
LOAN NUMBER 97100-YF

Loan Agreement

(Serbia Railway Sector Modernization Project
Using the Multiphase Programmatic Approach
Phase 2)

between

REPUBLIC OF SERBIA

and

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

LOAN AGREEMENT

AGREEMENT dated as of the Signature Date between REPUBLIC OF SERBIA (“Borrower”) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (“Bank”). The Borrower and the Bank hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

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

ARTICLE II — LOAN

- 2.01. The Bank agrees to lend to the Borrower the amount of sixty million Euros (Euro 60,000,000), as such amount may be converted from time to time through a Currency Conversion (“Loan”), to assist in financing the project described in Schedule 1 to this Agreement (“Project”).
- 2.02. The Borrower may withdraw the proceeds of the Loan in accordance with Section III of Schedule 2 to this Agreement.
- 2.03. The Front-end Fee is one quarter of one percent (0.25%) of the Loan amount.
- 2.04. The Commitment Charge is one quarter of one percent (0.25%) per annum on the Unwithdrawn Loan Balance.
- 2.05. The interest rate is the Reference Rate plus the Variable Spread or such rate as may apply following a Conversion; subject to Section 3.02(e) of the General Conditions.
- 2.06. The Payment Dates are May15 and November 15 in each year.
- 2.07. The principal amount of the Loan shall be repaid in accordance with Schedule 3 to this Agreement.

ARTICLE III — PROJECT

- 3.01. The Borrower declares its commitment to the objectives of the Project and the MPA Program. To this end, the Borrower, through MCTI, with the assistance of IZS, RD, Serbia Cargo and Srbijavoz, shall carry out the Project in accordance with the provisions of Article V of the General Conditions and Schedule 2 to this Agreement.

ARTICLE IV — REMEDIES OF THE BANK

- 4.01. The Additional Event of Suspension consists namely of the following that as a result of events which have occurred after the date of the Loan Agreement, an extraordinary situation has arisen which makes it improbable that the MPA Program can be carried out.

ARTICLE V — EFFECTIVENESS; TERMINATION

- 5.01. The Additional Condition of Effectiveness consists of the following, namely, that the Co-financing Agreement has been executed and delivered and all conditions precedent to its effectiveness or to the right of the Borrower to make withdrawals under it (other than the effectiveness of this Agreement) have been fulfilled.
- 5.02. The Effectiveness Deadline is the date one hundred eighty (180) days after the Signature Date.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

- 6.01. The Borrower's Representative who, *inter alia*, may agree to a modification of the provisions of this Agreement on behalf of the Borrower through an exchange of letters (unless otherwise determined by the Borrower and the Bank), is its Ministry of Finance.

- 6.02. For purposes of Section 10.01 of the General Conditions:

- (a) the Borrower's address is:

Ministry of Finance
20 Kneza Milosa St.
11000 Belgrade
Republic of Serbia; and

- (b) the Borrower's Electronic Address is:

Facsimile:

(381-11) 3618-961

E-mail:

kabinet@mfin.gov.rs

- 6.03. 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:

E-mail:

248423(MCI) or
64145(MCI)

1-202-477-6391

npontara@worldbank.org

AGREED and signed in English as of the Signature Date.

REPUBLIC OF SERBIA

By

Sinisa Mali

Authorized Representative

Name: Sinisa Mali

Title: First Deputy Prime Minister and Minister of Finance

Date: 02-Sep-2024

**INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT**

By

Nicola Pontara

Authorized Representative

Name: Nicola Pontara

Title: Country Manager

Date: 23-Aug-2024

SCHEDULE 1

Project Description

The objective of the Project is to maintain the quality of infrastructure and safety of railway operations through enhanced maintenance of existing railway assets.

The Project constitutes a phase of the MPA Program, and consists of the following parts:

Part 1. Infrastructure and Asset Management

- 1.1 Developing IZS's in-house capacity to conduct infrastructure maintenance of existing railways subsystems within IZS' network by:
 - (a) acquiring New Machinery, including, *inter alia*: (i) ballast regulators; (ii) draisines; (iii) wagons; (iv) heavy-duty rail-road motorcars with cranes and buckets; (v) equipment for maintenance and replacement of track turnouts; and (vi) cranes, lifting jacks, and turntables; and
 - (b) repairing and refurbishing out-of-order heavy-duty machinery already belonging to IZS, such as: (i) draisines; and (ii) machinery and equipment for rail track maintenance (tamping machines, ballast cleaners, dynamic track stabilizers, ballast regulator and profiler equipment).
- 1.2 Modernizing IZS's maintenance facilities (tentatively Lapovo and Sajlovo, or Batajnica and Topcider) which would store spare parts and the equipment necessary for the routine maintenance and emergency interventions on the railway network, by investing in small works and small infrastructure, *inter alia*, roof repairs, fire safety and protection, solar panels power supply.
- 1.3 Improving the infrastructure, service quality, and safety standards of new and rehabilitated railways through the financing of a service contract that encompasses works and equipment, and also provides capacity building to IZS on railway maintenance with regards to, *inter alia*: (a) tracks and turnouts (rail grinding/replacement, geometry correction–tamping, ballast injection, fasteners and sleepers replacement, prevention/remediation of snow and freezing damage; (b) signaling and telecoms systems (track-side equipment); and (c) power supply (traction power substations, paralleling posts, sectioning paralleling posts, traction power return system, and overhead contact line equipment).
- 1.4 Providing technical assistance and capacity building for IZS to adopt: (a) the RIAMS to administer newly constructed sections of railway lines; and (b) stocks and spare parts management systems.
- 1.5 Providing technical assistance to support IZS in developing technical documentation, including engineering designs, environmental/social impact assessments, and economic assessment, of the rehabilitation and upgrade of a regional railway line.

Part 2. Institutional Strengthening and Project Management

- 2.1 (a) Adopting ICT technologies and business support systems, asset management systems, financial reporting systems, and document management systems to strengthen: (a) Srbijavoz’s ticketing and business processes; and (b) Serbia Cargo’s train and cargo geo-localization systems and client interface platform.
- (b) Supporting the implementation of Srbijavoz’s marketing strategy.
- 2.2 (a) Developing human capital by: (a) providing technical assistance and capacity building activities to RD, IZS, Srbijavoz and Serbia Cargo staff (including the Human Resources departments); (b) adopting human resources strategies for IZS, Srbijavoz and Serbia Cargo; and (c) developing academic curricula to generate a pipeline of professional staff able to supply the railway sector.
- (b) Increasing the female workforce in the Borrower’s railway sector by: (a) developing the Internship Program for RD, IZS, Srbijavoz and Serbia Cargo; (b) implementing the Internship Program (including by disbursing Internship Payments); and (c) endeavoring to permanently employ female interns in male dominated technical and managerial fields.
- 2.3 Providing Project management support, including by, *inter alia*: (a) financing staff and technical support for the Project implementation unit (“PIU”) and Project implementation teams (“PITs”); (b) carrying out Training and knowledge exchange activities; (c) carrying out communication and citizen engagement activities; (d) conducting Project audits; and (e) acquiring office equipment and financing of Operating Costs.

Part 3. Railway Modernization Enablers

- 3.1 Increasing cargo rail traffic and promoting private sector participation by, *inter alia*: (a) developing a strategy for Logistics Centers to promote rail/road and rail/waterways services; and (b) and conducting an economic and financial assessment of last mile connectivity investments from existing industrial facilities to the main railway network.
- 3.2 Enabling the growth of passenger rail traffic by: (a) executing three Integrated Territorial Development (“ITD”) pilot projects; and (b) developing a railway station business model, including, *inter alia*, an investment and maintenance plan.

SCHEDULE 2**Project Execution****Section I. Implementation Arrangements****A. Institutional Arrangements.**

1. Without limitation to the provisions of Article V of the General Conditions, and except as the Bank shall otherwise agree, the Borrower shall maintain throughout Project implementation, with composition, resources, terms of reference, and functions acceptable to the Bank a:
 - (a) PIU, within MCTI, to be responsible for: (i) the overall coordination of all Project implementation activities; (ii) ensuring that the requirements, criteria, policies, procedures, and organizational arrangements set forth in the Project Operations Manual (“POM”) are applied in carrying out the Project; (iii) preparation of all Project implementation documents, including Project supervision reports; and (iv) environmental and social compliance; and (v) monitoring and evaluation of the Project; and
 - (b) Central Fiduciary Unit (“CFU”), within MoF, to be responsible for the procurement and financial management of the Project, as detailed in the POM.
2. The Borrower, through MCTI, shall:
 - (a) Maintain as part of the PIU throughout Project implementation: (i) a full-time environmental expert; (ii) a full-time social expert; and (iii) a part-time occupational health and safety expert.
 - (b) Cause each of RD, IZS, Serbia Cargo, and Srbijavoz to maintain a PIT with composition, resources, terms of reference, and functions acceptable to the Bank and further detailed in the POM.
 - (c) No later than one (1) month after the Effective Date, the Borrower shall establish, and thereafter maintain during Project implementation, a high-level Steering Committee (the “Steering Committee”) with objectives, composition, and terms of reference satisfactory to the Bank, to provide support and policy guidance for the implementation of the Project facilitate the resolution of any multi-sectoral obstacles in Project, as described in the POM.

