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LOAN NUMBER 9048-BA

# Loan Agreement

(Additional Financing to the Real Estate Registration Project)

between

**BOSNIA AND HERZEGOVINA**

and

**INTERNATIONAL BANK FOR RECONSTRUCTION  
AND DEVELOPMENT**

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## **LOAN AGREEMENT**

AGREEMENT dated as of the Signature Date between BOSNIA HERZEGOVINA (“Borrower”) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (“Bank”) for the purpose of providing additional financing for activities related to the Original Project (as defined in the Appendix to this Agreement). 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 twenty million Euro (EUR 20,000,000), 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 Fixed Spread or such rate as may apply following a Conversion; subject to Section 3.02(e) of the General Conditions.
- 2.06. The Borrower elects to apply the Automatic Rate Fixing Conversion to the Loan. Accordingly, without limitation upon the provisions of Article IV of the General Conditions and unless otherwise notified by the Borrower to the Bank in accordance with the provisions of the Conversion Guidelines, the interest rate basis applicable to the aggregate principal amount of the Loan withdrawn during each Interest Period shall be converted from the initial Variable Rate to a Fixed Rate for the full maturity of such amount in accordance with the provisions of Article IV of the General Conditions and of the Conversion Guidelines.
- 2.07. The Payment Dates are February 15 and August 15 in each year.

- 2.08. 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 objective of the Project. To this end, the Borrower shall cause: (a) Part 1 of the Project to be carried out by the Federation; and (b) Part 2 of the Project to be carried out by the RS, all in accordance with the provisions of Article V of the General Conditions, Schedule 2 to this Agreement and the Project Agreements.

### **ARTICLE IV — REMEDIES OF THE BANK**

- 4.01. The Additional Event of Suspension consists of the following: namely, that either Entity's legislation has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of said Entity to perform any of its obligations under the relevant Project Agreement or Subsidiary Agreement.
- 4.02. The Additional Event of Acceleration consists of the following: namely, that the event specified in Section 4.01 of this Agreement occurs and is continuing for a period of sixty (60) days after notice of the event has been given by the Bank to the Borrower.

### **ARTICLE V — EFFECTIVENESS; TERMINATION**

- 5.01. The Effectiveness Deadline is the date one hundred and eighty (180) days after the Signature Date.

### **ARTICLE VI — REPRESENTATIVE; ADDRESSES**

- 6.01. The Borrower's Representative its Minister of Finance and Treasury.
- 6.02. For purposes of Section 10.01 of the General Conditions: (a) the Borrower's address is:

Ministry of Finance and Treasury  
Trg BiH 1  
71000 Sarajevo  
Bosnia Herzegovina; and

(b) the Borrower's Electronic Address is:

Facsimile:                      E-mail:  
(387-33) 202-930              trezorbih@mft.gov.ba

- 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

lvangelder@worldbank.org

AGREED as of the Signature Date.

**BOSNIA AND HERZEGOVINA**

By

  
\_\_\_\_\_  
**Authorized Representative**

Name: UJEKOSLAV BEVANDA

Title: MINISTER OF FINANCE AND TREASURY

Date: 02/07/2020

**INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT**

By

  
\_\_\_\_\_  
**Authorized Representative**

Name: EMANUEL SALINAS MUNOZ

Title: COUNTRY MANAGER

Date: 02/07/2020

## SCHEDULE 1

### Project Description

The objective of the Project is to support development of a sustainable real estate registration system with harmonized land register and cadastre records in urban areas of both the Federation of Bosnia and Herzegovina and the Republika Srpska.

The Project consists of the following parts:

#### **Part 1. The Federation**

##### Component A. Real Estate Registration Data Development

Supporting land register and cadastre data harmonization on land, buildings and rights based on the actual situation in the field, including: (i) vulnerability mapping, social monitoring and public awareness campaigns to support registration of real estate rights and vectorization of graphical cadastral maps; (ii) establishing cadastre data for harmonization with land register data in the Federation, and carrying out of said harmonization; (iii) vectorizing and creating a cadastral database; and (iv) establishing and implementing quality control arrangements established for data harmonization.

