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|  | Contract Number (FI N°) 94.231 |
|  | Operation Number (Serapis N°) 2017-0671 |

SERBIAN INLAND WATERWAY INFRASTRUCTURE B

Finance Contract

between the

Republic of Serbia

and the

European Investment Bank

Luxembourg, 13 December 2022

Belgrade, 13.12.2022

THIS CONTRACT IS MADE BETWEEN:

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| The Republic of Serbia, represented by Mr. Siniša Mali, Deputy Prime Minister and Minister of Finance, on behalf of the Government as representative of the Republic of Serbia, | (the "Borrower") |
| of the first part, and |  |
| the European Investment Bank having its seat at 100 Blvd. Konrad Adenauer, Luxembourg, L-2950 Luxembourg, represented by Matteo Rivellini and Laurie Carrette . | (the "Bank") |
| of the second part. |  |

WHEREAS:

1. The Borrower has stated that, through the Ministry of Construction, Transport and Infrastructure (the "**Promoter**"), which has the role of Investor under Serbian law, it is undertaking a project consisting of several investments in the existing core Trans-European Transport (TEN- T) Rhine-Danube inland waterway network of the Republic of Serbia, along the Danube and Sava rivers as more particularly described in the technical description (the "Technical Description") set out in Schedule A.1 (the "Project").
2. The total cost of the Project, as estimated by the Bank, is EUR 315,700,000.00 (three hundred and fifteen million seven hundred thousand euros) and the Borrower has stated that it intends to finance the Project as follows:

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| --- | --- |
| Source | Amount (EUR m) |
| Credit from the Bank | Facility A: 100.00  Facility B: 31.00 |
| Other funding sources (including State Budget, EU Grants and loans from International Financial Institutions) | 184.70 |
| TOTAL | 315.70 |

1. The financing under this Contract pertaining to Facility B is provided pursuant to the European Fund for Sustainable Development Plus ("**EFSD+**"), an integrated financial package supplying financing capacity in the form of grants, budgetary guarantees and financial instruments worldwide; and in particular under the exclusive investment window for operations with sovereign counterparts and non-commercial sub-sovereign counterparts under article 36.1 of the NDICI-GE Regulation ("**EFSD+ DIW1**"). Pursuant to article 36.8 of the NDICI-GE Regulation, on 29 April 2022, the Bank and the European Union, represented by the European Commission, entered into an EFSD+ guarantee agreement (the "**EFSD+ DIW1 Guarantee Agreement**") whereby the European Union granted to the Bank a comprehensive guarantee for eligible financing operations of the Bank in respect of projects carried out in countries within the geographic areas referred to in article 4(2) of the NDICI-GE Regulation and in Annex I of the IPA III Regulation (the "**EFSD+ DIW1 Guarantee**"). The Republic of Serbia is an eligible country pursuant to the NDICI-GE Regulation and the IPA III Regulation.
2. The Republic of Serbia and the Bank concluded on 11 May 2009 a framework agreement governing the Bank’s activities in the territory of the Republic of Serbia (the "Framework Agreement"). By a letter dated 19 January 2018, the Republic of Serbia requested the financing of the Project (as defined below), as such the present project falls within the scope of the Framework Agreement.
3. The Bank and the Borrower entered into the finance contract Serbian Inland Waterway Infrastructure (FI 90036) on 23 November 2018 in the amount of EUR 100,000,000.00 (one hundred million euros) for the financing of the Project ("**Contract N°90.036**"). Subsequently, the Borrower and the Promoter informed the Bank that the estimated cost of the Project increased and requested an additional credit amount of EUR 31,000,000.00 (thirty-one million euros). The Bank considering that the financing of the Project falls within the scope of its functions and having regard to the statements and facts cited in these Recitals, has decided to give effect to the Borrower’s request providing to it an additional credit in an amount of EUR 31,000,000.00 (thirty-one million euros) under this finance contract (the "Contract"); provided that the amount of the Bank’s financing of the Project shall not, in any case, exceed 50% (fifty per cent) of the total cost of the Project set out in Recital (b) nor, when aggregated with any EU grants available for the Project, 90% (ninety per cent) of the total cost of the Project set out in Recital (b).
4. The Borrower has authorised the borrowing of the sum of EUR 31,000,000.00 (thirty-one million euros) represented by this credit on the terms and conditions set out in this Contract.
5. The Statute of the Bank provides that the Bank shall ensure that its funds are used as rationally as possible in the interests of the European Union; and, accordingly, the terms and conditions of the Bank's loan operations must be consistent with relevant policies of the European Union.
6. The Bank considers that access to information plays an essential role in the reduction of environmental and social risks, including human rights violations, linked to the projects it finances and has therefore established its transparency policy, the purpose of which is to enhance the accountability of the Bank’s group towards its stakeholders.
7. The Bank supports the implementation of international and European Union standards in the field of anti-money laundering and countering the financing of terrorism and promotes tax good governance standards. It has established policies and procedures to avoid the risk of misuse of its funds for purposes which are illegal or abusive in relation to applicable laws. The Bank’s group statement on tax fraud, tax evasion, tax avoidance, aggressive tax planning, money laundering and financing of terrorism is available on the Bank’s website and offers further guidance to the Bank’s contracting counterparties.
8. By entering into this Contract, the Borrower acknowledges that the Bank may be bound to comply with the Sanctions (as defined below) and that it cannot, therefore, amongst others, make funds available, directly or indirectly, to or for the benefit of a Sanctioned Person (as defined below).

NOW THEREFORE it is hereby agreed as follows:

INTERPRETATION AND DEFINITIONS

Interpretation

In this Contract:

1. references to "Articles", "Recitals", "Schedules" and "Annexes" are, save if explicitly stipulated otherwise, references respectively to articles of, and recitals, schedules and annexes to this Contract;
2. references to "law" or "laws" mean:
   1. any applicable law and any applicable treaty, constitution, statute, legislation, decree, normative act, rule, regulation, judgement, order, writ, injunction, determination, award or other legislative or administrative measure or judicial or arbitral decision in any jurisdiction which is binding or applicable case law; and
   2. EU Law;
3. references to "applicable law", "applicable laws" or "applicable jurisdiction" mean:
   1. a law or jurisdiction applicable to the Borrower, its rights and/or obligations (in each case arising out of or in connection with this Contract), its capacity and/or assets and/or the Project; and/or, as applicable;
   2. a law or jurisdiction (including in each case the Bank’s Statute) applicable to the Bank, its rights, obligations, capacity and/or assets;
4. references to a provision of law or a treaty are references to that provision as amended or re-enacted;
5. references to any other agreement or instrument are references to that other agreement or instrument as amended, novated, supplemented, extended or restated;
6. words and expressions in plural shall include singular and vice versa; and
7. references to "month" mean a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month, except that and subject to the definition of Payment Date, Article 5.1and Schedule B and unless provided otherwise in this Contract:
   1. if the numerically corresponding day is not a Business Day, that period shall end on the next Business Day in that calendar month in which that period is to end if there is one, or if there is not, on the immediately preceding Business Day; and
   2. if there is no numerically corresponding day in the calendar month in which that period is to end, that period shall end on the last Business Day in that calendar month.

Definitions

In this Contract:

"Accepted Tranche" means a Tranche in respect of which a Disbursement Offer has been duly accepted by the Borrower in accordance with its terms on or before the Disbursement Acceptance Deadline.

"Agreed Deferred Disbursement Date" has the meaning given to it in Article 1.5.A(2)(b).

"Authorisation" means an authorisation, permit, consent, approval, resolution, licence, exemption, filing, notarisation or registration.

"Authorised Signatory" means a person authorised to sign individually or jointly (as the case may be) Disbursement Acceptances on behalf of the Borrower and named in the most recent List of Authorised Signatories and Accounts received by the Bank prior to the receipt of the relevant Disbursement Acceptance.

"Business Day" means a day (other than a Saturday or Sunday) on which the Bank and commercial banks are open for general business in Luxembourg and in Belgrade.

"**Cancelled Tranche**" has the meaning given to it in Article 1.6.C(2).

"Change-of-Law Event" has the meaning given to it in Article 4.3.A(3).

"Contract" has the meaning given to it in Recital (e).

"Contract Number" means the Bank generated number identifying this Contract and indicated on the cover page of this Contract after the letters "FI N°".

"Credit" has the meaning given to it in Article 1.1.

"**Date of Effectiveness**" has the meaning given in Article 12.3.

"**Declaration of Honour**" means the "Declaration of Honour" under EFSD+ signed by the Borrower on 2 December 2022.

"Deferment Fee" means a fee calculated on the amount of an Accepted Tranche deferred or suspended at the rate of higher of:

1. 0.125% (12.5 basis points), per annum; and
2. the percentage rate by which:
   1. the interest rate that would have been applicable to such Tranche had it been disbursed to the Borrower on the Scheduled Disbursement Date, exceeds
   2. EURIBOR (one month rate) less 0.125% (12.5 basis points), unless such rate is less than zero, in which case it shall be set at zero.

Such fee shall accrue from the Scheduled Disbursement Date to the Disbursement Date or, as the case may be, until the date of cancellation of the Accepted Tranche in accordance with this Contract.

"Disbursement Acceptance" means a copy of the Disbursement Offer duly countersigned by the Borrower in accordance with the List of Authorised Signatories and Accounts.

"Disbursement Acceptance Deadline" means the date and time of expiry of a Disbursement Offer as specified therein.

"Disbursement Account" means, in respect of each Tranche, the bank account to which disbursements may be made under this Contract, as set out in the most recent List of Authorised Signatories and Accounts.

"Disbursement Date" means the date on which disbursement of a Tranche is made by the Bank.

"Disbursement Offer" means a letter substantially in the form set out in Schedule C.

"Dispute" has the meaning given to it in Article 11.2.

"Disruption Event" means either or both of

1. a material disruption to those payment or communications systems or to those financial markets which are, in each case, required to operate in order for payments to be made in connection with this Contract; or
2. the occurrence of any other event which results in a disruption (of a technical or systems-related nature) to the treasury or payments operations of either the Bank or the Borrower, preventing that Party from:
   1. performing its payment obligations under this Contract; or
   2. communicating with the other Party,

and which disruption (in either such case as per (a) or (b) above) is not caused by, and is beyond the control of, the Party whose operations are disrupted.

"**EFSD+**" has the meaning given in Recital (c).

"**EFSD+ DIW1**" has the meaning given in Recital (c).

"**EFSD+ DIW1 Guarantee**"has the meaning given in Recital (c).

"**EFSD+ DIW1 Guarantee Agreement**"has the meaning given in Recital (c).

"EIB Environmental and Social Standards" means the EIB Environmental and Social Standards which are published on EIB’s website[[1]](#footnote-1) and which describe the environmental and social requirements that all EIB-financed projects must meet and the responsibilities of the various parties.

"**Eligible Expenditure**" means expenditure (including costs of design and supervision, if relevant, and net of taxes and duties payable by the Borrower and/or the Promoter) incurred by the Borrower or the Promoter for the Project, in respect of works, goods and services relating to items specified in the Technical Description as eligible for financing under the Credit (for the avoidance of doubt excluding rights of way which shall be financed by the Borrower), which have been the object of contract or contracts executed on terms satisfactory to the Bank, having regard to the most recent edition of the Bank’s Guide to Procurement.

"Environment" means the following, in so far as they affect human health and social well-being:

(a) fauna and flora;

(b) soil, water, air, climate and the landscape;

(c) cultural heritage; and

(d) the built environment.

"Environmental and Social Impact Assessment Study" means a study as an outcome of the environmental and social impact assessment identifying and assessing the potential environmental and social impacts associated with the proposed project and recommending measures to avoid, minimise and/or remedy any impacts. This study is subject to public consultation with direct and indirect project stakeholders.

