

**OFFICIAL
DOCUMENTS**

LOAN NUMBER 8486-YF

Loan Agreement
(Real Estate Management Project)

between

REPUBLIC OF SERBIA

and

**INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT**

Dated *April 17*, 2015

LOAN AGREEMENT

Agreement dated April 17, 2015, between REPUBLIC OF SERBIA (“Borrower”) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (“Bank”). The Borrower and the Bank hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

- 1.01. The General Conditions (as defined in the Appendix to this Agreement) constitute an integral part of this Agreement.
- 1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions or in the Appendix to this Agreement.

ARTICLE II — LOAN

- 2.01. The Bank agrees to lend to the Borrower, on the terms and conditions set forth or referred to in this Agreement, the amount of thirty six million two hundred thousand Euro (EUR 36,200,000), as such amount may be converted from time to time through a Currency Conversion in accordance with the provisions of Section 2.08 of this Agreement (“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 IV of Schedule 2 to this Agreement.
- 2.03. The Front-end Fee payable by the Borrower shall be equal to one quarter of one percent (0.25%) of the Loan amount.
- 2.04. The Commitment Charge payable by the Borrower shall be equal to one quarter of one percent (0.25%) per annum on the Unwithdrawn Loan Balance.
- 2.05. The interest payable by the Borrower for each Interest Period shall be at a rate equal to the Reference Rate for the Loan Currency plus the Variable Spread; provided, that upon a Conversion of all or any portion of the principal amount of the Loan, the interest payable by the Borrower during the Conversion Period on such amount shall be determined in accordance with the relevant provisions of Article IV of the General Conditions. Notwithstanding the foregoing, if any amount of the Withdrawn Loan Balance remains unpaid when due and such non-payment continues for a period of thirty days, then the interest payable by the Borrower shall instead be calculated as provided in Section 3.02 (e) of the General Conditions.
- 2.06. The Payment Dates are May 15 and November 15 in each year.

- 2.07. The principal amount of the Loan shall be repaid in accordance with the amortization schedule set forth in Schedule 3 to this Agreement.
- 2.08. (a) The Borrower may at any time request any of the following Conversions of the terms of the Loan in order to facilitate prudent debt management: (i) a change of the Loan Currency of all or any portion of the principal amount of the Loan, withdrawn or unwithdrawn, to an Approved Currency; (ii) a change of the interest rate basis applicable to: (A) all or any portion of the principal amount of the Loan withdrawn and outstanding from a Variable Rate to a Fixed Rate, or vice versa; or (B) all or any portion of the principal amount of the Loan withdrawn and outstanding from a Variable Rate based on a Reference Rate and the Variable Spread to a Variable Rate based on a Fixed Reference Rate and the Variable Spread, or vice versa; or (C) all of the principal amount of the Loan withdrawn and outstanding from a Variable Rate based on a Variable Spread to a Variable Rate based on a Fixed Spread; and (iii) the setting of limits on the Variable Rate or the Reference Rate applicable to all or any portion of the principal amount of the Loan withdrawn and outstanding by the establishment of an Interest Rate Cap or Interest Rate Collar on the Variable Rate or the Reference Rate.
- (b) Any conversion requested pursuant to paragraph (a) of this Section that is accepted by the Bank shall be considered a "Conversion", as defined in the General Conditions, and shall be effected in accordance with the provisions of Article IV of the General Conditions and of the Conversion Guidelines.

ARTICLE III — PROJECT

- 3.01. The Borrower declares its commitment to the objective of the Project. To this end, the Borrower shall carry out: (a) Parts I, II (except Part II (vi)), III and IV of the Project through RGA, with the support of the Ministry of Construction, Transport and Infrastructure; and (b) Part II (vi) of the Project through RGA, with the support of the Ministry of Construction, Transport and Infrastructure and the Serbian Business Registers Agency, all in accordance with the provisions of Article V of the General Conditions.
- 3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Borrower and the Bank shall otherwise agree, the Borrower shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

ARTICLE IV — EFFECTIVENESS; TERMINATION

- 4.01. The Additional Conditions of Effectiveness consist of the following:
- (a) the PIU has been established, and has retained at least the PIU director, procurement specialist and financial management specialist, as referred to in Section I.A.1 of Schedule 2 to this Agreement; and
 - (b) the Operational Manual has been adopted by the Borrower, through RGA, in a manner acceptable to the Bank.
- 4.02. The Effectiveness Deadline is the date one hundred eighty (180) days after the date of this Agreement.

