

GRANT AGREEMENT

THE MUNICIPAL WINDOW OF THE INFRASTRUCTURE PROJECT FACILITY

under

IPA 2008 MULTI-BENEFICIARY PROGRAM

between the

EUROPEAN INVESTMENT BANK

and

BOSNIA AND HERZEGOVINA

Sarajevo, 22 September 2010

The European Investment Bank with its Head office at
100 Blvd Konrad Adenauer, L-2950 Luxembourg,
represented by the Head of Division, Mr Massimo NOVO,
and the Senior Loan Officer, Mrs Marion HOENICKE
(hereinafter referred to as the "EIB"),

of the first part,

and

Bosnia Herzegovina, represented by its Minister of
Finance and Treasury, Mr. Dragan VRANKIC

of the second part,

and jointly referred to as the "**Parties**",

have agreed as follows:

Article 1 - Purpose

- 1(1) On 18 August 2008, Bosnia and Herzegovina, the Federation of Bosnia and Herzegovina and the Bank entered into a finance contract for an amount equal to euro 60,000,000.00 (sixty million euros) (hereinafter referred to as the "**Finance Contract**") in order to support the development of municipal infrastructure projects in the water and sanitation sector of the Federation of Bosnia and Herzegovina, covering investments during the period from 2006 (EIB Serapis no. 2006 – 0272) (hereinafter referred to as the "**Project**").
- 1(2) The purpose of this agreement (the "**Agreement**") is to set up the terms and conditions for a grant by EIB on behalf of the European Union (hereinafter referred to as the "**Grant**") made available through the Instrument for Pre-Accession (IPA) budget and other sources in order to support financially and technically the Project as described in Annex I.
- 1(3) Bosnia and Herzegovina (hereinafter referred to as the "**Beneficiary**") accepts the Grant and – acting through the Federation of Bosnia and Herzegovina - undertakes to use the Grant for financing, in the municipalities of Velika Kladusa, Orasje, Bosanski Petrovac, Posusje, Siroki Brijeg, Tomislavgrad, Bosanska Krupa (hereinafter collectively referred as the "**Final Beneficiaries**"), their combined investments under the Project (hereinafter referred to as the "**Project Segment**") in accordance with the terms and conditions set out in this Agreement.
- 1(4) The total investment cost of the Project Segment eligible for co-financing by the Grant is estimated at EUR 55,000,000 (fifty-five million euros) as set out in Annex I and Annex II.
- 1(5) It is to be understood that references herein to Articles, Recitals, Schedules and Annexes are references respectively to articles of, and recitals, schedules and annexes to this Agreement.

Article 2 - Implementation Period of this Agreement

- 2(1) The implementation period of this Agreement (hereinafter referred to as the "**Implementation Period**") will begin on the day following that on which the last of the Parties signs.
- 2(2) The Implementation Period of this Agreement is up to 63 months.
- 2(3) The execution of the Project Segment shall not go beyond 31 December 2015.

Article 3 - Amount of the Grant

- 3(1) Provided that EIB receives from the European Union funds pursuant to the Contribution Agreement signed in Brussels on 28 November 2009 and in Luxembourg on 30 November 2009 between EIB and the European Commission on behalf of the European Union (hereinafter referred to as the "**Commission**") (hereinafter referred to as the "**Contribution Agreement**"), EIB undertakes to provide the Grant to the Beneficiary equivalent to EUR 5,000,000 (five million euros) net of the management fee equal to 1.25% of Grant funds disbursed and the costs of auditing of the special accounts maintained by the EIB for the purpose of this Agreement. The Beneficiary undertakes to provide the received Grant amount to the Final Beneficiaries.
- 3(2) The final amount of the Grant will be established as follows:
 - (a) the Grant amount may not exceed the maximum amount established by Article 3(1) even if the overall actual expenditure exceeds the estimated total cost of the Project Segment as specified in Article 1(4); and
 - (b) if the total investment costs of the Project Segment at its completion are less than the estimated total cost of the Project Segment as specified in Article 1(4), the Grant may be pro-rated to the actual investment incurred.
- 3(3) According to the Contribution Agreement interest accrued on the sums available for the Grant and undisbursed in EIB accounts, shall supplement the Grant provided pursuant the Contribution Agreement.

Article 4 - Use of the Grant

The Beneficiary shall use, and shall ensure that the Final Beneficiaries shall use the Grant solely for the purpose of financing the Project Segment. For the avoidance of doubt the Grant shall not be used for financing of taxes, duties and charges arising out of, or in connection with, the implementation of the Project Segment.

Article 5 - Payment arrangements

- 5(1) The Grant shall be transferred to the Beneficiary's bank account that will be notified to the EIB on or before the date falling 15 (fifteen) Business Days before the scheduled payment date under Article 5(3)(a). The payments shall be made in Euro.
- 5(2) Payments of the Grant are conditional upon the fulfilment of the conditions established under this Article 5(2).
- (a) The first payment is conditional upon:
- (i) receipt by EIB, in form and substance satisfactory to it, of evidence that this Agreement has been ratified by the decision of the Parliament of Bosnia and Herzegovina;
 - (ii) receipt of a payment request by EIB from the Beneficiary on or before the date falling 15 (fifteen) Business Days before the scheduled payment date specified in such payment request accompanied by evidence of the authority of the person or persons authorised to sign it on behalf of the Beneficiary and the specimen signature of such person or persons;
 - (iii) receipt by EIB on or before the date falling 15 (fifteen) Business Days before the scheduled payment date under Article 5(3)(a) of the corresponding payment to be made by the European Union to EIB pursuant to the Contribution Agreement; and
 - (iv) receipt and approval by the EIB of the Inception Report in accordance with Article 5(3)(a).
- (b) Payments subsequent to the first are conditional upon:
- (i) receipt of a payment request by EIB from the Beneficiary on or before the date falling 15 (fifteen) Business Days before the scheduled payment date specified in such payment request accompanied by evidence of the authority of the person or persons authorised to sign it on behalf of the Beneficiary and the specimen signature of such person or persons;
 - (ii) receipt by EIB on or before the date falling 15 (fifteen) Business Days before the scheduled payment date specified in the payment request of the corresponding payment to be made by the European Union to EIB pursuant to the Contribution Agreement;
 - (iii) receipt on or before the date falling 60 (sixty) Business Days before the scheduled payment date specified in the payment request of a Progress Report submitted by the Beneficiary and approval of such Progress Report by the EIB;
 - (iv) receipt by EIB of documents, submitted by the Beneficiary, evidencing, in a manner satisfactory to EIB, that the Beneficiary has made available to the Final Beneficiaries at least 80% (eighty per cent) of the amounts of all previous payments;
 - (v) receipt of documents, submitted by the Beneficiary, evidencing, in a manner satisfactory to EIB, that the Final Beneficiaries have incurred expenses in eligible costs related to the Project Segment according to Article 8 in an amount at least equal to the aggregate of (i) 70% (seventy per cent) of the amount of the immediately preceding payment and (ii) 100% (one hundred per cent) of the amounts of all previous payments, if any.
- (c) All payments (including the first and the second) are conditional upon confirmation that no event or circumstance which constitutes or would, with the passage of time or giving of notice under this Agreement, constitute an event of termination under Article 15, has occurred and is continuing unremedied or unwaived.