"**Environmental and Social Documents**" means (a) each Environmental and Social Impact Assessment Study; (b) each Non-Technical Summary and the Stakeholder Engagement Plan; (c) the additional project documents as specified in Schedule F. for schemes with a project investment cost below EUR 50,000,000.00 (fifty million euros); and (d) for large schemes subject to *ad hoc* appraisal by the Bank, any additional project document submitted to the Bank.

"Environmental and Social Standards" means:

(a) Environmental Laws and Social Laws applicable to the Project or the Borrower;

(b) the EIB Environmental and Social Standards; and

(c) the Environmental and Social Documents.

"Environmental or Social Approval" means any permit, licence, authorisation, consent or other approval required by an Environmental Law or a Social Law in connection with the construction or operation of the Project.

"Environmental or Social Claim" means any claim, proceeding, formal notice or investigation by any person in respect of the Environment or Social Matters affecting the Project including any breach or alleged breach of any Environmental and Social Standard.

"Environmental Law" means:

1. EU Law, including principles and standards save for any derogation accepted by the Bank for the purpose of this Contract based on any agreement between the Republic of Serbia and the EU;
2. the Republic of Serbia laws and regulations; and
3. international treaties and conventions signed and ratified by or otherwise applicable and binding on the Republic of Serbia,

of which a principal objective is the preservation, protection or improvement of the Environment.

"EU Law" means the acquis communautaire of the European Union as expressed through the Treaties of the European Union, the regulations, directives, delegated acts, implementing acts, and the case law of the Court of Justice of the European Union.

"EUR" or "euro" means the lawful currency of the Member States of the European Union which adopt or have adopted it as their currency in accordance with the relevant provisions of the Treaty on European Union and the Treaty on the Functioning of the European Union.

"EURIBOR" has the meaning given to it in Schedule B.

"Event of Default" means any of the circumstances, events or occurrences specified in Article 10.

"Final Availability Date" means 31 December 2025 or a later date if approved in writing by the Bank upon formal written request by the Borrower.

"Financing of Terrorism" means the provision or collection of funds, by any means, directly or indirectly, with the intention that they should be used or in the knowledge that they are to be used, in full or in part, in order to carry out any of the offences listed in the Directive (EU) 2017/541 of the European Parliament and of the Council of 15 March 2017 on combating terrorism and replacing Council Framework Decision 2002/475/JHA and amending Council Decision 2005/671/JHA (as amended, replaced or re-enacted from time to time).

"**Financial Regulation**"means Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EC, Euratom) No 966/2012 (OJ L 193, 30.7.2018, p. 1).

"Fixed Rate" means an annual interest rate determined by the Bank in accordance with the applicable principles from time to time laid down by the governing bodies of the Bank for loans made at a fixed rate of interest, denominated in the currency of the Tranche and bearing equivalent terms for the repayment of capital and the payment of interest. Such rate shall not be of negative value.

"Fixed Rate Tranche" means a Tranche on which the Fixed Rate is applied.

"Floating Rate" means a fixed-spread floating annual interest rate, determined by the Bank for each successive Floating Rate Reference Period equal to EURIBOR plus the Spread. If the Floating Rate for any Floating Rate Reference Period is calculated to be below zero, it will be set at zero.

"Floating Rate Reference Period" means each period from one Payment Date to the next relevant Payment Date; the first Floating Rate Reference Period shall commence on the date of disbursement of the Tranche.

"Floating Rate Tranche" means a Tranche on which the Floating Rate is applied.

"Framework Agreement" has the meaning given in Recital (d).

"Guide to Procurement" means the Guide to Procurement published on EIB’s website[[2]](#footnote-2) that informs the promoters of projects financed in whole or in part by the EIB of the arrangements to be made for procuring works, goods and services required for the Project.

"**Illegality Event**" has the meaning given to it in Article 4.3.A(4).

"ILO" means the International Labour Organisation.

"ILO Standards" means any treaty, convention or covenant of the ILO signed and ratified by or otherwise applicable and binding on the Republic of Serbia, and the Core Labour Standards (as defined in the ILO Declaration on Fundamental Principles and Rights at Work).

"Indemnifiable Prepayment Event" means a Prepayment Event other than those specified in paragraphs 4.3.A(2) or 4.3.A(4).

"Interest Revision/Conversion" means the determination of new financial conditions relative to the interest rate, specifically the same interest rate basis ("revision") or a different interest rate basis ("conversion") which can be offered for the remaining term of a Tranche or until the next Interest Revision/Conversion Date, if any.

"Interest Revision/Conversion Date" means the date, which shall be a Payment Date, specified by the Bank pursuant to Article 1.2.B in the Disbursement Offer.

"Interest Revision/Conversion Proposal" means a proposal made by the Bank under Schedule D.

"Interest Revision/Conversion Request" means a written notice from the Borrower, delivered at least 75 (seventy-five) days before an Interest Revision/Conversion Date, requesting the Bank to submit to it an Interest Revision/Conversion Proposal. The Interest Revision/Conversion Request shall also specify:

1. the Payment Dates chosen in accordance with the provisions of Article 3.1;
2. the amount of the Tranche for which the Interest Revision/Conversion shall apply; and
3. any further Interest Revision/Conversion Date chosen in accordance with Article 3.1.

"IPA III Regulation" means Regulation (EU) 2021/1529 of the European Parliament and of the Council of 15 September 2021 establishing the Instrument for Pre-Accession assistance (IPA III).

"List of Authorised Signatories and Accounts" means a list, in form and substance satisfactory to the Bank, setting out:

1. the Authorised Signatories, accompanied by evidence of signing authority of the persons named on the list and specifying if they have individual or joint signing authority;
2. the specimen signatures of such persons;
3. the bank account(s) to which disbursements may be made under this Contract (specified by IBAN code if the country is included in the IBAN Registry published by SWIFT, or in the appropriate account format in line with the local banking practice), BIC/SWIFT code of the bank and the name of the bank account(s) beneficiary, together with evidence that such account(s) have been opened in the name of the beneficiary; and
4. the bank account(s) from which payments under this Contract will be made by the Borrower (specified by IBAN code if the country is included in the IBAN Registry published by SWIFT, or in the appropriate account format in line with the local banking practice), BIC/SWIFT code of the bank and the name of the bank account(s) beneficiary, together with evidence that such account(s) have been opened in the name of the beneficiary.

"Loan" means the aggregate of the amounts disbursed from time to time by the Bank under this Contract.

"Loan Outstanding" means the aggregate of the amounts disbursed from time to time by the Bank under this Contract that remains outstanding.

"Market Disruption Event" means any of the following circumstances:

1. there are, in the reasonable opinion of the Bank, events or circumstances adversely affecting the Bank’s access to its sources of funding;
2. in the opinion of the Bank, funds are not available from the Bank's ordinary sources of funding in order to adequately fund a Tranche in the relevant currency and/or for the relevant maturity and/or in relation to the reimbursement profile of such Tranche; or
3. in relation to a Tranche in respect of which interest would be payable at Floating Rate:
   1. the cost to the Bank of obtaining funds from its sources of funding, as determined by the Bank, for a period equal to the Floating Rate Reference Period of such Tranche (i.e., in the money market) would be in excess of EURIBOR; or
   2. the Bank determines that adequate and fair means do not exist for ascertaining EURIBOR for the relevant currency of such Tranche.

"Material Adverse Change" means, in relation to the Borrower any event or change of condition affecting the Borrower, which, in the opinion of the Bank:

(a) materially impairs the ability of the Borrower to perform its obligations under this Contract; or

(b) materially impairs the financial condition or prospects of the Borrower.

"Maturity Date" means the last Repayment Date of a Tranche specified pursuant to Article 4.1 (b) (iv).

"Money Laundering" means:

1. the conversion or transfer of property, knowing that such property is derived from criminal activity or from an act of participation in such activity, for the purpose of concealing or disguising the illicit origin of the property or of assisting any person who is involved in the commission of such activity to evade the legal consequences of his action;
2. the concealment or disguise of the true nature, source, location, disposition, movement, rights with respect to, or ownership of property, knowing that such property is derived from criminal activity or from an act of participation in such activity;
3. the acquisition, possession or use of property, knowing, at the time of receipt, that such property was derived from criminal activity or from an act of participation in such activity; or
4. participation in, association to commit, attempts to commit and aiding, abetting, facilitating and counselling the commission of any of the actions mentioned in the foregoing points.

"NDICI-GE Regulation" means Regulation (EU) 2021/947 of the European Parliament and of the Council of 9 June 2021 establishing the Neighbourhood, Development and International Cooperation Instrument – Global Europe.

"**Payment Account**" means the bank account from which payments under this Contract will be made by the Borrower, as set out in the most recent List of Authorised Signatories and Accounts.

"Payment Date" means: the annual, semi-annual or quarterly dates specified in the Disbursement Offer until and including the Interest Revision/Conversion Date, if any, or the Maturity Date, save that, in case any such date is not a Relevant Business Day, it means:

* 1. for a Fixed Rate Tranche, the following Relevant Business Day, without adjustment to the interest due under Article 3.1 orthe preceding Relevant Business Day with adjustment (but only to the amount of interest due under Article 3.1 that accrued over the last interest period), in case repayment of principal is made in a single instalment in accordance with Schedule D point C; and
  2. for a Floating Rate Tranche, the following Relevant Business Day in that month, or, failing that, the nearest preceding Relevant Business Day, in all cases with corresponding adjustment to the interest due under Article 3.1.

"Prepayment Amount" means the amount of a Tranche to be prepaid by the Borrower in accordance with Article 4.2.A or Article 4.3.A, as applicable.

"Prepayment Date" means the date, as requested by the Borrower and agreed by the Bank or indicated by the Bank (as applicable) on which the Borrower shall effect prepayment of a Prepayment Amount.

"Prepayment Event" means any of the events described in Article 4.3.A.

"Prepayment Indemnity" means in respect of any principal amount to be prepaid, the amount communicated by the Bank to the Borrower as the present value (calculated as of the Prepayment Date) of the excess, if any, of:

1. the interest that would accrue thereafter on the Prepayment Amount over the period from the Prepayment Date to the Interest Revision/Conversion Date, if any, or the Maturity Date, if it were not prepaid; over
2. the interest that would so accrue over that period, if it were calculated at the Redeployment Rate, less 0.19% (nineteen basis points).

The said present value shall be calculated at a discount rate equal to the Redeployment Rate, applied as of each relevant Payment Date.

"Prepayment Notice" means a written notice from the Bank to the Borrower in accordance with Article 4.2.C.

"Prepayment Request" means a written request from the Borrower to the Bank to prepay all or part of the Loan Outstanding, in accordance with Article 4.2.A.

"**Project Implementation Unit (PIU)** " means all project implementation arrangements, which rely on a group of staff members designated officially to work together full-time or almost full-time, with separate accountability, to coordinate and manage project implementation.

"Prohibited Conduct" means any Financing of Terrorism, Money Laundering or Prohibited Practice.

