From **April 1st 2019 to September 15th 2019**, the Federal Ministry of Physical Planning has realized a series of activities within the Energy Efficiency Project for B&H 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 US$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.

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

### 1. 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 supports EE improvements in selected public buildings, including related civil works, goods and services.

#### 1.1. Works

**Status of completed EE works**

From the BEEP start date until 15th September 2019, energy efficiency measures have been implemented on 48 public buildings. Energy performance certificates have been issued for all buildings. The summary data on completed EE improvements is presented in the following two tables.

<table>
<thead>
<tr>
<th>Total</th>
<th>Heated area</th>
<th>Investments</th>
<th>Weighted average simple payback time</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td># buildings</td>
<td>m²</td>
<td>€ total</td>
</tr>
<tr>
<td>Education</td>
<td>35</td>
<td>91.307</td>
<td>7.643.368,87</td>
</tr>
<tr>
<td>Health</td>
<td>8</td>
<td>46.887</td>
<td>3.133.563,16</td>
</tr>
<tr>
<td>Social</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Administrative</td>
<td>1</td>
<td>3.155</td>
<td>237.760,00</td>
</tr>
<tr>
<td>Other</td>
<td>4</td>
<td>4.173</td>
<td>438.294,43</td>
</tr>
<tr>
<td>TOTAL</td>
<td>48</td>
<td>145.522</td>
<td>11.452.986,46</td>
</tr>
</tbody>
</table>

*Table 1: Summary of completed EE improvements*
### Table 2: Summary of completed EE improvements

<table>
<thead>
<tr>
<th></th>
<th>Education</th>
<th>Health</th>
<th>Social</th>
<th>Admin</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canton ZDK</td>
<td>15</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>16</td>
</tr>
<tr>
<td>Canton SA</td>
<td>7</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>8</td>
</tr>
<tr>
<td>Canton HNK</td>
<td>13</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>14</td>
</tr>
<tr>
<td>Canton 10</td>
<td>-</td>
<td>2</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2</td>
</tr>
<tr>
<td>Federation</td>
<td>-</td>
<td>3</td>
<td>-</td>
<td>1</td>
<td>4</td>
<td>8</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>35</strong></td>
<td><strong>8</strong></td>
<td>-</td>
<td><strong>1</strong></td>
<td><strong>4</strong></td>
<td><strong>48</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>MWh</th>
<th>tons</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL lifetime (20 years)</td>
<td>48</td>
<td>145.522</td>
</tr>
</tbody>
</table>

### Table 3: Summary of geographical location of completed EE improvements
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. Technical design documentation for two objects in ZE-DO canton exist, while for another two (Livno and Mostar) it should be prepared. For this purpose, upon World Bank’s approval, consultant Euroing doo Bihać was engaged on the SSS basis and the contract was signed.

1.3. Consulting Services

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

Summary relating to Detailed Energy Audits (DEAs)
From the BEEP start date until 15th September 2019. There were two procurement processes/contracts awarded for DEAs. As a result 102 complete DEAs were completed.

Summary relating to Technical Design Documentation and Supervision
From the BEEP start date until 1st April 2019, we have procured 53 Designs. All produced Design Documentation has been audited by licensed, independent companies.

Design Documentation and Supervision
Based on draft TOR approval by the World Bank on April 29th, 2019 the final version of TORs was prepared for three groups of objects in: (i) Konjic – national monuments, (ii) Sarajevo, Drvar, (iii) Mostar, Čapljina, Čitluk, Prozor. Accordingly, three Requests for expression of interest were prepared and published on June 7th, 2019 in daily newspapers Dnevni Avaz and Večernji list, as well as on Ministry and project website.

Summary relating to Social Monitoring and Evaluation –
Federal Ministry of Physical planning signed contract with the selected consultant Energis Sarajevo on 5th April, 2016 for the performance of the consultant service – Social monitoring and evaluation (including satisfaction and awareness surveys).

In the observed period the selected Consultant has performed social monitoring after, for the sample of the buildings retrofitted during 2018. The Final Performance Evaluation is in process and expected to be completed in October 2019.
1.4. Status preparation and implementation of revolving financing

Revolving financial model

The revolving financing model agreed for BEEP AF looks as presented in the Figure 1. As per arrangements under BEEP, participating cantons and municipalities would continue to repay the costs of EE improvements in municipal/ cantonal buildings to the FBiH Ministry of Finance over a 10-year period.²

As part of the revolving financing model, the semi-annual repayments from local Governments ('project reflows') for EE investments supported under both BEEP and its AF will be reinvested in the form of joint co-financing with loan proceeds to scale-up EE improvements in cantonal/ municipal buildings. The project reflows will be allocated as part of the annual budget process to the BEEP special account set-up by the Government in 2015 (separate from the IDA/IBRD designated accounts), and be complemented by recurrent VAT refunds on eligible project expenses. The preparation and implementation of EE investments supported under the AF, including those jointly co-financed from other sources, would continue to be managed through the PIU under the FB&H Ministry of Physical Planning. For the duration of the project, the revolving financing model in the FB&H is estimated to generate an additional €6.5 million in available co-financing to BEEP AF resources. Along with the loan proceeds allocated to Component 1 (€14.2) for FB&H, this is estimated to enable financing of EE retrofits in about 61 public buildings.

