
LOAN NUMBER 9381-BA

Project Agreement

(Second Employment Support Project)

between

**INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT**

and

FEDERATION OF BOSNIA AND HERZEGOVINA

PROJECT AGREEMENT

AGREEMENT between INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("Bank") and FEDERATION OF BOSNIA AND HERZEGOVINA ("Project Implementing Entity") ("Project Agreement") in connection with the Loan Agreement ("Loan Agreement") of the Signature Date between BOSNIA AND HERZEGOVINA ("Borrower") and the Bank, concerning Loan No. 9381-BA. The Bank and the Project Implementing Entity hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

- 1.01. The General Conditions (as defined in the Appendix to the Loan Agreement) apply to and form 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 Loan Agreement or the General 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 A of the Project in accordance with the provisions of Article V of the General Conditions and the Schedule to this Agreement, and shall provide, promptly as needed, the funds, facilities, services and other resources required for its Respective Part of the Project.

ARTICLE III — REPRESENTATIVE; ADDRESSES

- 3.01. The Project Implementing Entity's Representative is its Minister of Finance.
- 3.02. For purposes of Section 10.01 of the General Conditions:

(a) the Bank's address is:

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

(b) the Bank's Electronic Address is:

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

64145(MCI)

3.03. For purposes of Section 10.01 of the General Conditions:

(a) the Project Implementing Entity's address is:

Federal Ministry of Finance
Mehmeda Spahic 5
71000 Sarajevo
Bosnia and Herzegovina; and

(b) the Project Implementing Entity's Electronic Address is:

Facsimile:

E-mail:

387 33 203 152

fmf.kab@bih.net.ba

AGREED as of the later of the two dates written below.

**INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT**

By



Authorized Representative

Name: CHRISTOPHER GILBERT SHELDON

Title: COUNTRY MANAGER

Date: AUGUST 26, 2024

FEDERATION OF BOSNIA AND HERZEGOVINA

By



Authorized Representative

Name: LIDIJA BRADARA

Title: PRESIDENT OF FBiH

Date: 26/8/24

SCHEDULE

Execution of the Project Implementing Entity's Respective Part of the Project (Part A of the Project)

Section I. Implementation Arrangements

A. Institutional Arrangements.

1. The Project Implementing Entity, through the MoLSP, shall:
 - (a) Be responsible for the day-to-day implementation of Part A of the Project, including procurement, financial management, verification and reporting on the applicable PBCs.
 - (b) Establish and thereafter maintain within the MoLSP, a Project Implementation Unit (FBIH PIU), with adequate resources, comprising, *inter alia*, a Project coordinator, financial management specialist, monitoring and evaluation specialist and procurement specialist, and an environment and social safeguard specialist, all with qualifications and experience satisfactory to the Bank and as further detailed in the FBIH POM.
2. Notwithstanding the provisions in Section I.A.1 immediately above and for purposes of implementing relevant activities under Part A of the Project, the Project Implementing Entity, through MoLSP, shall ensure that the Federal Employment Institute provides technical support in ALMPs programming, planning, budgeting and implementation monitoring.

B. Project Operational Manual

1. The Project Implementing Entity shall ensure that MoLSP, through PIU, implements Part A of the Project in accordance with the FBIH POM satisfactory to the Bank containing, *inter alia*: (i) specific provisions on detailed arrangements for the carrying out of the Project Implementing Entity's Respective Part of the Project; (ii) the composition and responsibilities of the PIU; (iii) the procurement, financial management and disbursement requirements thereof; (iv) the performance indicators; (v) the Anti-Corruption Guidelines; and (vi) verification and reporting on the applicable PBCs.
2. The Project Implementing Entity shall, and shall ensure that MoLSP, through PIU, not amend or waive, or permit to be amended or waived, the FBIH POM, or any provision thereof, except with the prior written approval of the Bank.

C. Environmental and Social Standards.

1. The Project Implementing Entity shall ensure that the Project is carried out in accordance with the Environmental and Social Standards, in a manner acceptable to the Bank.
2. Without limitation upon paragraph 1 above, the Project Implementing Entity shall ensure that the Project is implemented in accordance with the Environmental and Social Commitment Plan ("ESCP"), in a manner acceptable to the Bank. To this end, the Project Implementing Entity shall ensure that:
 - (a) the measures and actions specified in the ESCP are implemented with due diligence and efficiency, and provided in the ESCP;
 - (b) sufficient funds are available to cover the costs of implementing the ESCP;
 - (c) policies and procedures are maintained, and qualified and experienced staff in adequate numbers are retained to implement the ESCP, as provided in the ESCP; and
 - (d) the ESCP, or any provision thereof, is not amended, repealed, suspended or waived, except as the Bank shall otherwise agree in writing, as specified in the ESCP, and ensure that the revised ESCP is disclosed promptly thereafter.
3. In case of any inconsistencies between the ESCP and the provisions of this Agreement, the provisions of this Agreement shall prevail.
4. The Project Implementing Entity shall ensure that:
 - (a) all measures necessary are taken to collect, compile, and furnish to the Bank through regular reports, with the frequency specified in the ESCP, and promptly in a separate report or reports, if so requested by the Bank, information on the status of compliance with the ESCP and the environmental and social instruments referred to therein, all such reports in form and substance acceptable to the Bank, setting out, inter alia: (i) the status of implementation of the ESCP; (ii) conditions, if any, which interfere or threaten to interfere with the implementation of the ESCP; and (iii) corrective and preventive measures taken or required to be taken to address such conditions; and
 - (b) the Bank is promptly notified of any incident or accident related to or having an impact on the Project which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or workers, in accordance with the ESCP, the environmental and social

instruments referenced therein and the Environmental and Social Standards.

5. The Project Implementing Entity shall establish, publicize, maintain and operate an accessible grievance mechanism, to receive and facilitate resolution of concerns and grievances of Project-affected people, and take all measures necessary and appropriate to resolve, or facilitate the resolution of, such concerns and grievances, in a manner acceptable to the Bank.
6. The Project Implementing Entity shall prepare, adopt, maintain, and operate a grievance mechanism as described in the SEP, not later than thirty (30) days after Effective Date.

Section II. Project Monitoring, Reporting and Evaluation

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 one calendar semester, and shall be furnished to the Bank not later than forty-five (45) days after the end of the period covered by such report.
2. The Project Implementing Entity shall provide to the Borrower not later than six (6) months after Closing Date, for incorporation in the report referred to in Section 5.08 (c) of the General Conditions all such information as the Borrower or the Bank shall reasonably request for the purposes of that Section.