"Prohibited Practice" means any:

1. Coercive Practice, meaning the impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of a party to influence improperly the actions of a party;
2. Collusive Practice, meaning an arrangement between two or more parties designed to achieve an improper purpose, including to influence improperly the actions of another party;
3. Corrupt Practice, meaning the offering, giving, receiving or soliciting, directly or indirectly, of anything of value by a party to influence improperly the actions of another party;
4. Fraudulent Practice, meaning any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party in order to obtain a financial (including, for the avoidance of taxation related) or other benefit or to avoid an obligation;
5. Obstructive Practice, meaning in relation to an investigation into a Coercive, Collusive, Corrupt or Fraudulent Practice in connection with this Loan or the Project, (i) destroying, falsifying, altering or concealing of evidence material to the investigation or making false statements to investigators, with the intent to impede the investigation; (ii) threatening, harassing or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation, or (iii) acts intending to impede the exercise of the EIB Group’s contractual rights of audit or inspection or access to information;
6. Tax Crime, meaning all offences, including tax crimes relating to direct taxes and indirect taxes and as defined in the national law of the Republic of Serbia, which are punishable by deprivation of liberty or a detention order for a maximum of more than one year;
7. Misuse of EIB Group Resources and Assets, meaning any illegal activity committed in the use of the EIB Group’s resources or assets (including the funds lent under this Contract) knowingly or recklessly; or
8. any other illegal activity that may affect the financial interests of the European Union, according to the applicable laws.

"Project" has the meaning given to it in Recital (a).

"Project Cost Reduction Event" has the meaning given to it in Article 4.3.A(1).

"Promoter" has the meaning given to it in Recital (a).

"Redeployment Rate" means the fixed annual rate determined by the Bank, being a rate which the Bank would apply on the day of the indemnity calculation to a loan that has the same currency the same terms for the payment of interest and the same repayment profile to the Interest Revision/Conversion Date, if any, or the Maturity Date as the Tranche in respect of which a prepayment or cancellation is proposed or requested to be made. Such rate shall not be of negative value.

"Relevant Business Day" means a day on which the Trans-European Automated Real-time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007 (TARGET2) is open for the settlement of payments in EUR.

"**Relevant Party**" has the meaning given to it in Article 8.3

"**Relevant Person**"means:

1. with respect to the Borrower, any official or representative of any of its ministries, other central executive government bodies or other governmental sub-divisions, or any other person acting on its behalf or under its control, having, in accordance with applicable local laws, the right to manage and/or supervise the Loan or the Project; and
2. with respect to the Promoter, any official or representative, or any other person acting on its behalf or under its control, having the power to give directions and exercise control with respect to the Loan or the Project.

"Repayment Date" shall mean each of the Payment Dates specified for the repayment of the principal of a Tranche in the Disbursement Offer, in accordance with Article 4.1.

"Requested Deferred Disbursement Date" has the meaning given to it in Article 1.5.A(1)(b).

"**Sanctioned Person**" means any individual or entity (for the avoidance of doubt, the term entity includes, but is not limited to, any government, group or terrorist organisation) who is a designated target of, or who is otherwise a subject of, Sanctions (including, without limitation, as a result of being owned or otherwise controlled, directly or indirectly, by any individual or entity, who is a designated target of, or who is otherwise a subject of, Sanctions).

"**Sanctions**" means the economic or financial sanctions laws, regulations, trade embargoes or other restrictive measures (including, in particular, but not limited to, measures in relation to the financing of terrorism) enacted, administered, implemented and/or enforced from time to time by any of the following:

1. the United Nations, and any agency or person which is duly appointed, empowered or authorised by the United Nations to enact, administer, implement and/or enforce such measures;
2. the European Union, and any agency or person which is duly appointed, empowered or authorised by the European Union to enact, administer, implement and/or enforce such measures;
3. the government of the United States of America, and any department, division, agency, or office thereof, including, *inter alia*, the Office of Foreign Asset Control (OFAC) of the United States Department of the Treasury, the United States Department of State and/or the United States Department of Commerce; and
4. the United Kingdom, and any UK government department or authority, including, inter alia, The Office of Financial Sanctions Implementation of His Majesty's Treasury and the Department for International Trade.

"Scheduled Disbursement Date" means the date on which a Tranche is scheduled to be disbursed in accordance with Article 1.2.C.

"Security" means any mortgage, pledge, lien, charge, assignment, hypothecation, or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

"Social Law" means each of:

(a) any law, rule or regulation applicable in the Republic of Serbia relating to Social Matters;

(b) any ILO Standards; and

(c) any United Nations treaty, convention or covenant on human rights signed and ratified by or otherwise applicable and binding on the Republic of Serbia.

"Social Matters" means all, or any of, the following: (i) labour and employment conditions, (ii) occupational health and safety, (iii) protection and empowerment of rights and interests of indigenous peoples, ethnic minorities and vulnerable groups, (iv) cultural heritage (tangible and intangible), (v) public health, safety and security, (vi) involuntary physical resettlement and/or economic displacement and loss of livelihood of persons, and (vii) public participation and stakeholder engagement.

"Spread" means the fixed spread (being of either positive or negative value) to EURIBOR as determined by the Bank and notified to the Borrower in the relevant Disbursement Offer or Interest Revision/Conversion Proposal.

"Tax" means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

"Technical Description" has the meaning given to it in Recital (a).

"Tranche" means each disbursement made or to be made under this Contract. In case no Disbursement Acceptance has been received, Tranche shall mean a Tranche as offered under Article 1.2.B.

# 

Credit and Disbursements

## Amount of Credit

By this Contract the Bank establishes in favour of the Borrower, and the Borrower accepts, a credit in an amount of EUR 31,000,000.00 (thirty-one million euros) for the financing of the Project (the "Credit").

## Disbursement procedure

### Tranches

The Bank shall disburse the Credit in up to 12 (twelve) Tranches. The amount of each Tranche shall be in a minimum amount of EUR 3,000,000.00 (three million euros) and a maximum amount of EUR 10,000,000.00 (ten million euros), or (if less) the entire undrawn balance of the Credit.

### Disbursement Offer

Upon request by the Borrower and subject to Article 1.4.A, provided that no event mentioned in Article 1.6.B has occurred and is continuing, the Bank shall send to the Borrower within 5 (five) Business Days after the receipt of such request a Disbursement Offer for the disbursement of a Tranche. The latest time for receipt by the Bank of such Borrower’s request is 15 (fifteen) Business Days before the Final Availability Date. The Disbursement Offer shall specify:

1. the amount of the Tranche in EUR;
2. the Scheduled Disbursement Date, which shall be a Relevant Business Day, falling at least 10 (ten) days after the date of the Disbursement Offer and on or before the Final Availability Date;
3. the interest rate basis of the Tranche, being: (i) a Fixed Rate Tranche; or (ii) a Floating Rate Tranche, in each case, pursuant to the relevant provisions of Article 3.1;
4. the Payment Dates and the first interest Payment Date for the Tranche;
5. the terms for repayment of principal for the Tranche, in accordance with the provisions of Article 4.1;
6. the Repayment Dates and the first and the last Repayment Date for the Tranche;
7. the Interest Revision/Conversion Date, if requested by the Borrower, for the Tranche;
8. for a Fixed Rate Tranche, the Fixed Rate and for a Floating Rate Tranche the Spread, applicable to the Tranche until the Interest Revision/Conversion Date, if any, or until the Maturity Date; and
9. the Disbursement Acceptance Deadline.

### Disbursement Acceptance

The Borrower may accept a Disbursement Offer by delivering a Disbursement Acceptance to the Bank no later than the Disbursement Acceptance Deadline. The Disbursement Acceptance shall be signed by an Authorised Signatory with individual representation right or two or more Authorised Signatories with joint representation right and shall specify the Disbursement Account to which the disbursement of the Tranche should be made in accordance with Article 1.2.D.

If a Disbursement Offer is duly accepted by the Borrower in accordance with its terms on or before the Disbursement Acceptance Deadline, the Bank shall make the Accepted Tranche available to the Borrower in accordance with the relevant Disbursement Offer and subject to the terms and conditions of this Contract.

The Borrower shall be deemed to have refused any Disbursement Offer which has not been duly accepted in accordance with its terms on or before the Disbursement Acceptance Deadline.

The Bank may rely on the information set out in the most recent List of Authorised Signatories and Accounts provided to the Bank by the Borrower. If a Disbursement Acceptance is signed by a person defined as Authorised Signatory under the most recent List of Authorised Signatories and Accounts provided to the Bank by the Borrower, the Bank may assume that such person has the power to sign and deliver in the name and on behalf of the Borrower such Disbursement Acceptance.

### Disbursement Account

Disbursement shall be made to the Disbursement Account specified in the relevant Disbursement Acceptance provided that such Disbursement Account is acceptable to the Bank.

Notwithstanding Article 5.2(e), the Borrower acknowledges that payments to a Disbursement Account notified by the Borrower shall constitute disbursements under this Contract as if they had been made to the Borrower's own bank account.

Only one Disbursement Account may be specified for each Tranche.

## Currency of disbursement

The Bank shall disburse each Tranche in EUR.

## Conditions of disbursement

### Condition precedent to the first request for Disbursement Offer

The Bank shall have received from the Borrower in form and substance satisfactory to the Bank:

1. evidence that the execution of this Contract by the Borrower has been duly authorised and that the person or persons signing this Contract on behalf of the Borrower is/are duly authorised to do so together with the specimen signature of each such person or persons;
2. at least 2 (two) originals of this Contract duly executed by all Parties; and
3. the List of Authorised Signatories and Accounts;

prior to requesting a Disbursement Offer under Article 1.2.B by the Borrower. Any request for a Disbursement Offer made by the Borrower without the above documents having been received by the Bank and to its satisfaction shall be deemed not made.

### First Tranche

The disbursement of the first Tranche under Article 1.2 is conditional upon receipt by the Bank, in form and substance satisfactory to it, on or before the date falling 5 (five) Business Days before the Scheduled Disbursement Date (and, in the case of deferment under Article 1.5, the Requested Deferred Disbursement Date or the Agreed Deferred Disbursement Date, respectively) for the proposed Tranche, of the following documents or evidence:

1. evidence that the Borrower has obtained all necessary Authorisations, required in connection with this Contract and the Project;
2. evidence that the Project Implementation Unit is in place with staff, resources and competencies acceptable to the Bank following the submission of the list of key staff to the Bank;
3. evidence that the Project Implementation Unit includes environmental, occupational health and safety, procurement and/or other experts, as required, satisfactory to the Bank;
4. a favourable legal opinion issued in English language by the Ministry of Justice of the Borrower confirming, inter alia, (i) the authority of persons signing this Contract on behalf of the Borrower; (ii) that this Contract has been duly executed by the Borrower and constitutes valid, binding and enforceable obligations of the Borrower according with its terms; (iii) the valid choice of laws of the Grand Duchy of Luxembourg law and the Court of Justice of the European Union under this Contract, and (iv) the recognition and enforcement of judgments of the Court of Justice of the European Union in any proceedings taken in the Republic of Serbia in relation to this Contract;
5. evidence that:
   1. an amount equal to at least 80% (eighty per cent.) of the aggregate amount of all tranches disbursed to the Borrower under Contract N°90.036 has been allocated to eligible schemes; or
   2. 50% (fifty per cent.) of all previously disbursed sums under Contract N°90.036 have effectively been paid out towards any Eligible Expenditure incurred with respect to an allocated scheme;
6. the Borrower shall have taken all action necessary to exempt from taxation for all payments of principal, interest and other sums due hereunder and to permit the payment of all such sums gross without deduction of tax at source shall have been taken; and
7. any necessary exchange control consents shall have been obtained to permit receipt of disbursements hereunder, repayment of the same and payment of interest and all other amounts due hereunder; such consents must extend to the opening and maintenance of the accounts to which disbursement of the Credit is directed.

