/2024	100%	
10.	Local road to Kovanići, access roads for fire protection facilities and other access roads if they exist	470	23/09/2022	06/01/2024	70%	
11.	Bridge over the river Željeznica	310	02/12/2022	30/07/2023	95%	Bridge construction completed,
12.	Construction and relocation of installations	819	15/02/2022	14/05/2024	100%	Electrical and plumbing installations relocated

**Table 2.** Work dynamics on Poprikuše - Nemila subsection



**Paprikuše-Nemila**



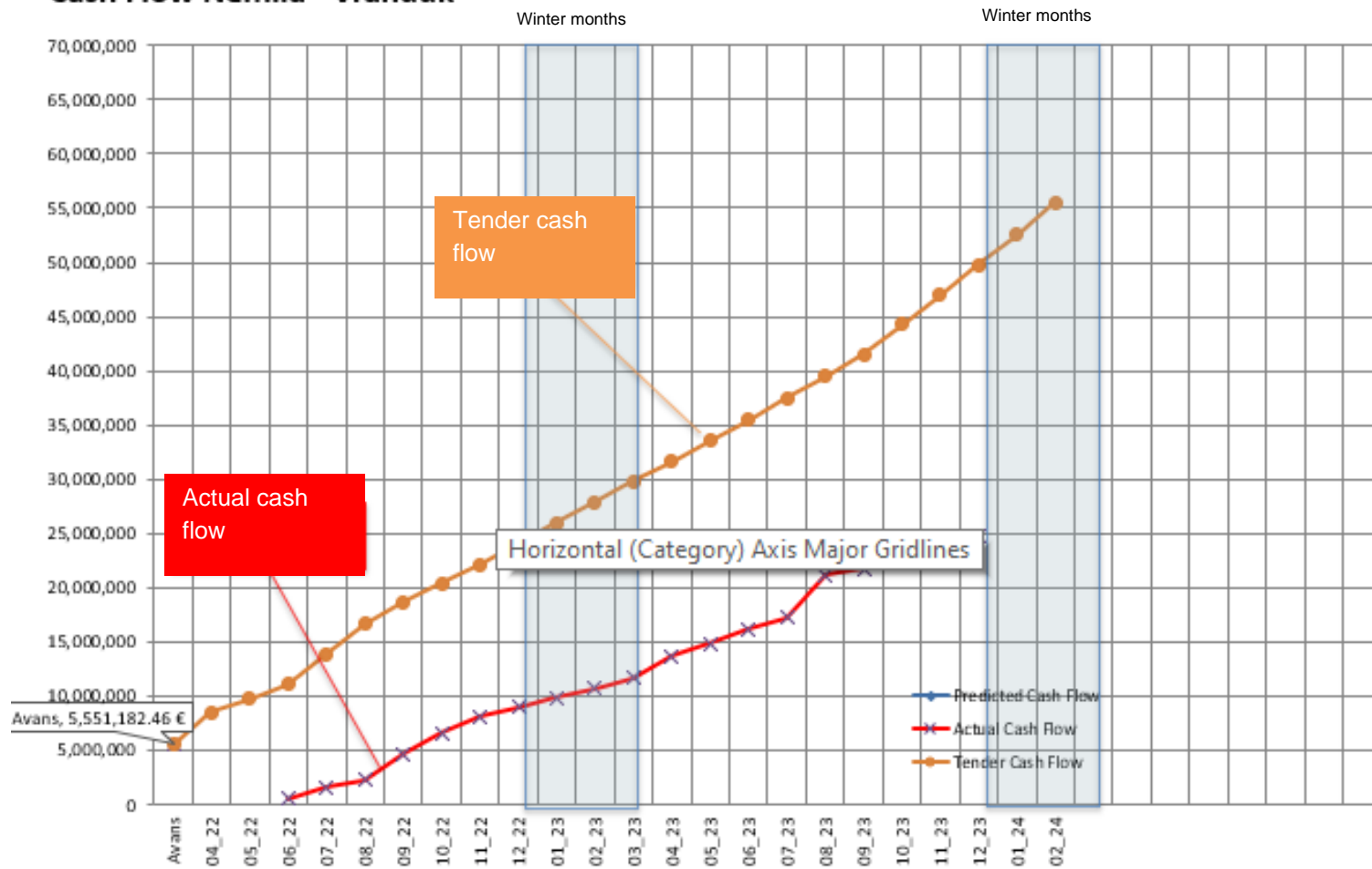
**Flow Chart 3. Poprikuše - Nemila**

### SUBSECTION NEMILA – VRANDUK

No.:	Description of work	Duration (days)	Start date	Deadline	Completed %	Status of construction works in progress
1.	Route AC – Section 1	681	01/04/2022	10/02/2024	45	IN PROGRESS
2.	Route AC – Section 2	726	22/02/2022	17/02/2024	2	REDESIGNING IS IN PROGRESS
3.	Relocation of the main road M17	418	30/04/2022	21/06/2023	95	IN PROGRESS
4.	Regulation of the riverbed of the Bosna River	498	20/04/2022	30/08/2023	28,5	IN PROGRESS
5.	Temporary toll area with junction to M17	308	14/12/2022	17/10/2023	-	CANCELLED
6.	Preparation of final documentation	90	21/11/2023	18/02/2024	-	IN PROGRESS

**Table 3.** Work dynamics on the subsection Nemila - Vranduk

## Cash Flow Nemila - Vranduk



Cash Flow Chart 4. Nemila - Vranduk

### Sub-section Vranduk – Ponirak

No.:	ID	Description of work	Duration (months)	Start date	Deadline	Completed %	Status of construction works in progress
1		ROUTE:					
	A	Motorway route	54	23-Sep-19	09-Nov-23*	17.17%	<p>Sector 4 (length 920 metres) completion of works according to the new design. Works on slope protection and internal drainage have been completed.</p> <p>Works on Sector 5 (138 meters) are being carried out according to the new design. Works on slope protection have been completed.</p> <p>Sector 2 – construction of vertical reinforced concrete prestressed beams completed</p>
2	B	OTHER ROADS AND TRAFFIC SURFACES	54	28-Sep-19	09-Nov-23*	48.58%	Disposal of excavated materials in landfills. Deforestation at the Malinjak 2 landfill and construction of permeable pipes.
3	D	DRAINAGE SYSTEM AND WATER PROTECTION	12	2-Jul-20	09-Nov-23*	10.17%	
4	E	EQUIPMENT AND SIGNALING	3	1-May-21	09-Nov-23*	0.00%	
5	F	ENGINEERING CONSTRUCTIONS AND FACILITIES					
	F	Bridges	54	19-Aug-19	09-Nov-23*	91.85%	<b>Bridges:</b> Construction of this structure was finished.
