

Report of the Project Financial Statements of the

**BOSNIA AND HERZEGOVINA
GEOSPATIAL INFRASTRUCTURE AND
VALUATION ENHANCEMENT PROJECT**

of the Ministry of Finance and Treasury of Bosnia
and Herzegovina

Financed by:

- IBRD Loan No. 96760 – BA

For the year ended 31 December 2025

**BOSNIA AND HERZEGOVINA GEOSPATIAL INFRASTRUCTURE AND VALUATION
ENHANCEMENT PROJECT
of the Ministry of Finance and Treasury of Bosnia and Herzegovina**

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1. Introduction

1.1 Objectives of the Project

The objective of the Project is to improve the accuracy and accessibility of land administration information in the Federation of Bosnia and Herzegovina.

Components and activities of the Project

Part A: Support to the Establishment of Spatial Data Infrastructure

A.1 Standardized Geospatial Infrastructure development

Provision of support for the following activities:

- (i) development of data standards based on the EU INSPIRE;
- (ii) the establishment of an SDI datacenter at FGA premises
- (iii) development of a data repository to store, manage and maintain data of select institutions that do not have sufficient in-house capacity;
- (iv) development of an SDI digital platform;
- (v) development of geospatial e-services and products; and
- (vi) technical assistance to, inter alia, establish QA/QC processes.

A.2. Support for Metadata and Geographic Information System (GIS) Tools

Provision of support for the following activities:

- (i) development of metadata standards; and
- (ii) creation and/or enhancement of metadata using the new standard and metadata migration from the existing digital platforms into the SDI digital platform.

A.3. Integration of Geospatial Information e-Services

Provision of support, including hardware and other equipment, for (i) the integration of geospatial information e-services with the FBiH SDI digital platform, and (ii) data standardization, metadata creation and migration, data management, and development of geospatial e-services and products, including provision of servers, data storages, workstations, communication, and other equipment.

A.4. Cadaster and Land Registry Data Harmonization

Provision of support for the harmonization of cadastral and land registry data on land, objects and associated rights based on the actual situation on the ground through:

- (i) the creation of cadastral and land registry data in two interoperable systems;
- (ii) establishment of quality cadastral data for harmonization with the land register;
- (iii) completion of works related to the establishment of the real estate cadaster; and
- (iv) establishment and renewal of land registry data.

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A.5. Rollout of Land Administration Information System

Supporting the implementation of the unified Land Administration and Information System at the level of all land registry and Cadastral offices through (i) the purchase of software and hardware, and installation of software and (ii) conducting training for users in the land registry and cadastral offices.

Part B: Building Register Development

B.1. Building Register Establishment (Phase I)

Provision of support for the following activities:

- (i) development, piloting and finalizing of (a) methodology for the collection, processing, and quality control of data on buildings and parts of buildings (e.g., apartments, business premises) for the establishment of a Building Register; and (b) a mobile application for field data collection;
- (ii) development and piloting a prototype of an information technology system for managing and maintaining the Building Register;
- (iii) carrying out Training of the field data collection enumerator; and
- (iv) development of the QA/QX mechanisms.

B.2. Scaling Up the Building Register (Phase II)

Scaling-up the Building Register for Selected Local Self-Government Units (LSGUs) including: (i) obtaining new aerial imagery and related products; (ii) promotional activities to explain the benefits and the process of the establishment of the Building Register; (iii) field data collection; (iv) cross-overlay of existing databases; (v) QA/QC of the data transferred into the Building Register; and (vi) Training for the enumerators, covering data collection and management techniques, data quality control mechanisms, and users training for the mobile data collection application.

B.3. Enabling Environment for Building Register Establishment and Maintenance

Provision of support for the following activities:

- (i) development of an Information Technology (IT) system for the Building Register based on the system prototype development under Part B.1. above; and
- (ii) provision of hardware and other equipment, office renovation and refurbishment, office furniture for the Building Register.

Part C: Real Estate Valuation

C.1. Sales Price Register System Improved

Provision of support to upgrade and further develop the Sales Price Register to be expanded with new e-services and products for professional users and the general public, including viewing and download services of controlled and credible market data.

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C.2. Real Estate Valuation System Development

Provision of support for the following activities:

- (i) the development and adoption of FBiH methodologies for real estate valuation and the measurement of land and property, codes of professional practice and ethical standards for valuers and standards for education and training, as well as the establishment of an independent appeals system for people to be able to appeal against the established real estate values;
- (ii) the assessment of different types of real estate by using standardized procedures through the development of an overall methodology;
- (iii) the development and implementation of a set of automated systems and tools as part of a main system for the purpose of mass valuation, including: (a) a comprehensive Computer Assisted Mass Appraisal (CAMA) system; (b) advanced modelling, as well as Automated Valuation Models (AVMs) integrated mapping analysis tools and advance data visualization GIS tools, and (c) property price indexes;
- (iv) the set-up of a public mass valuation Web portal will be set up to increase transparency, providing relevant information on mass valuation such as the mass valuation legal framework, mass valuation methodologies, valuation models, valuation zones, calculated values, and links to e-services; and
- (v) provision of information and communication equipment.