### All Tranches

The disbursement of each Tranche under Article 1.2, including the first, is subject to the following conditions:

1. that the Bank has received, in form and substance satisfactory to it, on or before the date falling 5 (five) Business Days before the Scheduled Disbursement Date (and, in the case of deferment under Article 1.5, the Requested Deferred Disbursement Date or the Agreed Deferred Disbursement Date, respectively) for the proposed Tranche, of the following documents or evidence:
2. a certificate from the Borrower in the form of Schedule E signed by an authorised representative of the Borrower and dated no earlier than the date falling 15 (fifteen) days before the Scheduled Disbursement Date (and, in the case of deferment under Article 1.5, the Requested Deferred Disbursement Date or the Agreed Deferred Disbursement Date, respectively);
3. with the exception of the first Tranche, evidence that:
   * 1. an amount equal to at least 80% (eighty per cent.) of the aggregate amount of all previous Tranches disbursed to the Borrower under this Contract, has been allocated to eligible schemes; or
     2. 50% (fifty per cent) of all previously disbursed sums under this Contract have effectively been paid out towards any Eligible Expenditure incurred with respect to an allocated scheme;
4. an updated procurement plan;
5. an updated *finance plan* for the Project specifying the sources of funds not to be financed by the Bank;
6. evidence that the Borrower’s Project Implementation Unit (PIU) is in place with staff, resources and competencies acceptable to the Bank; and
7. a copy of any other authorisation or other document, opinion or assurance which the Bank has notified the Borrower is necessary or desirable in connection with the entry into and performance of, and the transactions contemplated by, this Contract or the legality, validity, binding effect or enforceability of the same;
8. that on the Scheduled Disbursement Date (and, in the case of deferment under Article 1.5, on the Requested Deferred Disbursement Date or the Agreed Deferred Disbursement Date, respectively) for the proposed Tranche:
   1. the representations and warranties which are repeated pursuant to Article 6.10 are correct in all respects; and
   2. no event or circumstance which constitutes or would with the passage of time or giving of notice under this Contract constitute:
      1. an Event of Default; or
      2. a Prepayment Event,

has occurred and is continuing unremedied or unwaived or would result from the disbursement of the proposed Tranche.

### Last Tranche

The disbursement of the last Tranche, is subject to the following additional conditions that the Bank has received, in form and substance satisfactory to it, on or before the date falling 5 (five) Business Days before the Scheduled Disbursement Date (and, in the case of deferment under Article 1.5, on the Requested Deferred Disbursement Date or the Agreed Deferred Disbursement Date, respectively) for the last Tranche, of the following documents or evidence:

1. that an amount equal to at least 90% (ninety per cent.) of the aggregate amount of all previous Tranches disbursed to the Borrower under this Contract, has been allocated to eligible schemes. For the remaining 10% (ten per cent), the Promoter has to provide a letter with the list of schemes expected to be allocated under this amount. The Promoter shall supply details of all remaining schemes that are intended to be part of the EIB operation such that the total investment cost of all schemes is at least twice the amount of the EIB loan; and
2. a detailed an Operation & Maintenance Plan for inland waterway infrastructure located along the Serbian TEN-T Rhine-Danube Inland Waterway Corridor as described in the Technical Description (Schedule A).

## Deferment of disbursement

### Grounds for deferment

#### Borrower's request

The Borrower may send a written request to the Bank requesting the deferral of the disbursement of an Accepted Tranche. The written request must be received by the Bank at least 5 (five) Business Days before the Scheduled Disbursement Date of an Accepted Tranche and specify:

1. whether the Borrower would like to defer the disbursement in whole or in part and if in part, the amount to be deferred; and
2. the date until which the Borrower would like to defer a disbursement of the above amount (the "Requested Deferred Disbursement Date"), which must be a date falling not later than:
   1. 6 (six) months from its Scheduled Disbursement Date;
   2. 30 (thirty) days prior to the first Repayment Date; and
   3. the Final Availability Date.

Upon receipt of such a written request, the Bank shall defer the disbursement of the relevant amount until the Requested Deferred Disbursement Date.

#### Failure to satisfy conditions to disbursement

1. The disbursement of an Accepted Tranche shall be deferred if any condition for disbursement of such an Accepted Tranche referred to in Article 1.4 is not fulfilled both:
   1. at the date specified for fulfilment of such condition in Article 1.4; and
   2. at its Scheduled Disbursement Date (or, where the Scheduled Disbursement Date has been deferred previously, the date expected for disbursement).
2. The Bank and the Borrower shall agree the date until which the disbursement of such an Accepted Tranche shall be deferred (the "Agreed Deferred Disbursement Date"), which must be a date falling:
   1. not earlier than 5 (five) Business Days following the fulfilment of all conditions of disbursement; and
   2. not later than the Final Availability Date.
3. Without prejudice to the Bank’s right to suspend and/or cancel the undisbursed portion of the Credit in whole or in part pursuant to Article 1.6.B, the Bank shall defer disbursement of such an Accepted Tranche until the Agreed Deferred Disbursement Date.

#### Deferment fee

If disbursement of an Accepted Tranche is deferred pursuant to paragraphs 1.5.A(1) or 1.5.A(2) above, the Borrower shall pay the Deferment Fee.

### Cancellation of a disbursement deferred by 6 (six) months

If a disbursement has been deferred by more than 6 (six) months in aggregate pursuant to Article 1.5.A, the Bank may notify the Borrower in writing that such disbursement shall be cancelled and such cancellation shall take effect on the date of such written notification. The amount of the disbursement which is cancelled by the Bank pursuant to this Article 1.5.B shall remain available for disbursement under Article 1.2.

## Cancellation and suspension

### Borrower’s right to cancel

1. The Borrower may send a written notice to the Bank requesting a cancellation of the undisbursed Credit or a portion thereof.
2. In its written notice, the Borrower:
   1. must specify whether the Credit shall be cancelled in whole or in part and, if in part, the amount of the Credit to be cancelled; and
   2. must not request any cancellation of an Accepted Tranche, which has a Scheduled Disbursement Date falling within 5 (five) Business Days of the date of such written notice.
3. Upon receipt of such written notice, the Bank shall cancel the requested portion of the Credit with immediate effect.

### Bank’s right to suspend and cancel

1. At any time upon the occurrence of the following events, the Bank may notify the Borrower in writing that the undisbursed portion of the Credit shall be suspended and/or (except upon the occurrence of a Market Disruption Event) cancelled in whole or in part:
   1. a Prepayment Event;
   2. an Event of Default;
   3. an event or circumstance which would with the passage of time or giving of notice under this Contract constitute a Prepayment Event or an Event of Default;
   4. a Material Adverse Change; or
   5. a Market Disruption Event provided the Bank has not received a Disbursement Acceptance.
2. On the date of such written notification from the Bank the relevant portion of the Credit shall be suspended and/or cancelled with immediate effect. Any suspension shall continue until the Bank ends the suspension or cancels the suspended amount.

### Indemnity for suspension and cancellation of a Tranche

#### Suspension

If the Bank suspends an Accepted Tranche upon the occurrence of an Indemnifiable Prepayment Event or an Event of Default or of an event or circumstance which would (with the passage of time or the giving of notice or the making of any determination under this Contract or any combination of the foregoing) constitute an Indemnifiable Prepayment Event or an Event of Default or upon the occurrence of a Material Adverse Change, the Borrower shall pay to the Bank the Deferment Fee calculated on the amount of such Accepted Tranche.

#### Cancellation

1. If an Accepted Tranche which is a Fixed Rate Tranche (the "**Cancelled Tranche**") is cancelled:
   1. by the Borrower pursuant to Article 1.6.A; or
   2. by the Bank upon an Indemnifiable Prepayment Event or an event or circumstance which would (with the passage of time or the giving of notice or the making of any determination under this Contract or any combination of the foregoing) constitute an Indemnifiable Prepayment Event or upon the occurrence of a Material Adverse Change or pursuant to Article 1.5.B,

the Borrower shall pay to the Bank an indemnity on such Cancelled Tranche.

1. Such indemnity shall be:
   1. calculated assuming that the Cancelled Tranche had been disbursed and repaid on the same Scheduled Disbursement Date or, to the extent the disbursement of the Tranche is currently deferred or suspended, on the date of the cancellation notice; and
   2. in the amount communicated by the Bank to the Borrower as the present value (calculated as of the date of cancellation) of the excess, if any, of:
      1. the interest that would accrue thereafter on the Cancelled Tranche over the period from the date of cancellation pursuant to this Article 1.6.C(2), to the Interest Revision/Conversion Date, if any, or the Maturity Date, if it were not cancelled; over
      2. the interest that would so accrue over that period, if it were calculated at the Redeployment Rate, less 0.19% (nineteen basis) points.

The said present value shall be calculated at a discount rate equal to the Redeployment Rate applied as of each relevant Payment Date of the applicable Tranche.

1. If the Bank cancels an Accepted Tranche upon the occurrence of an Event of Default, the Borrower shall indemnify the Bank in accordance with Article 10.3.

## Cancellation after expiry of the Credit

On the day following the Final Availability Date, unless otherwise specifically notified in writing by the Bank to the Borrower, any part of the Credit in respect of which no Disbursement Acceptance has been received in accordance with Article 1.2.C shall be automatically cancelled, without any further notice from the Bank to the Borrower and without any liability arising on the part of either Party.

## Sums due under Articles 1.5 and 1.6

Sums due under Articles 1.5 and 1.6 shall be payable:

#### in EUR; and

#### within 15 (fifteen) days of the Borrower’s receipt of the Bank’s demand or within any longer period specified in the Bank’s demand.

## Allocation Procedure

**1.9.A** **Allocation Requests**

Between the Date of Effectiveness and 3 (three) months prior to the Final Availability Date, and unless otherwise specifically agreed to in writing by the Bank, the Borrower shall procure that the Promoter shall submit for approval of the Bank one or more allocation requests (each an "**Allocation Request**") in line with the progress of disbursements.

If the Promoter has not delivered by 3 (three) months prior to the Final Availability Date an Allocation Request, the Bank may cancel the Credit.

All the schemes must be co-financed by at least two sources of funds, including the Loan (e.g., State Funds, EU Funds).

For each scheme to be allocated with a project investment cost below EUR 50,000,000.00 (fifty million euros), the Promoter will send ex-ante a completed allocation request, in the form and content of the Project Fiche under Schedule F and subject to the Bank’s approval. The allocation request will be accompanied by additional project documents as specified in Schedule F;

Large schemes - with an individual project cost exceeding EUR 50,000,000.00 (fifty million euros) will be subject to separate *ad hoc* appraisal by the Bank.

**1.9.B Allocation**

Following such examination of a scheme as the Bank deems necessary, the Bank shall, at its discretion, either approve or decline the relevant Allocation Request and advise the Promoter of its decision.

In the event of approval the Bank shall issue to the Promoter a letter (a "**Letter of Allocation**") specifying the portion of the Credit (an "**Allocation**") allocated to the eligible scheme in question.

The Bank reserves the right to review the allocation procedures in view of the development of the Project.

**1.9.C Re-allocation**

If the Promoter would like to reallocate any scheme already included in an allocation, they shall provide the Bank with appropriate information about the new schemes, in accordance with the format and instructions given above, subject to the Bank’s due diligence and approval.

If the Promoter does not request a re-allocation the Borrower shall prepay the Loan in accordance with Article 4.2.B.

**1.9.D** **EIB Allocation Report**

(a) The Borrower shall procure that the Promoter shall establish and maintain an internal reporting system for the monitoring of the Allocations (the "**EIB Allocation Report**");

(b) The Borrower shall procure that the Promoter shall provide the Bank with the EIB Allocation Report including information on all Projects to which allocations have been made under this Contract at the Bank’s request.

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The Loan

## Amount of Loan

The Loan shall comprise the aggregate amount of Tranches disbursed by the Bank under the Credit, as confirmed by the Bank pursuant to Article 2.3.

## Currency of payments

The Borrower shall pay interest, principal and other charges payable in respect of each Tranche in the currency in which such Tranche was disbursed.

