



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

JP Autoceste FBiH d.o.o. Mostar

**PROJECT PROGRESS REPORT
As of 30th September, 2018**

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

Mostar, October 2018

CONTENTS:

1. INTRODUCTION.....	3
<i>Project description</i>	<i>3</i>
2. LOAN AGREEMENTS	5
3. PROCUREMENT PLAN.....	7
4. MAIN DESIGN	10
5. PREPARATORY ACTIVITIES FOR CONSTRUCTION PROJECTS.....	Error! Bookmark not defined.
5.1. Section Poprikuša - Nemila	Error! Bookmark not defined.3
5.2. Section Northern Border of the municipality Zenica (Nemila) - Zenica North (D. Gračanica)	Error! Bookmark not defined.3
5.2.1. Subsection Nemila - Vranduk.....	Error! Bookmark not defined.3
5.2.2. Subsection Vranduk - Ponirak.....	Error! Bookmark not defined.
5.2.3. Subsection Ponirak - Vraca.....	Error! Bookmark not defined.
5.2.4. Subsection Donja Gračanica (Zenica North) - Tunnel Zenica	Error! Bookmark not defined.
5.3. Section Tarčin - Konjic	Error! Bookmark not defined.
5.3.1. Subsection: LOT 2 Tunnel Ivan.....	Error! Bookmark not defined.
5.4. Section Konjic - Mostar North (Salakovac)/Subsection LOT 3 - Tunnel Prenj.....	Error! Bookmark not defined.
5.5. Section Mostar South - Buna	16
5.6. Section Počitelj - Bijača	Error! Bookmark not defined.
5.6.1. Subsection Počitelj - Zvirovićj.....	Error! Bookmark not defined.
6. CONSTRUCTION PROJECTS	19
6.1. Section Svilaj - Odžak, I section	19
6.2. Subsection Drivuša - Klopče	21
6.3. Subsection Klopče - Donja Gračanica	22
6.4. Section Buna - Počitelj	24
7. FINANCIAL POSITION.....	Error! Bookmark not defined.5
7.1. Section: Svilaj - Odžak	Error! Bookmark not defined.5
7.2. Subsection: Drivuša - Klopče	Error! Bookmark not defined.
7.3. Subsection: Klopče - Donja Gračanica	Error! Bookmark not defined.
7.4. Section: Buna - Počitelj	Error! Bookmark not defined.7
8. ENVIRONMENTAL IMPACT	28
Appendix 1.....	29
Progress of construction works on 30 th September, 2018	29
1. Section: Svilaj - Odžak	30
2. LOT 1: Subsection: Drivuša - Klopče	Error! Bookmark not defined.
3. LOT 2: Subsection: Klopče - Donja Gračanica	Error! Bookmark not defined.
4. Section Buna - Počitelj	Error! Bookmark not defined.

1. INTRODUCTION

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

Project description

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

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

Corridor Vc is multimodal road corridor that connects Hungary Budapest to Ploče (Croatia), via Osijek (Croatia) and Sarajevo (Bosnia and Herzegovina), it is also the largest project of transport infrastructure in Bosnia and Herzegovina with a total length of about 323 km. The construction of the highway Corridor Vc enhances connectivity of BiH with neighboring countries and enhances the potential for economic development. The project has strong support from the Government of the Federation of Bosnia and Herzegovina, and is expected to enable Bosnia and Herzegovina, better integration with the European economic and social structures in Europe.

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

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

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

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

- Zvirovići - Bijača



Map of motorways and expressways in Bosnia and Herzegovina

2. LOAN AGREEMENTS

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

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

In the previous period the loan agreements were concluded with:

- Kuwait Fund for Arab Economic Development (KFAED) in the amount of **10.5 million KWD** (Kuwaiti dinars). The construction of the motorway section Donja Gračanica - Drivuša, subsections Drivuša - Klopče has been financed by this loan.
- OFID - OPEC Fund for International Development in 6th April 2016, the amount of approximately **60 million EUR** (48 million USD and 24 million EUR) to finance the construction of subsection Klopče - Donja Gračanica.
- OFID - OPEC Fund for International Development in 30th August 2018 the amount of **49 million EUR** for co-financing the construction of the subsection Vranduk - Ponirak.
- European Investment Bank (EIB) in October 2015, the amount of **100 million EUR** for the construction of subsection Počitelj - Zvirovići.
- European Investment Bank (EIB) in 26th April 2018, the amount of **100 million EUR** for the construction of subsection Tunnel Kvanj - Buna.
- European Investment Bank (EIB) in 26th April 2018, the amount of **50 million EUR** for the construction of subsection Ponirak - Vraca.
- European Bank for Reconstruction and Development (EBRD) Loan funds became effective as of 30th March 2018, in the amount of:
 - **80 million EUR** to finance the construction of subsections Donja Gračanica (Tunnel Pečuj) - Tunnel Zenica and section Buna - Počitelj and
 - **76 million EUR** for co-financing the construction of Phase II of the section Svilaj-Odzak and co-financing subsection Klopče - Donja Gračanica (tunnel Pečuj).
- European Bank for Reconstruction and Development (EBRD) in 26th September 2018, in the amount of:
 - **70 million EUR** to finance the construction of sections Poprikuša - Nemila,
 - **50 million EUR** to finance the construction of subsections LOT 2 Tunnel Ivan,
 - **50 million EUR** to finance the construction of subsections Mostar South - Tunnel Kvanj.

In addition to the current loan arrangements JP Autoceste FBiH has initiated and other activities related to the providing necessary financial resources from international financial institutions such as:

- The loan from the **KFAED** in the amount of **36 million EUR** for co-financing the construction of the **subsection Nemila - Donja Gračanica Lot 3. Nemila - Vranduk**. The procedures of credit borrowing are completed. The procedure of contract ratification and credit effectiveness is in progress.

A funding initiative was forwarded to the relevant ministries for the following section:

- The loan from European Bank for Reconstruction and Development (EBRD) in the amount of **36 million EUR** for financing the construction of the section of Coridor Vc from Entity boundary line (Tunnel Putnikovo Brdo 2) - Karuše (interchange Medakovo).

Also, in March 2018, the European Investment Bank (EIB) informed the JP Autoceste FBiH of its readiness to participate in the financing of projects of construction of motorway sections Poprikuše - Nemila loan funds in the amount of **90 million EUR** and subsection Tarcin - Ivan loan funds in the amount of **50 million EUR**.

3. PROCUREMENT PLAN

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

Values are given in 000 EUR

No.	Description	Estimated	Financed by	Financed by others	Contract	Contract	Procurement	Tender	Contract	Contract
		Contract Value	EBRD/EIB/KFAED/OP EC	Investor	Amount including VAT	Type	method	Invitation month/year	Award month/year	Completion month/year
1.	Svilaj (northern border with Croatia) - Odžak motorway project	1.500		MKTBiH		Design	Competitive	Aug-07	Feb-08	Aug-11
2.	Svilaj (northern border with Croatia) - Odžak supervision services of construction	I phase 3.000	EIB		3.204	Supervision	Competitive	Nov-11	Sep-13	Nov-16 ¹
		II phase 1.500	EBRD		1.186	Supervision	Direct contacting	Feb-17	Mar-17	Dec-19
3.	Svilaj (northern border with Croatia) - Odžak construction works	31.000	EIB		85.648	Construction Works	Open	Nov-11	Sep-13	Nov-14 ²
		38 500	EBRD							
4.	Donja Gračanica - Drivuša motorway design	2.262		MKTBiH		Design	Competitive		Dec-07	Jun-10
5.	Donja Gračanica - Drivuša - motorway supervision	5.000								
a	Drivuša - Klopče	2.000	KFAED		3.323	Supervision	Competitive	Sep-13	Sep-14	June-20 ⁴
b	Klopče - Donja Gračanica	3.000	OPEC		5.473	Supervision	Competitive	Oct-14	May-16	Nov-20
6.	Donja Gračanica - Drivuša - construction works	138.000								
a	Drivuša - Klopče	28.000	KFAED		33.527	Construction works	Open	Sep-13	Sep-14	Mar-17 ⁵
b	Klopče - Donja Gračanica	110.000	OPEC		107.879	Construction works	Open	Oct-14	May-16	Nov-18
		36 000	EBRD							
7.	Počitelj - southern border with Croatia motorway design	2.500		MKTBiH		Design	Competitive	Aug-07	Feb-08	April-11