For the purpose of this Agreement "**Business Days**" means a day (other than a Saturday or Sunday) on which the EIB and the commercial banks are open for general business in Luxembourg.

- 5(3) Payments of the Grant will be made as follows:
- (a) Subject to the fulfilment of the conditions specified in Article 5(2) (a), EIB shall transfer to the account specified in Article 5(1) a first payment of EUR 2,500,000 (two million and five hundred thousand euros) within 15 (fifteen) days from the approval by EIB of the Inception Report as defined in Article 9(1). If the approval of the Inception Report submitted by the Beneficiary only covers part of the Project Segment, this first payment will be reduced pro-rata and EIB will transfer the amount corresponding to that part of the Project Segment. The remaining part of this first payment will be disbursed upon approval of additional Inception Reports covering the part of the Project Segment not previously covered.
 - (b) Subject to the fulfilment of the conditions specified in Article 5(2) (b) and (c) payments subsequent to the first payment will be made by EIB within 15 (fifteen) days of the date of the payment request. Subject to Annex 1, paragraph 5, each payment subsequent to the first payment, except the last payment, will cover 100% (one hundred per cent) of the grant funds forecast to be disbursed for the following 12 (twelve) months from the date of the payment request as indicated in the most recent Progress Report as defined in Article 9(1).
- 5(4) Without prejudice to its right to terminate this Agreement pursuant to Article 16, EIB may suspend or cancel a payment where the Beneficiary fails to perform any of its material obligations under this Agreement or the Finance Contract and such failure shall have continued for a period of 15 (fifteen) days after written notice thereof shall have been given to the Beneficiary by EIB.
- 5(5) Any report (Inception Report, annual Progress Report, annual financial report, annual audit report, final report), accompanied by a payment request conforming to the model attached as Annex III, will be presented by EIB to the Commission for approval. If within 60 (sixty) days from the receipt by EIB of the relevant report from the Beneficiary, the EIB has not reacted such report shall be considered as approved. EIB shall not approve reports that have not been approved by the Commission within the above period.
- 5(6) The Beneficiary shall provide EIB with any additional information regarding the report as EIB may reasonably request. In this case the deadline for approving the report shall be suspended pending the receipt of the requested information.
- 5(7) Reports shall be presented in accordance with Article 9, Annex IV and Annex V.
- 5(8) Approval of a report does not imply recognition of the regularity, authenticity, completeness and correctness of the declarations and information contained therein.

Article 6 - The Beneficiary Undertakings and Warrants

- 6(1) The Beneficiary undertakes to take, and shall ensure that the Final Beneficiaries take in respect of the Project Segment appropriate measures to prevent irregularities, fraud, corruption or any other illegal activity in the implementation of the Project Segment. All suspected and actual cases of irregularity, fraud and corruption related to this Agreement must be reported to EIB without delay.
- 6(2) The Beneficiary warrants and undertakes that it has not committed, and no person to its present knowledge, including the Final Beneficiaries, has committed, any of the following acts and that it will not commit, and no person, including the Final Beneficiaries, with its consent or prior knowledge, will commit any such act, that is to say:
- (a) the offering, giving, receiving or soliciting of any improper advantage to influence the action of an person holding a public office or function or a director or employee of a public authority or public enterprise or a director or official of a public international organisation in connection with any procurement process or in the execution of any contract in connection with the Project Segment; or
 - (b) any act which improperly influences or aims improperly to influence the procurement process or the implementation of the Project Segment to the detriment of the Beneficiary, including collusion between tenderers.

The Beneficiary undertakes to inform, and shall ensure that the Final Beneficiaries inform EIB if they should become aware of any fact or information suggestive of the commission of any such act.

- 6(3) The Beneficiary undertakes to, and shall ensure that the Final Beneficiaries shall institute, maintain and comply with internal procedures and controls in compliance with applicable national laws and best practices, for the purpose of ensuring that no transaction is entered with, or for the benefit of, any of the individuals or institutions named on updated lists of sanctioned persons promulgated by the United Nations Security Council or its committees pursuant to Security Council Resolutions 1267 (1999), 1373 (2001) (www.un.org/terrorism) and/or by the Council of the EU pursuant to its Common Positions 2001/931/CSFP and 2002/402/CSFP and their related or successor resolutions and/or implementing acts in connection with financing of terrorism matters.
- 6(4) The Beneficiary undertakes to, and shall ensure that the Final Beneficiaries shall (i) retain, in a single location, for inspection during 6 (six) years from the conclusion of each contract financed by means of the Grant, the full terms of the contract itself, as well as all material documents pertaining to the procurement process and to the execution of the contract and (ii) procure that EIB may inspect the contractual documents that the contractor is obliged to retain under its supply or work contract.
- 6(5) The Beneficiary undertakes to:
- (a) take such action as EIB shall reasonably request to investigate and/or terminate any alleged or suspected act of the nature described in Article 6(2);
 - (b) inform EIB of the measures taken to seek damages from the persons responsible for any loss resulting from any such act; and
 - (c) facilitate any investigation that EIB may make concerning any such act.

The Beneficiary shall bear all expenses incurred by EIB in connection with this Article 6(5).

Article 7 - Procurement of goods, works and services

- 7(1) The Beneficiary undertakes to ensure that the procurement of any goods, works or services by the Final Beneficiaries in the context of the Project is carried out by open international tender or other acceptable procurement procedure complying, to EIB satisfaction, with EIB policy as described in its Guide to Procurement in force at the date of this Agreement.
- 7(2) If the Project Segment is to be partially sub-contracted, EIB shall decide with the Beneficiary which activities shall be contracted to other entities and which ones shall be implemented directly, provided that, having due regard to cost and duration, sub-contracting would not lead to increased costs over direct implementation. The Beneficiary shall ensure that the Final Beneficiaries (i) present to EIB the contracting arrangements as soon as they are available and (ii) inform EIB, with as much prior notice as possible, of changes in these arrangements.
- 7(3) The Beneficiary shall ensure that the Final Beneficiaries adopt reasonable measures to ensure that potential tenderers shall be excluded from the participation in a procurement or award procedure financed by the Grant, if:
- they are bankrupt or being wound up, are having their affairs administered by the courts, have entered into an arrangement with creditors, have suspended business activities, are the subject of proceedings concerning those matters, or are in any analogous situation arising from a similar procedure provided for in national legislation or regulations;
 - they have been convicted of an offence concerning their professional conduct by a judgment which has the force of res judicata;
 - they have been the subject of a judgment which has the force of res judicata for fraud, corruption, involvement in a criminal organization or any other illegal activity;
 - they are guilty of misrepresentation in supplying the information required as a condition of participation in the procedure or fail to supply this information;
 - are subject to a conflict of interest.
- 7(4) In the event of failure to comply with the above provisions the relevant costs shall not be eligible for funding under this Agreement.

