RS Project Agreement

(Real Estate Registration Project)

between

INTERNATIONAL DEVELOPMENT ASSOCIATION

and

REPUBLIKA SRPSKA

Dated May 23, 2013
CREDIT NUMBER 5188-BA

PROJECT AGREEMENT

Agreement dated May 23, 2013, entered into between the INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association") and the REPUBLIKA SRPSKA ("RS") ("Project Agreement") in connection with the Financing Agreement ("Financing Agreement") for the same Project between BOSNIA AND HERZEGOVINA ("Recipient") and the Association. The Association and the RS hereby agree as follows:

ARTICLE I—GENERAL CONDITIONS; DEFINITIONS

1.01. The General Conditions (as defined in the Appendix to the Financing 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 Financing Agreement or the General Conditions.

ARTICLE II—PROJECT

2.01. The RS declares its commitment to the objectives of the Project. To this end, the RS shall carry out Part 2 of the Project in accordance with the provisions of Article IV of the General Conditions, and shall provide promptly as needed, the funds, facilities, services and other resources required for its Respective Part of the Project.

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

ARTICLE III—TERMINATION

3.01. For purposes of Section 8.05(c) of the General Conditions, the date on which the provisions of this Agreement shall terminate is twenty-five (25) years after the date of this Agreement.

ARTICLE IV—REPRESENTATIVE; ADDRESSES

4.01. The RS’s Representative is the Minister of Finance of the RS.
4.02. The Association’s Address is:

International Development Association
1818 H Street, NW
Washington, DC 20433
United States of America

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

4.03. The RS’s Address is:

Trg Republika Srpske 1
78 000 Banja Luka
Bosnia and Herzegovina

Facsimile:
(387) 51 339 655
AGREED at Banja Luka, Bosnia and Herzegovina, as of the day and year first above written.

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Authorized Representative

Name: EMA KREKO

Title: ACTING COUNTRY MANAGER

WORLD BANK OFFICE, SARAJEVO

REPUBLICA SRPSKA

By

Authorized Representative

Name: ZORAN TEGETIJA

Title: MINISTER OF FINANCE
SCHEDULE

Execution of the RS's Respective Part of the Project

Section I. Implementation Arrangements

1. The RS shall carry out Part 2 of the Project through the RS PIU, which shall be responsible for the day-to-day implementation, including procurement and financial management, of Part 2 of the Project.

2. The RS shall maintain the RS PIU within the RS GA until the completion of the Project, or such earlier date as may be agreed with the Association, with adequate staff, funds, facilities and other resources required for this purpose in a manner satisfactory to the Association.

B. Subsidiary Agreement

1. To facilitate the carrying out of Part 2 of the Project, the RS shall enter into a subsidiary agreement with the Recipient pursuant to which the Recipient shall make part of the proceeds of the Credit available to the RS ("the RS Subsidiary Agreement"), under terms and conditions approved by the Association, which shall include the following:

   (i) the Recipient shall relend to the RS an amount in Special Drawing Rights equivalent to the amount of the Credit allocated from time to time to Category (2) set forth in the table in Schedule 2, Section IV, Part A paragraph 2 to the Financing Agreement;

   (ii) the term of the Subsidiary Financing shall be twenty-five (25) years, including a five (5) year grace period;

   (iii) the Recipient shall charge the RS a commitment charge at a rate equal to the rate payable under Section 2.03 of the Financing Agreement, on the principal amount of the Subsidiary Financing not withdrawn from time to time;

   (iv) the Recipient shall charge the RS a service charge on the principal amount of the Subsidiary Financing withdrawn and outstanding from time to time at a rate equal to the rate payable under Section 2.04 of the Financing Agreement;

   (v) the principal amount of the Subsidiary Financing shall be repayable in Euro and shall be the equivalent in SDRs (determined as of the date or respective dates of repayment) of
(vi) the Recipient shall charge the RS interest on the withdrawn Subsidiary Financing at a rate of one and a quarter percent (1.25%).

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

C. Anti-Corruption

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

D. Safeguards

1. The RS shall carry out its Respective Part of the Project in accordance with the Environmental Management Framework and any site-specific Environmental Management Plans that are prepared during implementation of the Project.

2. The RS shall ensure that all measures necessary for the carrying out of the EMF and the EMPs are taken in a timely manner.

3. The RS shall ensure that the EMF is not amended, waived, suspended, abrogated, or repealed except with the prior written approval of the Association.

4. For the implementation of Part 2, Component B, the RS shall ensure that site-specific Environmental Management Plans are prepared, satisfactory to the Association, prior to the commencement of any works.

5. The RS shall ensure that the RS GA enters into a purchase agreement, satisfactory to the Association, for any land or property to be purchased under Part 2, Component B.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. The RS shall monitor and evaluate the progress of its Respective Part of the Project and prepare Project Reports for its Respective Part of the Project in
accordance with the provisions of Section 4.08 of the General Conditions and on
the basis of indicators acceptable to the Association. Each such Project Report
shall cover the period of one calendar quarter and shall be furnished to the
Recipient not later than one month after the end of the period covered by such
report for incorporation and forwarding by the Recipient to the Association of the
overall Project Report.

2. The RS shall provide to the Recipient not later than three months after the
Closing Date, for incorporation in the report referred to in Section 4.08(c) of the
General Conditions, all such information as the Recipient or the Association shall
reasonably request for the purposes of such Section.

B. Financial Management, Financial Reports and Audits

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

2. The RS shall ensure that interim unaudited financial reports for the Project are
prepared and furnished to the Association not later than forty-five (45) days after
the end of each calendar quarter, covering the quarter, in form and substance
satisfactory to the Association.

3. The RS shall have its financial statements referred to above audited by
independent auditors acceptable to the Association, in accordance with
consistently applied auditing standards acceptable to the Association. Each audit
of these financial statements shall cover the period of one fiscal year of the RS.
The RS shall ensure that the audited financial statements for each period shall be
furnished to the Recipient and the Association not later than six months after the
end of the period.

Section III. Procurement

All goods, works and services required for the RS's Respective Part of the Project and to
be financed out of the proceeds of the Financing shall be procured in accordance with the
provisions of Section III of Schedule 2 to the Financing Agreement.