8.	Počitelj - Zvirovići the new motorway design	2.000	EIB-grant		2.327	Design	Competitive	July-12	Oct-13	Dec-14 ³
9.	Počitelj - Zvirovići supervision services of construction	4.500	EIB			Supervision	Competitive	May-17	Dec-18	Jul-23
10.	Technical assistance to PIU	600	EIB			Supervision	Competitive	May-17	Jun-18	May-21
11.	Počitelj - Zvirovići, construction works	105.000	EIB			Construction works	Open	Jul-18	Jan-19	Jul-21
12.	Donja Gračanica - Tunnel Zenica motorway construction	47.000	EBRD			Construction works	Open	Jul-16	Nov-18	May-21
13.	Donja Gračanica - Tunnel Zenica supervision services of construction	2.500	EBRD			Supervision	Competitive	Dec-16	Jul-18	Feb-23
14.	Mostar South - border with Croatia motorway project	2.219		MKTBiH		Design	Competitive		Jan-08	July-09
15.	Buna - Počitelj supervision services of construction	2.500	EBRD			Supervision	Competitive	Dec-16	May-18	Nov-21
16.	Buna - Počitelj, motorway construction	30.000	EBRD			Construction works	Open	Jul-16	May-18	Nov-19
17.	Ponirak-Vraca motorway construction	72.000	EIB EBRD			Construction works	Open	Jul-17	Mar-19	Sep-21
18.	Ponirak - Vraca supervision	3.000	WBIF			Supervision	Competitive	Jul-17	Mar-19	Sep-23
19.	Ponirak-Vraca technical assistance	600	EIB			Supervision	Competitive	Mar-18	Dec-18	Jun-21
20.	Vranduk - Ponirak motorway construction	48.000	OFID			Construction works	Open	Jul-17	Dec-18	Dec-20
21.	Vranduk - Ponirak supervision	2.500	OFID			Supervision	Competitive	Jul-17	Dec-18	Dec-22
22.	Tarčin-Ivan, LOT 2 tunnel Ivan motorway construction	48.230	EBRD other funds			Construction works	Open	Aug-18	Jul-19	Jan-22
23.	Tarčin-Ivan, LOT 2 tunnel Ivan supervision	2.500	EBRD			Supervision	Competitive	Aug-18	Jun-19	Jan-24
24.	Tarčin-Ivan, LOT 2 tunnel Ivan technical assistance	800	EBRD			Supervision	Competitive	Aug-18	Jul-19	Jan-22
25.	Poprikuše-Nemila motorway construction	180.190	EBRD EIB other funds			Construction works	Open	Aug-18	Jul-19	Jul-22
26.	Poprikuše-Nemila supervision	6.200	EBRD			Supervision	Competitive	Aug-18	Jun-19	Jul-24
27.	Poprikuše-Nemila technical assistance	1.200	EBRD			Supervision	Competitive	Aug-18	Jun-19	Jul-22
28.	Nemila-Vranduk motorway construction	34.600	KFAED			Construction works	Open	Jul-18	May-19	May-21
29.	Nemila-Vranduk supervision	1.400	KFAED			Supervision	Competitive	Apr-18	Apr-19	Apr-23
30.	Tunnel Kvanj-Buna motorway	66.970	EIB			Construction	Open	Dec-18	Nov-19	May-22

	construction					works				
31.	Tunnel Kvanj-Buna supervision	3.500	EIB WBIF			Supervision	Competitive	Aug-18	Jun-19	Jan-24
32.	Tunnel Kvanj-Buna technical assistance	800	EIB WBIF			Supervision	Competitive	Aug-18	Apr-19	Jan-22
33.	Land Expropriation	29.342		JPAFBiH						
34.	VAT (17%)	143.665		JPAFBiH						
35.	TOTAL:	8.481		MKTBiH						
36.	TOTAL:	181.488		JPAFBiH, MKTBiH						
37.	TOTAL:	845.090	EBRD EIB KFAED OPEC							

Table 1. Procurement plan

¹ Addendum 1 - Deadline for supervision has been extended until June 2017

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

³ Addendum 2 - Deadline for completion of design services was extended until March 2015

⁴ Addendum 2 - Deadline for supervision has been extended until June 2020

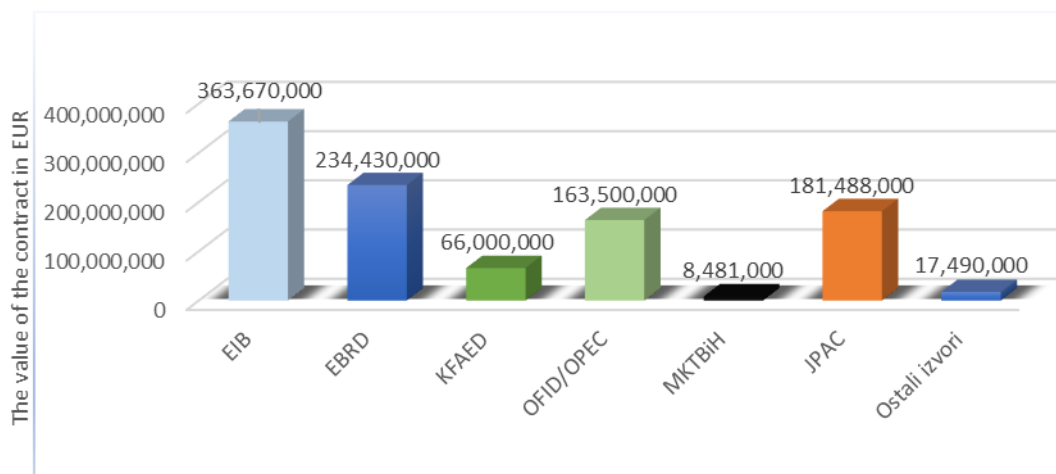
⁵ Addendum 1, by which the deadline for construction works shall be extended until July 2018, is expected to be signed in the upcoming period.

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

Legend: **MKTBiH** - Ministry of Transport and Communications BiH ; **JPAFBiH**- JP Autoceste FBiH d.o.o. Mostar (PC Motorways of FBH ltd. Mostar)

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

PROCUREMENT PLAN



4. MAIN DESIGN

The procedure for issuing urban permits and construction permits in the Federation of BiH is defined by the provisions of the Law on Spatial Planning and Land Use in the Federation of Bosnia and Herzegovina.

In early 2013 came into force the Law on the highway on the Corridor Vc that is applied to the issuance of urban permits and construction permits for the construction of sections of the highway on Corridor Vc and as *lex specialis* prescribes shorter deadlines and simpler procedure of issuing approvals and permits.

Status of main projects, expropriation, consent Institution necessary for obtaining urban permits and construction permits are shown in Table 2.

No	Section	Procedure	Status	Note:
1.	Svilaj - Odžak	Main Design	Completed	Section under construction.
		Expropriation	100%	
		Consents /Permits	Completed	
2.	Karuše - Ozimice	Main Design	0%	Preliminary design for the section is completed
		Expropriation	0%	
		Consents /Permits	Obtained all prior permit / Urban permit obtained	
3.	Ozimice - Poprikuša	Main Design	0%	Preliminary design for the section is completed
		Expropriation	0%	
		Consents /Permits	Obtained all prior permits	
4.	Poprikuše - Nemila	Main Design	95%	Preliminary design for the section is completed The commission for the implementation of the expropriation is formed and splitting cadastral parcels has been finished.
		Expropriation	0%	
		Consents /Permits	Obtained all prior permits	
5.	Section: The northern border of the municipality of Zenica (Nemila) - Zenica North (D. Gračanica)			For subsection Vranduk - Ponirak and Ponirak - Vraca, a request for issuing urban permit is submitted. Urban permit obtained. The process of obtaining approvals and consents, that are necessary for issuing a construction permit, is in progress On the Vranduk - Ponirak section, the expropriation process takes place regularly with good dynamics.
	Subsection Nemila - Vranduk	Main Design	70%	
		Expropriation	0%	
		Consents /Permits	Obtained all prior permits	
	Subsection Vranduk - Ponirak	Main Design	100%	
		Expropriation	86,48%	
		Consents /Permits	Obtained all prior permits	
	Subsection Ponirak - Vraca (Tunel Zenica)	Main Design	Completed	
		Expropriation	93,37%	
		Consents /Permits	Obtained all prior permits	
	Subsection Vraca - D.Gračanica	Main Design	0%	
		Expropriation	99,78%	
		Consents /Permits	Urban permit obtained .	
6.	Section Drivuša - Donja Gračanica			Section under construction.
	Subsection Drivuša - Klopče	Main Design	Completed	
		Expropriation	100%	
		Consents /Permits	Completed	
	Subsection Klopče - D.Gračanica	Main Design	Completed	
		Expropriation	97%*	
		Consents /Permits	Completed	