Article 8 - Eligible costs

- 8(1) To be considered as eligible costs for grant payment under this Agreement, costs must:
- be necessary for carrying out the Project Segment, be provided for specifically in this Agreement and comply with the principles of sound financial management, in particular value for money and cost-effectiveness;
 - have actually been incurred from the date of signature of this Agreement and during the Implementation Period, whatever the time of actual disbursement by EIB;
 - be recorded in the accounts of the Final Beneficiaries, be identifiable, backed by originals of supporting evidence (as the case may be in electronic form), and verifiable pursuant to the provisions of Article 10.
- 8(2) The following costs shall not be considered eligible:
- debts and provisions for possible future losses or debts;
 - interest owed by the Beneficiary or the Final Beneficiaries to any third party;
 - items already financed from other sources;
 - purchases of land or buildings;
 - currency exchange losses;
 - taxes, duties and charges charged to the Beneficiary and/or the Final Beneficiaries.

Article 9 – Reporting

- 9(1) The Beneficiary shall provide information on the financing, execution and operation of the Project Segment. To that end, the Beneficiary shall submit an inception report (hereinafter referred to as the “**Inception Report**”) presenting detailed Project Segment specifications as specified in Annex V, within 3 (three) months after signature of this Agreement.

The Beneficiary shall submit annual progress reports (hereinafter referred to as the “**Progress Reports**”).

The Beneficiary shall submit a final report (hereinafter referred to as the “**Final Report**”) to EIB within 3 (three) months of the end of the Implementation Period at the latest.

The Beneficiary may provide additional Progress Reports updated at the time of a payment request.

- 9(2) EIB may request additional information at any time. Such information shall be supplied on the date agreed by EIB and the Beneficiary.
- 9(3) The Inception Report shall consist of a narrative and financial description of the initial status of the Project Segment, as specified in Annex V. The Inception Report shall be submitted in support of the first payment request.
- 9(4) Progress Reports and Final Reports shall consist of a narrative part and a financial part as specified in Annex IV, and cover the whole of the Project Segment. Payment will be made in accordance with the grant disbursement estimates presented in Annex I, regularly updated in the Progress Reports.
- 9(5) The Beneficiary shall report to EIB on 3 (three) main indicators of achievement to be included in the Progress Reports and the Final Report:
- (a) Measurable outcomes of extended and improved infrastructure management and regulation;
 - (b) Quantitative impact of the Project Segment on the existing status of infrastructure;
 - (c) Qualitative impact of the Project Segment.

Insufficient achievement may trigger corrective measures to be agreed by the Parties with respect to the design and implementation of the Project Segment.

- 9(6) The Beneficiary shall inform EIB without delay of any circumstances likely to hamper or delay implementation of the Project Segment. The Beneficiary shall keep EIB informed, on a regular basis, and at least semi annually, of the progress on the implementation of the

Project Segment as part of the reporting requirements under the Finance Contract referred to under Article 1(1).

- 9(7) In addition to the above mentioned reports, the Beneficiary shall, and shall ensure that the Final Beneficiaries shall share with EIB, progress and situation reports, publications, press releases and updates, relevant to this Agreement, when available.

Article 10 - Visits

- 10(1) The Beneficiary shall, and shall ensure that the Final Beneficiaries shall allow persons designated by EIB, as well as persons designated by other European Union institutions (including the European Anti-Fraud Office (OLAF)) when so required by the relevant mandatory provisions of European Union law, to visit the sites, installations and works comprising the Project Segment and to conduct such checks as they may wish, and shall provide them, or ensure that they are provided, with all necessary assistance for this purpose.
- 10(2) The Beneficiary acknowledges, and shall ensure that the Final Beneficiaries acknowledge that EIB may be obliged to divulge such information relating to the Beneficiary and the Project Segment to any competent European Union institution or body in accordance with the relevant mandatory provisions of European Union law.

Article 11 - Repayment of the Grant

- 11(1) Where the Project Segment is suspended, not carried out at all, or not carried out properly and without prejudice to its right to terminate this Agreement pursuant to Article 16, EIB may demand repayment of the total amount of the Grant or reduce the Grant pro-rata to the actual implementation of the Project Segment.
- 11(2) If the Project Segment is not completed within the Implementation Period, the funds that remain unexpended will be reimbursed to EIB.
- 11(3) In case that the Grant is not used in compliance with (i) the procedures and the terms described herein and (ii) the Project specifications set out under Annex 1, EIB will be entitled to recover from the Beneficiary the proportion of Grant on the value of the funds wrongly paid or incorrectly used in any component of the Project Segment. In this case the Beneficiary will be entitled to recover from the Final Beneficiaries the same amount. For the avoidance of doubt, the recovery of such funds by the Beneficiary from the Final Beneficiaries will not affect the obligation of the Beneficiary to repay the funds to EIB.
- 11(4) If the Grant is not made available to the Final Beneficiaries pursuant to the terms and conditions of this Agreement within 6 (six) months from the date of the first payment made by EIB to the Beneficiary under this Agreement, the EIB may demand repayment of the total amount of the Grant disbursed so far. In such case Articles 16(6) and 16(7) shall apply.

Article 12 – Conflict of interests

- 12(1) The Parties undertake to take all necessary precautions to avoid conflict of interests and shall inform the other Parties without delay of any situation constituting or likely to lead to any such conflict.
- 12(2) There is a conflict of interest where the impartial and objective exercise of the functions of any person under this Agreement is compromised for reasons involving family, emotional life, political or national affinity, economic interest or any other shared interest with another party.

Article 13 - Visibility and Transparency

The Beneficiary shall incorporate, and undertakes to ensure that the Final Beneficiaries incorporate in all their promotional material related to the activities falling within the scope of the Project Segment a reference to the fact that they are supported by EIB and the Commission, and if appropriate, EIB's logo and European logo (twelve yellow stars on a blue background).

Article 14 - Suspension of this Agreement

- 14(1) EIB may suspend all or part of this Agreement if circumstances (*mainly force majeure*) make it too difficult or dangerous to continue. It shall inform the Beneficiary without delay. Any suspension shall continue until EIB ends the suspension or decides to terminate the Agreement. If this Agreement is not terminated, EIB shall endeavour to minimise the duration of the suspension and may resume implementation of the Project Segment once the conditions allow, and shall inform the Beneficiary accordingly.
- 14(2) The Implementation Period is automatically extended by an amount of time equivalent to the duration of the suspension. This is without prejudice to any amendments to this Agreement which may be necessary to adapt the Project Segment to the new implementing conditions.
- 14(3) No indemnity will be payable upon suspension or termination by EIB pursuant this Article.

Article 15 - Force majeure

Force majeure shall mean any unforeseeable exceptional situation or event beyond the Parties' control which prevents either of them from fulfilling any of their obligations under this Agreement, was not attributable to error or negligence on their part (or of their partners, contractors, agents or employees), and could not have been avoided by the exercise of due diligence. Defects in equipment or material or delays in making them available, labour disputes, strikes or financial problems cannot be invoked as *force majeure* by the defaulting party. Neither of the Parties shall be held liable for breach of its obligations under this Agreement if it is prevented from fulfilling them by *force majeure*. Without prejudice to Article 14(1) above, the Party invoking *force majeure* shall notify the other without delay, stating the nature, likely duration and foreseeable effect, and take any measure to minimise possible damage.

