Project Agreement

(Sustainable Forest and Landscape Management Project)

between

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

and

REPUBLIKA SRPSKA

Dated April 03, 2014
PROJECT AGREEMENT

Agreement dated April 03, 2014, entered into between INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("Bank") and REPUBLIKA SRPSKA ("Project Implementing Entity") ("Project Agreement") in connection with the Grant Agreement ("Grant Agreement") between Bosnia and Herzegovina ("Recipient") and the Bank for the same Project. 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 Part B of the Project in accordance with the provisions of Article V 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 Bank and the Project Implementing Entity shall otherwise agree, the Project Implementing Entity shall carry out its Respective Part of 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 the Minister of Agriculture, Forestry and Water Management of the Republika Srpska.

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 248423(MCI) or 1-202-477-6391
3.03. The Project Implementing Entity's Address is:

Ministry of Agriculture, Forestry and Water Management of the Republika Srpska

Trg Republike Srpske 1
78000 Banja Luka
Bosnia and Herzegovina

Facsimile:
+387 51 338 415

AGREED at Banja Luka, Bosnia and Herzegovina, as of the day and year first above written.

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

By

Authorized Representative

Name: ANABELA ABREU
Title: COUNTRY MANAGER

REpublika Srpska

By

Authorized Representative

Name: STEVO MIRJANIC
Title: MINISTER OF AGRICULTURE, FORESTRY AND WATER MANAGEMENT
SCHEDULE

Execution of the Project Implementing Entity’s Respective Part of the Project

Section I. Implementation Arrangements

A. Institutional Arrangements

1. The Project Implementing Entity shall carry out Part B of the Project under the overall responsibility of MAFW.

2. The Project Implementing Entity shall maintain the RS APCU at all times during Project implementation with resources and responsibilities satisfactory to the World Bank, including procurement and financial management, and with competent staff in adequate numbers.

3. The Project Implementing Entity shall:
   (a) duly perform its obligations under the Project Operational Manual in a timely manner and in accordance with their respective terms, and apply and implement, as the case may be, the actions, criteria, policies, procedures and arrangements therein set forth; and
   (b) not take or concur in any action which would have the effect of amending, assigning, abrogating or waiving, the Project Operational Manual or any provision thereof, except with the prior written approval of the World Bank.

B. Anti-Corruption

The Project Implementing Entity 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 Project Implementing Entity shall:
   (a) carry out the Project in accordance with the EMF;
   (b) prior to carrying out any activities under Part B.II of the Project, prepare EMPs in accordance with the EMF, in form and substance satisfactory to the World Bank, and to implement said activities in accordance with the relevant EMP;
   (c) ensure that: (i) no Project activities involve land acquisition; and (ii) if any Project activities require temporary use of land, it shall be done with a request and in consultation with the owners or users thereof;
   (d) ensure that no Project activities involve the use of pesticides or the significant conversion or degradation of critical natural habitats;
(e) ensure that any guidelines, reviews and plans with respect to forest roads, to be supported under Part B.I. (b) of the Project are carried out under terms of reference satisfactory to the World Bank and are consistent with, and pay due attention to, international environmental standards and practice, as well as the Recipient’s own laws relating to the environmental and social aspects of the Project.

Section II. Project Monitoring, Reporting and Evaluation.

A. Project Reports

1. The Project Implementing Entity 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 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 six months, and shall be furnished to the Recipient not later than forty-five (45) days 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 three (3) months, for incorporation in the report referred to in Section 5.08 (c) of the General 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 its Respective Part of the Project.

2. The Project Implementing Entity shall have its financial statements referred to above audited by independent auditors acceptable to the Bank, in accordance with consistently applied auditing standards acceptable to the Bank. Each audit of these financial statements shall cover the period of one fiscal year of the Project Implementing Entity. The Project Implementing Entity shall ensure that the audited financial statements for each period shall be: (a) furnished to the Bank not later than six (6) months after the end of the period; and (b) made publicly available in a timely fashion and in a manner acceptable to the Bank.

Section III. Procurement

All goods, works and services required for the Project Implementing Entity’s Respective Part 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 Grant Agreement.