Other payments, if any, shall be made in the currency specified by the Bank having regard to the currency of the expenditure to be reimbursed by means of that payment.

## Confirmation by the Bank

The Bank shall deliver to the Borrower the amortisation table referred to in Article 4.1, if any, showing the Disbursement Date, the currency, the amount disbursed, the repayment terms and the interest rate for each Tranche, not later than 10 (ten) calendar days after the Scheduled Disbursement Date for such Tranche.

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Interest

## Rate of interest

### Fixed Rate Tranches

The Borrower shall pay interest on the outstanding balance of each Fixed Rate Tranche at the Fixed Rate quarterly, semi-annually or annually in arrear on the relevant Payment Dates as specified in the Disbursement Offer, commencing on the first such Payment Date following the Disbursement Date of the Tranche. If the period from the Disbursement Date to the first Payment Date is 15 (fifteen) days or less then the payment of interest accrued during such period shall be postponed to the following Payment Date.

Interest shall be calculated on the basis of Article 5.1(a).

### Floating Rate Tranches

The Borrower shall pay interest on the outstanding balance of each Floating Rate Tranche at the Floating Rate quarterly or semi-annually in arrear on the relevant Payment Dates, as specified in the Disbursement Offer commencing on the first such Payment Date following the Disbursement Date of the Tranche. If the period from the Disbursement Date to the first Payment Date is 15 (fifteen) days or less, then the payment of interest accrued during such period shall be postponed to the following Payment Date.

The Bank shall notify the Borrower of the Floating Rate within 10 (ten) days following the commencement of each Floating Rate Reference Period.

If pursuant to Articles 1.5 and 1.6 disbursement of any Floating Rate Tranche takes place after the Scheduled Disbursement Date EURIBOR applicable to the first Floating Rate Reference Period shall be determined in accordance with Schedule B for the Floating Rate Reference Period commencing on the Disbursement Date and not on the Scheduled Disbursement Date.

Interest shall be calculated in respect of each Floating Rate Reference Period on the basis of Article 5.1.(b).

### Revision or Conversion of Tranches

Where the Borrower exercises an option to revise or convert the interest rate basis of a Tranche, it shall, from the effective Interest Revision/Conversion Date (in accordance with the procedure set out in Schedule D) pay interest at a rate determined in accordance with the provisions of Schedule D.

## Interest on overdue sums

Without prejudice to Article 10 and by way of exception to Article 3.1, if the Borrower fails to pay any amount payable by it under this Contract on its due date, interest shall accrue on any overdue amount payable under the terms of this Contract from the due date to the date of actual payment at an annual rate equal to:

1. for overdue sums related to Floating Rate Tranches, the applicable Floating Rate plus 2% (200 basis points);
2. for overdue sums related to Fixed Rate Tranches, the higher of
   1. the applicable Fixed Rate plus 2% (200 basis points); and
   2. EURIBOR plus 2% (200 basis points);
3. for overdue sums other than under (a) or (b) above, EURIBOR plus 2% (200 basis points),

and shall be payable in accordance with the demand of the Bank. For the purpose of determining the EURIBOR in relation to this Article 3.2, the relevant periods within the meaning of Schedule B shall be successive periods of 1 (one) month commencing on the due date. Any unpaid but due interest may be capitalised in conformity with article 1154 of the Luxembourg Civil Code. For the avoidance of doubt, capitalisation of interest shall occur only for interest due but unpaid for a period of more than one year.

The Borrower hereby agrees in advance to have the unpaid interest due for a period of more than one year compounded and that as of the capitalisation, such unpaid interest will in turn produce interest at the interest rate set out in this Article 3.2.

If the overdue sum is in a currency other than the currency of the Loan, the following rate per annum shall apply, namely the relevant interbank rate that is generally retained by the Bank for transactions in that currency plus 2% (200 basis points), calculated in accordance with the market practice for such rate.

## Market Disruption Event

If at any time:

1. from the receipt by the Bank of a Disbursement Acceptance in respect of a Tranche; and
2. until the date falling 30 (thirty) calendar days prior to the Scheduled Disbursement Date,

a Market Disruption Event occurs, the Bank may notify the Borrower that this Article 3.3 has come into effect.

The rate of interest applicable to such Accepted Tranche until the Maturity Date or the Interest Revision/Conversion Date if any, shall be the rate (expressed as a percentage rate per annum) which is determined by the Bank to be the all-inclusive cost to the Bank for the funding of the relevant Tranche based upon the then applicable internally generated Bank reference rate or an alternative rate determination method reasonably determined by the Bank.

The Borrower shall have the right to refuse in writing such disbursement within the deadline specified in the notice and shall bear charges incurred as a result, if any, in which case the Bank shall not effect the disbursement and the corresponding portion of the Credit shall remain available for disbursement under Article 1.2. If the Borrower does not refuse the disbursement in time, the Parties agree that the disbursement in EUR and the conditions thereof shall be fully binding for both Parties. The Spread or the Fixed Rate previously accepted by the Borrower shall no longer be applicable.

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Repayment

## Normal repayment - Repayment by instalments

1. The Borrower shall repay each Tranche by instalments on the Repayment Dates specified in the relevant Disbursement Offer in accordance with the terms of the amortisation table delivered pursuant to Article 2.3.
2. Each amortisation table shall be drawn up on the basis that:
   1. in the case of a Fixed Rate Tranche without an Interest Revision/Conversion Date, repayment shall be made quarterly, semi-annually or annually by equal instalments of principal or constant instalments of principal and interest;
   2. in the case of a Fixed Rate Tranche with an Interest Revision/Conversion Date or a Floating Rate Tranche, repayment shall be made by equal quarterly, semi-annual or annual instalments of principal;
   3. the first Repayment Date of each Tranche shall fall not earlier than 30 (thirty) days from the Scheduled Disbursement Date and not later than the Repayment Date immediately following the 5th (fifth) anniversary of the Scheduled Disbursement Date of the Tranche; and
   4. the last Repayment Date of each Tranche shall fall not earlier than 4 (four) years and not later than 30 (thirty) years from the Scheduled Disbursement Date.

## Voluntary prepayment

### Prepayment option

Subject to Articles 4.2.B, 4.2.C and 4.4, the Borrower may prepay all or part of any Tranche, together with accrued interest and indemnities if any, upon giving a Prepayment Request with at least 30 (thirty) calendar days' prior notice specifying:

1. the Prepayment Amount;
2. the Prepayment Date which shall be a Payment Date;
3. if applicable, the choice of application method of the Prepayment Amount in line with Article 5.5.C(a); and
4. the Contract Number.

The Prepayment Request shall be irrevocable.

### Prepayment indemnity

#### Fixed rate tranche

Subject to Article 4.2.B(3) below, if the Borrower prepays a Fixed Rate Tranche, the Borrower shall pay to the Bank on the Prepayment Date the Prepayment Indemnity in respect of the Fixed Rate Tranche which is being prepaid.

#### Floating rate tranche

Subject to Article 4.2.B(3) below, the Borrower may prepay a Floating Rate Tranche without indemnity.

#### REVISION/CONVERSION

Prepayment of a Tranche on its Interest Revision/Conversion Date may be effected without indemnity except if the Borrower has accepted pursuant to Schedule D a Fixed Rate under an Interest Revision/Conversion Proposal.

### Prepayment mechanics

Upon presentation by the Borrower to the Bank of a Prepayment Request, the Bank shall issue a Prepayment Notice to the Borrower, not later than 15 (fifteen) days prior to the Prepayment Date. The Prepayment Notice shall specify the Prepayment Amount, the accrued interest due thereon, the Prepayment Indemnity payable under Article 4.2.B or, as the case may be, that no indemnity is due, the method of application of the Prepayment Amount and if a Prepayment Indemnity is applicable, the deadline by which the Borrower may accept the Prepayment Notice.

If the Borrower accepts the Prepayment Notice no later than by the deadline (if any) specified in the Prepayment Notice, the Borrower shall effect the prepayment. In any other case, the Borrower may not effect the prepayment.

The Borrower shall accompany the payment of the Prepayment Amount by the payment of accrued interest, the Prepayment Indemnity due on the Prepayment Amount, as specified in the Prepayment Notice, and the fee under Article 4.2.D, if any.

* + 1. Administrative Fee

If the Borrower prepays a Tranche on a date other than a relevant Payment Date, or if the Bank exceptionally accepts, solely upon the Bank’s discretion, a Prepayment Request with prior notice of less than 30 (thirty) calendar days, the Borrower shall pay to the Bank an administrative fee in such amount as the Bank shall notify to the Borrower.

## Compulsory prepayment and cancellation

### Prepayment Events

#### Project cost reduction event

1. The Borrower shall promptly inform the Bank if a Project Cost Reduction Event has occurred or is likely to occur. At any time after the occurrence of a Project Cost Reduction Event the Bank may, by notice to the Borrower, cancel the undisbursed portion of the Credit and/or demand prepayment of the Loan Outstanding up to the amount by which the Credit exceeds the limits referred to in paragraph (c) below together with accrued interest and all other amounts accrued and outstanding under this Contract in relation to the proportion of the Loan Outstanding to be prepaid.
2. The Borrower shall effect payment of the amount demanded on the date specified by the Bank, such date falling not less than 30 (thirty) days from the date of the demand.
3. For the purpose of this Article, "**Project Cost Reduction Event**" means that the total cost of the Project falls below the figure stated in Recital (b) so that the amount of the Credit exceeds:

50% (fifty per cent); and/or

when aggregated with the amount of any other funds from the European Union made available for the Project, 90% (ninety per cent),

of such total cost of the Project.

#### non-EIB Financing prepayment event

1. The Borrower shall promptly inform the Bank if a Non-EIB Financing Prepayment Event has occurred or is likely to occur. At any time after the occurrence of a Non-EIB Financing Prepayment Event the Bank may, by notice to the Borrower, cancel the undisbursed portion of the Credit and demand prepayment of the Loan Outstanding, together with accrued interest and all other amounts accrued and outstanding under this Contract in relation to the proportion of the Loan Outstanding to be prepaid.
2. The proportion of the Credit that the Bank may cancel and the proportion of the Loan Outstanding that the Bank may require to be prepaid shall be the same as the proportion that the prepaid amount of the Non-EIB Financing bears to the aggregate outstanding amount of all Non-EIB Financing.
3. The Borrower shall effect payment of the amount demanded on the date specified by the Bank, such date being a date falling not less than 30 (thirty) days from the date of the demand.
4. Paragraph (a) does not apply to any voluntary prepayment (or repurchase or cancellation, as the case may be) of a Non-EIB Financing:
   1. made with a prior written consent of the Bank;
   2. made within a revolving credit facility; or
   3. made out of the proceeds of any financial indebtedness having a term at least equal to the unexpired term of such Non-EIB Financing prepaid;
5. For the purposes of this Article:
   1. "**Non-EIB Financing Prepayment Event**" means any case where the Borrower, voluntarily prepays (for the avoidance of doubt, such prepayment shall include a voluntary repurchase or cancellation of any creditor's commitment, as the case may be) a part or the whole of any Non-EIB Financing; and
   2. "**Non-EIB Financing**" means any financial indebtedness (save for the Loan and any other direct financial indebtedness from the Bank to the Borrower), or any other obligation for the payment or repayment of money originally made available to the Borrower for a term of more than 3 (three) years.