	F	Culverts				68.18%	There are currently no works on culverts.
	F	Underpass					
	F	Retaining walls					

	F	Tunnel	54	19-Aug-19	09-Nov-23*	114.98%	Work completed on the three portal structures of the tunnel. Installation of waterproofing membrane and stream regulation above the entrance portal gallery of the right tunnel tube in progress.
6	G	INSTALLATIONS	54	19-Aug-19	09-Nov-23*	9.43%	
7		CONTINGENT WORKS AND ADDITIONAL ALLOCATION OF FUNDS					
	VO-3	Carrying out additional geological investigation works for Mission G31				99.2%	
	VO-4	The difference in the cost of DMS				319.43%	
	VO-6	Protection M17				100%	
	VO-7	Variation for works of sector 4a				89.95%	On sector 4a (length 645 meters) works are in the final phase. Works on making a buffer layer for the right lane started
	VO-8	Rehabilitation works on local roads				101.30%	
	VO-9	Alternative landfill for excavation material of the "Malinjak" Project				42.79%	The material is disposed at the Malinjak 1 and Boški Potok landfills. One part of the Malinjak 2 landfill is being used, the other part will be ready after the timber is cut and hauled away.
	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 Vranduk 2 bridge and modification of the method of testing the bearing capacity				100.00%	

		of the piles of Vranduk 1 and Vranduk 2 bridges					
	VO-12	Displacement of the electrical network				45.51%	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 slope rehabilitation between profiles P124 and P133				97.10%	Excavation and slope protection completed. Construction of pavement structure.
	VO-18	Works of the redesigned sector 5				0%	The JPAC Management approved this Variation where the 426 days extension period was specified.
	VO-19	Renovation of retaining walls in the Varošište settlement				109.63%	Works completed
	VO – 20	Works of the redesigned sector 2				0%	New variation order No. 28.
	VO – 21	Construction signs on the M17				100%	Signs placed in order to warn the road users.
	VO – 22	Regulation of the stream Gladovići				105.6%	Works on this project in the final phase.
	VO – 23	Construction of a children's playground in Ponirak				111.4%	Works completed
	VO – 24	Preparation of new projects of sectors 1, 2, 4, 5, 6, 7 and Vranduk tunnel portal				78.99%	Design development in progress.