ARTICLE V — REPRESENTATIVE; ADDRESSES

- 5.01. For the purposes of Section 10.02 of the General Conditions, the Borrower's Representative who, *inter alia*, may agree to modification of the provisions of this Agreement on behalf of the Borrower, through exchange of letters (unless otherwise determined by the Borrower and the Bank), is its Minister of Finance.

- 5.02. The Borrower's Address is:

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

Facsimile:
(381-11) 3618-961

- 5.03. The Bank's Address is:

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

Cable address:	Telex:	Facsimile:
INTBAFRAD Washington, D.C.	248423(MCI) or 64145(MCI)	1-202-477-6391

AGREED at the District of Columbia, United States of America, as of the day and year first above written.

REPUBLIC OF SERBIA

By



Authorized Representative

Name: Dusan Vujovic

Title: Minister of Finance

**INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT**

By



Authorized Representative

Name: Ellen Goldstein

Title: Country Director

SCHEDULE 1

Project Description

The objective of the Project is to improve the efficiency, transparency, accessibility and reliability of the Borrower's real property management systems.

The Project consists of the following parts:

Part I: Valuation and Property Taxation

Carrying out of the following activities:

- (i) improving the system for annual property taxation through: (a) developing a sales price registry for real estate; (b) developing software to process data from the sales price registry; (c) developing and assessing a Mass Appraisal pilot program on property tax rolls and collection procedures in local government units; and (d) establishing a building registry; and
- (ii) improving the real estate valuation framework through improving the quality of education for valuers, and adopting internationally recognized standards for valuation.

Part II: E-governance for Enabling Access to Real Estate Information

Enabling access to real estate information through:

- (i) developing and implementing an integrated real estate cadaster and registration system based on RGA's information and communications technology (ICT) strategy and archive strategy;
- (ii) developing a business model and technical framework in line with international standards for the Borrower's national spatial data infrastructure and upgrading the necessary network services;
- (iii) developing a financial mechanism and a business plan for the sustainability of RGA's information technology department;
- (iv) developing and implementing a central analogue and digital archive management strategy, including providing necessary equipment and Training, and constructing a central archive building;
- (v) improving the quality of RGA's data standardization and carrying out a public outreach campaign for users to submit cadastral data; and

- (vi) developing and implementing a one-stop shop system for electronic issuance of construction permits.

Part III: Institutional Development of the RGA

Improve RGA's institutional development through:

- (i) developing a business plan for RGA's governance and institutional and corporate planning and strategy;
- (ii) supporting the sustainability of the National Reference System and the functionality of AGROS, and improving the Borrower's gravimetric networks and vertical reference system;
- (iii) carrying out the digital mapping of selected cadastral municipalities and transforming existing utility maps into digital form;
- (iv) improving registration procedures of properties, removing registration backlogs in the cities of Belgrade, Novi Sad, Nis and Kragujevac, enhancing office infrastructure in selected municipalities of the Borrower, and setting up mobile services at selected local RGA offices; and
- (v) acquiring cadastral data (geodetic measurements and digital cadaster map database production) in the Vojvodina region of the Borrower.

Part IV: Project Management and Support Activities

Carrying out Project management activities, including:

- (i) provision of support to PIU on Project management;
- (ii) monitoring and evaluation of the Project;
- (iii) public outreach on the Project activities to improve social inclusion;
- (iv) provision of Training to stakeholders in the public and private sectors according to a training plan set forth in the Operational Manual; and
- (v) studies on, *inter alia*, customer satisfaction, real estate administration and management, and based upon the results of said studies, design proposals for adoption of policies and regulations.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. The Borrower shall establish and thereafter maintain at all times during Project implementation the PIU under the RGA, with the necessary resources and staff to carry out the Project, and with a composition and terms of reference satisfactory to the Bank (including a director, a procurement specialist, a financial management specialist, a monitoring and evaluation specialist, a training specialist, a valuation specialist, a safeguards specialist and an accountant).
2. The Borrower shall implement the Project in accordance with the Operational Manual.
3. The Borrower shall not amend or waive any provision of the Operational Manual without the Bank's prior written approval. In case of any conflict between the terms of the Operational Manual and this Agreement, the terms of this Agreement shall prevail.
4. The Borrower shall establish and maintain at all times during Project implementation a Project Council with a composition, terms of reference, and resources satisfactory to the Bank. The Project Council shall be responsible for making major policy decisions concerning Project implementation and for overall Project supervision, as well as approving annual work plans, training plans and reports. The Project Council shall be chaired by a coordinator from the MCTI and shall include representatives of the Borrower's following institutions: Ministry of Public Administration and Local Self Government, Ministry of Finance, Ministry of Justice, Ministry of Economy, Serbian Business Registers Agency, Tax Administration, Statistical Office, and the Director General of RGA. The PIU director shall act as secretary to the Project Council.
5. The Borrower shall establish and maintain at all times during Project implementation a Project Steering Committee with a composition, terms of reference, and resources satisfactory to the Bank. Members of the Steering Committee shall include the Director General of RGA, the relevant RGA Sector and Department Directors whose units are directly related to the Project activities, and selected experts from other institutions of the Borrower. The Steering Committee shall be in charge of supervising the regular implementation activities of the Project, and shall provide reports to the Project Council on a quarterly basis, or as requested by the Project Council, pursuant to criteria set forth in the Operational Manual.

6. No later than ninety (90) days following the Effective Date, the Borrower shall ensure that the PIU has acquired operational accounting software for Project accounting and financial reporting, acceptable to the Bank.

B. Anti-Corruption

The Borrower shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.

C. Safeguards

1. The Borrower shall carry out the Project in accordance with the EMPs in a manner acceptable to the Bank, and shall not amend, suspend, abrogate, repeal or waive any provision of the EMPs without the prior approval of the Bank.
2. In the event that, during Project implementation, the Borrower may decide to change the identified location of the central archive building referred to in Part II (iv) of the Project, the Borrower shall, prior to the carrying out of any works: (a) carry out an environmental assessment satisfactory to the Bank; and (b) prepare, adopt and implement an environmental management plan on terms and conditions acceptable to the Bank.
3. The Borrower shall ensure that no Project activities involve Involuntary Resettlement.

Section II. Project Monitoring Reporting and Evaluation

A. Project Reports

1. The Borrower shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 5.08 of the General Conditions and on the basis of the indicators acceptable to the Bank. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the Bank not later than one month after the end of the period covered by such report.

B. Financial Management, Financial Reports and Audits

1. The Borrower shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 5.09 of the General Conditions.

2. Without limitation on the provisions of Part A of this Section, the Borrower shall prepare and furnish to the Bank not later than forty-five days (45) after the end of each calendar quarter, interim unaudited financial reports for the Project covering the pertinent quarter, in form and substance satisfactory to the Bank.
3. The Borrower shall have its Financial Statements audited in accordance with the provisions of Section 5.09(b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one fiscal year of the Borrower. The audited Financial Statements for each such period shall be furnished to the Bank not later than six (6) months after the end of such period.

Section III. Procurement

A. General

1. **Goods, Works and Non-consulting Services.** All goods, works and non-consulting services required for the Project and to be financed out of the proceeds of the Loan shall be procured in accordance with the requirements set forth or referred to in Section I of the Procurement Guidelines, and with the provisions of this Section.
2. **Consultants' Services.** All consultants' services required for the Project and to be financed out of the proceeds of the Loan shall be procured in accordance with the requirements set forth or referred to in Sections I and IV of the Consultant Guidelines and with the provisions of this Section.
3. **Definitions.** The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the Bank of particular contracts refer to the corresponding method described in Sections II and III of the Procurement Guidelines, or Sections II, III, IV and V of the Consultant Guidelines, as the case may be.

B. Particular Methods of Procurement of Goods, Works and Non-consulting Services

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods, works and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding.
2. **Other Methods of Procurement of Goods, Works and Non-consulting Services.** The following methods, other than International Competitive Bidding, may be used for procurement of goods, works and non-consulting services for those contracts specified in the Procurement Plan: (a) National Competitive Bidding, subject to the additional provisions set out in the Attachment to this Schedule 2; (b) Shopping; and (c) Direct Contracting.