#### Change of law event

The Borrower shall promptly inform the Bank if a Change-of-Law Event has occurred or is likely to occur. In such case, or if the Bank has reasonable cause to believe that a Change-of-Law Event has occurred or is about to occur, the Bank may request that the Borrower consult with it. Such consultation shall take place within 30 (thirty) days from the date of the Bank’s request. If, after the lapse of 30 (thirty) days from the date of such request for consultation the Bank is of the opinion that:

1. such Change-of-Law Event would materially impair the Borrower’s ability to perform its obligations under this Contract; and
2. the effects of the Change-of-Law Event cannot be mitigated to its satisfaction,

the Bank may, by notice to the Borrower, cancel the undisbursed portion of the Credit and/or demand prepayment of the Loan Outstanding, together with accrued interest and all other amounts accrued and outstanding under this Contract.

The Borrower shall effect payment of the amount demanded on the date specified by the Bank, such date being a date falling not less than 30 (thirty) days from the date of the demand.

For the purposes of this Article "Change-of-Law Event" means the enactment, promulgation, execution or ratification of or any change in or amendment to any law, rule or regulation (or in the application or official interpretation of any law, rule or regulation), or the imposition of any Sanctions, that occurs after the date of this Contract and which could materially impair the Borrower's ability to perform its obligations under this Contract.

#### Illegality EVENT

1. Upon becoming aware of an Illegality Event:

the Bank shall promptly notify the Borrower, and

the Bank may, immediately (A) suspend or cancel the undisbursed portion of the Credit, and/or (B) demand prepayment of the Loan Outstanding, together with accrued interest and all other amounts accrued and outstanding under this Contract on the date indicated by the Bank in its notice to the Borrower.

1. For the purposes of this Article, "**Illegality Event**" means that:

it becomes unlawful in any applicable jurisdiction, or it becomes or is likely to become contrary to any Sanctions, for the Bank to:

1. perform any of its obligations as contemplated in this Contract; or
2. fund or maintain the Loan; or

the Framework Agreement is or is likely to be:

1. repudiated by the Republic of Serbia or not binding on the Republic of Serbia in any respect;
2. not effective in accordance with its terms or is alleged by the Borrower to be ineffective in accordance with its terms;
3. breached by the Republic of Serbia, in that any obligation assumed by the Republic of Serbia under the Framework Agreement ceases to be fulfilled as regards any financing made to any borrower in the territory of the Republic of Serbia from the resources of the Bank, or the EU; or
4. not applicable to the Project or the rights of the Bank under the Framework Agreement cannot be enforced in respect of the Project.

in respect of the EFSD+ DIW1 Guarantee:

1. it is no longer valid or in full force and effect;
2. the conditions for cover thereunder are not fulfilled;
3. it is not effective in accordance with its terms or is alleged to be ineffective in accordance with its terms; or
4. the Republic of Serbia ceases to be an eligible country pursuant to the NDICI-GE Regulation, the IPA III Regulation, or any other applicable law or instrument governing EFSD+.

### Prepayment mechanics

Any sum demanded by the Bank pursuant to Article 4.3.A, together with any interest or other amounts accrued or outstanding under this Contract including, without limitation, any indemnity due under Article 4.3.C, shall be paid on the Prepayment Date indicated by the Bank in its notice of demand.

### Prepayment indemnity

#### FIXED RATE TRANCHE

If the Borrower prepays a Fixed Rate Tranche in case of an Indemnifiable Prepayment Event, the Borrower shall pay to the Bank on the Prepayment Date the Prepayment Indemnity in respect of the Fixed Rate Tranche that is being prepaid.

#### FLOATING RATE TRANCHE

The Borrower may prepay the Floating Rate Tranches without the Prepayment Indemnity.

## General

* + 1. No prejudice to Article 10

This Article 4 shall not prejudice Article 10.

* + 1. No reborrowing

A repaid or prepaid amount may not be reborrowed.

# 

Payments

## Day count convention

Any amount due by way of interest, indemnity or the Deferment Fee from the Borrower under this Contract, and calculated in respect of a fraction of a year, shall be determined on the following respective conventions:

1. under a Fixed Rate Tranche, a year of 360 (three hundred and sixty) days and a month of 30 (thirty) days; and
2. under a Floating Rate Tranche, a year of 360 (three hundred and sixty) days and the number of days elapsed.

## Time and place of payment

1. Unless otherwise specified in this Contract or in the Bank’s demand, all sums other than sums of interest, indemnity and principal are payable within 15 (fifteen) days of the Borrower’s receipt of the Bank’s demand.
2. Each sum payable by the Borrower under this Contract shall be paid to the relevant account notified by the Bank to the Borrower. The Bank shall notify the account not less than 15 (fifteen) days before the due date for the first payment by the Borrower and shall notify any change of account not less than 15 (fifteen) days before the date of the first payment to which the change applies. This period of notice does not apply in the case of payment under Article 10.
3. The Borrower shall indicate the Contract Number in the payment details for each payment made hereunder.
4. A sum due from the Borrower shall be deemed paid when the Bank receives it.
5. Any disbursements by and payments to the Bank under this Contract shall be made using the Disbursement Account (for disbursements by the Bank) and the Payment Account (for payments to the Bank).

## No set-off by the Borrower

All payments to be made by the Borrower under this Contract shall be calculated and be made without (and free and clear of any deduction for) set-off or counterclaim.

## Disruption to Payment Systems

If either the Bank determines (in its discretion) that a Disruption Event has occurred or the Bank is notified by the Borrower that a Disruption Event has occurred:

1. the Bank may, and shall if requested to do so by the Borrower, consult with the Borrower with a view to agreeing with the Borrower such changes to the operation or administration of this Contract as the Bank may deem necessary in the circumstances;
2. the Bank shall not be obliged to consult with the Borrower in relation to any changes mentioned in paragraph (a) if, in its opinion, it is not practicable to do so in the circumstances and, in any event, shall have no obligation to agree to such changes; and
3. the Bank shall not be liable for any damages, costs or losses whatsoever arising as a result of a Disruption Event or for taking or not taking any action pursuant to or in connection with this Article 5.4.

## Application of sums received

### General

Sums received from the Borrower shall only discharge its payment obligations if received in accordance with the terms of this Contract.

### Partial payments

If the Bank receives a payment that is insufficient to discharge all the amounts then due and payable by the Borrower under this Contract, the Bank shall apply that payment, in the order set out below, in or towards:

1. any unpaid fees, costs, indemnities and expenses due under this Contract;
2. any accrued interest due but unpaid under this Contract;
3. any principal due but unpaid under this Contract; and
4. any other sum due but unpaid under this Contract.

### Allocation of sums related to Tranches

1. In case of:
   1. a partial voluntary prepayment of a Tranche that is subject to a repayment in several instalments, the Prepayment Amount shall be applied pro rata to each outstanding instalment, or, at the request of the Borrower, in inverse order of maturity; or
   2. a partial compulsory prepayment of a Tranche that is subject to a repayment in several instalments, the Prepayment Amount shall be applied in reduction of the outstanding instalments in inverse order of maturity.
2. Sums received by the Bank following a demand under Article 10.1 and applied to a Tranche, shall reduce the outstanding instalments in inverse order of maturity. The Bank may apply sums received between Tranches at its discretion.
3. In case of receipt of sums which cannot be identified as applicable to a specific Tranche, and on which there is no agreement between the Bank and the Borrower on their application, the Bank may apply these between Tranches at its discretion.

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Borrower undertakings and representations

The undertakings in this Article 6 remain in force from the date of this Contract for so long as any amount is outstanding under this Contract or the Credit is in force.

A. PROJECT UNDERTAKINGS

## Use of Loan and availability of other funds

The Borrower shall use all amounts borrowed by it under this Contract for the execution of the Project.

The Borrower shall ensure that it has available to it the other funds listed in Recital (b) and that such funds are expended, to the extent required, on the financing of the Project.

The Loan proceeds shall not be used for the payment of value added tax on sales of goods and services and import of goods and services, costs of customs duties and other import duties, taxes and other impositions occurring in the execution of implementation of the Project.

## Completion of Project

The Borrower shall, and shall ensure that the Promoter will, carry out the Project in accordance with the Technical Description as may be modified from time to time with the approval of the Bank, and complete it by the final date specified therein.

## Increased cost of Project

If the total cost of the Project exceeds the estimated figure set out in Recital (b), the Borrower shall obtain the finance to fund the excess cost without recourse to the Bank, so as to enable the Project to be completed in accordance with the Technical Description. The plans for funding the excess cost shall be communicated to the Bank without delay.

## Procurement procedure

The Borrower undertakes to, and shall require the Promoter to:

(i) purchase equipment, secure services and order works for the Project by acceptable procurement procedures complying, to the Bank's satisfaction, with the Bank’s Guide to Procurement. In particular, tender currencies will be the European Economic and Monetary Union Euro (EURO) and/or United States Dollar (USD) and/or Serbian Dinar (RSD). Payments under the contract shall be made by the Promoter to the account of the selected contractor in the currency or currencies in which their tender is expressed. Contractors who are residents of the Republic of Serbia and have bid in EUR or USD shall be paid in RSD – to the extent mandatory under local law – and according to the middle exchange rate of the National Bank of Serbia on the date of issuing the relevant invoice/proforma invoice;

(ii) ensure that all procurement documents are compliant with the Guide to Procurement, including by making any necessary adaptations to templates; and

(iii) ensure that review procedures for remedies, as provided for in Serbian law, shall be available to any party having had an interest in obtaining a particular contract and who has been or risk being harmed by an alleged infringement.

In respect of undertaking (ii) the Bank acknowledges that the Borrower has decided to use for the Project the templates annexed to the Practical Guide to the Contract Procedures for European Union External Action, subject to the necessary adaptations.

Pursuant to section 3.4.5 of the Guide to Procurement the Bank may require, via prior written notice to the Borrower, that the latter applies the alternative procurement procedures, adapted templates and review procedures of another international financing institution for the award of contracts under one or more Project schemes which are jointly co-financed between the Bank and such international financing institution.

## Continuing Project undertakings

The Borrower shall, and ensure that the Promoter shall (as applicable):

1. Maintenance: maintain, repair, overhaul and renew all property forming part of the Project as required to keep it in good working order;
2. Project assets: unless the Bank shall have given its prior consent in writing retain title to and possession of all or substantially all the assets comprising the Project or, as appropriate, replace and renew such assets and maintain the Project in substantially continuous operation in accordance with its original purpose; the Bank may withhold its consent only where the proposed action would prejudice the Bank's interests as lender to the Borrower or would render the Project ineligible for financing by the Bank under its Statute or under article 309 of the Treaty on the Functioning of the European Union;
3. Insurance: insure all works and property forming part of the Project with first class insurance companies in accordance with the most comprehensive relevant industry practice;
4. Rights and Permits: maintain in force all rights of way or use and all Authorisations necessary for the execution and operation of the Project;
5. Environment and Social: implement and operate the Project in compliance with the Environmental and Social Standards; and obtain, maintain and comply with requisite Environmental or Social Approvals for the Project;
6. EU law: execute and operate the Project in accordance with the relevant laws of the Republic of Serbia and the relevant standards of EU law, save for any general derogation made by the European Union; and
7. Accounts: ensure that the Promoter requests any disbursements from the Borrower, and the Borrower makes any payments to the Promoter in relation with the Project to a bank account in the name of the Promoter held with a duly authorised financial institution in the jurisdiction where the Promoter is located or where the Project is undertaken by the Promoter.