##### Component B. Real Estate Registration Infrastructure Development

Improving working conditions and infrastructure in cadastre and land registration offices through, *inter alia*: (i) the provision of (a) office renovations and modernization, including for land registry and cadaster offices, and (b) vehicles; (ii) development and implementation of an information and communication technology (ICT) strategy and system, including an ICT strategic management structure; and (iii) provision of furniture and equipment.

##### Component C. Policy and Institutional Development and Project Management

Supporting policy and institutional development in the sustainability and governance of real estate registers and supporting Project management and monitoring through the provision of technical assistance, Training, Incremental Operating Costs and equipment.

#### **Part 2. Republika Srpska**

##### Component A. Real Estate Registration Data Development

Supporting real estate cadastre data harmonization on land, buildings and rights based on the actual situation in the field and establishing the real estate cadaster, including through: (i) vulnerability mapping, social monitoring and public awareness campaigns to support registration of real estate rights, and vectorization of graphical cadastral maps; (ii) developing a coordinate reference system; (iii) vectorizing and creating a cadastral database; (iv) establishing and implementing quality control arrangements established for

cadastral surveys, vectorization, cadastral database creation and land consolidation; and (v) carrying out cadastral surveys.

Component B. Real Estate Registration Infrastructure Development

Improving working conditions and infrastructure in cadastre and land registration offices through, *inter alia*: (i) the provision of (a) office and real estate purchases, renovations and modernization, for regional offices and the central digital archive, (b) vehicles, and (c) surveying technology and equipment; (ii) development and implementation of an information and communication technology (ICT) strategy and system, including establishing an ICT business model, and establishing a central archive; and (iii) provision of furniture and equipment.

Component C. Policy and Institutional Development and Project Management

Supporting policy and institutional development in the sustainability and governance of real estate cadastre and supporting Project management and monitoring through the provision of technical assistance, Training, Incremental Operating Costs and equipment.

## SCHEDULE 2

### Project Execution

#### Section I. Implementation Arrangements

##### A. Institutional Arrangements

1. The Borrower shall cause each Entity, through its respective GA, operate and maintain a Project Implementation Unit (PIU) at all times during the implementation of the Project, with sufficient resources, competent staff in adequate numbers and responsibilities, and operated based on adequate procedures, all acceptable to the Bank and as set forth in their respective OMs.
2.
  - a. The Borrower shall cause each Entity to maintain, throughout Project implementation, the Project Coordination Board consisting of six (6) representatives, with one each from Federation GA, Federation MOF, Federation MOJ, and RS MOF, and two representatives of RS GA., with terms of reference and resources satisfactory to the Bank, and as set forth in their respective OMs.
  - b. The Project Coordination Board shall be responsible for coordinating Project activities and to exchange Project information, ensuring a harmonized approach.
3. The Borrower shall ensure, and shall cause the Entities to ensure, that legislation affecting land administration is not amended, suspended, abrogated, repealed or waived so as to materially affect the carrying out of the Project.

##### B. Subsidiary Agreement

1. To facilitate the carrying out of Part 1 of the Project, the Borrower shall make part of the proceeds of the Loan, in an amount equal to seven million one hundred seventy nine thousand four hundred eighty seven Euro (EUR 7,179,487), including the proceeds of the Loan allocated from time to time to Category (1), available to the Federation under a subsidiary agreement between the Borrower and the Federation, under terms and conditions acceptable to the Bank (“the Federation Subsidiary Agreement”).
2. To facilitate the carrying out of Part 2 of the Project, the Borrower shall make part of the proceeds of the Loan, in an amount equal to twelve million eight hundred twenty thousand five hundred thirteen Euro (EUR 12,820,513), including the proceeds of the Loan allocated from time to time to Categories (2) and (3), available to RS under a subsidiary agreement between the Borrower and the RS, under terms and conditions acceptable to the Bank (“the RS Subsidiary Agreement”).
3. The Borrower shall exercise its rights and carry out its obligations under each Subsidiary 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 Subsidiary Agreements or any of their provisions.