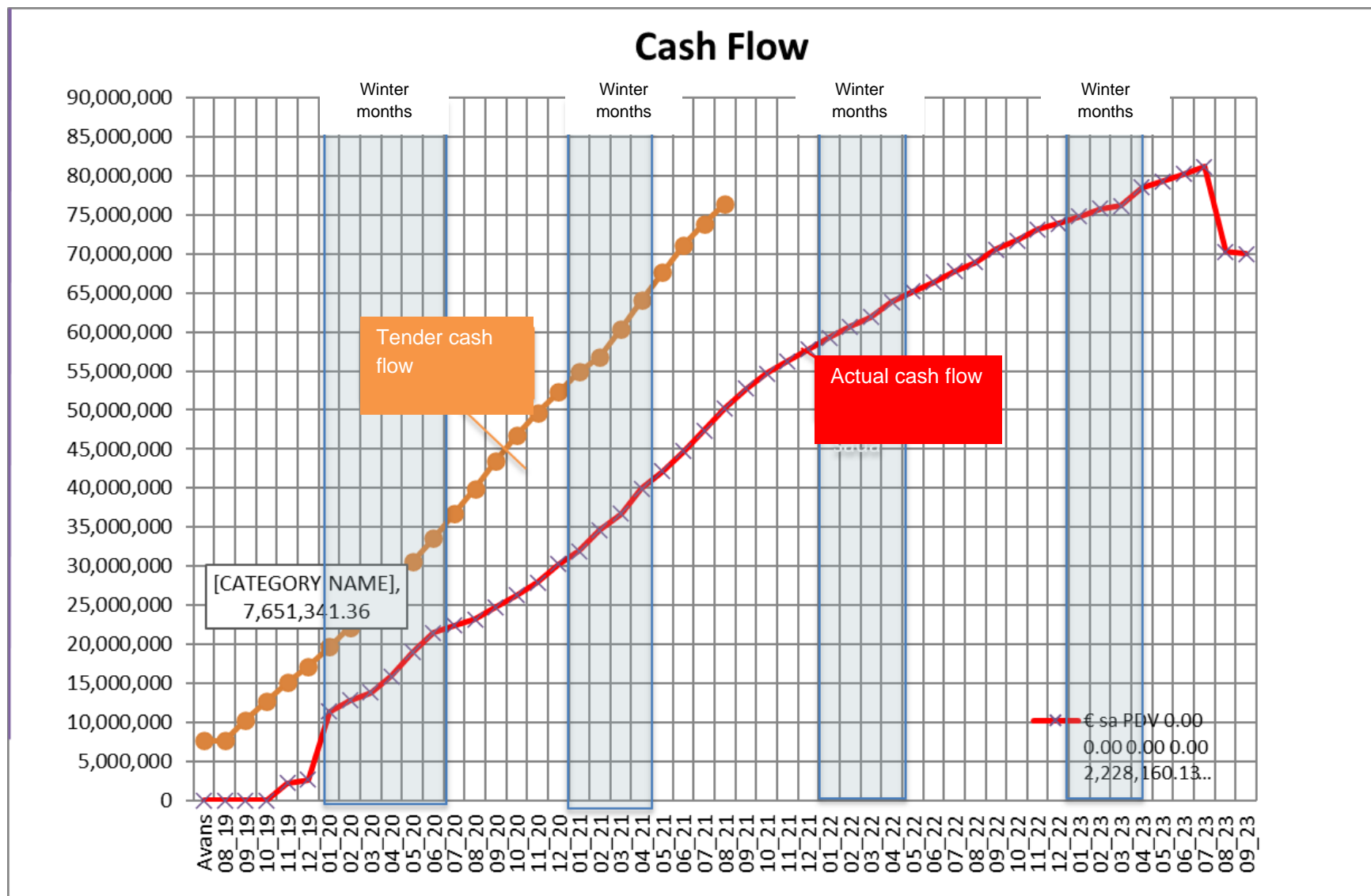
	VO – 25	Rehabilitation of the landfill and geotechnical works according to the new design of sector 5				113.27%	
	VO – 26	Additional investigative works in sector 6				99.1%	Work in progress
	VO – 27	Works on relocation of the underground cable in sector 2				100%	Completed works before the start of construction of sector 2.
	VO – 28	Geotechnical works according to the redesigned sector 2				110.65%	
	VO – 29	The costs of renting plots for landfill L6, L7 and L8				100%	Additional area for disposal of excavated material.
	VO – 30	Works on the exit portals of Vranduk tunnel according to the new design solution				92.50%	
	VO – 31	Works on the exit portals of Vranduk tunnel according to the new design solution				97.40%	At the entrance portals of the Vranduk tunnel, galleries were made replacing two 60 cm thick and 10m long AB tunnel liners, including the construction of an AB wall between the galleries that serves as a protection for shotcrete and geotechnical anchors, and regulation of the stream at the entrance portal is planned.
	VO – 32	Additional works on the Vranduk tunnel				93.30%	Two additional walls were built at the entrance portal of Vranduk tunnel. And construction of additional secondary lining of the tunnel.
	VO – 33	Construction of the retaining wall between abutments U1L and U1D of the Vranduk II bridge				28.31%	Stabilization of the bank slope between the abutments
8		SPECIFICALLY RESERVED SUMS					
	VO-1	The cost of creating and updating BIM models				75.26%	