## Additional Undertakings

The Borrower, directly or by means of the Promoter, shall:

promptly inform the Bank of any changes occurring with regards to the Project Implementation Unit;

(i) ensure that adequate environmental and social management plans, defined according to the legal requirements and related documents, are implemented and monitored during the construction of the different schemes, namely in what refers to waste management and occupational health and safety; and (ii) promptly notify the Bank of any related unexpected accident or incident during the construction of the Project;

keep updated and available all relevant documents, such as documents supporting compliance with EU environmental directives, and any other information to be promptly provided to the Bank upon request (with reference to the commitment in the Bank’s public disclosure policy on responses to external enquiries);

take into consideration the potential cross-border effects of any of the schemes proposed;

ensure that, for projects requiring an Environmental and Social Impact Assessment Study, these are made available to the public;

notify the Bank of any state-aid or EU funding related event arising in relation with the Project;

not commit any EIB funds against schemes that require an Environmental and Social Impact Assessment Study and/or biodiversity assessment according to the applicable Directives and national law, without, prior to commitment, receiving the consent from the Competent Authority, and the Environmental and Social Impact Assessment Study having been made available to the public;

1. ensure that there is no double-financing of the schemes with other EIB loans with the same Promoter;
2. promptly inform the Bank when the implementation of any allocated scheme is suspended or the scheme is cancelled;
3. ensure that the tender dossiers for all contracts to be financed by the Bank shall include an effective national mechanism for the remedy of complaints;
4. promptly inform the Bank of any changes to the initial procurement plan(s); and
5. consult with the Bank prior to entering into any material amendments to works or services contracts financed by the Loan in order to verify the alignment with the provisions under the Technical Description.

The Bank may identify additional undertakings in the allocation process and associated appraisal of individual Project schemes.

B. GENERAL UNDERTAKINGS

## Compliance with laws

The Borrower shall comply in all respects with all laws and regulations to which it or the Project is subject.

## Integrity

1. (a) Prohibited Conduct:
   1. The Borrower shall not and shall procure that the Promoter shall not engage in (and shall not authorise or permit any other Person acting on its behalf to engage in) any Prohibited Conduct in connection with the Project, any tendering procedure for the Project, or any transaction contemplated by the Contract.
   2. The Borrower undertakes and shall procure that the Promoter undertakes to take such action as the Bank shall reasonably request to investigate or terminate any alleged or suspected occurrence of any Prohibited Conduct in connection with the Project.
   3. The Borrower undertakes and shall procure that the Promoter undertakes to ensure that contracts financed by this Loan include the necessary provisions to enable the Borrower or the Promoter to investigate or terminate any alleged or suspected occurrence of any Prohibited Conduct in connection with the Project.

(b) Sanctions:

The Borrower shall not and shall procure that the Promoter shall not directly or indirectly:

* 1. maintain or enter into a business relationship with, and/or make any funds and/or economic resources available to, or for the benefit of, any Sanctioned Person in connection with the Project, or
  2. use all or part of the proceeds of the Loan or lend, contribute or otherwise make available such proceeds to any person in any manner that would result in a breach by itself and/or by the Bank of any Sanctions; or
  3. fund all or part of any payment under this Contract out of proceeds derived from activities or businesses with a Sanctioned Person, a person in breach of the Sanctions or in any manner that would result in a breach by itself and/or by the Bank of any Sanctions.

It is acknowledged and agreed that the undertakings set out in this Article 6.8(b) are only sought by and given to the Bank to the extent that to do so would be permissible pursuant to any applicable anti-boycott rule of the EU such as Regulation (EC) 2271/96.

(c) Relevant Persons:

The Borrower undertakes and shall procure that the Promoter undertakes to take, within a reasonable timeframe, appropriate measures in respect of any Relevant Person who:

* 1. becomes a Sanctioned Person; or
  2. is the subject of a final and irrevocable court ruling in connection with Prohibited Conduct perpetrated in the course of the exercise of their professional duties, in order to ensure that such member is excluded from any of the activities in relation to the Loan and to the Project.

## Data Protection

1. When disclosing information (other than mere contact information relating to the Borrower’s personnel involved in the management of this Contract ("**Contact Details**")) to the Bank in connection with this Contract, the Borrower shall redact or otherwise amend that information (as necessary) so that it does not contain any information relating to identified or identifiable individuals ("**Personal Information**"), except where this Contract specifically requires, or the Bank specifically requests in writing, to disclose such information in the form of Personal Information.
2. Before disclosing any Personal Information (other than Contact Details) to the Bank in connection with this Contract, the Borrower shall ensure that each individual to whom such Personal Information relates:
   1. has been informed of the disclosure to the Bank (including the categories of Personal Information to be disclosed); and
   2. has been advised on the information contained in (or has been provided with an appropriate link to) the Bank’s privacy statement in relation to its lending and investment activities as set out from time to time at https://www.eib.org/en/privacy/lending (or such other address as the Bank may notify to the Borrower in writing from time to time).

## General Representations and Warranties

The Borrower represents and warrants to the Bank that:

1. it has the power to execute, deliver and perform its obligations under this Contract and all necessary governmental and other action have been taken to authorise the execution, delivery and performance of the same by it;
2. this Contract constitutes its legally valid, binding and enforceable obligations;
3. the execution and delivery of, the performance of its obligations under and compliance with the provisions of this Contract do not and will not contravene or conflict with:
   1. any applicable law, statute, rule or regulation, or any judgement, decree or permit to which it is subject; and
   2. any agreement or other instrument binding upon it which might reasonably be expected to have a material adverse effect on its ability to perform its obligations under this Contract;
4. there has been no Material Adverse Change since 23 November 2021 on which the Bank’s Management Committee approved this loan operation as documented under this Contract;
5. no event or circumstance which constitutes a Prepayment Event or an Event of Default has occurred and is continuing unremedied or unwaived;
6. no litigation, arbitration, administrative proceedings or investigation is current or to its knowledge is threatened or pending before any court, arbitral body or agency which has resulted or if adversely determined is reasonably likely to result in a Material Adverse Change, nor is there subsisting against it any unsatisfied judgement or award;
7. it has obtained all necessary Authorisations in connection with this Contract and in order to lawfully comply with its obligations hereunder, and the Project and all such Authorisations are in full force and effect and admissible in evidence;
8. its payment obligations under this Contract rank not less than *pari passu* in right of payment with all other present and future unsecured and unsubordinated obligations under any of its debt instruments except for obligations mandatorily preferred by law;
9. it is in compliance with Article 6.5(e) and to the best of its knowledge and belief (having made due and careful enquiry) no Environmental or Social Claim has been commenced or is threatened against it;
10. it is in compliance with all undertakings under this Article 6;
11. to the best of its knowledge, no funds invested in the Project by the Borrower are of illicit origin, including products of Money Laundering or linked to the Financing of Terrorism;
12. neither the Borrower its officers and directors nor any other person acting on its or their behalf or under its or their control has committed nor will commit (i) any Prohibited Conduct in connection with the Project or any transaction contemplated by the Contract; or (ii) any illegal activity related to the Financing of Terrorism or Money Laundering;
13. the Project (including without limitation, the negotiation, award and performance of contracts financed or to be financed by the Loan) has not involved or given rise to any Prohibited Conduct;
14. none of the Borrower, the Promoter and/or any Relevant Person:
    1. is a Sanctioned Person; or
    2. is in breach of any Sanctions.
15. the Declaration of Honour is true in all respects.

The representations and warranties set out above are made on the date of this Contract and are, with the exception of the representations set out in paragraph (d) and (o) above, deemed repeated with reference to the facts and circumstances then existing on the date of each Disbursement Acceptance, each Disbursement Date and on each Payment Date.

It is acknowledged and agreed that the representations set out in paragraph (n) above are only sought by and given to the Bank to the extent that to do so would be permissible pursuant to any applicable anti-boycott rule of the EU such as Regulation (EC) 2271/96.

## Conflict of Interest

Pursuant to the general duty under the Guide to Procurement for the Promoter to effectively prevent, identify and remedy conflicts of interest, the Borrower shall and shall procure that the Promoter shall ensure that prior to the award of any contract financed under the Project:

1. the Beneficial Owners of the successful bidder (including joint venture partners and subcontractors) who are Close Associates or Family Members of the representative(s), member(s) of the management bodies or senior officer(s) of the Borrower or the Promoter are identified and promptly communicated to the Bank; and
2. adequate measures are adopted to address any potential conflicts of interest such as a financial, economic or other personal interest between the identified Beneficial Owner(s) and any member(s) of the Borrower’s or the Promoter’s management bodies, representative(s) or senior officer(s).

For the purposes of this Article:

"**AML Directives**" means the 4th AML Directive and the 5th AML Directive.

"**4th AML Directive**"means Directive 2015/849 of the European Parliament and of the Council of 20 May 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing as amended, supplemented or restated.

"**5th AML Directive**" means Directive 2018/843 of the European Parliament and of the Council of 19 June 2018 on anti-money laundering and terrorist financing as amended, supplemented or restated.

"**Beneficial Owner(s)**" has the meaning given to such term in the AML Directives.

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Security

The undertakings in this Article 7 remain in force from the date of this Contract for so long as any amount is outstanding under this Contract or the Credit is in force.

## Pari passu ranking

The Borrower shall ensure that its payment obligations under this Contract rank, and will rank, not less than *pari passu* in right of payment with all other present and future unsecured and unsubordinated obligations under any of its debt instruments except for obligations mandatorily preferred by law.

In particular, if the Bank makes a demand under Article 10.1 or if an event or potential event of default under any unsecured and unsubordinated External Debt Instrument of the Borrower or of any of its agencies or instrumentalities has occurred and is continuing, the Borrower shall not make (or authorise) any payment in respect of any other such External Debt Instrument (whether regularly scheduled or otherwise) without simultaneously paying, or setting aside in a designated account for payment on the next Payment Date a sum equal to, the same proportion of the debt outstanding under this Contract as the proportion that the payment under such External Debt Instrument bears to the total debt outstanding under that External Debt Instrument. For this purpose, any payment of an External Debt Instrument that is made out of the proceeds of the issue of another instrument, to which substantially the same persons as hold claims under the External Debt Instrument have subscribed, shall be disregarded.

In this Contract, "**External Debt Instrument**" means (a) an instrument, including any receipt or statement of account, evidencing or constituting an obligation to repay a loan, deposit, advance or similar extension of credit (including without limitation any extension of credit under a refinancing or rescheduling agreement), (b) an obligation evidenced by a bond, debenture or similar written evidence of indebtedness or (c) a guarantee granted by the Borrower for an obligation of a third party; provided in each case that such obligation is: (i) governed by a system of law other than the law of the Borrower; or (ii) payable in a currency other than the currency of the Borrower’s country; or (iii) payable to a person incorporated, domiciled, resident or with its head office or principal place of business outside the Borrower’s country.

## Additional Security

If the Borrower grant to a third party any security for the performance of any External Debt Instrument or any preference or priority in respect thereof, the Borrower shall, if so required by the Bank, provide to the Bank equivalent security for the performance of its obligations under this Contract or grant to the Bank equivalent preference or priority.

## Clauses by inclusion

If the Borrower concludes with any other financial creditor a financing agreement that includes a loss-of-rating clause or a covenant or other provision regarding its financial ratios, if applicable, that is not provided for in this Contract or is more favourable to the relevant financial creditor than any equivalent provision of this Contract is to the Bank, the Borrower shall promptly inform the Bank and shall provide a copy of the more favourable provision to the Bank. The Bank may request that the Borrower promptly executes an agreement to amend this Contract so as to provide for an equivalent provision in favour of the Bank.