7.	Section Tarčin - Konjic			Preliminary design for the subsection Ivan - Ovčari and Ovčari –Konjic is completed
	Subsection Tarčin - Ivan	Main Design	Completed	
		Expropriation	99%	
		Consents /Permits	Obtained all prior permits / Urban permit obtained	
	Subsection Ivan - Ovčari	Main Design	0%	
		Expropriation	0%	
		Consents /Permits	0%	
	Subsection Ovčari - Konjic	Main Design	0%	
		Expropriation	0%	
		Consents /Permits	All prior permits are ongoing.	
8.	Konjic - Prenj	Main Design	0%	Preliminary design for the route optimization is completed. The process of obtaining environmental and urban consent is in progress.
		Expropriation	0%	
		Consents /Permits	All prior permits are ongoing	
9.	Tunnel Prenj	Main Design	0%	Preliminary design for the route optimization is completed. The process of obtaining environmental and urban consent is in progress. Due to the lack of determination of the public interest of the Government of FBiH it is not possible to start the expropriation process
		Expropriation	0%	
		Consents /Permits	All prior permits are ongoing	
10.	Tunnel Prenj (Salakovac) - Mostar North	Main Design	0%	Preliminary design for the section is completed
		Expropriation	0%	
		Consents /Permits	All prior permits are ongoing	
11.	Mostar North - Mostar South	Main Design	Completed	The handover of Technical documentation between MKTBiH and JP Autoceste FBiH was carried out. It is necessary to do redesign of Main Design in accordance with the Spatial Plan of Corridor Vc.
		Expropriation	0%	
		Consents /Permits	0%	
12.	Section Mostar South – Buna			Preliminary design for both subsections is finished. The process of obtaining approvals and consents, that are necessary for issuing an urban permit, is in progress. Government of FBiH determined public interest for the section Tunnel Kvanj - Buna and the expropriation process started.
	Subsection Mostar South – tunel Kvanj	Main Design	0%	
		Expropriation	0%	
		Consents /Permits	0%	
	Subsection Tunel Kvanj – Buna	Main Design	0%	
		Expropriation	0%	
		Consents /Permits	0%	
13.	Section Buna - Počitelj	Main Design	Completed	Urban permit is obtained. Request for construction permit is submitted. Contract for the construction of Buna-Počitelj was signed. Construction of the section is ongoing.
		Expropriation	99,77%	
		Consents /Permits	Urban permit obtained	
14.	Section Počitelj - Bijača			Urban permit is obtained. A tender for construction of subsection Počitelj-Zvirovići is being prepared.
	Subsection Počitelj - Zvirovići	Main Design	Completed	
		Expropriation	93%*	
		Consents /Permits	Completed	

Table 2. Progress of main design, expropriation and permits.

*With decisions on urgent entry into the possession of the Government of FBiH included, section is 100% completed.

5. PREPARATORY ACTIVITIES FOR CONSTRUCTION PROJECTS

The preparatory activities for construction projects divided into sections and subsections are presented in the following paragraphs:

5.1. Section Poprikuša - Nemila

Procurement of the construction of the motorway on Corridor Vc:

Prequalification document submitted to the Bank for issuing its no-objection on 3rd August 2018. Bank's no-objection has been received on 17th August 2018. Invitation for Prequalification has been issued on 20th August 2018. Deadline for submission of application is 4th October 2018.

Procurement of consulting services for supervision during construction of the motorway on Corridor Vc:

Invitation for Expression of Interest submitted to the Bank for issuing its no-objection on 3rd August 2018. Bank's no-objection has been received on 17th August 2018. Invitation for Expression of Interest has been issued on 20th August 2018. Deadline for submission of application is 4th October 2018.

Technical Assistance to the Project Implementation Unit of JP Autoceste FBiH for the project of construction of motorway on Corridor Vc:

Invitation for Expression of Interest submitted to the Bank for issuing its no-objection on 6th August 2018. Bank's no-objection has been received on 17th August 2018. Invitation for Expression of Interest has been issued on 20th August 2018. Deadline for submission of application is 25th October 2018.

5.2. Section Northern Border of the municipality of Zenica (Nemila) - Zenica North (Donja Gračanica), is divided into four subsections: subsection Nemila - Vranduk, subsection Vranduk - Ponirak, subsection Ponirak - Vraca (Tunnel Zenica) and subsection Vraca - Donja Gračanica (Tunnel Pečuj), and the preparatory activities are related as follows:

5.2.1. Section Northern Border of the Municipality of Zenica (Nemila) - Zenica North (Donja Gračanica), Subsection Nemila-Vranduk

Procurement of the construction of the motorway on Corridor Vc

Prequalification document is under preparation.

Procurement of consulting services for supervision during construction of the motorway on Corridor Vc:

After completing the invitation for expressions of interest to select a consultant for supervision, the Invitation has been sent to the Fund on 10th April 2018 for issuance of its no-objection. Fund's no-objection has been received on 18th April 2018. Invitation for Expression of Interest has been issued on 18th April 2018. Deadline for submission of applications is scheduled on 27th April 2018. Site visit has been organized on 27th June 2018.

5.2.2. Section Northern Border of the Municipality of Zenica (Nemila) - Zenica North (Donja Gračanica), Subsection Vranduk - Ponirak

Procurement of the construction of the motorway on Corridor Vc:

The pre-qualification document for the selection of contractor was sent to the Fund for its approval on 4th April 2017.

The Funds approval was received on 28th June 2017. Invitation for prequalification was published on 18th July 2017. Deadline for submission of applications was scheduled on 18th September 2017. Evaluation process of the received applications has been finalized. Prequalification Evaluation Report submitted to the Fund for no-objection confirmation on 19th April 2018. No-objection confirmation has been received on 18th May 2018. Applicants have been notified on results. Tender document has been submitted to the Fund for no-objection confirmation on 26th June 2018. Deadline for submission of proposes is 2th October 2018.

Procurement of consulting services for supervision during construction of the motorway on Corridor Vc:

After completing the invitation for expressions of interest to select a consultant for supervision, the Invitation has been sent to the Fund for issuance of its no-objection on 4th April 2017. Fund's no-objection has been received on 28th June 2017. Invitation for Expression of Interest has been issued on 18th July 2017. Deadline for submission of applications is scheduled on 4th September 2017. Evaluation process of the received has been finalized. Short-list evaluation report has been submitted to Fund for no-objection confirmation on 14th May 2018. No-objection confirmation has been received on 24th May 2018. Applicants have been notified on results. Request for Proposal has been submitted to the Fund for no-objection confirmation on 19th June 2018. No-objection confirmation has been received on 20th July 2018. Second phase of the procedure has been initiated 20th July 2018 and deadline for submission is scheduled for 2th October 2018.

5.2.3. Section Northern Border of the Municipality of Zenica (Nemila) - Zenica North (Donja Gračanica), Subsection Ponirak - Vraca

Procurement of the construction of the motorway on Corridor Vc:

The pre-qualification document for the selection of contractor was sent to the Bank for its approval on 4th April 2017.

The Banks approval of the pre-qualification document for the selection of contractor was received on 21st July 2017. Invitation for prequalification was published on 26th July 2017. Public opening of submitted applications was on 22nd September 2017. Evaluation process of the received applications finalized, and Evaluation report submitted to the Bank on 18th January 2018. Revised Evaluation report submitted to the Bank on 13th February 2018. No-objection confirmation has been received on 23th May 2018, and applicants have been notified on results on 25th May 2018. Tender document has been submitted to the Fund for no-objection confirmation on 27th June 2018.

Procurement of consulting services for supervision during construction of the motorway on Corridor Vc:

After completing the invitation for expressions of interest to select a consultant for supervision, the Invitation has been sent to the Bank for issuance of its no-objection on 4th April 2017. Bank's no-objection has been received on 21st July 2017. Invitation for Expression of Interest has been issued on 26th July 2017. Opening of submission applications was on 7th September 2017. Evaluation process of the received applications is finalized. Short-list evaluation report submitted to the Bank 18th January 2018. After Banks comments, revised report submitted to the Bank on 12th March 2018.

Technical Assistance to the Project Implementation Unit of JP Autoceste FBiH for the project of construction of motorway on Corridor Vc:

The procedure for procurement of consulting services of technical assistance to the PIU of JP Autoceste FBiH was initiated on 27th March 2018. The final deadline for applications is scheduled for 30th April, 2018. Evaluation report submitted to the Bank on 15th May 2018. Bank issued its no-objection on 15th May 2018. Applicants notified on results of the first phase of the procedure on 30th May 2018. Request for proposal submitted on 22nd June 2018. Deadline for submission of proposals is scheduled for 7th August 2018. Evaluation has been finalized, and Technical Evaluation Report has been submitted to the Bank on 14th August 2018.

5.2.4. Section Northern Border of the Municipality of Zenica (Nemila) - Zenica North (Donja Gračanica), subsection Donja Gračanica (Zenica North) - Tunnel Zenica

The construction of this subsection is intended to be conducted on the model Design and Build.

Procurement of the construction of the motorway on Corridor Vc:

Invitation for prequalification was published on 15th July 2016. The bids were received on 28th September 2016 and the evaluation process of the technical proposals is in process.

Evaluation of the received applications has been finished. Preparation of the Pre-qualification Application Evaluation has been submitted to the Bank for issuance of its no-objection on 19th January 2017. After receiving the comments from the Bank, revised application evaluation report has been submitted, and no-objection has been received on 20th June 2017. Requests for clarification has been submitted to the conditionally prequalified. Final Pre-qualification Application Evaluation has been submitted to the Bank for issuance of its no-objection on 10th July 2017. No-objection has been received on 10th July 2017, and applicants have been notified on results on 11th July 2017.

Second phase of the procedure has been initiated on 14th August 2017. Deadline for submission is scheduled for 29th January 2018. Evaluation process is still ongoing.

Procurement of consulting services for supervision during construction of the motorway on Corridor Vc:

After completing the invitation for expressions of interest to select a consultant for supervision, the Invitation has been sent to the Bank for issuance of its no-objection. Bank's no-objection has been received on 23th November 2016. Invitation for Expression of Interest has been issued on 22nd December 2016. Deadline for submission of applications is scheduled on 14th February 2017. Short-list evaluation report has been submitted to the Bank for issuing the no-objection on

28th April 2017. No-objection has been received on 28th April 2017, and applicants have been notified on results on 4th May 2017.