Part D: Capacity Building and Project Management

D.1. Institutional Development, Sustainability, and Policy Implementation

Provision of support for the following activities:

- (i) preparation of studies on SDI implementation and conceptualization of the real estate mass valuation system in FBiH;
- (ii) carrying out promotional activities on SDI and real estate mass valuation;
- (iii) strengthening of the SDI key stakeholders' network by building upon partnership and information and data sharing; and
- (iv) prepare institutional and human resource models to implement real estate mass valuation.

D.2. Capacity Building and Awareness Raising

Develop and carrying out, inter alia: (i) capacity building programs; (ii) knowledge transfer initiatives, customer satisfaction surveys and awareness raising across all project components; and (iii) specialized Training and study visits for the FBiH SDI council and working groups, SDI stakeholders including government institutions, local authorities, and other relevant entities, and FGA management and technical staff.

D.3. Project Management

Carrying out project management and sector reform coordination through, inter alia: (i) supporting the PIU carrying out of Project management and implementation, including monitoring and evaluation; and (ii) carrying out all Project requirements including audits, training, environmental and social, and fiduciary management, including financing Operating Costs.

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1.2 Financing of the Project

The State of Bosnia and Herzegovina ("B&H") is the recipient of funds made available by International Bank for Reconstruction and Development, in the form of a IBRD Loan No. 96760 - BA amounting to the equivalent of EUR 23,100,000. Under the terms of a subsidiary finance agreement between Federation of Bosnia and Herzegovina and Bosnia and Herzegovina, funds of the equivalent of EUR 23,100,000 have been lent to Federation of Bosnia and Herzegovina. Categories of cost items to be financed out of the proceeds of the Loan, the allocation of the amounts of the Loan to each category and the percentage of expenditure for cost items so to be financed in each category are as follows:

Category	Amount of the Loan allocated (in EUR)	% of expenditure to be financed
(1) Goods, works, non-consulting services, and consulting services, Operating costs and Training for the Project	23,042,250	100%
Front-end fee	57,750	Amount payable pursuant to Section 2.03 of the Agreement in accordance with Section 2.07 (b) of the General Conditions
Total for the Project	23,100,000	

Planned closing date of the Project was 31 January 2030.



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Independent Auditor's Report

To the State of Bosnia and Herzegovina,
Ministry of Finance and Treasury
Attn. of Minister of Finance and Treasury

Report on the Project Financial Statements

Opinion

We have audited the accompanying project financial statements of the Geospatial Infrastructure and Valuation Enhancement Project (the "Project"), which comprise of Summary of sources and uses of funds, Balance sheet, Designated account, Statement of loan withdrawals as of and for the year ended 31 December 2025, and a summary of significant accounting policies and other explanatory notes for the year then ended, financed under IBRD Loan No. 96760 - BA.

In our opinion, the accompanying project financial statements present fairly, in all material aspects, the financial position of the Project as of 31 December 2025, and of the funds received and disbursed during the year then ended, in accordance with the cash basis of accounting based on International Public Sector Accounting Standard ("IPSAS"), as described in Note 4.1.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). In conducting audit we were also guided by the Bank's financial reporting and auditing requirements, Disbursement Guidelines for Investment Project Financing, the Loan Handbook for World Bank Borrowers and the World Bank's Procurement Framework. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Ministry of Finance and Treasury in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Project Financial Statements

Project implementation unit (PIU) and Federal Administration for Geodetic and Real Property Affairs (FGA) are responsible for the preparation of these project financial statements in accordance with the cash basis of accounting based on IPSAS, as described in Note 4.1., and for such internal control as Head of PIU determines is necessary to enable the preparation of project financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, PIU and FGA are responsible for assessing the Project's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Project or to cease operations or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the financial reporting process.

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Responsibilities for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance about whether the project financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the project financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Project's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Project's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Project to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the project financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other requirements

In addition, with respect to the Statement of Expenditure, adequate documentation supporting Disbursement Linked indicators or Performance Based Conditions and underlying expenditures have been maintained to support claims for reimbursements of expenditure occurred, and such expenditures were eligible and incurred for the purpose intended under IBRD Loan No. 96760-BA. Also, respective reports issued during the period were in agreement with the underlying books of account.