Article 16 - Termination of this Agreement

- 16(1) This Agreement shall be automatically terminated if it has not be ratified by decision of the Parliament of Bosnia and Herzegovina within 12 (twelve) months from the date of its signature.
- 16(2) If, at any time, any Party believes that the purposes of this Agreement can no longer be effectively or appropriately carried out, it shall consult the other Party. Failing agreement on a solution, any Party may terminate this Agreement by serving 2 (two) months' written notice. In this event, the Beneficiary shall be entitled to payment of the Grant by the EIB and the Final Beneficiaries by the Beneficiary only for the part of the Project Segment carried out.

- 16(3) Without prejudice to the rights and obligations set forth elsewhere in this Agreement, any Party may terminate this Agreement if one Party fails to perform any of its material obligations under the terms of this Agreement, including their annexes and such failure to perform shall have continued for a period of 30 (thirty) days after written notice thereof shall have been given to the non-performing party by the notifying party.
- 16(4) The Beneficiary shall repay all or part of the Grant forthwith within 15 (fifteen) days or any other date agreed by the Parties upon written demand being made by EIB in accordance with the following provisions.
- 16(5) EIB may terminate this Agreement on 30 (thirty) days prior written notice and may request full or partial repayment of the Grant to the Beneficiary where:
- (a) the Beneficiary has not informed EIB of any situation giving rise to conflict of interest with negative implications for the Project Segment and their expected results;
 - (b) the Beneficiary has transferred or assigned this Agreement or payments attached to it to a third party in any manner whatsoever without prior written consent of EIB;
 - (c) if any information or document given to EIB by or on behalf of the Beneficiary or the Final Beneficiaries or any representation or statement made or deemed to be made by the Beneficiary or by the Final Beneficiaries in this Agreement or in connection with the negotiation of this Agreement is or proves to have been incorrect or misleading in any material respect;
 - (d) the Beneficiary provide reports that do not reflect the reality in order to obtain the Grant provided for in this Agreement;
 - (e) the Beneficiary or the Final Beneficiaries commit deliberate financial irregularities;
 - (f) the Beneficiary or the Final Beneficiaries undergo legal, financial, technical or organisational change that is liable to affect this Agreement substantially;
 - (g) the Beneficiary or the Final Beneficiaries default in the performance of any obligation in respect of any loan or financial instrument granted by EIB or to EIB or the European Union;
 - (h) if the Beneficiary fails to comply with any obligation under this Agreement;
 - (i) in the event no submission of the Inception Report to EIB would have occurred within 6 (six) months from the signature of this Grant Agreement by the Parties.
- 16(6) If the Beneficiary fails to repay by the due date, the sum due shall bear interest at the rate applied by the European Central Bank to its principal refinancing operations, as published in the C series of the Official Journal of the European Union on the first day of the month in which payment was due, increased by three and a half percentage points. The interest shall be payable for the period elapsing from the day following expiry of the time limit for payment up to the day of payment. Any partial payment shall first cover the interest.
- 16(7) Bank charges incurred by the repayment of amounts due to EIB shall be borne entirely by the Beneficiary.
- 16(8) Unless this Agreement is terminated earlier, the payment obligations of EIB hereunder shall cease at the "end date", which shall occur 18 (eighteen) months after the end of the Implementation Period. EIB shall notify the Beneficiary of any postponement of the end date. EIB shall postpone the end date, so as to be able to fulfill its payment obligations, in all cases where the Beneficiary has filed the payment request in accordance with this Agreement or, in case of dispute, until completion of the dispute settlement procedure provided for in Article 18.

Article 17 - Amendment

- 17(1) Any modification of this Agreement including the Annexes thereto, shall be duly signed by the Parties.

- 17(2) A request for an amendment shall be submitted to the other Party 4 (four) months before the amendment is intended to enter into force, unless there are special circumstances duly substantiated by the party requesting the amendment and accepted by the other Party. A request to extend the implementation period of this Agreement must be duly justified and submitted no later than 7 (seven) months before the end of it.

Article 18 - Settlement of Disputes and Jurisdiction

- 18(1) Any dispute between the Parties as to the interpretation, application, or performance of this Agreement, including its existence, validity or termination, not settled amicably shall be submitted to the jurisdiction of the Court of Justice of the European Communities.
- 18(2) General principles of law common to the Member States, as interpreted by the Court of Justice of the European Communities, apply to this Agreement.

Article 19 - Communications

- 19(1) Notices and other communications given under this Agreement addressed to any Party to this Contract shall be made to the address or facsimile number as set out below, or to such other address or facsimile number as a party previously notifies to the others in writing:

For EIB	European Investment Bank Attention: Ops A - MA3 Ms Marion HOENICKE 98-100 boulevard Konrad Adenauer L-2950 Luxembourg Facsimile no.: +352 4379 67487
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For the Beneficiary	Bosnia and Herzegovina Attention: Ministry of Finance and Treasury Trg Bosne I Hercegovine 1 Sarajevo Facsimile: +387 3320 2930
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- 19(2) Any notice or other communication given under this Agreement must be in writing.

Notices and other communications for which fixed periods are laid down in this Agreement or which themselves fix periods binding on the addressee may be made by hand delivery, registered letter or facsimile. The date of delivery, registration or, as the case may be, the stated date of receipt of transmission shall be conclusive for the determination of a period.

Other notices and communications may be made by hand delivery, registered letter or facsimile or, to the extent agreed by the parties by written agreement, by email or other electronic communication.

Without affecting the validity of any notice delivered by facsimile according to the paragraphs above, a copy of each notice delivered by facsimile shall also be sent by letter to the relevant party on the next following Business Day at the latest.

Notices issued by the Beneficiary or the Final Beneficiaries pursuant to any provision of this Agreement shall, where required by EIB, be delivered to EIB together with satisfactory evidence of the authority of the person or persons authorised to sign such notice on behalf of the Beneficiary or the Final Beneficiaries.

Article 20 - Entry into force

This Agreement shall enter into force following its ratification by decision of the Parliament of Bosnia and Herzegovina.



Article 21 - Annexes

The following documents are annexed to this Agreement and form an integral part of it:

- Annex I: Project specifications
- Annex II: Budget for the Project Segment - Financing Plan
- Annex III: Request for payment
- Annex IV: Progress Reports and Final Report: Information requirements
- Annex V: Inception Report: Information requirements
- Annex VI: Template of Reports and Charts

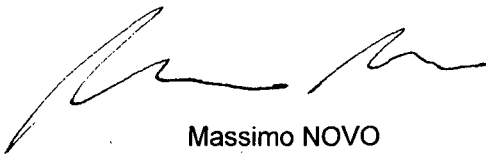
IN WITNESS WHEREOF the parties hereto have caused this Agreement to be executed in 3 (three) originals in the English language 2 (two) for EIB and 1 (one) for the Bosnia and Herzegovina and have caused representatives of each Party to initial each page of this Agreement on their behalf.

At Sarajevo, this 22 September 2010

Signed for and on behalf of
EUROPEAN INVESTMENT BANK

The Head of Division

The Senior Loan Officer



Massimo NOVO



Marion HOENICKE

Signed for and on behalf of
BOSNIA AND HERZEGOVINA

The Minister of Finance and Treasury



Dragan VRANKIC

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Annex I Project specifications

1. Background

This Agreement concerns a European Union Contribution in the form of a grant from the Municipal Window of the Infrastructure Project Facility in support of an infrastructure project in the environment and transport sectors co-financed by EIB loan 24569 (hereinafter referred to as the "Loan") pursuant to the Finance Contract mentioned in Article 5(4).