**C. Safeguards.**

1. The Borrower shall ensure that the Project is carried out in accordance with the terms of the Environmental Management Framework and any site-specific Environmental Management Plans that are prepared during implementation of the Project.
2. The Borrower, through the Entities, shall ensure that all measures necessary for the carrying out of the EMF and the EMPs are taken in a timely manner.
3. The Borrower shall ensure that the EMF is not amended, waived, suspended, abrogated, or repealed except with the prior written approval of the Bank.
4. For the implementation of Part 1, Component B and Part 2, Component B, the Borrower shall ensure that the Entities approve site-specific Environmental Management Plans, satisfactory to the Bank, prior to the commencement of any works.
5. The Borrower shall ensure that the RS, through the RS PIU, enters into a purchase agreement, satisfactory to the Bank, for real estate for the central archive to be purchased under Part 2, Component B.

**Section II. Project Monitoring Reporting and Evaluation**

The Borrower shall furnish to the Bank each Project Report not later than forty-five (45) days after the end of each calendar quarter, covering the calendar quarter.

**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: (a) finance Eligible Expenditures; and (b) pay: (i) the Front-end Fee; and (ii) each Interest Rate Cap or Interest Rate Collar premium; in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table:

<b>Category</b>	<b>Amount of the Loan Allocated (expressed in EUR)</b>	<b>Percentage of Expenditures to be financed (inclusive of Taxes)</b>
(1) Goods, works, non-consulting services, consultants' services, Training, and Incremental Operating Costs under Part 1 of the Project	7,161,538	100%

(2) Goods, works, non-consulting services, consultants' services, Training and Incremental Operating Costs under Part 2 of the Project	10,488,462	100%
(3) Purchase of real estate for the central archive under Part 2 of the Project	2,300,000	100%
(4) Front-end Fee	50,000	Amount payable pursuant to Section 2.03 of this Agreement in accordance with Section 2.07 (b) of the General Conditions
(5) Interest Rate Cap or Interest Rate Collar premium	0	Amount due pursuant to Section 4.05 (c) of the General Conditions
<b>TOTAL AMOUNT</b>	<b>20,000,000</b>	

**B. Withdrawal Conditions; Withdrawal Period.**

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made:
  - (a) for payments made prior to the Signature Date, except that withdrawals up to an aggregate amount not to exceed four million Euro (EUR 4,000,000) may be made for payments made prior to this date but on or after the date falling twelve (12) months prior to the Signature Date, for Eligible Expenditures.
  - (b) Under Category (1) unless:
    - (i) the Federation Project Agreement has been executed by its parties; and
    - (ii) the Federation Subsidiary Agreement has been executed by its parties.
  - (c) Under Categories (2) and (3) unless:
    - (i) the RS Project Agreement has been executed by its parties; and
    - (ii) the RS Subsidiary Agreement has been executed by its parties.
  - (d) Under Category (3) unless the Borrower ensures that the RS furnishes to the Bank a report on the proposed purchase prior to signing the purchase and sale agreement, with contents satisfactory to the Bank.
2. The Closing Date is July 31, 2022.

### 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

<b>Principal Payment Date</b>	<b>Installment Share</b>
On each February 15 and August 15 Beginning August 15, 2027 through February 15, 2052	2%

## SCHEDULE 4

### Update to the Financing Agreement

- I. The Financing Agreement is hereby updated as follows:
1. As of September 23, 2013, Schedule 1 of the Financing Agreement is hereby updated to read as set forth in Schedule 1 to this Agreement.
  2. Section I.A.3.a. of Schedule 2 to the Financing Agreement is hereby updated to read as set forth in Section 1.A.2.a of Schedule 2 to this Agreement.
  3. Section II.A of Schedule 1 to the Financing Agreement is hereby updated to read as follows: “Intentionally left blank”.
  4. The Appendix to the Financing Agreement is hereby updated as follows:
    - (a) The Following definition is hereby added and placed in alphabetical order (and the remaining definitions are hereby reorganized to maintain alphabetical order):

““Operations Manual” or “OM” means either the manual dated December 8, 2013 adopted by the Federation, or the manual dated June 13, 2013 adopted by the RS, referred to in Section I.B.1 of the Schedule to the relevant Project Agreement, as the same may be amended from time to time by agreement with the Bank.