	VO-2	The cost of the Designer's supervision				99.13%	
	VO-5	External quality control				74.76%	Regular implementation.

**Table 4.** Work dynamics on the subsection Vranduk - Ponirak

**Notes:** In accordance with the Decision of JP Autocesta FBiH on the temporary suspension of works, which is effective as of 22 August 2023, all works on the construction site are temporarily suspended.



Cash Flow Chart 5. Vranduk – Ponirak

**Subsection Ponirak - Vraca**

No.:	Description of work	Duration (months)	Start date	Deadline	Completed %	Status of construction works in progress
1.	ROUTE:					
	Motorway route	20	04/02/2020.	15/10/2021	0	Not started
2.	LOCAL ROADS	2	11/11/2019	03/01/2020	37,74	Works currently not being carried out
3.	DRAINAGE SYSTEM AND WATER PROTECTION	3	19/06/2021	29/09/2021	0	Not started
4.	EQUIPMENT AND SIGNALING	10	19/06/2021	09/04/2022	0	The procurement of part of the material has been completed, the installation will be delayed
5.	ENGINEERING CONSTRUCTIONS AND FACILITIES					
	Tunnel Zenica	27	11/11/2019	27/02/2022	95	In progress
	Culverts	4	14/04/2020	14/08/2020	81,30	Works currently not being carried out
	Underpass	4	14/04/2020	14/08/2020	82,08	Works currently not being carried out
	Retaining walls	2	14/02/2020	13/04/2020	0	It will not be carried out according to the new Building Permit
6.	INSTALLATIONS	7	28/09/2021	04/04/2022	0 Not started	The procurement of part of the material has been completed, the installation will be delayed

**Table 5.** Work dynamics on the subsection Ponirak - Vraca

### Sub-section Tunnel Zenica – Donja Gračanica

No. :	Description of work	Duration (days)	Start date	Deadline	Completed %	Status of construction works in progress
1	Motorway route of the "Northern section"	497	04/01/2020	14/05/2021	100	
2	Motorway route "South section"	480	29/10/2019	19/02/2021	100	
3	Interchange "Zenica North" and connecting road to M17 with toll area	300	26/04/2020	19/02/2021	100	
4	Donja Gračanica Viaduct	435	29/10/2019	05/01/2021	100	
5	Tunnel Zenica (Vraca)	497	04/01/2020	14/05/2021	100	
6	Tunnel Hum	380	29/10/2019	11/11/2020	100	
7	Other roads for which the construction permit is granted by the city of Zenica	433	29/10/2019	03/01/2021	100	
8	Construction and relocation of installations	564	29/10/2019	14/05/2021	100	

