1. SUMMARY OF THE REPORTING PERIOD

From January 01st 2020 to June 30th 2020, the Ministry of Spatial Planning of the FBH (hereinafter referred to as the Ministry) has realized a series of activities within the Energy Efficiency Project for BiH (BEEP) that started in December 2015 and that brings the country a step closer to being an energy efficient one. Multiple measures have been implemented in order to conserve and reduce energy consumption, while simultaneously modernizing living conditions and improving economic performance. In addition, this a very effective way of returning the investment through energy savings.

The project is supported by a $16.42 million Investment Project Financing (IDA blend-term credit) for FBH and consist of three components implemented separately in each entity: (1) an investment component; (2) a component to support the development of scalable financing mechanisms and build capacity; and (3) a component for project management.

Due to corona pandemic on 18.03.2020, all governmental levels in BiH declared state of emergency during which all economic activity, including on the project, was suspended. In FBH this state of emergency has been lifted on 29.05.2020. Accordingly, the Project closing date was extended until 30.11.2020.

The main activities occurred up to date, as in the reporting period are summarize below.

**Summary of EE investments implemented, ongoing and planned to date, including type of buildings, investments and location (cantons)**

From the BEEP start date until 30th June 2020, we have implemented the energy efficiency measures on 50 public buildings and the preparation of construction works is ongoing for the 5 additional public buildings. The energy certification has been done for 48 buildings whilst the certification for additional 7 buildings is in progress. The total number of beneficiaries/end users is 457,009 out of which 53,04% are women. In 19 building we have a switch from fuel to biomass.

The table below includes the data on 2 public buildings that have been retrofitted during the reporting period.

<table>
<thead>
<tr>
<th>Education</th>
<th>Health</th>
<th>Social</th>
<th>Admin</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canton SA</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>Canton 10</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>Total</td>
<td>2</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1</td>
</tr>
</tbody>
</table>

Table 1: Summary of 2 public buildings finalized EE improvements (by type of building and source of financing)

These investments in several cantons have reduced the energy consumption of selected public buildings, and demonstrated the economic viability of energy efficiency improvements, including reduced recurring energy costs and associated public expenditures. In addition, the subprojects also generated demonstrable co-benefits, such as reduced CO$_2$ emissions and improved indoor comfort levels.

We finalized contract for required TRW & AHC goods and initiated the procurement of an automated data readout system from installed meters of heat energy consumption (TRV for 7 objects and AHC for 4 objects).
Summary of key TA activities implemented to date and during reporting period

Besides supporting the energy efficiency investments (‘subprojects’) in schools, hospitals and clinic centers and other public facilities (e.g. other administrative buildings), the Project is also financing related technical consultancy services (e.g., energy audits, technical and social monitoring and evaluation, technical designs, works supervision and subproject commissioning). The total amount invested so far in those type of consulting services is €1.633.717,66. The source of financing was in majority IDA funds whereby we had a small percentage of donation also.

The amount contracted in the observed period is €88.094,75.

This first component of the Project includes also funds in amount of €120.921,00 for social monitoring and evaluation. This service has been performed on the commonly selected, representative sample of retrofitted public buildings as results in satisfaction and awareness indexes.

The Project’s component 2 supports the development of sustainable energy efficiency financing mechanisms in the public sector, strengthen implementation capacity and help to increase public awareness on energy efficiency.

No new contracts have been signed under Component II in the reporting period.

The Component 3 named Project Management ensures effective project management by the PIUs through financing additional experts, trainings for PIU staff, and covering incremental operating costs. During the reporting period, operating expenses included standard types of these costs (e.g., maintenance and management of equipment and vehicles that are purchased or used for managing projectors, travel and subsistence expenses, office supplies, representation, printing and publication in the newspaper, the cost of translation, and maintenance of the Financial Software (FMS.Sys).

Contracts awarded and Funds disbursed

As a result of all activities mentioned above, we have signed 75 Contracts in total. The Section 5 provides more detail on the contracts relevant for the reporting period.