““Project Coordination Board” means the board set forth in Section I.A.3.a of this Agreement.”
    - (b) The Following definition is hereby amended to read in its entirety as follows:

“ “Environmental Management Framework” or “EMF” means the Environmental Management Framework adopted by the Borrower, made public by the Borrower on May 9, 2012, on the Bank’s website on March 5, 2012, redisclosed by the RS on December 9, 2019 and by the Federation on December 13, 2019, and which is satisfactory to the Bank, consisting of the set of mitigation, monitoring, and institutional measures to be taken to eliminate adverse environmental and social impacts, offset them, or reduce them to acceptable levels, as well as actions needed to implement these measures and a sample Environmental Management Plan.”

## APPENDIX

### **Section I. Definitions**

1. “Anti-Corruption Guidelines” means, for purposes of paragraph 5 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. “Entity” means the Federation of Bosnia and Herzegovina or Republika Srpska (as these expressions are hereafter defined), as the case may be, and “Entities” refers to the Federation and Republika Srpska collectively.
4. “Environmental Management Framework” or “EMF” means the Environmental Management Framework adopted by the Borrower, made public by the Borrower on May 9, 2012, on the Bank’s website on March 5, 2012, redisclosed by the RS on December 9, 2019 and by the Federation on December 13, 2019, and which is satisfactory to the Bank, consisting of the set of mitigation, monitoring, and institutional measures to be taken to eliminate adverse environmental and social impacts, offset them, or reduce them to acceptable levels, as well as actions needed to implement these measures and a sample Environmental Management Plan.
5. “Environmental Management Plan” or “EMP” means a site-specific Environmental Management Plan prepared under the Project in accordance with the EMF, describing the environmental mitigation measures anticipated for activities under the Project and the parties responsible for monitoring of construction and operational impacts.
6. “GA” means either the Federation GA or the RS GA, as the case may be.
7. “General Conditions” means the “International Bank for Reconstruction and Development General Conditions for IBRD Financing, Investment Project Financing”, dated December 14, 2018, with the modifications set forth in Section II of this Appendix.
8. “Federation” means the Federation of Bosnia and Herzegovina, a constitutive part of the Borrower, and any legal successor or successors thereto, and a Project Implementing Entity for purposes of the General Conditions.
9. “Federation GA” means the Federation Administration for Geodetic and Real Property Affairs, and any legal successor or successors thereto.
10. “Federation MOF” means the Federal Ministry of Finance of the Federation of Bosnia and Herzegovina, and any legal successor or successors thereto.
11. “Federation MOJ” means the Federal Ministry of Justice of the Federation of Bosnia and Herzegovina, and any successor or successors thereto.