The Grant will be used only for the part of the project covered by the decision of the Steering Committee of the Western Balkans Investment Framework concerning 7 municipalities (Project Segment):

Bosnia Herzegovina - Federation of BiH: Rehabilitation and construction of water and waste water infrastructure in 7 municipalities (Velika Kladusa, Orasje, Bosanski Petrovac, Posusje, Siroki Brijeg, Tomislavgrad, Bosanska Krupa).

The accurate description of the Project Segment will be provided in the Inception Report according to Article 9 of this Agreement.

The Beneficiary is Bosnia and Herzegovina, and the Final Beneficiaries are the seven municipalities mentioned in the third paragraph of this Annex I. EIB will agree with the Beneficiary the detailed timing and allocation of the Grant to implement the investments, in line with this Agreement. EIB shall disburse the Grant to the Beneficiary, which will ensure that the funds are used for the implementation of the Project Segment. The disbursement amounts mentioned in this Annex are indicative forecasts.

EIB shall disburse to the Beneficiary equal amounts of Grant and Loan upon advancement of the Project Segment until 90% of the Grant is used for this Project Segment. In case the Project Segment is not advancing to the satisfaction of EIB, EIB reserves the right to disburse fewer grants than the loan amount disbursed. EIB will disburse the remaining balance of 10% of Grant upon completion of the Project Segment.

The expected impacts of the Project Segment consist of:

- (a) Improved physical infrastructure management in the municipal water supply and sewerage systems. In addition, during refinement of the schemes at implementation stage, specific attention will be paid to promoting additional water and energy efficiency measures in order to generate additional improvements to the financial performance of the utilities.
- (b) Quantitative impact: extent of progress in construction in relation to Project Segment beginning stage and to planned Project Segment advancement.
- (c) Qualitative impact of the Project Segment: The water and sanitation project objectives consist of improving of the living standards of the population and the hygienic conditions through improving the water and wastewater facilities of the towns.

Financing plan and use of European Union resources:

The EIB loan is expected to co-finance a group of 15 municipalities. The group of 7 municipalities of the Project Segment is included in the group of 15 municipalities.

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The financing plan of the Project includes the EIB Finance Contract as referred to in Article 1(1). In addition, the Grant as referred to in Articles 1(3) and 3(1) is available for the implementation of the Project Segment as referred to in Article 1(3). It is also expected that under IPA 2009 a grant of EUR 12 million and under IPA 2010 a grant of EUR 8 million will be available to co-finance investments in all municipalities under the Project. Municipalities' own funds and other funds will cover the remainder of investments under the Project.

Indicative Schedule for Project Segment implementation:

MW-ENV-BiH-EIB-01 (Water and Sanitation Federation BiH) – Project Segment					
Indicative forecast (EUR million)	2009	2010	2011	2012	Total
Investment under Project Segment	9.5	17.0	25.0	3.5	55.0
Grant (2008 IPF-MW)	0	2.5	2.0	0.5	5.0
Grant to investment ratio (for the 7 municipalities.)					9%

The implementation and grant disbursement schedule will be updated in Inception report and Progress Reports.

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Annex II
Budget for the Project Segment – Financing Plan
(only eligible expenditures, if not indicated otherwise)

Financing Plan for the Project Segment:

	EUR
EUROPEAN UNION CONTRIBUTION (MAXIMUM AMOUNT)	5 000 000
OF WHICH:	
INVESTMENT SUPPORT & CONSULTANCY COSTS	5 000 000
CONTRIBUTION FROM LOCAL NATIONAL BUDGET FUNDS AND OTHER SOURCES	50 000 000
TOTAL COST OF THE PROJECT SEGMENT (AT LEAST)	55 000 000

Estimated Grant disbursement schedule:

Project:	2010	2011	2012	Total
MW-BiH-ENV-EIB-01: Bosnia Herzegovina: Rehabilitation and construction of water and waste water infrastructure - 7 municipalities (Including Management Fees)	2 500 000	2 000 000	500 000	5 000 000

The grant disbursement schedule will be updated in Inception Report and Progress Reports.

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**Annex III
Request for payment
Bosnia and Herzegovina – Water and Sanitation FBiH - 2008 IPF Grant**

Date:

Please proceed with the following payment, to be used for the financing of <sub-project>:

Grant Name:
 Signature Date: Agreement FI number (if relevant):

EUR amount requested	
EUR	Amount

Proposed disbursement date:

<i>Reserved for the EIB</i>	EUR
Total Grant Amount:	<input type="text" value="5.000.000"/>
Paid to date:	<input type="text"/>
Balance for payment:	<input type="text"/>
Current payment:	<input type="text"/>
Balance <u>after</u> payment:	<input type="text"/>

Beneficiary's account to be credited:

Acc. N°:
 (please, provide IBAN format)

BIC Code N°
 Bank name and address:

Please transmit information relevant to:
 Beneficiary's authorised name(s) and signature(s):

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Annex IV
Progress Reports and Final Report
(Information requirements)

In accordance with Article 9 of this Grant Agreement, the Beneficiary shall submit Progress Reports and a Final Report, including the information and following the templates as set out below.

1. Progress Report

Annual and additional Progress Reports will include the information indicated in the following three parts.

A - Narrative Part

1. Overview of the activity over the past reporting period and main facts (summary table of activity, evolution of the Project Segment context)

With respect to each municipality of the Project Segment:

- (a) Financial matters relating to the Project Segment : total investment cost disbursed for the reporting period and on a cumulative basis, use of European Community Resources as a share of the total investment costs; Progress of investments for the reporting period and on a cumulative basis; use of sources (loan, Grant, other sources).
- (b) General description of the status of implementation, including any problems, commitment or disbursement backlogs, their reasons and measures to overcome them.
- (c) Information on measures taken to identify the European Union as the source of co-financing.
- (d) Elaboration on the Impact Indicators:
 - (i) Improved physical infrastructure management in the water and wastewater systems; Measures taken to improve water and energy efficiencies and their contribution to improved financial performance of the Final Beneficiaries' utilities.
 - (ii) Quantitative impact: progress in construction in relation to beginning stage and to planned advancement in each municipality of the Project Segment.
 - (iii) Qualitative impact of the Project Segment: Report on improved living standards of the population and the hygienic conditions as a result of implementation of Project Segment.

B – Data collection

For each municipality of the Project segment, the following data shall be collected in an Excel spreadsheet:

- (a) Investment costs, by type of cost.
- (b) Investment costs funded so far.
- (c) Investment cost funded by the Grant, by type of cost.

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- (d) Final Beneficiary of the investment.
- (e) Measurable outcomes of improved infrastructure management such as increase in distribution volumes, improved tariffs and collection rates.
- (f) Quantitative impact: extent of progress in construction in relation to Project Segment beginning and to planned Project Segment advancement.
- (g) Qualitative impact of the Project Segment through indicators of the type of Project Segment done.
- (h) Number of inhabitants directly and indirectly concerned.