1.5. Outlook for next reporting period

This section should provide an outlook for the period until 31st of December 2019 and cover the following aspects at a minimum:

a) Selection of new buildings

Until 15th September 2019, the Ministry received a Government/Parliament Decision from the following cantons:

²The terms and conditions, including the repayment schedule, are stipulated in Subsidiary Financing Agreements concluded between the local self-Governments and the FBiH Ministry of Finance.
(i) Decision of the Government of the HNK with proposal of 5 objects; among those 5 objects there is a building declared as national monument and we are still in the process of defining its status in the context of this Project

(ii) Decision of the Government of the KS with proposal of 1 objects

(iii) Decision of the Government of the HBC (Canton 10) with proposal of 1 objects (whereby the works will be financed out of available VAT refund for this Canton, and the expected difference between the DEA and agreed actual works value will be financed out of the cantonal budget funds)

(iv) Decision of the Parliament of the KS to accept the loan

(v) KS signed the Subsidiary agreement with the Federal Ministry of Finance.

Component 2: Support for the Development of Scalable Financing Mechanisms and Capacity Building

This Component supports 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.

Scalable Financing Mechanism

**Planned activities for the next four months:**

The second phase of the issues and Options Study has been initiated in July 2019 on the basis of revised Terms of References (under preparation) and by team comprised by international consultant and two local consultants. The second phase is focusing on implementing the decision by the PSC and the Government by developing detailed arrangements for enhancing the revolving financing mechanisms implemented as part of BEEP AF within the Ministry of Physical planning.

In addition, €220,000 has been allocated under the BEEP AF to develop the detailed design of arrangements that allow continuation of the revolving Fund independent of BEEP and its AF.

**Status of coordination with other partners on scalable financing mechanisms**

**KfW**

From 24<sup>th</sup> June 2019 until 5<sup>th</sup> July 2019, we held the negotiation with KfW delegation for EUR 9.5 million grant, for the implementation of the Energy Efficiency in Public Buildings (EEiPB) project in Federation of B&H (FB&H). On 30<sup>th</sup> July 2019 the Ministry signed Minutes of Meeting that summaries the results of the discussion and the key features of the EEiPB. The conclusion set out in that MoM are subject to the approval of the project concept by the authorities of B&H and FB&H, KfW management and German government.

**WBIF**

The WBIF (Western Balkans Investment Framework) has opened 5<sup>th</sup> call for grant application. But the precondition for the application is that the country has formed the list of SSPP (Single Source Pipeline Projects) for energy sector. Currently, the B&H is forming this list. For that purpose, we have developed PIF (Project Initiation Form). If the list be finalized until November and if we are going to be on the list, we could apply for this Call.
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 FB&H 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 FB&H.

Communication and Promotion Activities

From April 1st 2019, until September 15th 2019, Via Media implemented following communication/promotional activities:

Progress per specific activity

Task 1. Increased visits, views and reach of the BEEP digital properties

1.1. WEB traffic campaign (advertising)
1.2. Increasing number of followers/visits, content promotion and building TA engagement on Facebook, Instagram and YouTube
1.3. Production of Ads for the WEB traffic campaign (web banners, social media posts etc.)
1.4. Campaign planning and optimization

Task 2. Upgrade of the existing BEEP project website in order to strengthen transparency and public participation.

2.2. WEB site maintenance and updates

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:

- Share knowledge products
- Social Media Content Development and Management
- PR services
  - Press Releases - writing, distribution and lobbying (2 pcs)
  - Targeting media
  - Writing texts for the web site, including English translation (8 pcs)
  - Development and distribution of the quarterly Newsletters (2 pcs)
  - Writing and publishing thematic articles for online media (4 pcs)
  - Design of materials for speaking opportunities (1 pc)
  - Press Clipping
  - Two quarterly media analyses

- Awareness rising campaign – Production of the two videos and its placement at the social media
- Production of two video reports on 20 retrofitted objects based on photo and video documentation of state before, during and after project implementation (5 objects)
- Design and production of brochures highlighting cantonal accomplishments

More information can be found in Annex 8
More information on each activity in Annex 8
Other capacity buildings activities
The Team Leader attended the certification course Project Management of Frankfurt School of Finance & Management. Upon passing the final examination she is awarded the title Certified Project Manager.