Second phase of the procedure has been initiated and deadline for submission is scheduled for 24th July 2017. Final evaluation report submitted to the Bank, and the no-objection received on 7th March 2018. Contract draft has been submitted to the Bank for no-objection confirmation on 28th June 2018. The contract has been signed on 31st July 2018 with the first ranked tenderer, i.e. JV: Technital SpA and TZI Inženjering d.o.o. The value of the Contract amounts to 2.837.086,20 EUR including VAT.

5.3. Section Tarčin - Konjic

5.3.1. Subsection Tarčin - Ivan: LOT 2 Tunnel Ivan

Procurement of the construction of the motorway on Corridor Vc:

Prequalification document submitted to the Bank for issuing its no-objection on 3rd August 2018. Bank's no-objection has been received on 17th August 2018. Invitation for Prequalification has been issued on 20th August 2018. Deadline for submission of application is 4th October 2018.

Procurement of consulting services for supervision during construction of the motorway on Corridor Vc:

Invitation for Expression of Interest submitted to the Bank for issuing its no-objection on 3rd August 2018. Bank's no-objection has been received on 17th August 2018. Invitation for Expression of Interest has been issued on 20th August 2018. Deadline for submission of application is 4th October 2018.

Technical Assistance to the Project Implementation Unit of JP Autoceste FBiH for the project of construction of motorway on Corridor Vc:

Invitation for Expression of Interest submitted to the Bank for issuing its no-objection on 6th August 2018. Bank's no-objection has been received on 17th August 2018. Invitation for Expression of Interest has been issued on 20th August 2018. Deadline for submission of application is 25th October 2018.

5.4. Section Konjic - Mostar North (Salakovac)/Subsection LOT 3 -Tunnel Prenj

The preliminary design of the Tunnel Prenj is completed. The process of obtaining approvals and consents, that are necessary for issuing an urban permit, is in progress. Simultaneously with these activities, the preparation of tender documentation has been carried out. Construction of this subsection is intended to be conducted in accordance with a model Design and Build.

5.5. Section Mostar South - Buna

Section Mostar South - Buna is a continuation of section Buna - Počitelj. Total length of the section Mostar South - Buna is 14,3 km. During construction it is planned for this section to be divided into two subsections:

- Subsection Mostar South - Tunnel Kvanj, estimated value of the construction works is approximately 67 million EUR and
- Subsection Tunnel Kvanj - Buna, estimated value of the construction works is approximately 98 million EUR.

Designer submitted electronically all the books of the Preliminary Design for both sections: Mostar South - Tunnel Kvanj and Tunnel Kvanj - Buna. Corrections of Design have been completed by designer in accordance with identified suggestions of the team for expert consulting. The BH Armed Forces work on demining of the terrain on the part of the access road to the northern portal of Tunnel Kvanj. The necessary approvals for urban consent for the complete section of Mostar South - Buna are in progress.

5.6. Section Počitelj - Bijača, is divided into four subsections and the preparatory activities are related as follows:

5.6.1. Subsection Počitelj - Zvirovići

The status of project documentation for motorway on Corridor Vc, section Počitelj - Bijača, subsection Počitelj - Zvirovići.

Completed activities:

- Analysis of the existing northern variant of the subsection Počitelj - Zvirovići;
- Conceptual design;
- Preliminary design;
- Studies for urban planning approval/permit
- Studies of land acquisition
- Main design
- Revision of the main design

Procurement of the construction of the motorway on Corridor Vc:

Procedure for procurement of works has been divided into two LOTs: LOT 1: Interchange Počitelj – beginning of bridge Počitelj & end of bridge Počitelj – Interchange Zvirovići and LOT 2: bridge Počitelj. Tender documents for both subsections have been submitted to the Bank for its approval on 25th June 2018. No-objection confirmation has been received on 29th June 2018. Deadline for submission of applications is 10th October 2018.

Procurement of consulting services for supervision during construction of the motorway on Corridor Vc:

The procedure for procurement of consulting services for supervision of works was initiated on 11th May 2017. The final deadline for submission of applications is scheduled for 24th July 2017. Evaluation process of the received applications for procurement of consulting services has been finalized, and short-list evaluation report has been submitted to the Bank for issuing its no-objection confirmation on 18th August 2017. After receiving Bank's comments, additional request for clarification of one of the applications has been submitted, and revised evaluation reports have been finalized. The revised report has been submitted to the Bank on 20th October 2017. Additional Bank's comments have been received, and one additional request for clarification

has been submitted. Final revised evaluation report has been finalized, and submitted to the Bank on 7th March 2018.

Technical Assistance to the Project Implementation Unit of JP Autoceste FBiH for the project of construction of motorway on Corridor Vc:

The procedure for procurement of consulting services of technical assistance to the PIU of JP Autoceste FBiH for the project of construction of motorway on the section Počitelj - Bijača, subsection Počitelj - Zvirovići was initiated on 11th May, 2017. The final deadline for applications is scheduled for 24th July, 2017. Evaluation report submitted to the Bank on 21st February 2018. Bank issued its no-objection on 23rd February 2018. Applicants notified on results of the first phase of the procedure. Request for proposal submitted on 14th March 2018. Deadline for submission of proposals is scheduled for 27th April 2018. Evaluation has been finalized, and Technical Evaluation Report has been submitted to the Bank on 21st May 2018. Bank's no-objection has been received on 23rd May 2018. Financial proposals have been opened on 1st June 2018. After evaluation, Final Evaluation Report has been submitted to the Bank's no-objection confirmation on 4th June 2018, and Revised Final Evaluation Report has been submitted to the Bank's no-objection confirmation on 5th June 2018. No-objection has been received on 7th June 2018, and applicants have been notified on results. The contract has been signed on 18th June, 2018 with the first ranked tenderer, i.e. JV: IPSA d.o.o. and VCE. The value of the Contract amounts to 350.830,35 EUR including VAT.

6. CONSTRUCTION PROJECTS

6.1. Section Svilaj - Odžak

- Contractor: Joint Venture Strabag AG, Euro - Asfalt d.o.o. Sarajevo and GP ŽGP d.d. Sarajevo;
- Construction contract signed on 12th September, 2013
- Number of Construction Contract: JPAC 327-B45-12;
- The value of the Contract amounts to 83.822.098,00 EUR including VAT;
- The construction period is 420 days;
- Addendum No. 1 was signed on April 30th 2015. The time for work's completion has been changed due to activities that are not a direct responsibility of the Public Company of Motorways of the Federation of Bosnia and Herzegovina Ltd. Mostar (the expropriation of land for the construction of the Border crossing Svilaj is the responsibility of the Bosnia and Herzegovina Indirect Taxation Authority and the construction of the bridge on the Sava River is under the jurisdiction of the Republic of Croatia). Therefore, the works are divided into two sections as follows: the first section includes the construction of the roadbed to the level of the motorway pavement as well as the buildings along the route, while the second section includes the finishing works. The completion date of Works for the first section is 30th June, 2015. The completion time for the second section is 242 days from the commencement date of 16th of March, 2017.
- Addendum No.2 was signed on 31st March, 2017. In the Addendum No.2 the Accepted Contract Amount has been changed from EUR 32.568.837,36 to EUR 44.579.348,66 for Section 2. Except the above mentioned, all other provisions of the Contract and Addendum no.1 have remained unchanged, valid and in full force and effect. The construction works for Section 2 are in progress.

Addendum No.3 of the Contract for Construction of Motorway on Corridor Vc, section Svilaj-Odžak was concluded on 22nd November 2017. Addendum No.3 is made due to the following events which have affected the contract completion: urban permit for the area of border crossing Svilaj has not been obtained yet and is expected at the beginning of 2018; bridge over Sava river in the northern limit of the project Svilaj-Odžak (traffic connection to Croatia) has not been finished yet; project Odžak-Vukoslavlje, Section 3 of Lot 1 at the southern limit of this project Svilaj-Odžak is in the authority of the Government of the RS, and probably will not start earlier than the end of 2018; tolling and traffic management systems are to be installed at a later stage in order to prevent possible theft of the equipment. In the Addendum No.3 the accepted contract amount for Section 1 has been amended to EUR 41.069.250,13, while the Accepted contract amount for Section 2 remains the same in the amount of EUR 44.579.348,66. This Addendum also defines the accepted contract amount for remaining works of Section 2 that is estimated at EUR 15.000.000,00 from a total of EUR 44.579.348,66 for Section 2. Hereinafter, remaining works of Section 2 are considered as a separate section and shall be completed within 400 days calculated from the commencement date for remaining works of Section 2 including 200 days of the embankment settlement period. Remaining works of Section 2 are

specified in the Bill of Quantities as: border crossing Svilaj, two rest areas, landscaping, toll system and buildings and traffic management system including electrical installations. The commencement date for remaining works of Section 2 is also added and defined as seven days after obtaining the construction permit for the border crossing Svilaj or on 15th March 2018 - whatever happens earlier. Works have started as it is planned on 15.03.2018, even though the construction permit for border crossing has not been issued yet. Works will be performed just on remaining part of structures. The work was carried out at the charging point of Odžak and the resting place Vrbovački Lipik. Meanwhile, it was agreed with the UIO that the JP Autoceste FBiH would carry out part of the works at the location of the GP Svilaj located within the motorway area. The contractor started these works in July 2018 and the works are completed. In the next step, it is left to provide a consolidation of the embankment, after which conditions will be obtained to perform the remaining end layers of the pavement construction. With the contractor, the contract number 4 was signed in which it was determined that the part of the retention for the first phase of the works for which the guarantee period expired will be refunded.

