Global Environment Facility Project Agreement

(GEF Adriatic Sea Environmental Pollution Control Project I)

between

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
acting as an Implementing Agency of the Global Environment Facility

and

ENVIRONMENTAL PROTECTION AND ENERGY EFFICIENCY FUND

Dated September 8, 2014
Agreement dated 2014, entered into between the INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("Bank") and the ENVIRONMENTAL PROTECTION AND ENERGY EFFICIENCY FUND ("Project Implementing Entity") ("Project Agreement") in connection with the Grant Agreement ("Grant Agreement") of same date between the Republic of Croatia ("Recipient") and the Bank. The Bank and the Project Implementing Entity hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

1.01. The Standard Conditions (as defined in the Grant Agreement) constitute an integral part of this Agreement.

1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the Grant Agreement or the Standard Conditions.

ARTICLE II — PROJECT

2.01. The Project Implementing Entity declares its commitment to the objectives of the Project. To this end, the Project Implementing Entity shall carry out the Project in accordance with the provisions of Article II of the Standard Conditions, and shall provide promptly as needed, the funds, facilities, services and other resources required for the Project.

2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the Bank and the Project Implementing Entity shall otherwise agree, the Project Implementing Entity shall carry out the Project in accordance with the provisions of the Schedule to this Agreement.

ARTICLE III — REPRESENTATIVE; ADDRESSES

3.01. The Project Implementing Entity’s Representative is its Director.
3.02. The Bank’s Address is:

International Bank for Reconstruction and Development
1818 H Street, NW
Washington, DC 20433
United States of America

Cable: INTBAFRAD  
Telex: 248423(MCI) or 248423(MCI)  
Facsimile: 1-202-477-6391

3.03. The Project Implementing Entity’s Address is:

Environment Protection and Energy Efficiency Fund
Ksaver 208
10000 Zagreb

Facsimile: (385) 01-539-1810
AGREED at Zagreb, Republic of Croatia, as of the day and year first above written.

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT
as an Implementing Agency of the
Global Environment Facility

By

Authorized Representative

Name: CARLOS PIÑERUA
Title: COUNTRY MANAGER

ENVIRONMENTAL PROTECTION AND
ENERGY EFFICIENCY FUND

By

Authorized Representative

Name: STEIN KOLVUR
Title: DIRECTOR
SCHEDULE

Execution of the Project

Section I. Implementation Arrangements

A. Institutional Arrangements

1. The Project Implementing Entity shall:

   (a) perform in accordance with the provisions of the Subsidiary Agreement all of the obligations of the Project Implementing entity therein set forth, and shall exercise its rights under the Subsidiary Agreement in such manner as to protect the interests of the Recipient and the Bank, and to accomplish the purposes of the Grant. Except as the Bank shall otherwise agree, the Project Implementing Entity shall not assign, amend, abrogate or waive the Subsidiary Agreement or any of its provisions;

   (b) maintain the PMT throughout the duration of the Project, in a form and with functions, staffing, resources, terms of reference and qualifications and scope of responsibilities satisfactory to the Bank;

   (c) carry out the Project in accordance with the POM, and shall not amend, suspend, abrogate, repeal or waive any provision of the POM, without prior approval of the World Bank

   (d) no later than three (3) months after the Effective Date, appoint appropriate staff, satisfactory to the World Bank, as representatives to the Project Steering Committee and, throughout the duration of the Project, coordinate with the Project Steering Committee and the representatives of Bosnia and Herzegovina, in a manner as to accomplish the purposes of the Grant;

   (e) no later than twelve (12) months after the Effective Date, and except as the World Bank and Recipient shall otherwise agree, enter into arrangements, satisfactory to the World Bank, with Cistoca d.o.o, Zadar and the City of Zadar which shall: (i) regulate and describe the support provided by Cistoca d.o.o, Zadar during the design phase and works supervision under Part 1 of the Project; (ii) set forth the procedure for the acceptance of final works and handing over the leachate treatment plant to the Cistoca d.o.o, Zadar; (iii) set forth a plan for operating procedures upon completion of the works for the leachate treatment plan, including compliance with the EMP and ESMF; and (iv) set forth requirements and mechanisms for ensuring the financial sustainability of Cistoca d.o.o,
Zadar to ensure coverage of the operation and maintenance costs for the leachate treatment facility; and

(f) upon completion of the works for the upgrading of the leachate treatment plant, transfer ownership of the plant and related assets to Cistoca D.o.o., Zadar under contractual arrangements satisfactory to the World Bank, which shall include the details of the requirements set forth in sub-paragraphs (e)(iii) and (e)(iv) above.

B. Anti-Corruption

The Project Implementing Entity shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.

D. Safeguards

1. The Project Implementing Entity shall ensure that the Project is carried out in accordance with the ESMF and EMP and shall ensure that no provision of the ESMF and EMP is amended, suspended, abrogated, repealed or waived without prior written approval of the Bank.

2. The Project Implementing Entity shall ensure that no activities under the Project involve the involuntary taking of land resulting in relocation or loss of shelter, loss of assets or access to assets, loss of income sources or means of livelihood, or involving the involuntary restriction of access to legally designated parks and protected areas according to the Bank’s policy on “Involuntary Resettlement”.

3. For the purposes of technical assistance under Part 2 of the Project, the Project Implementing Entity shall ensure that the terms of reference for any consultancies shall be prepared in accordance with the ESMF and shall be satisfactory to the World Bank.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. The Project Implementing Entity shall monitor and evaluate the progress of the Project and prepare Project Reports for the Project in accordance with the provisions of Section 5.08 (b) of the General Conditions and on the basis of indicators acceptable to the Bank. Each such Project Report shall cover the period of one calendar semester, and shall be furnished to the Recipient not later than two (2) weeks after the end of the period covered by such report for incorporation and forwarding by the Recipient to the Bank of the overall Project Report.
2. The Project Implementing Entity shall provide to the Recipient not later than two (2) months after the Closing Date, for incorporation in the report referred to in Section 2.06 of the Standard Conditions, all such information as the Recipient or the Bank shall reasonably request for the purposes of that Section.

B. **Financial Management, Financial Reports and Audits**

1. The Project Implementing Entity shall maintain a financial management system, and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Bank, both in a manner adequate to reflect the operations and financial condition of the Project Implementing Entity, including the operations, resources and expenditures related to the Project.

2. The Project Implementing Entity shall prepare interim unaudited financial reports for the Project, and furnish them to the Recipient for onward transmission to the Bank, not later than thirty (30) days after the end of each calendar quarter, covering the quarter, in form and substance satisfactory to the Bank.

3. The Project Implementing Entity shall have the Financial Statements for the Project audited in accordance with the provisions of Section 2.07 (b) of the Standard Conditions. Each such audit of the Financial Statements shall cover the period of one fiscal year of the Recipient. The audited Financial Statements for each such period shall be furnished to the Recipient for onward transmission to the Bank not later than five (5) months after the end of such period.

**Section III. Procurement**

All goods, works, non-consulting services and consultant services required for the Project and to be financed out of the proceeds of the Loan shall be procured in accordance with the provisions of Section III of Schedule 2 to the Grant Agreement.