Signed on behalf of Baker Tilly Re Opinion d.o.o. Sarajevo

Jasmina Orucevic, Director

Sarajevo, Bosnia and Herzegovina

22 May 2026



Aldijana Gabela, Certified Auditor

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3. Project financial statements for the year 2025

3.1.1 Summary of sources and uses of funds under the IBRD Loan No. 96760 – BA

	Actual 2025	Cumulative 2025	Cumulative 2024	Cumulative budget	Cumulative variance
FINANCING					
<i>IBRD Loan No. 96760 – BA</i>					
Initial deposit	2,000,000	2,000,000	-	-	-
SOE Replenishments	131,659	131,659	-	-	-
Front-end fee	57,750	57,750	-	-	-
TOTAL FINANCING	2,189,409	2,189,409	-	23,100,000	20,910,591
PROJECT EXPENDITURE					
<i>By Category</i>					
(1) Goods, consultants' services and Operating Costs	194,579	194,579	-	-	-
(6) Front-end fee	57,750	57,750	-	-	-
TOTAL EXPENDITURE	252,329	252,329	-	23,100,000	22,847,671
PROJECT EXPENDITURE					
<i>By component</i>					
(A) Support to the Establishment of Spatial Data	24,745	24,745	-	-	-
(B) Building Register Development	8,453	8,453	-	-	-
(C) Real Estate Valuation	-	-	-	-	-
(D) Capacity building and project management	161,381	161,381	-	-	-
Front – end fee	57,750	57,750	-	-	-
TOTAL EXPENDITURE	252,329	252,329	-	23,100,000	22,847,671

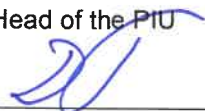
3. Project financial statements for the year 2025 (continued)

3.2 Balance sheet as of 31 December 2025 showing accumulated funds of the Project and bank balances concerning World Bank funding

	31 December 2025	31 December 2024
ASSETS		
Project expenditure under IBRD No. 96760 – BA	194,579	-
Front – end fee	57,750	-
	252,329	
Designated account IBRD No. 96760 - BA	A.1 1,937,080	-
	1,937,080	
Total assets	2,189,409	
LIABILITIES		
IBRD Loan No. 96760 – BA	2,131,659	-
Front-end fee	57,570	-
Total liabilities	2,189,409	

Signed and authorized by:

Head of the PIU



Denis Tabučić

Director



Željko Obradović

Sarajevo, 22 May 2026

Financial Specialist



Mirna Dozo

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4. Notes to the project financial statements

4.1 Basis of preparation and accounting records

These project financial statements have been prepared in accordance with the International Public Sector Accounting Standard: "Financial Reporting under the Cash Basis of Accounting" issued by the Public Sector Committee of the International Federation of Accountants, and incorporate the accounting policies below, which have been consistently followed in all material respects and comply with the "Guidelines: Annual Financial Reporting and Auditing for World Bank – Financed Activities", issued by the Financial Management Sector Board.

4.2 Accounting policies

The Project's fiscal year is 1 January to 31 December for the recording of all transactions.

Cash basis of accounting

All receipts and expenses under IBRD Loan are recorded on actual receipt and payment basis of accounting as per approved categories.

Project expenditure is stated at original cost on the balance sheet.

Direct payments

Direct payments concern the amounts paid directly from the loan account of the World Bank.

Statement of Expenditure (SoE)

Statements of Expenditure are used to state the expenditure under IBRD Loan during a certain period. These statements are sent to the World Bank's disbursement specialist who authorizes the payment of the expenditure through the Designated account.

Currency conversions

The reporting currency is EUR. Sources and use of funds (payments to workers, institutions, suppliers and contractors, as case may be) in currencies other than EUR have been converted to EUR using the currency rate at the moment of the transaction.

Bank balances, recorded on the balance sheet at year-end, have been converted at year-end rate.

Designated account

This is the total amount of the withdrawals from the Loan account for the Project. The Loan account is in EUR.

Local bank accounts

This concerns bank accounts at local banks (other than Designated accounts) in local currency translated at the exchange rate at the date of the balance sheet.

Interest on Designated account

Interest earned on the Designated account belongs to the Borrower.

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APPENDIX B SoE Withdrawal Schedule of IBRD Loan No.96760 – BA

	Advance Payment	Eligible expenditures program	Front – end fee	Total application	Total disbursed
Previous period	-	-	-	-	-
SOE 2025	-	194,579	-	194,579	-
WA (Front end Fee)	-	-	57,750	57,750	57,750
WA 01	-	-	-	-	2,000,000
WA 02	-	-	-	-	131,659
Total 2025	-	194,579	57,750	252,329	2,189,409
Cumulative	-	194,579	57,750	252,329	2,189,409

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APPENDIX C Reconciliation between World Bank's disbursement statements in EUR and Loan account in EUR according to the balance sheet;

	Changes in Loan No. 96760- BA (in EUR)
Original amount	23,100,000
Disbursed in previous years	-
Disbursements 2025	2,189,409
Total disbursed in 2025	2,189,409
Cumulative disbursements	2,189,409
Calculated undisbursed balance as of 31 December 2025	20,910,591
Undisbursed balance as per World Bank Summary for December 2025	20,910,591