Supervision

- Consultant: AECOM Inocsa S.L.U. Spain;
- Number of Contract for Consultancy Services: JPAC 328-E152-12 in the amount of 2.645.311, 50 EUR including VAT signed on 2nd September, 2013, and the duration of the Contract is 38 months.
- Addendum No. 1 was signed on 2nd October, 2015 by the Investor and 6th October, 2015 by the Consultant of supervision with regards to an extension of time for completion of the work under the Contract on construction no. JPAC 327-B45-12 and dividing the existing section in the Phase/Section 1 and Phase/Section 2 in Addendum 1 to the Contract on construction No. JPAC 327-B45-12 dated April 30th, 2015. Therefore, the period of consulting services is extended to 46.9 months as well the contract price is increased to EUR 3.204.199, 44 including VAT.
- Number of Contract for Consultancy Services: JPAC 819-E426- 17 - Consulting Services for supervision of works on Construction of motorway in Corridor Vc, section Svilaj - Odžak, Phase II in the amount of 1.186.672,50 EUR including VAT was signed on 13th March, 2017, and the duration of the Contract is 33 months.
- Project realization is divided into two phases (sections), because the construction works on the bridge over the Sava River, which connects parts of the Corridor Vc in Croatia and Bosnia and Herzegovina have not been started.
- Works on the realization for Phase/Section I of the project were completed.
- The technical inspection of completed works for Phase/Section I is completed.
- The use permit was obtained for Section/Phase I in November 2015.
- Works on Phase/Section II have commenced on 16th March, 2017, in accordance with the Addendum No. 1.
- Value of works for Section I is EUR 41.069.250,13 based on Addendum 3
- Construction period for Section II is 242 days.
- Current work progress: asphalt, toll station structure, equipment, safety rail.
- Current progress of the work: asphalt on the safety rail, toll station, equipment, GP Svilaj.

6.2. Subsection Drivuša - Klopče

- Contractor: Hering d.d Široki Brijeg;
- Number of Construction Contract: JPAC 373-A66-12;
- Construction contract signed on September 25th, 2014
- The value of the Contract amounts to 33.527.849 EUR including VAT;
- The construction period is 900 days;
- New date for completion of works is March 15th, 2018.

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

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

The construction work in relation to the substructure and construction objects is being performed on this subsection. Also, in 2016, the construction has been performed on this subsection, out of which the most important is construction of the bridge Drivuša (in the length of 650 m) and viaduct Perin Han (in the length of 400 m). The construction of the bridge Drivuša and viaduct Perin Han is completed.

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

The route is located in the area with very complex geology. On the motorway route appearance of two landslides have been recorded, which complicates the construction and significantly slows down the dynamics of the construction. Additional geotechnical investigations were carried out on the basis of which adjustments of project design were performed.

The support structure for the protection of the slope on the station km 1+940 to 2+100 and 1+640 to 1+940 is completed, and works on stations 1+200 – 1+500 are ongoing.

Supervision:

- Consultant: Consortium Divel d.o.o. and TAEP;
- Number of Contract for consultancy services: JPAC 375-E171-12 in the amount of 2.538.315 EUR including VAT signed on September 23rd, 2014;
- The duration of the Contract is 54 months.
- Addendum No.1 of the Contract for Consultancy Services No. JPAC 375-E171-12 is valid from August 23rd, 2017 in which the value of the contract is increased to a new amount of 3,051,106.40 EUR including VAT and the duration of the contract has been extended to 66 months.

- Addendum No.2 to the Contract for Consultancy Services No. JPAC 375-E71-12 was signed on May 18th, 2018 because of extension of Construction Contract no. JPAC 373-A66-12 due to the Contractor's delay to complete the works within contractual deadline and the fact that remaining works need to be completed. Therefore, in the Addendum No.2 the value of the contract is increased to a new amount of 3.323.916,41 EUR including VAT and the duration of the contract has been extended to 69 months and 15 days.

6.3. Subsection Klopče - Donja Gračanica

- Contractor: JV Euro - Asfalt d.o.o. (Lead partner) and Strabag A.G.;
- Number of construction Contract: JPAC 608-B63-14;
- Construction contract signed on May 9th, 2016
- The value of the Contract amounts to 107.879.287,94 EUR including VAT;
- The construction period is for section 1 – 900 days, and for section 2 (Viaduct Pehare) - 600 days;

Supervision

- Consultant: Consortium Egis International and IPSA Institut;
- Number of Contract for Consultancy Services: JPAC 609-E314-14 in the contractual amount of 5.473.143 EUR including VAT signed on May 7th, 2016.
- The duration of the Contract is 54 months.
- First amendment to Contract for Consultancy Services: JPAC 609-E314-14 was signed on September 1st, 2016 for purpose of modifying to the available personnel within the supervision team to deal with the specific requirements of additional geotechnical investigation. These changes have no influence on the current contractual price, which remained the same.
- Amendment No.2 to Contract for Consultancy Services: JPAC 609-E314-14 was concluded on May 16th, 2018 for purpose of modifying the nominated personnel within the supervision team because significant changes of the main design have been made due to poor geological conditions on the construction site. These changes have no influence on the contractual price, which remained the same.

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

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

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

Change of main design was required due to the complex geology of the main alignment which caused the relocation of expropriation line. Therefore, construction permit has to be updated accordingly.

Dynamic of earthworks on motorway subsection are progressing due to the favourable weather conditions.

Ongoing works

Main alignment: excavation, embanking and slope protection,

Structures:

Tunnel Ričice

- concreting of secondary lining in both tunnel tubes has been completed. Contact injecting, finalization of joints between segments, edges of tunnel niches and checking the installation ducts and similar are ongoing.
- construction of drainage system in both tunnel tubes (central collector and longitudinal drainage) and carriageway structure (filter and subbase layer).
- Final arrangement of exit portal – reinforced earth.
- Installation of kerbs in right tunnel tube is underway.

Tunnel Pečuj

- installation of fine layer shotcrete in both tunnel tubes is progressing, preparation of surface for waterproofing, installation of waterproofing, side drainage, reinforcing works and work on secondary lining.
- installation of canopy in ongoing on entrance portal of left tunnel tube and preparatory works for backfilling and final arrangement of portal

Viaduct Klopачke Stijene:

- Second span of left superstructure has been completed and installation of formwork and scaffold of the third span is underway

Viaduct Babina Rijeka:

- right viaduct – five spans of superstructure has been casted and prestressed on pier S1 (zero segment and two on each side), form traveler is being installed above pier S2,
- construction of piers of left viaduct

Viaduct Pehare:

- the third span is prestressed,
- installation of formworks and scaffold for the fourth span of right superstructure and for the first span of left superstructure

Viaduct Ričice:

- finalization of the right abutment of the right and left viaduct
- transition slab on abutment U1L has been concreted
- installation of concrete safety barriers on left viaduct

Bridge Drivuša

- works have been suspended due to the relocation of HV line

Relocation of utility installations: underground gas pipe line (completed in March 2017), water lines, electrical and telecommunication lines are progressing in line with dynamic of works on the alignment. Works on relocation of utilities: underground gas line was performed in March 2017; water, electric and telecommunication installations are currently carried out in accordance with the dynamics of work on the main alignment.

6.4. Section Buna - Počitelj

- Contractor: Hering d.d Široki Brijeg;
- Number of construction Contract: JPAC 743-B74-16;
- Construction contract signed on May 18th, 2018
- The value of the Contract amounts to 25.692.383,53 EUR including VAT;
- The construction period is 540 days.

Supervision

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

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

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

Contractor started with mobilization and with the preparation activities on site. The first step was to do marking of the expropriation line, after which the removal of the site from the branches and the trees started. At the positions of the structures on the alignment (overpasses, underpass and passage for animals), the staking out is done and earthwork was started. At the same time, contractor begun with removal of the surface layer on the rest of the alignment, recording the zero state of the terrain and preparation for excavation.