B. Implementation Agreements.

1. The Borrower, through MCTI, shall enter into an agreement with RD, no later than one (1) month after the Effective Date, under terms and conditions approved by the Bank (“RD Agreement”), including, *inter alia*: (i) the procedures and timelines for the transfer of any assets and equipment acquired under the Project for the benefit of RD; and (ii) RD’s obligation to support the implementation of the Project in accordance to the provisions of this Agreement, the POM, the Anti-Corruption Guidelines, and the ESCP.

2. The Borrower, through MCTI, shall enter into an agreement with IZS, no later than one (1) month after the Effective Date, under terms and conditions approved by the Bank (“IZS Agreement”), including, *inter alia*: (i) the procedures and timelines for the transfer of any assets and equipment (including New Machinery, if applicable) acquired under the Project for the benefit of IZS; and (ii) IZS’s obligation to support the implementation of the Project in accordance to the provisions of this Agreement, the POM, the Anti-Corruption Guidelines, and the ESCP.
3. The Borrower, through MCTI, shall enter into an agreement with Serbia Cargo, no later than one (1) month after the Effective Date, under terms and conditions approved by the Bank (“Serbia Cargo Agreement”), including, *inter alia*: (i) the procedures and timelines for the transfer of any assets and equipment acquired under the Project for the benefit of Serbia Cargo; and (ii) Serbia Cargo’s obligation to support the implementation of the Project in accordance to the provisions of this Agreement, the POM, the Anti-Corruption Guidelines, and the ESCP.
4. The Borrower, through MCTI, shall enter into an agreement with Srbijavoz, no later than one (1) month after the Effective Date, under terms and conditions approved by the Bank (“Srbijavoz Agreement”), including, *inter alia*: (i) the procedures and timelines for the transfer of any assets and equipment acquired under the Project for the benefit of Srbijavoz; and (ii) Srbijavoz’s obligation to support the implementation of the Project in accordance to the provisions of this Agreement, the POM, the Anti-Corruption Guidelines, and the ESCP.
5. The Borrower, through MCTI, shall exercise its rights under the RD Agreement, IZS Agreement, Serbia Cargo Agreement and Srbijavoz Agreement, in such manner as to protect the interests of the Borrower and the Bank and to accomplish the purposes of the Loan. Except as the Bank shall otherwise agree, the Borrower shall not assign, amend, abrogate, or waive the RD Agreement, IZS Agreement, Serbia Cargo Agreement and Srbijavoz Agreement or any of their provisions.
6. The ownership, and any related ancillary services of any New Machinery, equipment or any other asset to be financed under the Project, shall be transferred to RD, IZS, Serbia Cargo, and Srbijavoz, as applicable, within 3 months from the date of acceptance of the respective asset by MCTI.

C. Project Operations Manual.

1. No later than one (1) month after the Effective Date, the Borrower, through MCTI, shall update the POM, and thereafter carry out the Project in accordance with the provisions of the POM, in a manner and with contents acceptable to the Bank, including, *inter alia*: (a) detailed description, sequencing and timetable of all Project activities and expenditure categories; (b) roles and responsibilities of relevant actors (including RD, IZS, Serbia Cargo, and Srbijavoz); (c) the composition, functions and terms of reference of the PIT; (d) regional railway line selection criteria and procedures; (e) procurement and financial management arrangements and procedures; (f) procedures for Project monitoring, supervision and evaluation, including the format and content of Project reports; (g) reporting requirements for incident and accidents; (h) the eligibility criteria and procedures for the election of the investments to be financed under the ITD pilots referred to in Part

3.2 of the Project; (i) internal control mechanisms to manage, control, and conduct oversight; (j) rules governing the Internship Program; and (k) Personal Data protocols to be used under the Project, which shall be in accordance with the applicable national law and international best practices.