C - Financial Part including monitoring activities

The results of monitoring activities concerning the disbursement of the Project Segment investment support. In case of important problems detected in the course of monitoring, the Beneficiary will inform EIB. The Beneficiary will provide financial data as follows:

- (a) Summary statement for the sub-account held for EIB proceeds for the reporting period showing movements on the account sorted by category of income/expenditure for the Project Segment;
- (b) the same data on a cumulated basis over the lifetime of the Project Segment investments.

The narrative part and data of the Progress Reports may be sent to the WBIF Steering Committee of the Western Balkans Investment Framework.

2. Final Report

In addition to the information outlined above for the Progress Reports covering the full Implementation Period, the Final Report shall include a full summary of income and expenditure and payments received for the Project Segment's implementation.

The templates for annual and additional Progress Reports will follow the templates given in Annex V (Inception Report), as amended from time to time in agreement between the Beneficiary and EIB.

Accordingly the format for Final Report shall be agreed between the Beneficiary and EIB at least 6 months before the end of the Project Segment implementation.

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Annex V
Inception Report
(Information requirements)

Prior to the first Grant disbursement, the Beneficiary shall submit an Inception Report. Annual progress will be measured against the information provided in the Inception Report. The Inception report will include the information indicated in the following parts A and B:

A - Narrative Part

Overview of the activity to be carried out during the implementation of the Project Segment regarding the main Project Segment components in each municipality:

- (a) Financial matters relating to the Project Segment: Total investment planned for the Project Segment including :
 - Investment costs, breakdown by their nature and location;
 - Timing of investments;
 - Expected use of funds: loan, other resources, Grant, as a share of the total investment costs;
- (b) Operational matters relating to status of physical infrastructure covered by the Project Segment and its implementation, including type and extent of works and services; technical assistance envisaged during the Project Segment duration, for instance to support the Project Implementation Unit;
- (c) Status of the department/utilities in charge of Project Segment implementation and operation, and status of physical infrastructure management;
- (d) Efficiency-related measures aimed at improving the financial performance of the utilities;
- (e) Number of inhabitants directly and indirectly concerned;
- (f) Status of the Project-related living standards and environmental conditions;
- (g) Measures envisaged to ensure Project Segment visibility, and to identify the European Union as one source of co-financing during Project Segment implementation.

The EIB or the European Commission may send the narrative part to the Steering Committee of the Western Balkans Investment Framework.

B – Data collection

For each municipality of the Project segment, the following data shall be collected in an Excel spreadsheet:

- (i) Investment costs, by type of cost;
 - (j) Investment costs funded so far;
 - (k) Investment cost funded by the Grant, by type of cost;
 - (l) Final Beneficiary of the investment;
 - (m) Measurable outcomes of improved infrastructure management such as increase in distribution volumes, improved tariffs and collection rates;
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- (n) Quantitative impact: extent of progress in construction in relation to Project Segment beginning and to planned Project Segment advancement;
- (o) Qualitative impact of the Project Segment through indicators of the type of Project Segment done;
- (p) Number of inhabitants directly and indirectly concerned.

C - Financial Part including monitoring activities

The results of monitoring activities concerning the disbursement of the Project Segment investment support. In case of important problems detected in the course of monitoring, the Beneficiary will inform EIB. The Beneficiary will provide financial data as follows:

- (q) Summary statement for the sub-account held for EIB proceeds for the reporting period showing movements on the account sorted by category of income/expenditure for the Project Segment;
- (r) the same data on a cumulated basis over the lifetime of the Project Segment investments;

The EIB or the European Commission may send the narrative part and data of the Progress Reports to the Steering Committee of the Western Balkans Investment Framework.

D - Environmental Part

Investment Project Title:	Code:
Country:	Sector:

The Commission Decision from 19 December 2008 adopting a Multi-beneficiary Programme for Support to Cooperation with the International Financing Institutions – IFIs under the IPA Transition Assistance and Institution Building Component for 2008 states in point 4.3 that:

All investments shall be carried out in compliance with the relevant EU environmental legislation.

As a consequence, since projects IPF TA and IPF MW correspond to actions which fall within the scope of the EIA Directive¹ an environmental impact assessment shall be made for each action equivalent to that provided for the EIA Directive.

Since the IPF – MW and the IPF TA projects are likely to affect sites of nature conservation importance, an appropriate nature conservation assessment shall be made for each project, equivalent to that provided for in Art.6 of the Habitats Directive².

¹ On the assessment of the effects of certain public and private projects on the environment (the "EIA Directive", OD L 175, 5.7. 1985, as last amended by the Directive 2003/35/EC, OJ L 156, 25.6.2003.

² Council Directive 92/43/EEC of 21 May 1992.

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This check list in the context of the Project Segment is filled by the Beneficiary.

The check list concerns projects from all sectors submitted to the IPF MW.

Question	Answer
Have the <u>environmental authorities</u> likely to be concerned by the Project Segment been consulted by reason of their specific responsibilities? If yes, please list them.	
Has <u>development consent</u> already been given to this Project? If yes, on which date? By whom? If no, by which date is the final decision expected?	
Is the Project Segment <u>a class of development</u> covered by: Annex I of the Directive Annex II of the Directive Neither of the two Annexes	
When covered by <u>Annex I</u> – Was an EIA carried out? If yes was a non-technical summary produced in addition to all other necessary information required? If yes, has it included the needed information ³	
Did consultations take place with the competent environmental authorities (e.g nature protection etc) and the public concerned? Is there information on these consultations (who was consulted, for how long etc)?	
What were the results of the consultations with the environmental authorities and the public concerned ⁴ ? In what way these were taken into account in the final decision?	
Where any trans-boundary consultations conducted with those states eventually affected by the Project Segment, demonstrating that the procedure of art. 7 of the EIA Directive had been applied?	
Is there evidence that the decision to grant or refuse development consent has been available to the public by the competent	

³ The non-technical summary should include the following information: - a description of the project comprising information on the site, design and size of the project,- a description of the measures envisaged in order to avoid, reduce and, if possible, remedy significant adverse effects,- the data required to identify and assess the main direct and indirect effects which the project is likely to have on the environment on the following factors:- human beings, fauna and flora (including those environmentally sensitive areas which might fall in future under the protection of the Birds (79/409/EEC) and Habitats (92/43/EEC) Directives;- soil, water, air, climate and landscape;- material assets and the cultural heritage;- interaction between the factors mentioned in the first, second and third indents; any further information which might arise from any of the obligations deriving from Annex IV of the EIA Directive.

⁴ The information provided should cover the following:- the concerned public which has been consulted,- the places where the information has been consulted, - the time which has been given to the public in order to express its opinion, - the way in which the public has been informed, - the manner in which the public has been consulted, - the way in which the concerns of the public have been taken into account.