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

7. FINANCIAL POSITION

7.1. Section: Svilaj – Odžak

Payments from the EIB (166 million EUR)

No.	Loan EIB (166 mil€)		The amount of the payment without VAT	
	Own funds			
1.	JV STRABAG AG, Euro Asfalt d.o.o., GP ŽGP d.d. .	I phase	38.130.038,49	€
		II phase	18.484.894,31	
2.	AECOM INOCSA S.L.U.	I phase	2.738.632,00	€
		II phase	567.947,50	
TOTAL:		59.921.512,30		€

Recapitulation of payment - construction

No.	Funding source	The amount of the payment without VAT	The amount of the payment with VAT
1.	EIB – I phase (166 mil €)	10.924.585,49	12.866.467,67
2.	Own funds	45.690.347,31	52.951.147,27
3.	TOTAL:	56.614.932,80	65.817.614,94

Note: Until 30th September, 2018 a refund of own funds from EBRD loan number 48999 for construction was made:

- Phase I in the amount of 122,254.87 € without VAT (143,873.14 € with VAT) and
- Phase II in the amount of 9.446.733,01 € without VAT (11.004.813,41 € with VAT)

Recapitulation of payment - supervision services of construction

No.	Funding source	The amount of the payment without VAT	The amount of the payment with VAT
1.	EIB – I phase (166 mil €)	421.224,50	492.832,67
2.	Own funds	2.885.355,00	3.375.865,35
	TOTAL:	3.306.579,50	3.868.698,02

Note: Until 30th September, 2018 a refund of own funds from the EBRD loan number 48999 for supervision was made:

- Phase II in the amount of 748.712,50 € without VAT (875.993,63 € with VAT)

7.2. Subsection: Drivuša – Klopče

Recapitulation of the KFAED loan

Br.	KFAED loan	The amount of the payment without VAT	
	10.500.000,00 KWD		
	Total amount of the loan approx. 28.355.250 €		
1.	HERING d.d.	24.188.087,84	(€)
2.	JV „Divel“doo -TEAP	2.811.609,68	(€)
TOTAL:		26.999.697,52	(€)

Recapitulation of payment - construction

No.	Payment	The amount of the payment without VAT	The amount of the payment with VAT	Note:
1.	HERING d.d.	24.188.087,84	28.844.909,41	46 Interim Certificate
2.	TOTAL:	24.188.087,84	28.844.909,41	

Recapitulation of payment - supervision services of construction

No.	Payment	The amount of the payment without VAT	The amount of the payment with VAT	Note:
1.	JV „Divel“doo -TEAP	2.811.609,68	3.289.583,33	46 Interim Certificate
2.	TOTAL:	2.811.609,68	3.289.583,33	

7.3. Subsection: Klopče - Donja Gračanica

Recapitulation of the OFID loan

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

Recapitulation of the EBRD loan

Br.	EBRD loan 48999 76.000.000 €	The amount of the payment without VAT	
1.	JV „Strabag“AG - „Euroasfalt“doo	13.694.145,13	€
2.	JV „Egis“ - „IPSA Institut“doo		€
TOTAL:		13.694.145,13	€

Recapitulation of payment – construction

No.	Payment	The amount of the payment without VAT	The amount of the payment with VAT	Note:
1.	JV Strabag - Euroasfalt from OFID-a	39.467.850,86	46.968.598,78	19 Interim Certificate
2.	JV Strabag - Euroasfalt from EBRD-a	13.694.145,13	16.393.741,84	7 Interim Certificate
3.	TOTAL:	53.161.995,99	63.362.340,62	26 Interim Certificate

Recapitulation of payment - supervision services of construction

No.	Payment	The amount of the payment without VAT	The amount of the payment with VAT	Note:
1.	JV Egis - IPSA Institut	2.572.010,10	3.009.251,81	25 Interim Certificate
	TOTAL:	2.572.010,10	3.009.251,81	

7.4. Section: Buna - Počitelj

Recapitulation of the EBRD loan

No.	EBRD loan 47372 80.000.000 €	The amount of the payment without VAT:	
1.	HERING d.d.	2.195.930,21	€
2.	JV AECOM INOCSA S.L.U i AECOM doo BiH	16.100,00	€
TOTAL:		2.212.030,21	€

Recapitulation of payment – construction

No.	Payment	The amount of the payment without VAT	The amount of the payment with VAT	Note:
1.	HERING d.d.	2.195.930,21	2.569.238,35	Advance
2.	TOTAL:	2.195.930,21	2.569.238,35	

Recapitulation of payment - supervision services of construction

No.	Payment	The amount of the payment without VAT	The amount of the payment with VAT	Note:
1.	JV AECOM INOCSA S.L.U and AECOM doo BiH	16.100,00	18.837,00	1 Interim Certificate
2.	TOTAL:	16.100,00	18.837,00	

8. ENVIRONMENTAL IMPACT

As of the end of June 2017, the Federal Ministry of Environment and Tourism has issued four environmental permits. The first environmental permit was issued in February 2009 for sections of LOT 2: Doboj South (Karuše) - Sarajevo South (Tarčin) for a period of five years. After its expiry, it was extended in February 2014 for a period of five years. The second one was issued in September 2010 for the section from Svilaj (including a part of the bridge that belongs to Bosnia and Herzegovina - The Bridge over the River Sava) to Doboj South (Karuše) and it has been extended for five years too. The environmental permit for the section Mostar North - Southern border with Croatia, subsection Bijača - Zvirovići was issued in October 2010, while the environmental permit for the section Sarajevo South - Mostar North, subsection Tarčin - Konjic, was issued in June 2012, extended in February 2017.

In the 2018 the following activities were carried out in accordance with the aforementioned environmental permits and contracts were signed with the selected bidders - contractors or service providers. During this period the completed activities for the implementation of obligations under environmental permits are the following:

1. The first control testing of water quality from the separators was performed in May/June under the Annual Contract no. JPAC 787-E405-16 "Monitoring of waste water from the separators on the sections: Zenica South -Tarčin; Zvirovići - Bijača".
2. The control testing of soil quality along the motorway was carried out in May based on the Contract No. JPAC 787-E405-16 "Control testing of soil quality along the motorway Zenica South - Tarčin and Bijača - Zvirovići".
3. Annual Environment and Social Report was submitted to the EBRD representatives for year 2017.
4. Annual Environment Report of Motorway A1 was submitted to the Federal Ministry of Environment and Tourism.