<table>
<thead>
<tr>
<th>Component</th>
<th>Number of Contracts Signed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Component I</td>
<td>46</td>
</tr>
<tr>
<td>Component II</td>
<td>12</td>
</tr>
<tr>
<td>Component III</td>
<td>24</td>
</tr>
<tr>
<td>Total</td>
<td>82</td>
</tr>
</tbody>
</table>

Table 4: Summary of contracts awarded

As of 30.06.2020 – summary of disbursed funds is 15.628.419,29 mil USD 90,60% of total available funds (FBH parts stands at 17.249.856 mil USD per client connection as of 30.06.2020) and the Remaining funds are 1.621.436,71 USD.
Any procurement complaints received

No complaints have been received on conducted procurement process so far.

BEEP Additional Financing

The following timeline explains main progress steps made in the reporting period:
- 11 March 2020 - Effectiveness date (one of the entities met all requirements)
- 13 May 2020 - Fulfillment of conditions for withdrawal of funds (Condition when the FBH has completed all conditions)

Outlook for next 6 months

In the next reporting period, 01.07.2020-30.11.2020. PIU is planning to complete the construction works and works supervision on remaining, selected five (5) public buildings in Herzegovina-Neretva Canton (HNC).

In the next reporting period, PIU is also planning to:
- Continue with activities for Promotion and Communication
- Energy certification and Energy training for 7 public buildings
- Continue with activities for AF BEEP

2. SUMMARY OF ACTIVITIES COMPLETED AND PROGRESS ACHIEVED UNDER EACH OF THE 3 COMPONENTS DURING THE REPORTING PERIOD

Component 1: EE Investments in Public Facilities

This component support EE improvements in selected public buildings, including related civil works, goods and services.

1.1. Works

In the reporting period works on the Contract - BEEP-P143580-NCB-52-W-19-FBIH were carried out on two facilities. This contract includes works on two schools, one in Canton 10, Primary school “Drvar” in Drvar and High School of Environment and Wood Design Sarajevo in Canton Sarajevo. Selected Contractor for these works is a JV Promark d.o.o. Mostar and ZT Tehnozaštita d.o.o. Mostar. Total value of the Contract is 806,977.37 BAM (VAT included).

Primary school “Drvar” in Drvar
Contract value for the Primary school Drvar is 180,086.97 BAM (incl. VAT). Contract was extended to 30.06.2020, with approval of the Works Supervisor and PIU, while Contractor stopped the works in one period because of the global pandemic and consequential measures. Works on thermal insulation of the roof of old part of the school and new part of the school are carried out, as the replacement of roof on the sports hall with the new prefabricated tin roof cover with thermal insulation, installation of TRV’s, partial replacement of façade openings and works on improvement of boiler room equipment is carried out.
High School for Environment and Wood Design Sarajevo
Contract value for the Secondary school „High School for Environment and Wood Design” in Sarajevo is 626,890.40 BAM (incl. VAT). Contract was extended to 30.06.2020. with approval of the Works Supervisor and PIU, while Contractor stopped the works in one period because of the global pandemic and consequential measures. Works on thermal insulation of external walls, thermal and hydro insulation of the roof, replacement of facade openings, installation of TRV’s, installation of new pumps and valves in the boiler room and installation of EE lightning were carried out.

1.2. Goods

TRV and AHC procurement

Under the procurement plan, procurement of TRV (7 objects) and AHC (4 objects) is planned through one shopping procedure. Contract signed by bidder on January 25, 2020. Due to weather conditions, heating season and limited available non-working days signed Amendment No 1. Amendment No 2 and 3 signed due to COVID-19 for extension of contracted period up to June 15, 2020. Delivery completed until June 15, 2020.

Purchasing and Installation of upgrade of the existing Web registry of Energy Building Certificates at the Ministry with New Modules

Technical specifications for Purchasing and Installation of upgrade of the existing Web registry of Energy Building Certificates at the Ministry with New Modules approved by the World bank on May 10, 2019 as well as direct contracting with company SWALLOW COMMERCE d.o.o. Sarajevo who has developed existing web register. Upon bid submission and draft contract approval by the World bank contract signed on May 29, 2019. Delivery completed within contracted period and Acceptance certificate signed on September 26, 2019.

Automated data readout system from installed meters of heat energy consumption


Enterprise content management (ECM) system with Office Business Process Management (BPM) and Document Management System (DMS) software and application modules, system support hardware, employees training and documentation

Procurement of this activity approved by the WB on June 15, 2020. Technical specification cleared by the WB on June 24, 2020 subject to PIU confirming that there are at least 3 different firms that can provide the goods. Short list and ITQ in the process of preparation.