C. Particular Methods of Procurement of Consultants' Services

1. **Quality- and Cost-based Selection.** Except as otherwise provided in paragraph 2 below, consultants' services shall be procured under contracts awarded on the basis of Quality and Cost-based Selection.
2. **Other Methods of Procurement of Consultants' Services.** The following methods, other than Quality and Cost-based Selection, may be used for procurement of consultants' services for those contracts which are specified in the Procurement Plan: (a) Quality-based Selection; (b) Selection under a Fixed Budget; (c) Least Cost Selection; (d) Selection based on Consultants' Qualifications; (e) Single-source Selection of consulting firms; (f) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants; and (g) Single-source procedures for the Selection of Individual Consultants.

D. Review by the Bank of Procurement Decisions

The Procurement Plan shall set forth those contracts which shall be subject to the Bank's Prior Review. All other contracts shall be subject to Post Review by the Bank.

Section IV. Withdrawal of Loan Proceeds

A. General

1. The Borrower may withdraw the proceeds of the Loan in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Bank shall specify by notice to the Borrower (including the "World Bank Disbursement Guidelines for Projects" dated May 2006, as revised from time to time by the Bank and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.
2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Loan ("Category"), the allocation of the amounts of the Loan to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category.

<u>Category</u>	<u>Amount of the Loan Allocated (expressed in EUR)</u>	<u>Percentage of Expenditures to be financed</u>
(1) Goods, works, non-consulting services for the Project	22,700,000	100% (exclusive of Taxes)
(2) Consultants' services, Training and Operating Costs for the Project	13,409,500	100%
(3) Front-end Fee	90,500	Amount payable pursuant to Section 2.03 of this Agreement in accordance with Section 2.07(b) of the General Conditions
TOTAL AMOUNT	36,200,000	

For purposes of this table:

The term "Operating Costs" means the reasonable and incremental expenses incurred by RGA, on account of implementation of the Project, for office supplies and other consumables, office rent, internet connection and communications costs, support for information systems, translation costs, bank charges, utilities, reasonable travel, transportation, *per diem*, accommodation costs (lodging), and other reasonable expenditures directly associated with the implementation of the Project, as agreed between the Borrower and the Bank on the basis of semi-annual budgets acceptable to the Bank, excluding salaries of the Borrower's civil service; and

The term "exclusive of Taxes" means, in connection with Section 2.06 of the General Conditions, that the Loan proceeds shall not be used for financing of Taxes levied by, or in the territory of the Borrower on or in respect of Eligible Expenditures, or on their importation, manufacture, procurement or supply.

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made for payments made prior to the date of this Agreement.
2. The Closing Date is December 31, 2020.

Section V. Other Covenants

1. In connection with the provision of Training, the Borrower shall: (a) not later than December 1 of each year during Project implementation, furnish to Bank for its approval, a proposal for the Training plan to be carried out under the Project during the following calendar year, including: (i) an overview of the scope and content of the Training programs or activities; (ii) an explanation of how each training program or activity is expected to contribute to achieving the objectives of the Project; (iii) the budget to be made available therefore; (iv) the criteria for the selection of the beneficiaries and the providers of Training; and (v) the schedule for implementation of the Training plan; and (b) immediately thereafter, carry out the pertinent annual Training plan in accordance with its terms, and in a manner acceptable to the Bank.

2. Without limitation to the provisions of Sections 5.03 and 5.06 of the General Conditions, the Borrower shall:
 - (a) ensure that all RGA offices enhanced under Part III (iv) of the Project are provided with the necessary funds and resources, and furnished and equipped to provide the necessary services to the public, all in a manner satisfactory to the Bank; and

 - (b) ensure that the RGA offices provided with mobile services under Part III (iv) of the Project are provided with the necessary funds and resources (including resources for the operation and maintenance of vehicles) and adequately staffed, all in a manner acceptable to the Bank.

