Republika Srpska Project Agreement

between

REPUBLIKA SRPSKA

and

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

acting as an Implementing Agency of the Global Environment Facility
and as an Implementing Agency of the Global Environment Facility
Special Climate Change Fund

Dated September 23, 2016
PROJECT AGREEMENT

Agreement dated September 13, entered into between:

(a) REPUBLIKA SRPSKA ("RS"); and

(b) INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("World Bank"), acting as: (i) an implementing agency of the Global Environment Facility ("GEF"); and (ii) an implementing agency of the Global Environment Facility Special Climate Change Fund ("SCCF") ("RS Project Agreement").

Whereas: (A) by a Global Environment Facility Trust Fund and Special Climate Change Fund Grant Agreement ("Bosnia and Herzegovina GEF and SCCF Agreement") dated July 22, 2016, between Bosnia and Herzegovina ("Recipient") and the World Bank, the World Bank agreed to provide to the Recipient a grant in an aggregate amount equal to one million one hundred twenty-nine thousand eight hundred and seventy-five United States Dollars ($1,129,875) ("Grant") from various sources consisting of (a) an amount equal to three hundred forty-two thousand two hundred and fifty-four United States Dollars ($342,254) ("GEF Portion of the Grant"); and (b) an amount equal to seven hundred eighty-seven thousand six hundred and twenty-one United States Dollars ($787,621) ("SCCF Portion of the Grant"), to assist in financing the Project, but only on the condition that the RS agrees to undertake such obligations toward the World Bank as set forth in this Agreement; and

(B) The RS, in consideration of the World Bank’s entering into the Bosnia and Herzegovina GEF and SCCF Agreement with the Recipient, has agreed to undertake the obligations set forth in this Agreement.

The World Bank and the RS hereby agree as follows:

ARTICLE I — STANDARD CONDITIONS; DEFINITIONS


1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the Standard Conditions, or in the Appendix to the Bosnia and Herzegovina GEF and SCCF Agreement.
ARTICLE II — PROJECT

2.01. The RS declares its commitment to the objective of the Project. To this end, the RS shall carry out its Respective Parts of the Project through its Respective Implementation Ministry and Respective Implementation Team, with the technical support of its Respective Implementation Technical Support Agency and 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 its Respective Parts of the Project.

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

ARTICLE III — REPRESENTATIVE; ADDRESSES

3.01. The RS Representative is the Republika Srpska’s Minister of Agriculture, Forestry and Water Management.

3.02. The World Bank’s Address is:

International Bank for Reconstruction and Development
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Cable: Telex: Facsimile:
INDEVAS 248423 (MCI) or 1-202-477-6391
Washington, D.C. 64145 (MCI)

3.03. The RS’ address is:

Ministry of Agriculture, Forestry and Water Management
Trg Republike Srpske 1
78000 Banja Luka
Bosnia and Herzegovina

Facsimile:
387 51 338865
AGREED at Beograd, as of the day and year first above written.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
acting as an Implementing Agency of the Global Environment Facility and as an Implementing Agency of the Global Environment Facility Special Climate Change Fund

By

Authorized Representative
Name: TATIANA PROKURYAKOVA
Title: COUNTRY MANAGER

REPUBLIKA SRPSKA

By

Authorized Representative
Name: STEVO MIRJANIC
Title: MINISTER
SCHEDULE

Execution of the RS Respective Parts of the Project

Section I. Institutional and Other Arrangements

A. Institutional Arrangements

1. The RS shall:

   (a) no later than three (3) months from the Effective Date, appoint representatives to be members of the Drina Task Force (“DTF”) that will be responsible for providing overall coordination and guidance to the Project implementing agencies on Project implementation, in accordance with terms of reference acceptable to the World Bank, and thereafter maintain said membership in the DTF throughout the period of Project implementation; and

   (b) at all times during Project implementation, maintain its Respective Implementation Team, with terms of reference and resources satisfactory to the World Bank, and with competent staff in adequate numbers to carry out their respective responsibilities related to implementation of its Respective Parts of the Project.

2. The RS, through its Respective Implementation Ministry and Respective Implementation Team:

   (a) shall implement its Respective Parts of the Project in accordance/compliance with the Project Operations Manual, applicable MOU, and ESMF and Respective RPF (as more specifically set out in Section I.D below), all with the technical support of its Respective Technical Support Agency; and

   (b) shall not amend or waive, or permit to be amended or waived the Project Operations Manual and applicable MOU or any provisions of any one thereof, except with the prior written approval of the World Bank.

B. Subsidiary Agreement

1. To facilitate the carrying out and financing of its Respective Parts of the Project, the RS shall enter into a subsidiary agreement with the Recipient (“RS Subsidiary Grant Agreement”) pursuant to which the Recipient shall make part of the proceeds of the Grant under the Bosnia and Herzegovina GEF and SCCF Agreement available to the RS, under terms and conditions approved by the World Bank, which shall include the following, namely, the Recipient shall on-grant to the RS
an amount equivalent to one million one hundred twenty-nine thousand eight hundred and seventy-five Dollars ($1,129,875) of the amount of the Grant allocated to Categories (4) and (5) set forth in the table in Part A.2, Section IV of Schedule 2 to the Bosnia and Herzegovina GEF and SCCF Agreement.

2. The RS shall exercise its rights under the RS Subsidiary Grant Agreement in such manner as to protect the interests of the RS, the Recipient and the World Bank and to accomplish the purposes of the Grant. Except as the World Bank shall otherwise agree, the RS shall not assign, amend, abrogate or waive the RS Subsidiary Grant Agreement or any of its provisions.

C. Anti-Corruption

The RS shall ensure that its Respective Parts of the Project are carried out in accordance with the provisions of the Anti-Corruption Guidelines.