Appendix

Progress of construction works on 30th September, 2018

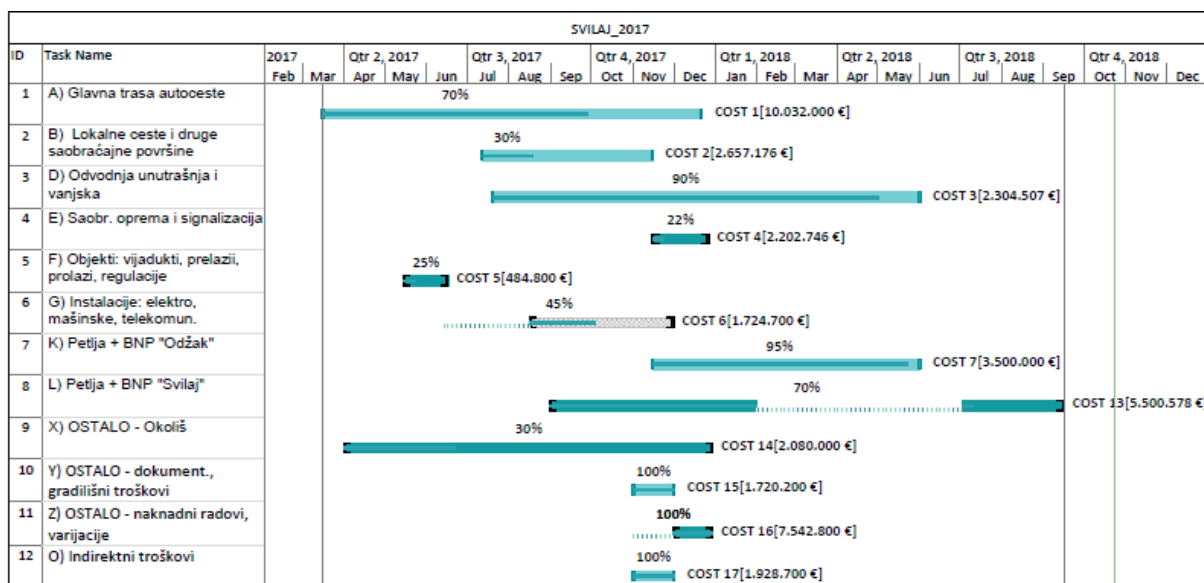
1. Lot 1: Section Svilaj - Odžak

Progress of construction works as of 30th September, 2018

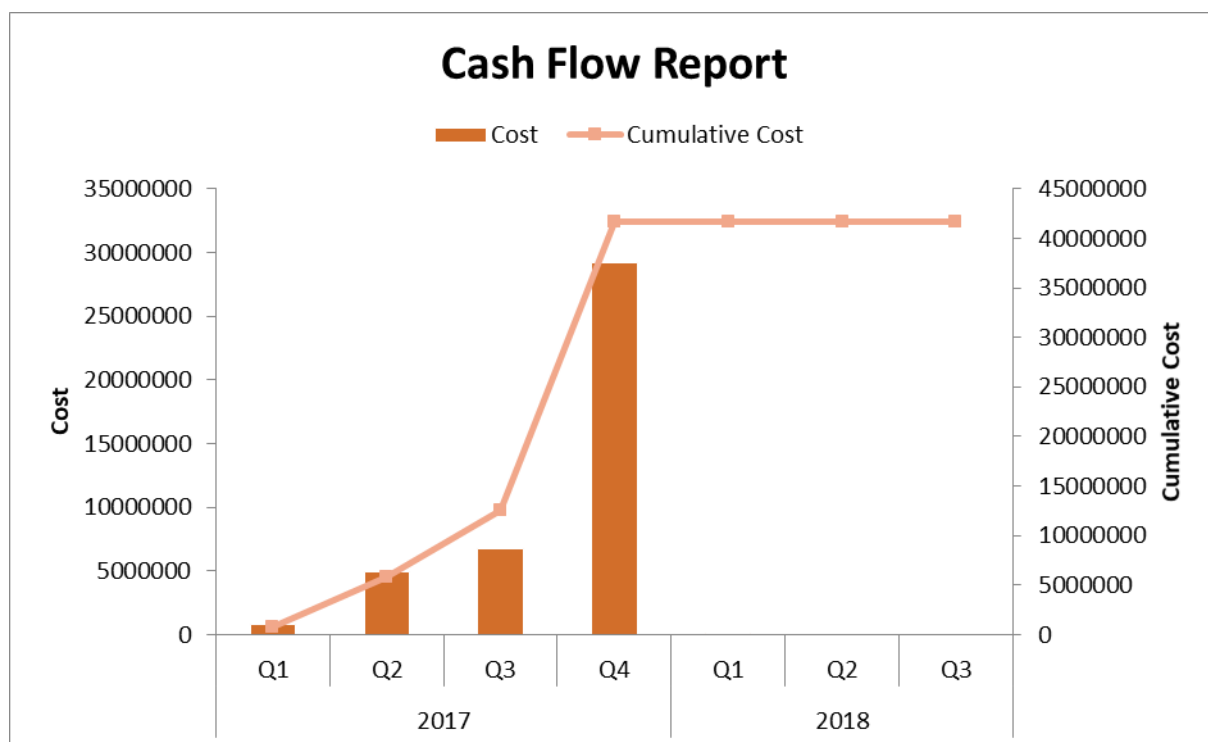
No.	ID	Task Name	Duration	Start	Deadline	(Section I+ Section II)% of Completion	Type of Works in construction
1.		ALIGNMENT					The technical inspection of completed works for Phase I is in progress.
	1.1.	Motorway alignment	8	16.03.2017.	13.11.2017.	95%	Earthworks and embankment
	1.2.	Local road alignment	8	16.03.2017.	13.11.2017.	95%	Earthworks and embankment
2.	2.1.	INTERCHANGE SVILAJ	8	16.03.2017.	13.11.2017.	95%	Earthworks and embankment
	2.2.	Construction of toll station „Svilaj“	8	16.03.2017.	13.11.2017.	90%	Earthworks and embankment
3.	3.1.	INTERCHANGE ODŽAK	8	16.03.2017.	13.11.2017.	95%	
	3.2.	Construction of toll station „Odžak“	8	16.03.2017.	13.11.2017.	35%	Earthworks and embankment
4.	4.1	CROSSING BORDER SVILAJ	8	16.03.2017.	13.11.2017.	100%	Embankment in the motorway area
5.	5.1.	PUO Vrbovački Lipik	8	16.03.2017.	13.11.2017.	93%	Earthworks and embankment
6.		ENGINEER'S CONSTRUCTIONS AND STRUCTURES	8	16.03.2017.	13.11.2017.	90%	Earthworks, foundation structures and piles
	6.1.	Bridge Potočani	8	16.03.2017.	13.11.2017.	100%	Completed Phase I - the bridge was accepted and a passage under the bridge was provided.
	6.2.	Underpasses	8	16.03.2017.	13.11.2017.	100%	
	6.3.	Overpasses	8	16.03.2017.	13.11.2017.	100%	
	6.4.	Watercourse regulation	8	16.03.2017.	13.11.2017.	100%	Concrete works almost completed
7.		DRAINAGE	8	16.03.2017.	13.11.2017.	100%	
	7.1.	Internal drainage	8	16.03.2017.	13.11.2017.	90%	Has not been started yet.
	7.2.	External drainage	8	16.03.2017.	13.11.2017.	90%	Construction of the typical culvert below the motorway route

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

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



CASH FLOW 1., 2018-Q3 Section Svilaj-Odžak



2. Lot 1: Subsection: Drivuša - Klopče

Progress of construction works as of 30th September, 2018

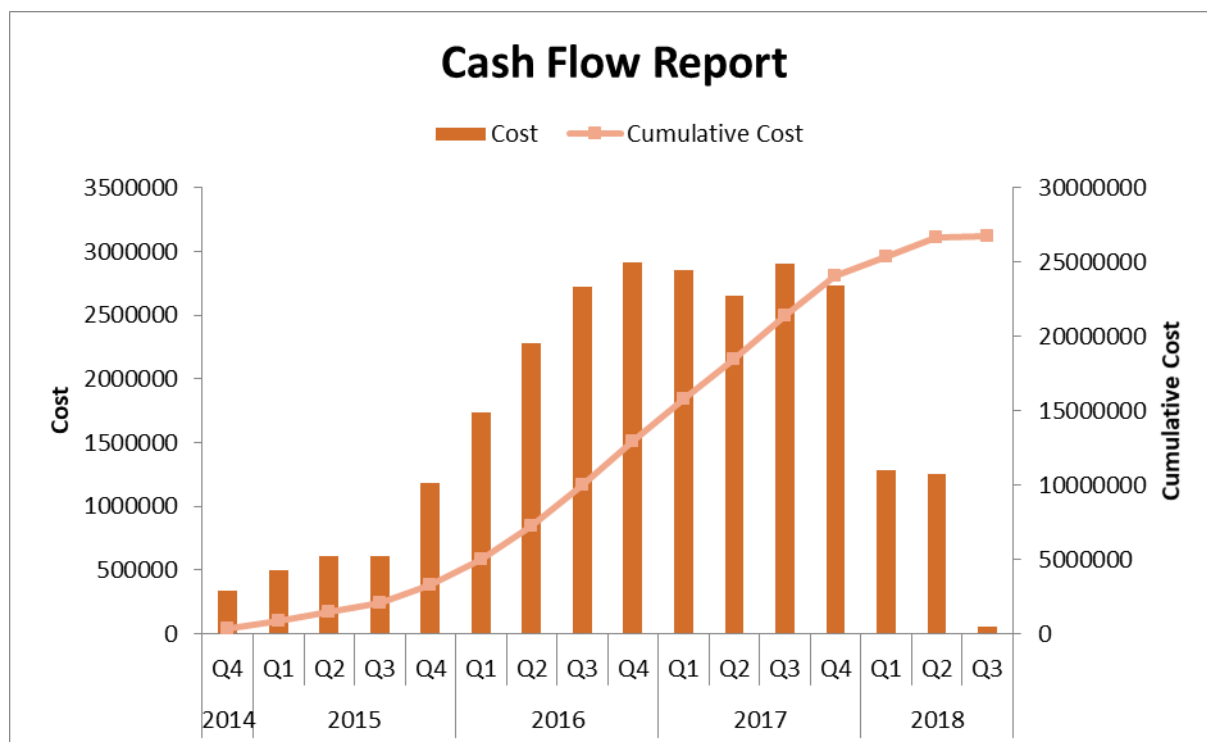
No.	ID	Task Name	Duration	Start	Deadline	% of Completion	Type of Works in construction
1.		ALIGNMENT					
	1.1.	Motorway alignment	42	10.10.2014	15.03.2018.	95 %	Under construction
2.		LOCAL ROADS	36	29.03.2015	15.03.2018.	50 %	Under construction
3.		DRAINAGE AND WATER PROTECTION SYSTEM	41	11.10.2014	25.02.2018.	70 %	Under construction
4.		EQUIPMENT AND SIGNALISATION	3	02.12.2017	15.03.2018.	50 %	Under construction
5.		ENGINEER'S CONSTRUCTIONS AND STRUCTURES					
	5.1.	Underpass at km 1+552	24	04.04.2015	24.03.2017	100%	
	5.2.	Slope protection	33	25.06.2015	15.03.2018	100 %	
6.		BRIDGES					
	6.1.	Bridge Drivuša	36	20.10.2014	29.09.2017.	99 %	Under construction
	6.2.	Viaduct Perin Han	34	05.12.2014	02.09.2017.	99 %	Under construction
7.		RELOCATION OF UTILITIES	30	10.10.2014	25.03.2017.	98 %	Under construction
8.		REGULATION OF WATERCOURSE	31	27.02.2015	24.03.2017.	100 %	

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

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



CASH FLOW 2, 2018-Q3 subsection Drivuša-Klopče



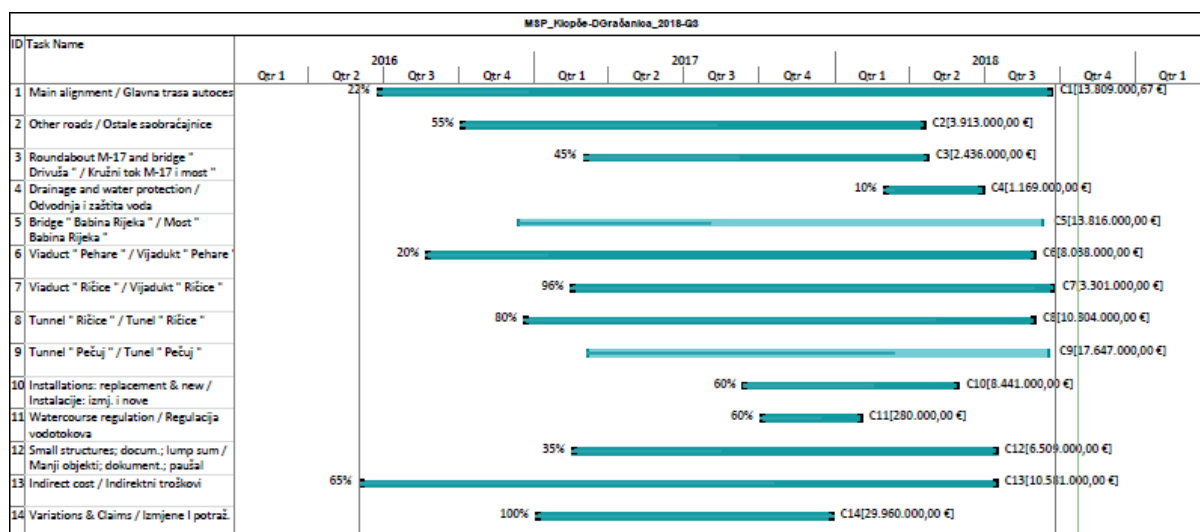
3. Lot 2: Subsection: Klopče - Donja Gračanica