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authority ⁵ ?	
When covered by Annex II of the Directive, has an Environmental Impact Assessment been carried out for this Project Segment? If not was there a screening on the basis of the criteria of Annex III of the EIA Directive? If an EIA was carried out what were the results (see above for Annex I)?	
Is the Project Segment likely to have significant negative effects on sites included or intended to be included in sites of nature conservation importance? Such as:	
(a) Sites identified by the competent national authorities as sites to be proposed for the Nature 2000 network as laid down in the Birds Directive (79/409/EEC) and Habitats Directive (92/43/EEC)	
(b) Sites listed in the latest inventory of Important Bird Areas (IBA 2000) for potential candidate countries or (if available) equivalent more detailed scientific inventories endorsed by national authorities,	
(c) Wetlands of international importance designated under the Ramsar Convention or qualifying for such protection;	
(d) Areas to which the Bern convention on conservation of European Wildlife and Natural Habitats (Art. 4) applies, in particular sites meeting the criteria of the Emerald network	
(e) Areas protected under national nature conservation legislation	
If the answer for any of the points (a) – (e) above is YES, provide a summary of the conclusions of the appropriate assessment carried out "according to Article 6 (3) of the Directive 92/43/EEC which needs to be carried out in such cases..	
In case, compensation measures were deemed necessary "According to Article 6(4)" provide a copy of the form "information on projects likely to have significant negative effect on sites of "nature conservation importance " as notified to the Commission (DG Environment) under Directive 92/43/EEC	
If the answer for any of the points (a) – (e) above is NO, have you received a completed declaration ⁶ filled in by the relevant authorities?	

Answers provided by:

Date:

⁵ Including:- the content of the decision and conditions attached thereto; - the main reasons and considerations on which decision has been based;- a description, where necessary, of the main measures to avoid, reduce and, if possible, offset the major adverse effects.

⁶ Declaration by the Authority responsible for monitoring sites of nature conservation importance

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Annex VI

(Template of Reports and Charts)

In order to provide the above information outlined in Annex IV and Annex V, the Beneficiary shall use the format proposed below. This template may be adapted in agreement between the Beneficiary and EIB.

Logos

Name of Project

**Inception/
Progress Report**

Contract:

EIB No

EU grant No

date dd/mm/20yy

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Summary for the 7 municipalities (Project Segment)

Project Title:

Loan Number: EIB No 24569

EU grant Number:

Country:

Beneficiary: , represented by , Minister of

Designated person responsible:

Address:

Tel: +

Fax:

E-mail:

Date of report: Date, 20xx

Reporting period: Date to Date

Submitted to: Marion Hoenicke, Senior Loan Officer
European Investment Bank

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Table of contents (Summary for the Project Segment of 7 Municipalities)

A	Narrative part	Pg.
A1.	Project synopsis	
A2.	Summary of activities planned for the implementation period	
A3.	Summary of project progress since the start	
A4.	Project progress in reporting period (including visibility measures on EU grant)	
	Introduction	
	A brief update on the technical description, explaining the reasons for significant changes vs. initial scope	
	Update on the date of completion of each of the main project's components, reasons for any delay	
	A description of any major issue with impact on the environment	
	Update on procurement procedures	
	Update on the project's demand or usage and comments	
	Any significant issue that has occurred and any significant risk that may affect the project's operation	
	Any legal action concerning the project that may be ongoing	
B	Data collection (charts) Summary for the Project Segment of 7 municipalities (please see templates below)	
Chart 1	Project Preparation and Implementation Status (updated as of date)	
Chart 2	Project Implementation Programme (updated as of date) (Bar chart)	
Chart	Project Budget and financing plan for the 7 municipalities Including Grant use (implemented, planned)	
Chart 4	Implementation of investment in the 7 municipalities	
Chart 5	Measurable outcomes common to the 7 municipalities	
Chart 6 to 12	Payment justifications per contract and per tranche of loan and grant disbursements (EIB standard templates for summary of invoices paid per source of fund (loan, grant, other, total))	

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C	Financial Report	
C1	Update on the cost of the Project Segment, explaining reasons for any possible cost increases vs. initial budgeted cost, and financing sources envisaged. Important problems detected.	
C2	Summary statement for the sub-account held for EIB proceeds for the reporting period showing movements on the account sorted by category of income/expenditure for the Project Segment.	
C3	Summary statement for the sub-account held for EIB proceeds on a cumulated basis over the lifetime of the Project Segment investments.	
D	Environmental Part (for Inception Report only, see annex V)	

Please summarise use the following templates for the charts.

Chart 1: Project Preparation and Implementation Status (dd.mm.yy)

(Summary for the Project Segment of 7 municipalities)

Proposed Contracts	Pre Feasibility Study*	Feasibility Study	Preliminary Design	Contract Documents	Detail Design	Construction
Municipality 1						
water treatment plant	yes	yes	yes	yes	yes	no
water supply network	yes	yes	yes	no	no	no
sewer networks	yes	yes	yes	no	no	no
WWTP (with collector)	yes	yes	yes	yes	yes	no
Municipality 2						
water treatment plant	yes	yes	yes	yes	no	no
water supply network	yes	yes	yes	yes	no	no
sewer networks	yes	yes	yes	yes	yes	no
Municipality 3						

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Chart 2 – Summary: Project Implementation Programme (dd.mm.yy)
 (for the summary bar chart, please use the same Bar chart as used in Annexes for each municipality indicated below)

Chart 3-Summary: Project Budget and financing plan for the Project Segment of 7 municipalities (dd.mm.yy)

Project Segment of 7 municipalities: (amounts in EUR 1000)	Total Cost (excl. VAT) Initial budget	Total Cost (excl. VAT) updated budget	EIB loan committed (updated budget)	Other funds (please specify)	EU grant committed (updated budget)	EU grant disbursed actual 2010	EU grant disbursement planned 2011	EU grant disbursement planned 2012	EU grant disbursement planned 2013	EU grant disbursement planned 2014	EU grant disbursement planned 2015	Comment
Municipality 1												
Municipality 2												
Municipality 3												
Municipality 4												
Municipality 5												
Municipality 6												
Municipality 7												
total Project Segment:												

Chart 4 -Summary: Implementation for the Project Segment of 7 municipalities (dd.mm.yy)

Project Segment of 7 municipalities: (amounts in EUR 1000)	Total expenditures			Use of EIB loan				Use of EU Grant				Use of other funds				
	Total Cost x1000 (updated budget)	Cumulated expenses before the current period	Expenses during the current period	Cumulated expenses including the current period	EIB loan (budget)	EIB loan used before the current period	EIB loan used during the current period	Cumulated EIB loan used including the current period	EU grant (budget)	EU grant used before the current period	EU grant used during the current period	Cumulated EU grant used including the current period	Other funds (State & municipal & other budget)	Other funds used before the current period	Other funds used during the current period	Cumulated other funds used including the current period
Municipality 1																
Municipality 2																
Municipality 3																
Municipality 4																
Municipality 5																
Municipality 6																
Municipality 7																
total Project Segment:																

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Chart 6: Use of Grant for the Project Segment (dd.mm.yy)

Total expenses justified per tranche of disbursement					
Project: Grant: IPA 200x					Grant amount 5 000 000.00
Disbursement tranche No.	disb. Date		Expenses justified date	Justified in EUR	Disbursed in EUR
1			Date 1		
2			Date 2 Date 3		
3			Date 4 Date 5		
Total disbursed:					
Total justified expenses:					
contractual requirement for justification: (Justification of payment to be provided for 70% of the last disbursement and 100% of earlier disbursements)					
still to be justified				0.00	
undisbursed amount of grant					