**Table 6.** Work dynamics on Zenica Tunnel - Donja Gračanica subsection

**Subsection Tarčin – Entrance to Ivan tunnel LOT 1**

No.:	Description of works	Duration (days)	Start date	Deadline	Completed %	Status of construction works in progress
1.	The main route	715	31/08/2021	15/08/2022	100	
2.	Other roads and traffic areas	275	31/08/2021	27/07/2022	100	
3.	External and internal drainage	550	31/08/2021	08/08/2022	100	
4.	Traffic equipment and signaling	340	10/07/2021	17/08/2022	100	
5.	Constructions	705	31/08/2021	05/08/2022	100	
	Bridge 1. - Raštelica 1	613	01/12/2021	05/08/2022	100	
	Bridge 2. - Raštelica 2	510	31/08/2021	27/06/2022	100	
6.	Installations	341	15/03/2021	21/04/2022	100	
7.	Landscape design of traffic areas and toll booths	56	23/05/2022	27/07/2022	100	
8.	Other projects	440	15/03/2021	18/08/2022	100	
9.	Documents and additional works	719	31/08/2021	19/08/2022	100	
10.	Indirect costs	719	31/08/2021	19/08/2022	100	
11.	Provisional sums	719	31/08/2021	19/08/2022	100	

**Table 7.** Work dynamics on subsection Tarčin - entrance to Tunnel Ivan LOT 1

### SUBSECTION TUNNEL IVAN LOT 2

No. :	Description of works	Duration (months)	Start date	Deadline	Completed %	Status of construction works in progress
1.	The main route	30	06/07/2020	15/09/2022	100	
2.	Other roads and traffic areas	30	20/11/2019	15/09/2022	100	
3.	External and internal drainage	30	18/01/2021	15/09/2022	100	
4.	Traffic equipment and signaling	30	03/08/2021	15/09/2022	100	
5.	Constructions	30	23/11/2019	15/09/2022	100	
	Hydrotechnical facilities on the watercourse Sirovica	30	04/05/2020	15/09/2022	100	
	Tunnel 1 – Ivan	30	23/11/2019	15/09/2022	100	
	Bradina bridge	30	06/05/2020	15/09/2022	100	
6.	Installations	30	04/12/2021	15/09/2022	100	
7.	Landscape design of traffic areas and toll booths	30	14/10/2021	15/09/2022	100	
8.	Other projects	30	06/04/2020	15/09/2022	100	
9.	Documents and additional works	30	23/11/2019	15/09/2022	100	
10.	General (indirect) costs	30	23/11/2019	15/09/2022	100	
11.	Provisional sums	30	23/11/2019	15/09/2022	100	

**Table 8.** Work dynamics on Ivan Tunnel LOT 2 subsection

### Section Buna - Počitelj

No.:	Description of works	Duration (months)	Start date	Deadline	Completed %	Status of construction works in progress
1	MOTORWAY ROUTE		03/08/2018	27/10/2021	100	
2	OTHER ROADS AND TRAFFIC SURFACES		03/08/2018	27/10/2021	100	
3	GEO-RESEARCH AND GEOTECHNICAL WORKS		03/08/2018	27/10/2021	100	
4	EXTERNAL AND INTERNAL DRAINAGE		03/08/2018	27/10/2021	100	
5	SIGNALING AND EQUIPMENT		03/08/2018	27/10/2021	100	
6	CONSTRUCTIONS		03/08/2018	27/10/2021	100	
	Grabovina overpass		03/08/2018	27/10/2021	100	
	Kevčić overpass		03/08/2018	27/10/2021	100	
	Bivolje Brdo underpass		03/08/2018	27/10/2021	100	
	Animal crossing at 12+500		03/08/2018	27/10/2021	100	
	Animal crossing at 12+500		03/08/2018	27/10/2021	100	
7	INSTALLATION 15+420-18+280		03/08/2018	27/10/2021	100	
8	LANDSCAPING OF TRAFFIC SURFACES AND OTHER CONTENTS		03/08/2018	27/10/2021	100	
9	INSTALLATION 11+100-15+420 AND OTHER PROJECTS		03/08/2018	27/10/2021	100	
10	NOISE PROTECTION		03/08/2018	27/10/2021	100	
11	DOCUMENTATION AND ADDITIONAL WORKS		03/08/2018	27/10/2021	100	
12	TOTAL COSTS		03/08/2018	27/10/2021	100	
13	PROVISIONAL SUM		03/08/2018	27/10/2021	100	