1.3. Consulting Services

The first component, besides the construction works and goods, covers the procurement of accompanying consultancy services.

Total # of design and supervision activities respectively in the observed period, with related procurement reference, is as follows:
(i) Konjic– national monuments
- Audit of project documentation completed within contracted period.

(ii) Sarajevo, Drvar
- design and audit of the project documentation completed
- for supervision consultancy signed Amendment No 2 for extension of the contracted period until August 15, 2020.

(iii) Mostar, Čapljina, Čitluk, Prozor
- design and audit of the project documentation completed
- for supervision consultancy signed Amendment No 1 for extension of the contracted period until November 30, 2020.

Available VAT refunds and planned use
On the 30.06.2020. we have VAT refunds in the amount of 2.175.907,16 BAM. These refunds are planned to be used partially for financing construction works on public buildings to be selected for 2019 under BEEP combined with remaining BEEP credit funds. At this moment budgeting of VAT allocation for BEEP AF is in process since project become effective in May 2020. But in general, there is a six to nine months difference between the submission of the request for the VAT return and actual realization. Accordingly, the basis for VAT refunds for BEEP AF, inter alia, will be made up from VAT refunds made from construction works in 2019-2020.

Projected annual cantonal repayments, status of related budget request by MPP and allocation by MOF
Related budget request by the Ministry for FY 2020-21 has been submitted in March 2020. Repayments by cantons per previous credit agreements with MoF (for 2016, 2017 and 2018) started in August 2019 (226.859,89 EUR). So, Ministry submitted budget request according to Budget instruction for FY 2020 issued by MoF and include planned repayments (one in 2020 and two in 2021). The plan is that total Ministry budget request be 825.256,43 EUR and allocated to works 2020 under BEEP AF. In the first budget rebalance this Request was not included.

Component 2: Support for the Development of Scalable Financing Mechanisms and Capacity Building
This Component support technical assistance activities aimed at: (i) supporting the development and implementation of scalable EE financing mechanisms; (ii) enhancing local market capacity and improving EE enabling environment; and (iii) strengthening public awareness on EE.

Status of coordination with other partners on scalable financing mechanisms
KfW

The process of negotiating the Seperate Agreement that defines the operationalisation itself is still on going.
In accordance with the Letter of Agreement signed between the Ministry and the United Nations Development Program in BiH dated June 29, 2018, PIU takes over the implementation of the project “Increasing investments in public facilities with low carbon emissions in BiH” (GCH / UNDP) with the start date May 29, 2020.

Energy certification
Based on the contracts of the consortium Ceteor/Euroing and FMPU, and in accordance with our Energy Efficiency Law, we have carried out the process of energy certification of public facilities according to the dynamics of the completion of the works. Until today, works on 48 facilities for which we have made energy certificates have been completed.
Out of these 48 facilities, 12 were classified into energy class A according to FBiH regulations while 36 were in energy class B. No facility was completed in class C, which was one of the goals of a project to increase energy efficiency in public facilities in the FBiH.
For the purpose of energy certification of seven (7) additional objects (2019-2020) starting procedure of selection of a consultant. Upon conducted procedure and selection of the most qualified consultant negotiations in progress before contract signing.

2. Progress per specific activity

Task 1. Increased visits, views and reach of the BEEP digital properties
1. Increasing number of followers/visits, content promotion and building TA engagement on Facebook, Instagram and YouTube
   Status: Six months of advertising completed

2. Campaign planning and optimization
   Status: Six months of activity implemented

Task 2. Upgrade of the existing BEEP project website in order to strengthen transparency and public participation.
2.2. WEB site maintenance and updates
   Status: Six months of activity implemented

Activities from Task 3. and Task 4. were not implemented in the period of January 1st – June 30th 2020.

Task 5. Communication activities aimed to promote BEEP project results, enhance awareness on the benefits and tools to increase EE, and share lessons learned.

Agency has delivered following services:

- Development and publishing of the scientific article
- Production of two video reports on retrofitted buildings based on video and photo materials documented before, during and after implementation of EE (4 objects)
- Social Media Content Development and Management (6 months)
- PR services (6 months)– Public Relations for the project have been handled through the Press Office, that has been counselling and advising on best media exposure, communication types, forms and direction.
- Writing texts for the web site, including English translation (11 pcs)
- Development and distribution of the quarterly Newsletters (2 pcs)
- Publishing thematic articles in online media (1 pcs)
- Quarterly media analyses (1 pc)
Component 3: Project Management

This component provides effective project management by the PIU by financing experts, training for PIU staff and cover operating costs.