Progress of construction works on subsection Klopče - Donja Gračanica as of 30th September, 2018

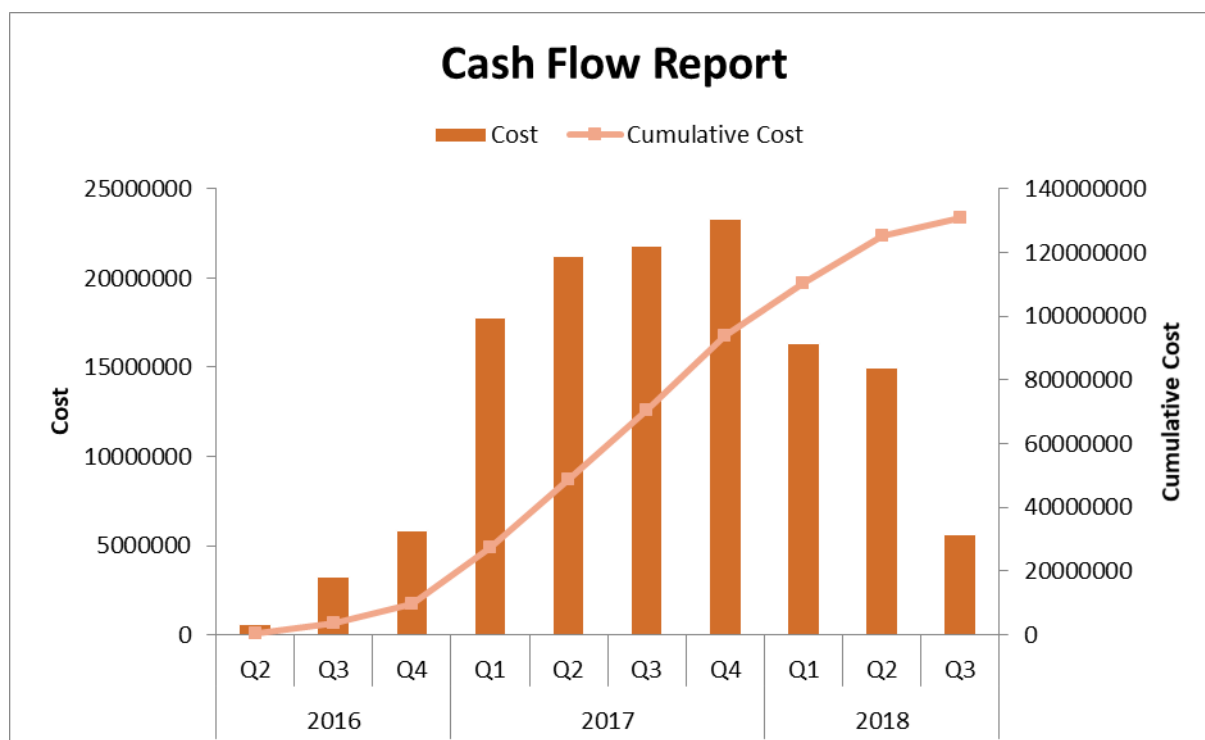
No.	ID	Works description	Duration (months)	Start	Deadline	% of Completion	Type of Works in construction
1.		MOTORWAY ALIGNMENT	30	01.06.2016	20.12.2019	22 %	Under construction
2.		LOCAL ROADS	30	01.06.2016	20.12.2019	28 %	Under construction
3.		DRAINAGE AND WATER PROTECTION SYSTEM	30	01.06.2016	20.12.2019	0 %	Under construction
4.		EQUIPMENT AND SIGNALISATION	30	01.06.2016	20.12.2019	0 %	Under construction
5.		BRIDGES					
	5.1.	Viaduct Klopačke Stijene	30	01.06.2016	20.12.2019	25 %	Under construction
	5.2.	Bridge Babina Rijeka	30	01.06.2016	20.12.2019	40 %	Under construction
	5.3.	Viaduct Pehare	30	01.06.2016	20.12.2019	22 %	Under construction
	5.4.	Viaduct Ričice	30	01.06.2016	20.12.2019	95 %	Under construction
	5.5.	Drivuša Bridge	30	01.06.2016	20.12.2019	47 %	Under construction
6.		TUNNELS					
	6.1.	Tunnel Ričice	30	01.06.2016	20.12.2019	80 %	Under construction
	6.2.	Tunnel Pečuj	30	01.06.2016	20.12.2019	65 %	Under construction
7.		RELOCATION OF UTILITY	30	01.06.2016	20.12.2019	60 %	Under construction
8.		REGULATION OF WATERCOURSE	30	01.06.2016	20.12.2019	60 %	Under construction
9.		ENGINEER'S CONSTRUCTIONS AND SMALLER STRUCTURES					
	9.1.	Underpass at km 4+988,40	30	01.06.2016	20.12.2019	38 %	Under construction
	9.2.	Retention walls and smaller structures	30	01.06.2016	20.12.2019	22 %	Under construction

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

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



CASH FLOW 3., 2018-Q3 subsection Klopče - Donja Gračanica.



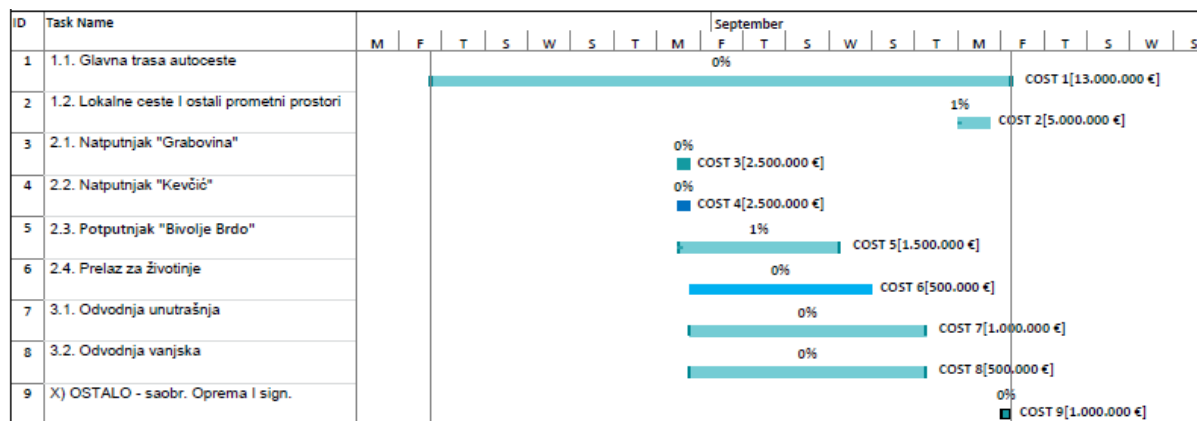
4. Section Buna - Počitelj

Progress of construction works as of 30th September, 2018

No.	ID	Task Name	Duration	Start	Deadline	(Section I+ Section II)% of Completion	Type of Works in construction
1.		ALIGNMENT					
	1.1.	Motorway alignment	18	03.08.2018.	25.01.2020.	< 1%	Cleaning of site and preparation works
	1.2.	Local roads and other trafficked areas	18	03.08.2018.	25.01.2020.	< 1%	Cleaning of site and preparation works
2.		ENGINEER'S CONSTRUCTIONS AND STRUCTURES	18	03.08.2018.	25.01.2020.		
	2.1.	Overpass "Grabovina"	18	03.08.2018.	25.01.2020.	0%	Preparation activities
	2.2.	Overpass "Kevčić"	18	03.08.2018.	25.01.2020.	0%	Preparation activities
	2.3.	Underpass "Bivolje Brdo"	18	03.08.2018.	25.01.2020.	< 1%	Excavation
	2.4.	Passages for animals	18	03.08.2018.	25.01.2020.	0%	Preparation activities
3.		DRAINAGE	18	03.08.2018.	25.01.2020.		
	3.1.	Internal drainage	18	03.08.2018.	25.01.2020.	0%	
	3.2.	External drainage	18	03.08.2018.	25.01.2020.	0%	

Table 6. Progress of construction works on Section Buna-Počitelj

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



CASH FLOW 4. 2018-Q3 section Buna - Počitelj