2. Except as the Bank may otherwise agree in writing, the Borrower shall not abrogate, amend, suspend, waive, or otherwise fail to enforce the POM or any provision thereof.
3. In case of any conflict between the terms of the POM and those of this Agreement, the terms of this Agreement shall prevail.

D. Internship Program.

1. The Borrower, through MCTI, shall:
 - (a) provide paid internships, for candidates, out of which at least fifteen (15) should be female, that meet the following eligibility conditions, as further detailed under the POM:
 - (i) Borrower citizenship;
 - (ii) either young professionals recently graduated, or undergraduate/graduate level students; and
 - (iii) no Close Relatives of Project Officials shall be eligible to participate.
 - (b) disburse Internship Payments to interns for their participation in the Internship Program under Part 2.2(b) of the Project, in a manner acceptable to the Bank, and in accordance with the eligibility criteria and procedures as further detailed in: (i) this Agreement; (ii) the POM; and (iii) the applicable provisions of the Anti-Corruption Guidelines governing recipients of Loan proceeds other than the Borrower.
2. The maximum amount of total Internship Payments per Internship Program participant shall be set forth in the POM.

E. Environmental and Social Standards.

1. The Borrower, through MCTI, 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 Borrower, through MCTI, 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 Borrower, through MCTI, shall ensure that:
 - (a) the measures and actions specified in the ESCP are implemented with due diligence and efficiency, as 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 Borrower, through MCTI, 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 Borrower, through MCTI, 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 Borrower, through MCTI, shall ensure that all bidding documents and contracts for civil works under the Project include the obligation of contractors, subcontractors and supervising entities to: (a) comply with the relevant aspects of ESCP and the environmental and social instruments referred to therein; and (b) adopt and enforce codes of conduct that should be provided to and signed by all workers, detailing measures to address environmental, social, health and safety risks, and the risks of sexual exploitation and abuse, sexual harassment and violence against children, all as applicable to such civil works commissioned or carried out pursuant to said contracts.

Section II. Project Monitoring Reporting and Evaluation

The Borrower, through MCTI, shall furnish to the Bank each Project Report not later than one month after the end of each calendar semester, covering the calendar semester.

Section III. Withdrawal of Loan Proceeds

A. General.

Without limitation upon the provisions of Article II of the General Conditions and in accordance with the Disbursement and Financial Information Letter, the Borrower may withdraw the proceeds of the Loan to finance Eligible Expenditures in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table:

Category	Amount of the Loan Allocated (expressed in EUR)	Percentage of Expenditures to be financed inclusive of Taxes other than Value Added Tax and Customs Duties for works, goods and non-consulting services
Goods, works, non-consulting services, consulting services, Internship Payments, Operating Costs, and Training for the Project	60,000,000	50% of Project Expenditures
TOTAL AMOUNT	60,000,000	

For the purpose of this table, the custom duties and value added tax for the importation and supply of works, goods, and non-consulting services, within the Borrower's territory and for the purpose of the implementation of the Project, shall not be financed out of Loan proceeds. The Borrower confirms that the importation and supply of works, goods, and non-consulting services, within the Borrower's territory and for the purpose of the implementation of the Project, shall be exempted from customs duties and value added tax.

B. Withdrawal Conditions; Withdrawal Period.

1. Notwithstanding the provisions of Part A above, no withdrawal shall be made for payments made prior to the Signature Date.
2. The Closing Date is June 30, 2029.

SCHEDULE 3**Commitment-Linked Amortization Repayment Schedule**

The following table sets forth the Principal Payment Dates of the Loan and the percentage of the total principal amount of the Loan payable on each Principal Payment Date (“Installment Share”).

Level Principal Repayments

Principal Payment Date	Installment Share
On each May 15 and November 15 Beginning November 15, 2027 through November 15, 2035	5.56%
On May 15, 2036	5.48%

