Federation of Bosnia and Herzegovina Project Agreement

(Real Estate Registration Project)

between

INTERNATIONAL DEVELOPMENT ASSOCIATION

and

FEDERATION OF BOSNIA AND HERZEGOVINA

Dated July 17, 2013
CREDIT NUMBER 5188-BA

PROJECT AGREEMENT

Agreement dated July 12, 2013, entered into between the INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association") and the FEDERATION OF BOSNIA AND HERZEGOVINA ("Federation") ("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 Federation 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 Federation declares its commitment to the objectives of the Project. To this end, the Federation shall carry out Part I 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 Federation shall otherwise agree, the Federation 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 Federation’s Representative is the Minister of Finance of the Federation.
4.02. The Association’s Address is:

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

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

4.03. The Federation’s Address is:

Mehmeda Spahe 5
71000 Sarajevo
Bosnia and Herzegovina

Facsimile:
387 33 203 152
AGreed at Sarajevo, Bosnia and Herzegovina, as of the day and year first above written.

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Authorized Representative

Name: ANABELA ABREU
Title: COUNTRY MANAGER
WORLD BANK OFFICE, SARAJEVO

FEDERATION OF BOSNIA AND HERZEGOVINA

By

Authorized Representative

Name: ZIUKO BURINIR
Title: PRESIDENT
SCHEDULE

Execution of the Federation’s Respective Part of the Project

Section I. Implementation Arrangements

A. Institutional Arrangements

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

2. The Federation shall maintain the Federation PIU within the Federation Administration for Geodetic and Real Property Affairs 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 1 of the Project, the Federation 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 Federation (“the Federation Subsidiary Agreement”), under terms and conditions approved by the Association, which shall include the following:

   (i) the Recipient shall relend to the Federation an amount in Special Drawing Rights equivalent to the amount of the Credit allocated from time to time to Category (1) 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 Federation 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 Federation 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;
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 the value of currency or currencies withdrawn from the Financing Account on account of expenditures for the Project; and

(vi) the Recipient shall charge the Federation interest on the withdrawn Subsidiary Financing at a rate of one and a quarter percent (1.25%).

2. The Federation shall exercise its rights under the Federation 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 Federation shall not assign, amend, abrogate or waive the Federation Subsidiary Agreement or any of its provisions.

C. Anti-Corruption

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

3. The Federation 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 I, Component B, the Federation shall ensure that site-specific Environmental Management Plans are prepared, satisfactory to the Association, prior to the commencement of any works.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. The Federation 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 Federation 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 Federation 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 Federation, including the operations, resources and
expenditures related to its Respective Part of the Project.

2. The Federation 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 Federation 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
Federation. The Federation 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 Federation’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.