**Attachment
to
SCHEDULE 2**

The procedures to be followed for National Competitive Bidding shall be those set forth in this Attachment to Schedule 2 to this Agreement, provided, however that such procedure shall be subject to the provisions of Section 1 and Paragraphs 3.3 and 3.4 of the Procurement Guidelines, and the following additional provisions:

1. "Open Tendering" procedures as defined in Public Procurement Law of Serbia shall apply to all contracts;
2. Foreign bidders shall not be precluded from bidding and no preference of any kind shall be given to national bidders in the bidding process. Government-owned enterprises in Serbia shall be permitted to bid only if they are legally and financially autonomous and operate under commercial law of the Borrower;
3. Procuring entities shall use sample bidding documents approved by the Bank;
4. In case of higher bid prices compared to the official estimate, all bids shall not be rejected without the prior concurrence of the Bank;
5. A single-envelope procedure shall be used for the submission of bids;
6. Post-qualification shall be conducted only on the lowest evaluated bidder; no bid shall be rejected at the time of bid opening on qualification grounds;
7. Bidders who contract as a joint venture shall be held jointly and severally liable;
8. Contracts shall be awarded to the lowest evaluated, substantially responsive bidder who is determined to be qualified to perform in accordance with pre-defined and pre-disclosed evaluation criteria;
9. Post-bidding negotiations shall not be allowed with the lowest evaluated or any other bidders;
10. Contracts of long duration (more than 18 months) shall contain appropriate price adjustment provisions;
11. The bidding document and contract as deemed acceptable by the Bank shall include provisions stating the Bank's policy to sanction firms or individuals, found to have engaged in fraud and corruption as defined in the Procurement Guidelines; and

SCHEDULE 3

Amortization Schedule

1. 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”). If the proceeds of the Loan have been fully withdrawn as of the first Principal Payment Date, the principal amount of the Loan repayable by the Borrower on each Principal Payment Date shall be determined by the Bank by multiplying: (a) Withdrawn Loan Balance as of the first Principal Payment Date; by (b) the Installment Share for each Principal Payment Date, such repayable amount to be adjusted, as necessary, to deduct any amounts referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies.

Principal Payment Date	Installment Share (Expressed as a Percentage)
On each May 15 and November 15 Beginning on May 15, 2019 through May 15, 2029	4.55%
On November 15, 2029	4.45%

2. If the proceeds of the Loan have not been fully withdrawn as of the first Principal Payment Date, the principal amount of the Loan repayable by the Borrower on each Principal Payment Date shall be determined as follows:
- (a) To the extent that any proceeds of the Loan have been withdrawn as of the first Principal Payment Date, the Borrower shall repay the Withdrawn Loan Balance as of such date in accordance with paragraph 1 of this Schedule.
 - (b) Any amount withdrawn after the first Principal Payment Date shall be repaid on each Principal Payment Date falling after the date of such withdrawal in amounts determined by the Bank by multiplying the amount of each such withdrawal by a fraction, the numerator of which is the original Installment Share specified in the table in paragraph 1 of this Schedule for said Principal Payment Date (“Original Installment Share”) and the denominator of which is the sum of all remaining Original Installment Shares for Principal Payment Dates falling on or after such date, such amounts repayable to be adjusted, as necessary, to deduct any amounts referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies.

7. “Involuntary Resettlement” means the impact of an involuntary taking of land under the Project, which taking causes affected persons to have their: (i) standard of living adversely affected; or (ii) right, title or interest in any house, land (including premises, agricultural and grazing land) or any other fixed or movable asset acquired or possessed, temporarily or permanently; or (iii) access to productive assets adversely affected, temporarily or permanently; or (iv) business, occupation, work or place of residence or habitat adversely affected, temporarily or permanently.
8. “Mass Appraisal” means a methodology for valuing all properties in a defined geographical area, usually for property tax assessment purposes.
9. “MCTI” means the Borrower’s Ministry of Construction, Transport and Infrastructure, or any successor thereto.
10. “National Reference System” means the Borrower’s permanent network of stations with established and approved coordinates, as described in the Borrower’s Law on State Survey and Cadaster, published in the Official Gazette No. 72/2009, as amended through 2013, as per the Official Gazettes Nos. 18/2012 and 65/2013.
11. “Operational Manual” means the Borrower’s manual satisfactory to the Bank, describing and setting forth procedures for implementation of the Project and institutional arrangements, consistent with the provisions of this Agreement including, *inter alia*, timetables of actions required to be carried out under the Project, the respective roles and responsibilities of the Borrower’s agencies involved in the implementation of the Project, selection criteria and list of cadastral municipalities to be mapped under Part III(iii) of the Project, selection criteria and list of municipalities in which enhancement of office infrastructure activities will be carried out under Part III(iv) of the Project, selection criteria and list of local RGA offices at which mobile services will be set up under Part III(iv) of the Project, staffing, the fiduciary, technical and operational aspects and procedures for implementation of the Project, including the financial management procedures (budgeting, accounting and internal control, disbursement and flow of funds, financial reporting, annual reports, internal and external audit arrangements procedures and including the Project specific chart of accounts), procurement procedures, monitoring and evaluation arrangements, and other fiduciary and administrative arrangements and necessary terms of reference, as the same may be amended from time to time by agreement with the Bank.
12. “PIU” means the Project Implementing Unit, referred to in Section I of Schedule 2 of this Agreement.
13. “Procurement Guidelines” means the “Guidelines: Procurement of Goods, Works and Non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” dated January 2011 (revised July 2014).