D. Safeguards

1. The RS shall:

   (a) carry out its Respective Parts of the Project in accordance with the ESMF and its Respective RPF;

   (b) prior to carrying out any works under its Respective Parts of the Project, prepare site-specific EMPs in accordance with ESMF, including disclosure and public consultation, in form and substance satisfactory to the World Bank and implement its Respective Parts of the Project in accordance with the respective EMPs;

   (c) prior to carrying out any works under its Respective Parts of the Project which entail Involuntary Resettlement, prepare a site-specific RAP in accordance with its Respective RPF, including disclosure and meaningful consultations with Project Affected Persons, in form and substance satisfactory to the World Bank and ensure that such RAP is implemented, including by providing appropriate compensation, consistent with the provisions of the RPF and site-specific RAP, to the Project Affected Persons; and

   (d) not assign, amend, abrogate or waive the ESMF, EMPs, RPF and/or RAPs or any provision thereof, without the prior approval of the World Bank.

E. Small Grant Program

1. For purposes of Part 2.A(iv) of the Project, the RS shall make grants to Beneficiaries under the Small Grant Program in accordance with eligibility criteria
and procedures set forth in the Project Operations Manual and acceptable to the World Bank, which shall include, *inter alia*, the following: investment sub-projects to be financed by, and grants to be made to Beneficiaries, under the Small Grant Program shall be selected, appraised, implemented and evaluated in accordance with the principles and procedures set forth in the Project Operations Manual, the ESMF and Respective RPF.

2. The RS shall make grants under the Small Grant Program pursuant to a Small Grant Program Agreement to be signed with the respective Beneficiary (prior to any disbursement to such Beneficiary using the proceeds of the Grant under the Bosnia and Herzegovina GEF and SCCF Agreement) on terms and conditions approved by the World Bank, which terms and conditions shall include the following:

(a) Small Grants shall be denominated in the Respective Local Currency; and

(b) The RS shall obtain rights adequate to protect its interests and those of the World Bank, including the right to:

(i) suspend or terminate the right of the Beneficiary to use the proceeds of the grant made under the Small Grant Program, or obtain a refund of all or any part of the amount of the grant made under the Small Grant Program, upon the Beneficiary’s failure to perform any of its obligations under the Small Grant Program Agreement; and

(ii) require each Beneficiary to: (A) carry out its obligations under the Small Grant Program Agreement with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental and social standards and practices satisfactory to the World Bank, including in accordance with the ESMF and the Respective RPF; (B) provide, promptly as needed, the resources required for the purpose; (C) procure the goods, works and services to be financed out of the Small Grant Program Agreement in accordance with the provisions of this Agreement and the Project Operations Manual; (D) maintain policies and procedures adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the World Bank, the progress of the sub-project and the achievement of its objectives; (E) (1) maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the World Bank, both in a manner adequate to reflect the operations, resources and expenditures related to the sub-project; and (2) at the World Bank’s or the Recipient’s request, have such financial statements
audited by independent auditors acceptable to the World Bank, in accordance with consistently applied auditing standards acceptable to the World Bank, and promptly furnish the statements as so audited to the Recipient and the World Bank; (F) enable the Recipient and the World Bank to inspect the sub-project, its operation and any relevant records and documents; and (G) prepare and furnish to the Recipient and the World Bank all such information as the Recipient or the World Bank shall reasonably request relating to the foregoing.

3. The RS shall exercise its rights under each Small Grant Program Agreement in such manner as to protect the interests of the Recipient and the World Bank and to accomplish the purposes of the Grant under the Bosnia and Herzegovina GEF and SCCF Agreement. Except as the World Bank shall otherwise agree, the RS shall not assign, amend, abrogate or waive any Small Grant Program Agreement or any of its provisions.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. The RS, through its Respective Implementation Team, shall monitor and evaluate the progress of its Respective Parts of the Project and prepare Project Reports in accordance with the provisions of Section 2.06 of the Standard Conditions and on the basis of indicators agreed with the World Bank. Each Project Report shall cover the period of one (1) calendar semester, and shall be furnished to the World Bank not later than forty-five (45) days after the end of the period covered by such report.

2. The RS, through its Respective Implementation Team, shall prepare the Completion Report in accordance with the provisions of Section 2.06 of the Standard Conditions. The Completion Report shall be furnished to the World Bank not later than three (3) months after the Closing Date.

B. Financial Management, Financial Reports and Audits

1. The RS, through its Respective Implementation Team, shall maintain a financial management system in accordance with the provisions of Section 2.07 of the Standard Conditions.

2. The RS, through its Respective Implementation Team, shall prepare and furnish to the World Bank not later than forty-five (45) days after the end of each calendar semester, interim unaudited financial reports for its Respective Parts of the Project, covering such semester, in form and substance satisfactory to the World Bank.
3. The RS, through the its Respective Implementation Team, shall have the Financial Statements for its Respective Parts of the Project audited by independent auditors acceptable to the World Bank and on terms of reference acceptable to the World Bank in accordance with the provisions of Section 2.07 (b) of the Standard Conditions. Such audits of the Financial Statements shall cover the period of one (1) fiscal year. The audited Financial Statements for each such period shall be furnished to the World Bank not later than six (6) months after the end of such period. The RS shall also contribute to ensuring that the Recipient furnishes audited financial statements for each such period to the Association not later than six (6) months after the end of the period.

Section III. Procurement

All goods, works and services required for the RS Respective Parts of the Project and to be financed out of the proceeds of the Grant shall be procured in accordance with the provisions of Section III of Schedule 2 to the Bosnia and Herzegovina GEF and SCCF Agreement.