APPENDIX**Definitions**

1. “Anti-Corruption Guidelines” means, for purposes of paragraph 6 of the Appendix to the General Conditions, the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006, and revised in January 2011 and as of July 1, 2016.
2. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
3. “Close Relatives” means a spouse, grandparent, parent, child, grandchild, sibling, or niece or nephew.
4. “CFU” means the Central Fiduciary Unit referred to in Section I.A.1(b) of Schedule 2 to this Agreement.
5. “Co-financier” means the Agence Française de Développement (AFD).
6. “Co-financing” means, for purposes of paragraph 17 of the Appendix to the General Conditions, an amount of sixty million Euros (Euro 60,000,000) to be provided by the Co-financier to assist in financing the Project.
7. “Co-financing Agreement” means the agreement to be entered into between the Borrower and the Co-financier providing for the Co-financing.
8. “Environmental and Social Commitment Plan” or “ESCP” means the environmental and social commitment plan for the Project, dated June 10, 2024, as the same may be amended from time to time in accordance with the provisions thereof, which sets out the material measures and actions that the Borrower shall carry out or cause to be carried out to address the potential environmental and social risks and impacts of the Project, including the timeframes of the actions and measures, institutional, staffing, training, monitoring and reporting arrangements, and any environmental and social instruments to be prepared thereunder.
9. “Environmental and Social Standards” or “ESSs” means, collectively: (i) “Environmental and Social Standard 1: Assessment and Management of Environmental and Social Risks and Impacts”; (ii) “Environmental and Social Standard 2: Labor and Working Conditions”; (iii) “Environmental and Social Standard 3: Resource Efficiency and Pollution Prevention and Management”; (iv) “Environmental and Social Standard 4: Community Health and Safety”; (v) “Environmental and Social Standard 5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement”; (vi) “Environmental and Social Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources”; (vii) “Environmental and Social Standard 7: Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities”; (viii) “Environmental and Social Standard 8: Cultural Heritage”; (ix) “Environmental and Social Standard 9: Financial Intermediaries”; (x) “Environmental and Social Standard 10: Stakeholder

- Engagement and Information Disclosure”; effective on October 1, 2018, as published by the Bank.
10. “General Conditions” means the “International Bank for Reconstruction and Development General Conditions for IBRD Financing, Investment Project Financing,” dated December 14, 2018 (Last revised on July 15, 2023).
 11. “Infrastructure of Serbian Railways” or “IZS” means Joint Stock Company for Public Railway Infrastructure Management, established pursuant to the Decision 05 No. 023-7359/2015, dated July 2, 2015, on Founding of Joint Stock Company for Public Railway Infrastructure Management, duly published in the Borrower’s Official Gazette No.60/15 and 73/15, dated July 8, 2015 and August 21, 2015.
 12. “Integrated Territorial Development” or “ITD” means a small-scale investment that (a) integrates existing passenger railway stations to urban public transport services; (b) focuses on public transport and non-motorized transport to access existing passenger railway stations; and (c) furthers safety and accessibility. “ITDs” means more than one ITD.
 13. “Internship Payments” means the payments to interns participating in the “Internship Program” referred to in Schedule 2, Section D of this Agreement.
 14. “Internship Program” means the program referred to in Schedule 2, Section D of this Agreement.
 15. “IZS Agreement” means the agreement to be entered into between the Borrower, through MCTI, and IZS under Schedule 2, Section I.B.2 hereto.
 16. “Logistics Center” means intermodal logistic centers that (i) serve as hubs for cargo transported by trains to be picked up by other modes of transportation for last-mile/final destination distribution; and (ii) can encourage the use of railways for shipping cargo; and (iii) promote a shift from trucks (roadways) to rail transportation; “Logistic Centers” means more than one Logistics Center.
 17. “MCTI” means the Borrower’s Ministry of Construction, Transport, and Infrastructure, or any successor thereto.
 18. “MoF” means the Borrower’s Ministry of Finance, or its successor thereto.
 19. “MPA Program” means the multiphase programmatic approach program designed to improve the efficiency and safety of the Borrower’s rail network and enhance the environmental sustainability of the Borrower’s transport system.
 20. “New Machinery” means new heavy-duty machinery, to be used by IZS for the routine maintenance of recently rehabilitated railway infrastructure, that features high levels of fuel efficiency and, if available and acceptable to the Bank, is powered by battery-diesel hybrid engines, as further detailed in the POM.
 21. “Operating Costs” means reasonable incremental expenses incurred on account of implementation of the Project, including, *inter alia*, office supplies and other consumable