12. In accordance with the Procurement Guidelines, each bidding document and contract financed out of the proceeds of the Loan shall provide that bidders, suppliers and contractors, and their subcontractors, agents, personnel, consultants, service providers, or suppliers, shall permit the Bank to inspect all accounts, records, and other documents relating to the submission of bids and contract performance, and to have them audited by auditors appointed by the Bank. Acts intended to materially impede the exercise of the Bank's inspection and audit rights provided for in the Procurement Guidelines constitute an obstructive practice as defined in the Procurement Guidelines.

3. (a) Amounts of the Loan withdrawn within two calendar months prior to any Principal Payment Date shall, for the purposes solely of calculating the principal amounts payable on any Principal Payment Date, be treated as withdrawn and outstanding on the second Principal Payment Date following the date of withdrawal and shall be repayable on each Principal Payment Date commencing with the second Principal Payment Date following the date of withdrawal.
 - (b) Notwithstanding the provisions of sub-paragraph (a) of this paragraph, if at any time the Bank adopts a due date billing system under which invoices are issued on or after the respective Principal Payment Date, the provisions of such sub-paragraph shall no longer apply to any withdrawals made after the adoption of such billing system.
4. Notwithstanding the provisions of paragraphs 1 and 2 of this Schedule, upon a Currency Conversion of all or any portion of the Withdrawn Loan Balance to an Approved Currency, the amount so converted in the Approved Currency that is repayable on any Principal Payment Date occurring during the Conversion Period, shall be determined by the Bank by multiplying such amount in its currency of denomination immediately prior to the Conversion by either: (i) the exchange rate that reflects the amounts of principal in the Approved Currency payable by the Bank under the Currency Hedge Transaction relating to the Conversion; or (ii) if the Bank so determines in accordance with the Conversion Guidelines, the exchange rate component of the Screen Rate.
5. If the Withdrawn Loan Balance is denominated in more than one Loan Currency, the provisions of this Schedule shall apply separately to the amount denominated in each Loan Currency, so as to produce a separate amortization schedule for each such amount.

APPENDIX

Section I. Definitions

1. “AGROS” means Active Geodetic Reference Network of Serbia, the Borrower’s basic infrastructure network, providing geodetic reference services to RGA and to public and private sector enterprises.
2. “Anti-Corruption Guidelines” means 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.
3. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
4. “Consultant Guidelines” means the “Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” dated January 2011 (revised July 2014).
5. “EMPs” means the three site-specific Environmental Management Plans satisfactory to the Bank, prepared and adopted by the Borrower and disclosed in the Bank’s InfoShop on July 15, 2014, covering Project activities to be carried out in the Borrower’s towns of Zemun, Sopot and Ruma, each comprised of an environmental mitigation plan and an environmental monitoring plan, and to be implemented in accordance with the provisions of Schedule 2, Section I of this Agreement, satisfactory to the Bank, wherein are set forth specific details of measures to manage identified or potential environmental risks and to mitigate, reduce and/or offset adverse environmental impacts associated with the implementation of activities under the Project, together with an environmental and social baseline for each site, details of the relevant environmental legislative framework, adequate institutional, monitoring and reporting arrangements capable of ensuring proper implementation of, and regular feedback on compliance with, the terms of each EMP, as the same may be amended and supplemented from time to time with the Bank’s prior written approval.
6. “General Conditions” means the “International Bank for Reconstruction and Development General Conditions for Loans”, dated March 12, 2012, with the modifications set forth in Section II of this Appendix.