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 of Physical Planning 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 o the project; and (iii) facilitating monitoring of early governance indicators.

2. 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)

What follows is a brief visual presentation of key indicators for 2018-2019. Also, the PIU has submitted to the Bank the required data for establishing the Regional Data Base. This table is also attached to this Report.
### Beneficiaries

<table>
<thead>
<tr>
<th>Total beneficiaries</th>
<th>Female beneficiaries</th>
<th>% Female beneficiaries</th>
</tr>
</thead>
<tbody>
<tr>
<td>#</td>
<td>#</td>
<td>#</td>
</tr>
<tr>
<td>503</td>
<td>255</td>
<td>51%</td>
</tr>
<tr>
<td>739</td>
<td>384</td>
<td>52%</td>
</tr>
<tr>
<td>655</td>
<td>141</td>
<td>22%</td>
</tr>
<tr>
<td>640</td>
<td>216</td>
<td>34%</td>
</tr>
<tr>
<td>755</td>
<td>380</td>
<td>50%</td>
</tr>
<tr>
<td>633</td>
<td>308</td>
<td>49%</td>
</tr>
<tr>
<td>423</td>
<td>212</td>
<td>50%</td>
</tr>
<tr>
<td>488</td>
<td>326</td>
<td>67%</td>
</tr>
<tr>
<td>785</td>
<td>415</td>
<td>53%</td>
</tr>
<tr>
<td>292</td>
<td>129</td>
<td>44%</td>
</tr>
<tr>
<td>388</td>
<td>266</td>
<td>69%</td>
</tr>
<tr>
<td><strong>6,301</strong></td>
<td><strong>3,032</strong></td>
<td><strong>48%</strong></td>
</tr>
</tbody>
</table>

*Table 4: 2018/2019 indicators*

### 3. SUMMARY OF PROCUREMENT ACTIVITIES CONDUCTED DURING THE REPORTING PERIOD AND PROCUREMENT PLAN FOR THE NEXT 18 MONTHS

In the period from 1\textsuperscript{st} April 2019 till 15\textsuperscript{th} September 2019, we have signed following six (7) Contracts:

<table>
<thead>
<tr>
<th>Component</th>
<th>Number of Contracts Signed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Component I</td>
<td>3</td>
</tr>
<tr>
<td>Component II</td>
<td>4</td>
</tr>
<tr>
<td>Component III</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>7</strong></td>
</tr>
</tbody>
</table>

Accordingly, from the project start until the 15\textsuperscript{th} September 2019, we have signed 72 Contracts 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>38</td>
</tr>
<tr>
<td>Component II</td>
<td>12</td>
</tr>
<tr>
<td>Component III</td>
<td>22</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>72</strong></td>
</tr>
</tbody>
</table>
Complaints

- No complaints have been received on conducted procurement process

Planned procurement activities for the next period up to 31st December 2019

Component 1

- Completion of procurement procedure for objects in HNK canton and contract signing for Combined Services (Design and Works Supervision)
- Completion of procurement procedure for objects in Sarajevo, Drvar and objects in HNK canton and contract signing for Audit of Design
- Works on reconstruction of xxx objects in 2019
- Contracting of works contractor for roof replacement in Zavidovići
- Purchasing and Installation of TRW & AHC
- Purchasing and Installation of an Automated data readout system from installed meters of heat energy consumption (35 objects).

Component 2

No pending activities.

Component 3

- This subcomponent provides effective project management by the FBH PIU staff, training for FBH PIU staff, as coverage of all operating costs;
- At the end of each fiscal year, FBH PIU also needs to finance the external financial audit, from the funds under this Component.

4. OUTLOOK FOR THE NEXT REPORTING PERIOD

In the next reporting period, 15.09.2019-31.12.2019. PIU is planning to complete the implementation of energy efficiency measures on selected seven (7) public buildings in three (3) Cantons. The structure of those public buildings that should be retrofitted is given in the table that follows.

<table>
<thead>
<tr>
<th>Schools</th>
<th>Health centers</th>
<th>Other</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sarajevo Canton</td>
<td>1</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Canton 10</td>
<td>1</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Herzegovina-Neretva Canton</td>
<td>2</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>4</strong></td>
<td><strong>2</strong></td>
<td><strong>1</strong></td>
</tr>
</tbody>
</table>

*Table 5: Structure of public buildings 2019*
The selection process of new building is expected to be finalized in HNK, so we can start the procurement of required technical consulting services.

In the next reporting period, PIU is also planning to:
• Continue with activities for Promotion and Communication
• Continue with activities for Developing the scalable financing mechanism
• Continue with activities for extending BEEP duration until June 30th 2020
• Continue with activities for AF BEEP effectiveness.