Chart 7: Justified expenses of Grant per municipality

Justified expenses per municipality
Project:

Name of Supplier	Contract N°	Approval EIB	currency	Contract Value approved	Contract Value updated	Justified amount Date 1	Justified amount Date 2	Justified amount Date 3	Justified amount Date 4	Justified amount Date 5	Justified amount Date 6	Justified amount Date 7	Total justified expenses
Municipality 1:													
Contract 1: name		yes	EUR										
Contract 2: name		yes	EUR										
Contract 3: name		yes	EUR										
Contract 4: name		yes	EUR										
Municipality 2:													
Contract A: name		yes	EUR										
Contract B: name		yes	EUR										
Contract C: name		yes	EUR										
Municipality 3:													
Total													

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Chart 8: Justification of expenses of Grant: List of paid invoices per contract (dd.mm.yy)

Justification of expenses: List of paid invoices per contracts

Project:

Municipality: name

Contract 1: name			
Invoices no./ Date	Amount (FX) excluding VAT	Amount (EUR) excluding VAT	Bank statement ref./date of payment
Total paid until (date 1)			
Total paid until (date 2)			

Contract 2: name			
Invoices no./ Date	Amount (FX) exclud. VAT	Amount EUR exclud. VAT	Bank statement reference/date
Total paid until (date 1)			
Total paid until (date 2)			

Glossary of Acronyms:

EIB	European Investment Bank
VIK	Water Supply and Sewage Public Company
PMU	Project Management Unit
WWTP	Wastewater treatment plant
SSN	Sewer system network
ToR	Terms of References
EIA	Environmental Impact Assessment
VAT	Value added tax

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List of Annexes

Please provide tables for each municipality in Annexes as follows:

Annex 01	Municipality 1 – Charts and basic documents	
Annex 02	Municipality 2– Charts and basic documents	
Annex 03	Municipality 3– Charts and basic documents	
Annex 04	Municipality 4– Charts and basic documents	
Annex 05	Municipality 5– Charts and basic documents	
Annex 06	Municipality 6– Charts and basic documents	
Annex 07	Municipality 7– Charts and basic documents	

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Annex 01 to 07:

Please provide charts specific for each municipality, using the template below:

Municipality: Municipality's Name

Sub-project title: Design and Construction of Wastewater Treatment Plant for the City of Municipality's Name

Loan contract: EIB No

Grant Number: IPA 2008 No
IPA 2009 No

Final Beneficiary: Municipality of (Municipality's Name)
§ ViK (Municipality's Name)

Author of report in municipality:

For each municipality: please use the following templates of charts:

Template of charts (in Excel format) for each municipality:

- Chart 1: Project Preparation and Implementation Status (Date 20XX)
- Chart 2: Project Implementation Programme (updated as of Date 20XX) (Bar chart)
- Chart 3: Project Budget and financing plan by contract (updated as of Date 20XX)
- Chart 4: Implementation by contract for each municipality
- Chart 5: Measurable outcomes in each municipality

Chart 1: Project Preparation and Implementation Status (dd.mm.yy)

Proposed Contracts	Pre Feasibility Study*	Feasibility Study	Preliminary Design	Contract Documents	Detail Design	Construction
Municipality 1						
water treatment plant	yes	yes	yes	yes	yes	no
water supply network	yes	yes	yes	no	no	no
sewer networks	yes	yes	yes	no	no	no
WWTP (with collector)	yes	yes	yes	yes	yes	no

Chart 2: Project Implementation Programme (updated as of Date 20XX)

(For each municipality) e.g., please adapt to each case:

MAIN ACTIVITIES	year 2009												year 2010												year 2011		
	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	
Studies and tender process																											
- design and tender documents																											
- tendering process																											
Construction																											
- Investment A																											
- Investment B																											
- Equipment C																											
- Tests																											
- Liability periods																											

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Chart 3: Project Budget and financing plan by contract (dd.mm.yy)

(For each municipality) e.g., please adapt to each case:

Contracts (amounts in EUR 1000)	Total Cost (excl. VAT)		EIB loan committed (updated budget)	Other funds (please specify)	EU grant committed (updated budget)	EU grant disbursed actual 2010	EU grant disbursement planned 2011	EU grant disbursement planned 2012	EU grant disbursement planned 2013	EU grant disbursement planned 2014	EU grant disbursement planned 2015	Comments
	Initial budget	updated budget										
Construction:												
Preliminary & Detailed design	509	450										
Supervision of Construction	1 188	1 188										
Construction of Sewers	3 508	3 508										
Land Purchase	0	0										
Construction of WWTP	13 697	13 697										
Total - Construction	18 902	18 843										
Supervision and other Expenses												
Project implementation unit	190	190										
Public awareness programme	50	50										
Other	190	190										
Contingencies (physical + financial)	3 396											
Grand Total (in EUR 1000)	22 728	19 273										

Chart 4: Implementation by contract

(For each municipality) e.g., please adapt to each case:

Municipality X: Contracts	Total expenditures			Use of EIB loan			Use of EU Grant			Use of other funds					
	Total Cost x1000 EUR (updated budget)	Cumulated expenses before the current period	Expenses during the current period	EIB loan (budget)	EIB loan used before the current period	EIB loan used during the current period	Cumulated EIB loan used including the current period	EU grant (budget)	EU grant used before the current period	EU grant used during the current period	Cumulated EU grant used including the current period	Other funds (State & municipal & other budget)	Other funds used before the current period	Other funds used during the current period	Cumulated other funds used including the current period
Construction:															
Preliminary & Detailed design	450														
Supervision of Construction	1 188														
Construction of Sewers	3 508														
Land Purchase	0														
Construction of WWTP	13 697														
Total - Construction	18 843														
Supervision and other Expenses:															
Project implementation unit	190														
Public awareness programme	50														
Other	190														
Contingencies (physical + financial)															
Grand Total (in EUR 1000)	19 273														

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Chart 5: Measurable outcome

(For each municipality)

(eg for a water project, please adapt indicators to relevant targets of each project)

Outcome	2009	2010	2011	2012	2013	2014	2015
Measurable outcome of improved infrastructure:							
Distribution volumes (1000m3)							
Tariff (household - EUR/m3)							
VIK cash flow (EUR 1000)							
Other (please specify)							
Quantitative impact:							
VIK assets (EUR 1000)							
Other (please specify)							
Qualitative impact:							
Effluent nitrate (mg/litre)							
Other							
Population concerned:							
number inhabitants connected							
% of population							

For each municipality, please provide the basic documents, as available, as references in their original format in electronic form. (eg for a water project)

Appendix 01	Update to the Feasibility Study and Environmental Impact Assessment: status of physical infrastructure, population connected (planned, implemented)
Appendix 02	Procurement Plan Works and supplies, technical assistance services
Appendix 03	Invitation/Notice, ToR and Instruction to tenderers for Consultancy Services
Appendix 04	Contract Award Decision for Consultancy Services with supporting evaluation documents
Appendix 05	Invitation/Notice and Pre-qualification Documents for Tender Phase I (pre-qualification) of the restricted international procedure for design and construction of the WWTP
Appendix 06	Update of cash-flow projections for each ViK (summary) Income statement, balance sheet, cash flow (English summary)
Appendix 07	Other

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