12. “Federation PIU” means the Project Implementation Unit within the Federation GA, responsible for the fiduciary functions of project implementation of Part 1 of the Project, and any successor or successors thereto.
13. “Federation Project Agreement” means the agreement between the Bank and the Federation for this Project, as the same may be amended from time to time, and such term includes all schedules and agreements supplemental to the Federation Project Agreement.
14. “Federation Subsidiary Agreement” means the agreement entered into between the Borrower and the Federation, referred to in Schedule 2, Section I, paragraph B.1 of this Agreement, as the same may be amended from time to time, with the agreement of the Bank.
15. “Financing Agreement” means the financing agreement between the Borrower and the International Development Association, dated January 25, 2013, and with Credit Number 5188-BA, as such agreement may be amended from time to time. “Financing Agreement” includes all appendices, schedules and agreements supplemental to the Financing Agreement.
16. “Incremental Operating Costs” means reasonable incremental expenses incurred directly on account of Project implementation, management and monitoring, including office supplies, publication of procurement notices, vehicle operation, office and equipment maintenance and repair, communication, translation and interpretation, travel and supervision costs, and other miscellaneous costs directly associated with Project, but excluding salaries of officials and employees of the Borrower.
17. “Original Federation Project Agreement” means the agreement entered into between the Federation and the International Development Association dated July 17, 2013.
18. “Original Project” means the project described in Schedule 1 to the Financing Agreement.
19. “Original RS Project Agreement” means the agreement entered into between the RS and the International Development Association dated May 23, 2013.
20. “Operations Manual” or “OM” means either the manual dated December 9, 2013 adopted by the Federation, or the manual dated June 13, 2013 adopted by the RS, referred to in Section I.B.1 of the Schedule to the relevant Project Agreement, as the same may be amended from time to time by agreement with the Bank.
21. “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.

22. “Project Implementation Unit” or “PIU” means either the RS PIU or the Federation PIU, as the case may be.
23. “Procurement Regulations” means, for purposes of paragraph 85 of the Appendix to the General Conditions, the “World Bank Procurement Regulations for IPF Borrowers”, dated July 2016, revised November 2017 and August 2018.
24. “Project Agreements” means the Federation Project Agreement and the RS Project Agreement.
25. “Project Coordination Board” means the board set forth in Section I.A.2(a) of this Agreement.
26. “Republika Srpska” or “RS” means Republika Srpska, a constitutive part of the Borrower, and a Project Implementing Entity for purposes of the General Conditions.
27. “RS GA” means the Republic Administration for Geodetic and Real Property Affairs of Republika Srpska, and any legal successor or successors thereto.
28. “RS’s Legislation” means the legislation establishing and governing the Republika Srpska.
29. “RS MOF” means the Ministry of Finance of Republika Srpska, and any legal successor or successors thereto.
30. “RS MOJ” means the Ministry of Justice of Republika Srpska, and any legal successor or successors thereto.
31. “RS PIU” means the Project Implementation Unit within the RS GA, responsible for the fiduciary functions of Project implementation of Part 2 of the Project, and any legal successor or successors thereto.
32. “RS Project Agreement” means the agreement between the Bank and the Republika Srpska for this Project, as the same may be amended from time to time, and such term includes all schedules and agreements supplemental to the RS Project Agreement.
33. “RS Subsidiary Agreement” means the agreement entered into between the Borrower and the Republika Srpska, referred to in Schedule 2, Section I, paragraph B.1. of this Agreement, as the same may be amended from time to time.
34. “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.
35. “Subsidiary Agreements” means the Federation Subsidiary Agreement and the RS Subsidiary Agreement.
36. “Training” means all expenditures related to training activities under the Project such as training workshops, study tours and local training and including fees, travel costs and per-

diem allowances for the trainers and trainees, cost of training materials, space and equipment rental, and other related expenditures.

## **Section II. Modifications to the General Conditions**

The General Conditions are hereby modified as follows:

1. Section 9.01 (Conditions of Effectiveness of Legal Agreements) is hereby amended as follows:

“The Legal Agreements shall not become effective until the Loan Party and at least one of the Project Implementing Entities confirms and the Bank is satisfied that the conditions specified in paragraphs (a) through (c) of this Section are met.

(a) The execution and delivery of each Legal Agreement on behalf of the Loan Party and said Project Implementing Entity which is a party to such Legal Agreement have been duly authorized by all necessary actions and delivered on behalf of such party, and the relevant Legal Agreement is legally binding upon such party in accordance with its terms.

(b) If the Bank so requests, the condition of said Project Implementing Entity, as represented and warranted to the Bank at the date of the Legal Agreements, has not undergone any material adverse change after such date.

(c) Each condition specified in the Loan Agreement as a condition of its effectiveness has occurred. (“Additional Condition of Effectiveness”).”