**Table 9.** Work dynamics on Buna - Počitelj section

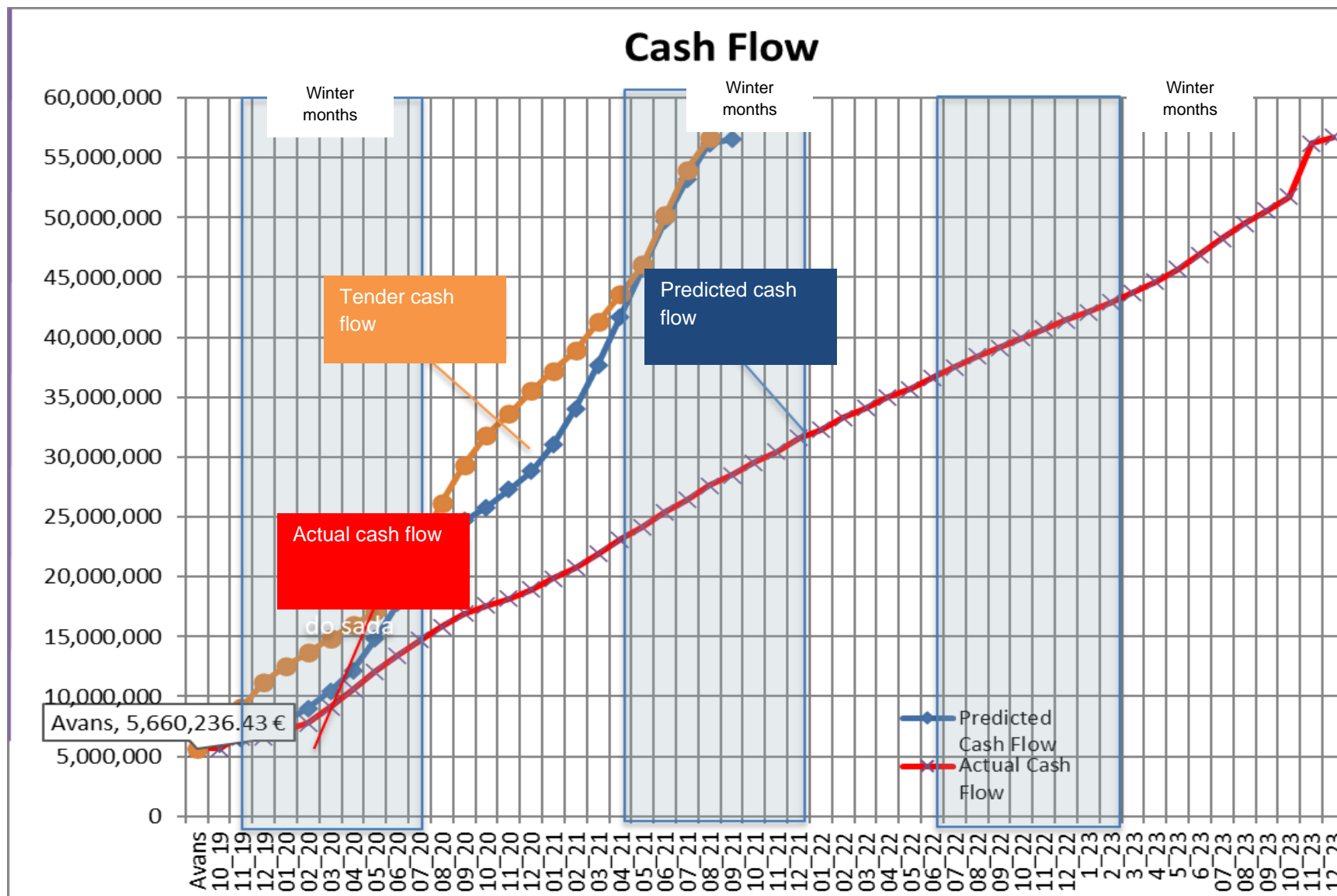
**Subsection Počitelj – Zvirovići**



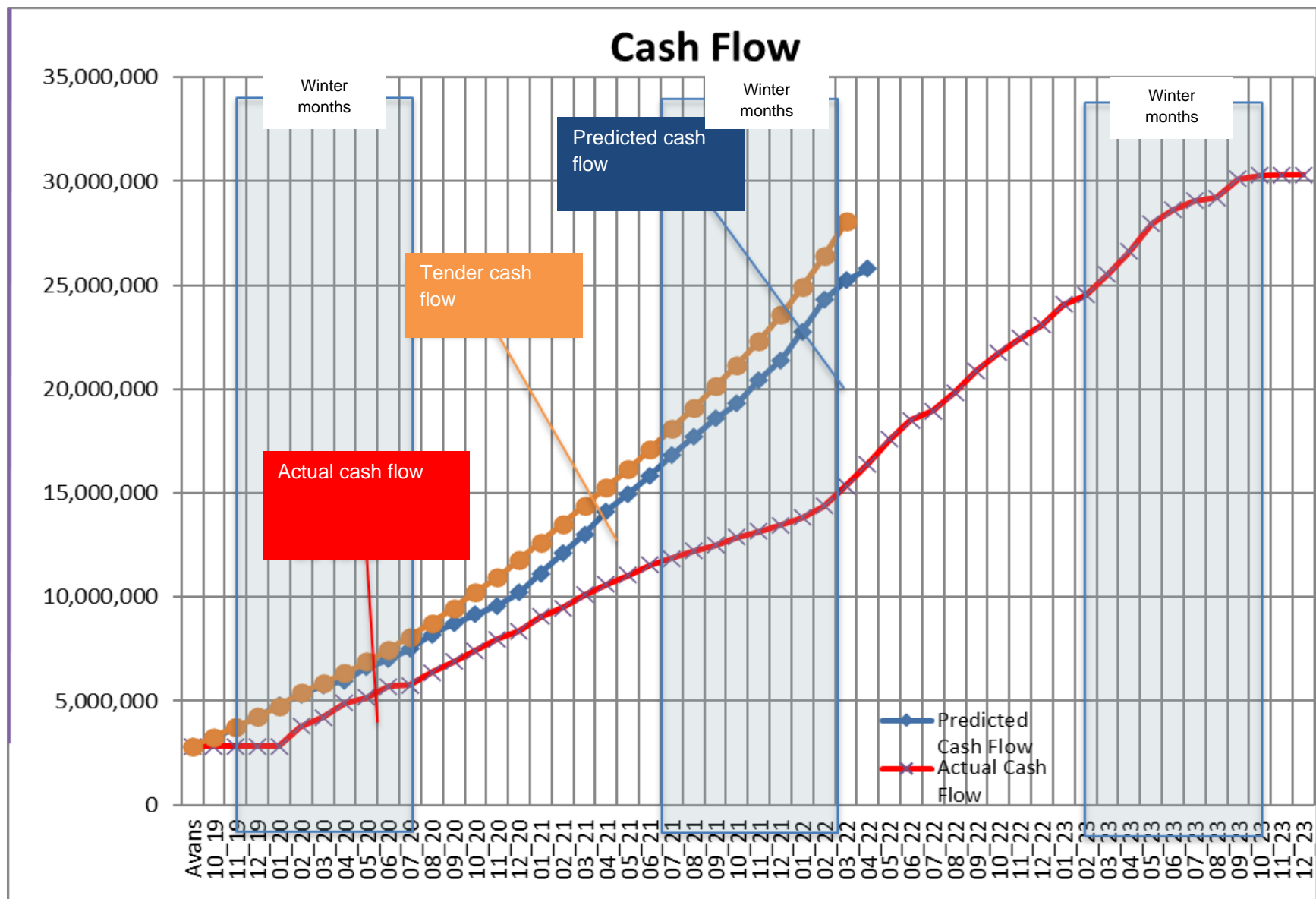
No. :	ID	Description of works	Duration (months)	Start date	Deadline	Completed %	Status of construction works in progress
		<b>LOT 1 – SECTION 1</b>					
1		MAIN ROUTE AND INTERCHANGES	21,5	12/11/2019	01/12/2021	99.00%	In progress
2		OTHER ROADS AND TRAFFIC SURFACES	27,6	01/01/2020	23/08/2022	87.50%	In progress
3		INVESTIGATIVE WORKS AND GEOTECHNICS	0,0			95.20%	In progress
4		EXTERNAL AND INTERNAL DRAINAGE	10,5	14/12/2020	01/12/2021	95.50%	In progress
5		TRAFFIC SIGNALS AND EQUIPMENT	20,5	28/08/2020	17/08/2022	70.00%	In progress
6		CONSTRUCTIONS:					
	6,1	Underpass 0+429, local road Bivolje Brdo	17,2	06/01/2020	27/08/2021	99.42%	In progress
	6,2	Underpass Počitelj interchange 0+866,	15,3	28/5/2020	15/11/2021	99.00%	In progress
	6,3	Underpass 1+461, local road Ševaš	18,2	29/01/2020	15/04/2020	92.64%	In progress
	6,4	Overpass 2+967, Gradina local road	15,0	06/04/2020	28/08/2021	85.00%	In progress