Other

STATUS OF GAAP IMPLEMENTATION

The Governance and Accountability Action Plan (GAAP) was adopted by the Ministry as part of the updated Project Operations Manual. It includes a set of measures aimed at: (i) strengthening governance and accountability of the decision-making process throughout implementation; (ii) enhancing transparency and public participation through proactive public disclosure of project information, facilitating citizen engagement and strengthening the GRM of the project; and (iii) facilitating monitoring of early governance indicators.

3. REPORTING ON THE RESULTS INDICATORS AS OUTLINED IN THE RESULTS FRAMEWORK AND THE OM, AND SUMMARIZED BELOW:

The results monitoring and evaluation (M&E) activities are captured in the indicator tracking table submitted with the semi-annual implementation progress reports to the World Bank. That table help to track progress on different aspects of project implementation and track following data and agreed indicators:
- Heated area (m²)
- Normative baseline specific energy consumption
- Fuel switch to biomass
- Investment in BAM including VAT - from DEA and Final invoice
- Specific investment costs (BAM /m²) – from DEA and Final invoice
- Technical M&E before QH,nd [kWh/year]
- Annual energy savings –from DEA and Technical M&E after
- Beneficiaries (total and female)

4. SUMMARY OF PROCUREMENT ACTIVITIES CONDUCTED DURING THE REPORTING PERIOD AND PROCUREMENT PLAN FOR THE NEXT 6 MONTHS

In the period from 01.01.2020-30.06.2020, we have signed six (6) Contracts:

<table>
<thead>
<tr>
<th>Component</th>
<th>Number of Contracts Signed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Component I</td>
<td>6</td>
</tr>
<tr>
<td>Component II</td>
<td>0</td>
</tr>
<tr>
<td>Component III</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>6</strong></td>
</tr>
</tbody>
</table>
Accordingly, from the project start until the 30.06.2020 we have signed 82 Contracts (attached table), and the structure per component is given in the following table:

<table>
<thead>
<tr>
<th>Component</th>
<th>Number of Contracts Signed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Component I</td>
<td>46</td>
</tr>
<tr>
<td>Component II</td>
<td>12</td>
</tr>
<tr>
<td>Component III</td>
<td>24</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>82</strong></td>
</tr>
</tbody>
</table>

**Complaints**
- No complaints have been received on conducted procurement process

**Planned procurement activities for the next period up to November 30, 2020**

**Component 1**
- Completion of works on reconstruction for 5 objects
- Completion of works supervision
- Delivery and Installation of an Automated data readout system from installed meters of heat energy consumption
- Completion of procurement procedure and delivery and installation of Enterprise content management (ECM) system with Office Business Process Management (BPM) and Document Management System (DMS) software and application modules, system support hardware, employees training and documentation

**Component 2**
- Energy certification for public buildings and buildings energy efficiency training under the implementation of the energy efficiency improvements in 7 public buildings

**Component 3**
- This subcomponent provides effective project management by the FBH PIU staff, training for FBH PIU staff, as coverage of all operating costs.
5. DISBURSEMENTS DURING THE REPORTING PERIOD AND DISBURSEMENT PROJECTIONS FOR THE NEXT 5 MONTHS (USD)

<table>
<thead>
<tr>
<th></th>
<th>Period as of today</th>
<th>Reporting period</th>
<th>Plan for period</th>
<th>Remaining funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disbursements/Documented</td>
<td>January 2016 -</td>
<td>January - June</td>
<td>July 2020 -</td>
<td>November -</td>
</tr>
<tr>
<td>Total Project</td>
<td>June 2020</td>
<td>2020</td>
<td>Novembre 2020</td>
<td>March 2021</td>
</tr>
<tr>
<td>Disbursements/Documented</td>
<td>15.911.654</td>
<td>173.588</td>
<td>1.000.000</td>
<td>160.486</td>
</tr>
<tr>
<td>During Reporting Period</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cumulative total disbursements and commitments</td>
<td>15.911.654</td>
<td>173.588</td>
<td>1.000.000</td>
<td>160.486</td>
</tr>
</tbody>
</table>