14. "Procurement Plan" means the Borrower's procurement plan for the Project, dated January 29, 2015 and referred to in paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.
15. "Project Council" means the council specified in Section I.A.4 of Schedule 2 to this Agreement.
16. "RGA" means Republic Geodetic Authority of the Borrower, an agency of the Borrower responsible for national mapping, surveying and registration of property rights, established pursuant to Borrower's Law on State Survey and Cadaster, published in the Official Gazette No. 72/2009, as amended through 2013, as per the Official Gazettes Nos. 18/2012 and 65/2013, or any successor thereto.
17. "Serbian Business Registers Agency" means a public agency established by the "Law of Serbian Business Registers Agency" (RS Official Gazette No 55/2004, 111/2009 and 99/2011), which has been entrusted by the Law on Planning and Construction (RS Official Gazette No 72/2009, 24/2011, 121/2012, 132/2014 and 145/2014) to manage the central registry of unified procedures for one-stop shop system for issuing construction permits.
18. "Statistical Office" means the Borrower's agency responsible for production, analysis, dissemination and publication of official statistical information, established pursuant to law on Official Statistics (RS Official Gazette No. 104/2009).
19. "Steering Committee" means the committee referred to in Section I.A.5 of Schedule 2 to this Agreement.
20. "Tax Administration" means the office within the Borrower's Ministry of Finance in charge of assessment, control and collection of taxes.
21. "Training" means expenditures (other than for consultants' services), incurred during the implementation of the Project, based on periodic budgets acceptable to the Bank, for: (i) reasonable travel, room, board and *per diem* expenditures incurred by trainers and trainees in connection with their training; (ii) course fees; (iii) training/workshop facility and equipment rentals; and (iv) training material preparation, acquisition, reproduction and distribution expenses not otherwise covered under this paragraph.

Section II. Modifications to the General Conditions

The General Conditions are hereby modified as follows:

1. In the **Table of Contents**, the references to Sections, Section names and Section numbers are modified to reflect the modifications set forth in the paragraphs below.
2. Section 3.01. (*Front-end Fee*) is modified to read as follows:

“Section 3.01. *Front-end Fee; Commitment Charge*”

(a) The Borrower shall pay the Bank a front-end fee on the Loan amount at the rate specified in the Loan Agreement (the “Front-end Fee”).

(b) The Borrower shall pay the Bank a commitment charge on the Unwithdrawn Loan Balance at the rate specified in the Loan Agreement (the “Commitment Charge”). The Commitment Charge shall accrue from a date sixty days after the date of the Loan Agreement to the respective dates on which amounts are withdrawn by the Borrower from the Loan Account or cancelled. The Commitment Charge shall be payable semi-annually in arrears on each Payment Date.
3. In the Appendix, **Definitions**, all relevant references to Section numbers and paragraphs are modified, as necessary, to reflect the modification set forth in paragraph 2 above.
4. The Appendix is modified by inserting a new paragraph 19 with the following definition of “Commitment Charge”, and renumbering the subsequent paragraphs accordingly:

“19. “Commitment Charge” means the commitment charge specified in the Loan Agreement for the purpose of Section 3.01(b).”
5. In the renumbered paragraph 49 (originally paragraph 48) of the Appendix, the definition of “Front-end Fee” is modified by replacing the reference to Section 3.01 with Section 3.01 (a).

6. In the renumbered paragraph 68 (originally paragraph 67) of the Appendix, the definition of the term “Loan Payment” is modified to read as follows:

“68. “Loan Payment” means any amount payable by the Loan Parties to the Bank pursuant to the Legal Agreements or these General Conditions, including (but not limited to) any amount of the Withdrawn Loan Balance, interest, the Front-end Fee, the Commitment Charge, interest at the Default Interest Rate (if any), any prepayment premium, any transaction fee for a Conversion or early termination of a Conversion, the Variable Spread Fixing Charge (if any), any premium payable upon the establishment of an Interest Rate Cap or Interest Rate Collar, and any Unwinding Amount payable by the Borrower.”

7. In the renumbered paragraph 73 (originally paragraph 72) of the Appendix, the definition of “Payment Date” is modified by deleting the word “is” and inserting the words “and Commitment Charge are” after the word “interest”.