	6,5	Culverts	5,5	06/01/2020	23/06/2020	100%	In progress
7		INSTALLATIONS	11,5	23/12/2020	13/12/2021	97.13%	In progress
8		ARCHITECTURE AND LANDSCAPING	12,3	05/12/2020	17/12/2021	27.75%	In progress
		<b>LOT 1 - SECTION 2</b>					
1		MAIN ROUTE	33,5	26/9/2019	28/11/2022	91.00%	In progress
2		OTHER ROADS AND TRAFFIC SURFACES	28,7	29/02/2020	28/11/2022	81.85%	In progress
3		INVESTIGATIVE WORKS AND GEOTECHNICS	17,4	18/02/2020	24/07/2021	89.58%	In progress
4		EXTERNAL AND INTERNAL DRAINAGE	23,6	10/04/2020	18/07/2022	83.77%	In progress
5		TRAFFIC SIGNALS AND EQUIPMENT	11,0	31/08/2021	28/09/2022	68.32%	In progress
6		CONSTRUCTIONS:					
	6,1	Bridge M2	7,7	09/05/2020	26/12/2020	95.00%	In progress
	6,2	Bridge M3	3,6	21/01/2020	08/05/2020	96.00%	In progress
	6,3	Bridge M4	13	15/07/2020	27/09/2021	98.00%	In progress
	6,4	Tunnel Počitelj, right 1163 m/left, 1192 m	33,2	20/09/2019	28/11/2022	94.79%	In progress
	6,5	Underpass 10.975, regional road, Orlovaca	25	02/01/2020	24/06/2022	91.98%	In progress