6. FINANCIAL MANAGEMENT (IF ANY, PLANNED OR COMPLETED ACTIVITIES, ISSUES/CHALLENGES)

Up to date, PIU has been submitting regularly quarterly Interim unaudited financial reports. The latest submitted set of reports was for the first quarter of 2020. There are currently no overdue audit reports for the project and the latest audit was for the FY 2019 (April 2020). The auditors (BIRK & TILL) have issued unmodified (clean) opinions on the project financial statements for the years then ended. The audit was performed in accordance with the International Standards on Auditing. The auditors have issued management recommendation letters. We are still awaiting notice send by the TTL that the auditor’s report, audited financial statements are acceptable to the World Bank.

As part of our reporting obligations towards government, during reporting period, Information on project implementation (IP forms) for 1st quarter of 2020 was submitted to the Federal ministry of finance and the disbursement projection to the Ministry of finance and treasury BiH. It is important to note that time between receipt of invoice by the PIU, approval by the minister and minister of finance and submission of invoice for payment is about 15 days. At this moment, even in the period during the emergency situation declared by the Government of BiH due to the pandemic of COVID, we did not have problem with signing of payment orders and applications by FMF and MFT. The period for processing of application is 20 – 25 days.

To date, PIU BEEP refunded 3.489.159,33 BAM of VAT. Per government decision, 420.567 BAM was allocated to works for construction season 2017 under the contract BEEP-P143580-NCB-37-W-16-FBiH for five federal buildings. Also 956.932 BAM (546.308 BAM – HNK, 267.467 BAM – ZDK, 143.157 BAM –KS) was allocated to three contracts for works 2018 (11 buildings) and 115.743,38 BAM was allocated to one contract for works in 2019. The amount of 241.983,37 was allocated to one contract BEEP-P143580-NCB-52-W-19-FBiH for two buildings.

Beside contracts for work we allocated the amount of 339.134.51 BAM to contracts for technical assistance under Component 1.
Remaining VAT funds will be allocated to works for season 2019-2020 along with credit funds. Beside VAT funds, the amount of 677,589 BAM (160,981 BAM – KS and 516,608 BAM – HNK) was allocated to project by Cantonal government. So far 30.981 BAM was allocated to BEEP-P143580-NCB-31-W-16-FBIH (KS) and 516.608 BAM to BEEP-P143580-NCB-35-W-16-FBIH (HNK). Remaining 130,000 BAM is allocated to contract BEEP-P143580-NCB-48-W-18-FBIH – works in KS-2018. The amount of 73,372.75 BAM is allocated to the project by K10 Cantonal government for co-financing of contract BEEP-P143580-NCB-52-W-19-FBiH.

7. ENVIRONMENTAL AND SOCIAL SAFEGUARDS (IF ANY, PLANNED OR COMPLETED ACTIVITIES, ISSUES/CHALLENGES)

The EMPS have been done for all buildings. In line with World Bank recommendations FBH PIU developed special document for Environmental Management Plan (EMP). During the last mission that took place from 23.09.19-25.09.19 we have agreed with the World Bank Environmental specialist to update the EMP, what has been done. The updated version will be used for new construction sites.

GRIEVANCE REDRESS MECHANISM

In the reporting period, PIU did not received any oral grievance/complaint.

8. OUTLOOK FOR THE NEXT REPORTING PERIOD

In the next reporting period, 01.07.2020-30.11.2020. PIU is planning to complete the implementation of energy efficiency measures on selected five (5) public buildings in HNC. The structure of those public buildings that should be retrofitted is given in the table that follows.

<table>
<thead>
<tr>
<th>Canton</th>
<th>Schools</th>
<th>Health centers</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Herzegovina-Neretva Canton (HNC)</td>
<td>2</td>
<td>2</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>TOTAL</td>
<td>2</td>
<td>2</td>
<td>1</td>
<td>5</td>
</tr>
</tbody>
</table>

Table 9: Structure of public buildings 2020

In the next reporting period, PIU is also planning to:
- Continue with activities for Promotion and Communication
- Continue with activities for AF BEEP

Procurement Plan will be updated in agreement with the Bank at least once a year or as required to reflect actual project implementation needs. The updated Procurement Plan, without the information about the cost, will be published on the website of the World Bank, Ministry website, as on the Project website.

The Implementation Tracking Table will be continuously updated in accordance with the actual data/inputs.