- goods, office rent, internet and communications costs, support for information systems, translation costs, bank charges, utilities, travel, transportation, per diem, accommodation costs (lodging), CFU salaries and other reasonable expenditures directly associated with the implementation of the Project, on the basis of annual budgets acceptable to the Bank, excluding salaries of the civil service employees.
22. “Personal Data” means any information relating to an identified or identifiable individual. An identifiable individual is one who can be identified by reasonable means, directly or indirectly, by reference to an attribute or combination of attributes within the data, or combination of the data with other available information. Attributes that can be used to identify an identifiable individual include, but are not limited to, name, identification number, location data, online identifier, metadata, and factors specific to the physical, physiological, genetic, mental, economic, cultural or social identity of an individual.
 23. “Project Expenditures” means the Eligible Expenditures to be jointly financed by the Loan and by the Co-Financing to cover the total cost of Project activities, which is estimated to be the equivalent of one hundred and twenty million Euros (Euro 120,000,000).
 24. “Project Implementation Teams” or “PIT” means the team referred to in Section I.A.2 of Schedule 2 to this Agreement; “PITs” means more than one PIT.
 25. “Project Implementation Unit” or “PIU” means the unit referred to in Section I.A.1(a) of Schedule 2 to this Agreement.
 26. “Project Operations Manual” or “POM” means the manual dated March 2021, adopted for the Phase 1 of the Serbia Railway Sector Modernization Project Using the Multiphase Programmatic Approach, to be updated according to Section C of Schedule 2 to this Agreement, and which may be amended from time to time with the prior written agreement of the Bank.
 27. “Procurement Regulations” means, for purposes of paragraph 84 of the Appendix to the General Conditions, the “World Bank Procurement Regulations for IPF Borrowers”, dated September 2023.
 28. “Project Officials” means any individual employed by the IZS, MoF, MCTI, RD, Serbia Cargo, Srbijavoz.
 29. “Railway Directorate” or “RD” means the Borrower’s rail market regulator and National Safety Authority, established pursuant to: (i) the Borrower’s Law on Railways, duly published in the Borrower’s Official Gazette No. 41/2018, dated May 31, 2018 and No. 62/2023, dated July 27 2023; (ii) the Borrower’s Law on Safety of Railway Traffic, duly published in the Borrower’s Official Gazette No. 41/2018, dated May 31, 2018; and (iii) the Borrower’s Law on Interoperability of Railway System, duly published in the Borrower’s Official Gazette No. 62/2023, dated July 27, 2023.
 30. “Railway Infrastructure Asset Management System” or “RIAMS” means a specialized railway infrastructure asset management system for IZS that would (i) include the following functionalities: life-cycle-cost analysis, cost-benefit, failure mode effects, criticality analysis and reliability, availability, maintenance, and safety; and (ii) enable IZS’s planning and decision making processes.

31. “RD Agreement” means the agreement to be entered into between the Borrower, through MCTI, and RD under Schedule 2, Section I.B.1 hereto.
32. “Serbia Cargo” means Joint Stock Company for Railway Transport of Goods “Serbia Cargo” Belgrade-Savski Venac, established pursuant to the Decision 05 No. 023-7357/2015, dated July 2, 2015, on Founding of Joint Stock Company for Railway Transport of Goods, duly published in the Borrower’s Official Gazette No. 60/15, dated July 8, 2015. 23.
33. “Serbia Cargo Agreement” means the agreement to be entered into between the Borrower, through MCTI, and Serbia Cargo under Schedule 2, Section I.B.3 hereto.
34. “Srbijavoz” means Joint Stock Company for Railway Passenger Transport “Srbijavoz,” Belgrade, established pursuant to Government Decision 05 No. 023-7361/2015 dated July 2, 2015, on Founding of Joint Stock Company for Passenger Railway Transport, duly published in the Borrower’s Official Gazette No. 60/15, dated July 8, 2015.
35. “Srbijavoz Agreement” means the agreement to be entered into between the Borrower, through MCTI, and Srbijavoz under Schedule 2, Section I.B.4 hereto.
36. “Signature Date” means the later of the two dates on which the Borrower and the Bank signed this Agreement and such definition applies to all references to “the date of the Loan Agreement” in the General Conditions.
37. “Steering Committee” means the committee referred to in Section I.A.2 (c) of Schedule 2 to this Agreement.
38. “Training” means the reasonable costs, as shall have been approved by the Bank, for training and workshops conducted under the Project, including tuition, travel and subsistence costs for training and workshop participants, costs associated with securing the services of trainers and workshop speakers, rental of training and workshop facilities, preparation and reproduction of training and workshop materials, study tours and other costs directly related to training course and workshop preparation and implementation (but excluding goods and consultants’ services).