	6.6	Culverts	15	31/01/2020	13/07/2021	100%	In progress
7		INSTALLATIONS	24	03/04/2020	24/06/2022	78.88%	In progress
8		ARCHITECTURE AND LANDSCAPING	8.0	31/12/2021	19/09/2022	19.25%	In progress
9		OTHER PROJECTS	2.9	25/02/2021	22/05/2021	75.00%	In progress
10		DOCUMENTATION AND ADDITIONAL WORKS	0,0			35.00%	In progress
11		GENERAL COSTS	0,0			101.2%	In progress
12		PROVISIONAL SUM	23,7	10/10/2019	20/09/2021	13,97%	In progress
		<b>LOT 2 - Bridge Počitelj</b>					
1		EXTERNAL AND INTERNAL DRAINAGE	2,8	21/12/2021	14/03/2022	94.45%	In progress
2		OTHER ROADS AND TRAFFIC SURFACES	2,8	21/12/2021	14/03/2022	15.22%	In progress
3		FACILITIES	24,4	25/02/2020	26/02/2022		
		Road substructure (36%)	20,9	25/02/2020	12/11/2021	100.00%	Foundations S1, S2, S3, S4, S5 and S6 - completed; Construction of pillars S1, S2, S3, S4, S5 and S6 - completed; U1 Abutment – completed U1 Abutment – completed
		Road superstructure (64%)	16,2	29/10/2020	26/02/2022	95.00%	Span construction - Base Segment S1, S2, S3, S4, S5 and S6 - completed 100%; S1, S2, S3, S4, S5 and S6 - span construction - completed 100%; Segment 0 - span construction completed 100% Segment 7 - span construction completed 100% Construction of concrete barrier fence in progress
4		INSTALLATIONS	1,9	24/12/2021	19/2/2022	84.82%	In progress
5		DOCUMENTATION AND ADDITIONAL WORKS				56.62%	In progress
6		GENERAL COSTS				97.92%	In progress
7		PROVISIONAL SUM				62.02%	In progress

**Table 10.** Dynamics of work on the subsection Počitelj – Zvirovići



Cash Flow Chart 6. Počitelj – Zvirovići Lot 1



**Cash Flow Chart 7. Počitelj – Zvirovići Lot 2**