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Information and Visits

## Information concerning the Project

The Borrower shall, and shall procure that the Promoter shall (as applicable):

1. deliver to the Bank:
   1. the information in content and in form, and at the times, specified in Schedule A.2 or otherwise as agreed from time to time by the Parties; and
   2. any such information or further document concerning the financing, procurement, implementation, operation of the Project and related matters of Environment or Social Matters, or any information or further document required by the Bank to comply with its obligations under the NDICI-GE Regulation or the Financial Regulation, as the Bank may reasonably require within a reasonable time,

provided always that if such information or document is not delivered to the Bank on time, and the Borrower does not rectify the omission within a reasonable time set by the Bank in writing, the Bank may remedy the deficiency, to the extent feasible, by employing its own staff or a consultant or any other third party, at the Borrower’s expense, as applicable (within the limit of reasonable and duly documented expenses) and the Borrower, as applicable, shall provide such persons with all assistance necessary for the purpose;

1. submit for the approval of the Bank without delay any material change to the Project, also taking into account the disclosures made to the Bank in connection with the Project prior to the signing of this Contract, in respect of, inter alia, the price, design, plans, timetable or to the expenditure programme or financing plan for the Project;
2. promptly inform the Bank of:
   1. any action or protest initiated or any objection raised by any third party or any genuine complaint received by the Borrower or the Promoter or any Environmental or Social Claim that is to its knowledge commenced, pending or threatened against it with regard to any matters affecting the Project;
   2. any fact or event known to the Borrower or the Promoter, which may substantially prejudice or affect the conditions of execution or operation of the Project;
   3. any non-compliance by it with any Environmental and Social Standard;
   4. any suspension, revocation or modification of any Environmental or Social Approval;
   5. a genuine allegation or complaint with regard to any Prohibited Conduct or any Sanction related to the Project; and
   6. should it become aware of any fact or information confirming or reasonably suggesting that (a) any Prohibited Conduct or any violation of any Sanction has occurred in connection with the Project, or (b) any of the funds invested in its share capital or in the Project was derived from an illicit origin; and set out the action to be taken with respect to such matters;
3. provide to the Bank, if so requested:
   1. a certificate of its insurers showing fulfilment of the requirements of Article 6.5(c);
   2. annually, a list of policies in force covering the insured property forming part of the Project, together with confirmation of payment of the current premiums; and
   3. true copies of contracts financed with the proceeds of the Loan and evidence of expenditures relating to disbursements.

## Information concerning the Borrower

The Borrower shall:

1. deliver to the Bank:
   1. from time to time, such further information on its general financial situation as the Bank may reasonably require or such certificates of compliance with the undertakings of Article 6 as the Bank may deem necessary; and
   2. any such information, evidence or further document concerning the compliance with the due diligence requirements of the Bank for the Borrower and the Promoter, including, but not limited to "know your customer" (KYC) or similar identification and verification procedures, as the Bank may reasonably require within a reasonable time;

as the Bank may deem necessary or may reasonably require to be provided within a reasonable time, and

1. inform the Bank immediately of:
   1. any fact which obliges it to prepay any financial indebtedness or any European Union funding;
   2. any event or decision that constitutes or may result in a Prepayment Event;
   3. any intention on its part to relinquish ownership of any material component of the Project;
   4. any fact or event that is reasonably likely to prevent the substantial fulfilment of any obligation of the Borrower under this Contract;
   5. any Event of Default having occurred or being threatened or anticipated;
   6. any fact or event which results in the Borrower or the Promoter, or any Relevant Person in respect of the Borrower or the Promoter, or their controlling entities being a Sanctioned Person;
   7. unless prohibited by law, any material litigation, arbitration, administrative proceedings or investigation carried out by a court, administration or similar public authority, which, to the best of its knowledge and belief, is current, imminent or pending against the Borrower, the Promoter or its controlling entities or members of the Borrower’s or Promoter’s management bodies in connection with Prohibited Conduct related to the Credit, the Loan or the Project;
   8. any measure taken by the Borrower pursuant to Article 6.8 of this Contract; or
   9. any litigation, arbitration or administrative proceedings or investigation which is current, threatened or pending and which might if adversely determined result in a Material Adverse Change.

## Visits, Right of Access and Investigation

1. The Borrower shall allow the Bank, and when either required by the relevant mandatory provisions of EU law or pursuant to the NDICI-GE Regulation or the Financial Regulation, as applicable, the European Court of Auditors, the European Commission, the European Anti-Fraud Office and the European Public Prosecutor’s Office, as well as persons designated by the foregoing (each a "**Relevant Party**"), to:
   1. visit the sites, installations and works comprising the Project;
   2. interview representatives of the Borrower and/or the Promoter, and not obstruct contacts with any other person involved in or affected by the Project; and
   3. conduct such investigations, inspections, on-the-spot audits and checks as they may wish and review the Borrower’s and/or Promoter’s books and records in relation to the Loan, the Contract and the execution of the Project, and to be able to take copies of related documents to the extent permitted by the law;
2. The Borrower shall provide the Bank and any Relevant Party, or ensure that the Bank and the Relevant Parties are provided, with access to information, facilities and documentation, as well as with all necessary assistance, for the purposes described in this Article;
3. Additionally, the Borrower shall allow the European Commission and the EU Delegation of the Republic of Serbia to participate in any monitoring missions organised by the Bank related to this Contract, the Loan or the Project; and
4. In the case of a genuine allegation, complaint or information with regard to a Prohibited Conduct related to the Loan and/or the Project, the Borrower shall consult with the Bank in good faith regarding appropriate actions. In particular, if it is proven that a third party committed a Prohibited Conduct in connection with the Loan and/or the Project with the result that the Loan was misapplied, the Bank may, without prejudice to the other provisions of this Contract, inform the Borrower if, in its view, the Borrower should take appropriate recovery measures against such third party. In any such case, the Borrower shall in good faith consider the Bank’s views and keep the Bank informed.

**8.4. Disclosure and Publication**

(a) The Borrower acknowledges and agrees, and shall ensure that the Promoter will acknowledge and agree, that:

(i) the Bank may be obliged to communicate information and materials relating to the Borrower, the Loan, the Contract and/or the Project to any institution or body of the European Union, including the European Court of Auditors, the European Commission, any relevant EU Delegation, the European Anti-Fraud Office and the European Public Prosecutor’s Office, as may be necessary for the performance of their tasks in accordance with EU Law (including the NDICI Regulation and the Financial Regulation); and

(ii) the Bank may publish on its website and/or on social media, and/or produce press releases, containing information related to the financing provided pursuant to this Contract with the support of the EFSD+ DIW1 Guarantee, including the name, address and country of establishment of the Borrower, the purpose of the financing, and the type and amount of financial support received under this Contract.

(b) The Borrower:

* 1. acknowledges, and shall ensure that the Promoter will acknowledge, the origin of the EU financial support under the EFSD+;
  2. shall ensure, and shall ensure that the Promoter will ensure that, the visibility of the EU financial support under the European Fund for Sustainable Development Plus, in particular when promoting or reporting on the Borrower, this Contract, the Loan or the Project, and their results, in a visible manner on communication material related to the Borrower, this Contract, the Loan or the Project, and by providing coherent, effective and proportionate targeted information to multiple audiences, including the media and the public, provided that the content of the communication material has been previously agreed with the Bank; and
  3. shall consult with, and shall ensure that the Promoter will consult with, the Bank, the Commission and the EU Delegation of the Republic of Serbia on communication about the signature of this Finance Contract.

# 

Charges and expenses

## Taxes, duties and fees

The Borrower shall pay all Taxes, duties, fees and other impositions of whatsoever nature, including stamp duty and registration fees, arising out of the execution or implementation of this Contract or any related document and in the creation, perfection, registration or enforcement of any Security for the Loan to the extent applicable.

The Borrower shall pay all principal, interest, indemnities and other amounts due under this Contract gross without any withholding or deduction of any national or local impositions whatsoever required by law or under an agreement with a governmental authority or otherwise. If the Borrower is obliged to make any such withholding or deduction, it shall gross up the payment to the Bank so that after withholding or deduction, the net amount received by the Bank is equivalent to the sum due.

In such cases, the Borrower shall ensure that the proceeds of the Loan shall not be used for financing of customs duties and Taxes levied by, or in the territory of, the Borrower in respect of all goods, works and services procured by the Promoter for the purposes of the Project.

## Other charges

The Borrower shall bear all charges and expenses, including professional, banking or exchange charges incurred in connection with the preparation, execution, implementation, enforcement and termination of this Contract or any related document, any amendment, supplement or waiver in respect of this Contract or any related document, and in the amendment, creation, management, enforcement and realisation of any security for the Loan.

## Increased costs, indemnity and set-off

1. The Borrower shall pay to the Bank any costs or expenses incurred or suffered by the Bank as a consequence of the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation or compliance with any law or regulation which occurs after the date of signature of this Contract, in accordance with or as a result of which:
   1. the Bank is obliged to incur additional costs in order to fund or perform its obligations under this Contract, or
   2. any amount owed to the Bank under this Contract or the financial income resulting from the granting of the Credit or the Loan by the Bank to the Borrower is reduced or eliminated.
2. Without prejudice to any other rights of the Bank under this Contract or under any applicable law, the Borrower shall indemnify and hold the Bank harmless from and against any loss incurred as a result of any full or partial discharge that takes place in a manner other than as expressly set out in this Contract.
3. The Bank may set off any matured obligation due from the Borrower under this Contract (to the extent beneficially owned by the Bank) against any obligation (whether or not matured) owed by the Bank to the Borrower regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Bank may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off. If either obligation is unliquidated or unascertained, the Bank may set off in an amount estimated by it in good faith to be the amount of that obligation.

# 

Events of Default

## Right to demand repayment

The Borrower shall repay all or part of the Loan Outstanding (as requested by the Bank) forthwith, together with accrued interest and all other accrued or outstanding amounts under this Contract, upon written demand being made by the Bank in accordance with the following provisions.

### Immediate demand

The Bank may make such demand immediately without prior notice (*mise en demeure préalable*) or any judicial or extra judicial step:

1. if the Borrower does not pay on the due date any amount payable pursuant to this Contract at the place and in the currency in which it is expressed to be payable, unless:
   1. its failure to pay is caused by an administrative or technical error or a Disruption Event, and
   2. payment is made within 3 (three) Business Days of its due date;
2. if any information or document given to the Bank by or on behalf of the Borrower or any representation, warranty or statement made or deemed to be made by the Borrower in, pursuant to or for the purposes of entering into this Contract or in connection with the negotiation or performance of this Contract is or proves to have been incorrect, incomplete or misleading in any material respect;
3. if, following any default of the Borrower in relation to any loan, or any obligation arising out of any financial transaction, other than the Loan:
   1. the Borrower is required or is capable of being required or will, following expiry of any applicable contractual grace period, be required or be capable of being required to prepay, discharge, close out or terminate ahead of maturity such other loan or obligation; or
   2. any financial commitment for such other loan or obligation is cancelled or suspended;
4. if the Borrower is unable to pay its debts as they fall due, or suspends its debts, or makes or seeks to make a composition with its creditors;
5. if an encumbrancer takes possession of, or a receiver, liquidator, administrator, administrative receiver or similar officer is appointed, whether by a court of competent jurisdiction or by any competent administrative authority any property forming part of the Project;
6. if the Borrower defaults in the performance of any obligation in respect of any other loan granted by the Bank or financial instrument entered into with the Bank;
7. if the Borrower defaults in the performance of any obligation in respect of any other loan made to it from the resources of the Bank or the European Union;
8. if any expropriation, attachment, arrestment, distress, execution, sequestration or other process is levied or enforced upon the property of the Borrower or any property forming part of the Project and is not discharged or stayed within 14 (fourteen) days;
9. if a Material Adverse Change occurs, as compared with the Borrower’s condition at the date of this Contract; or
10. if it is or becomes unlawful for the Borrower to perform any of its obligations under this Contract or this Contract is not effective in accordance with its terms or is alleged by the Borrower to be ineffective in accordance with its terms.

### Demand after notice to remedy

The Bank may also make such demand without prior notice (mise en demeure préalable) or any judicial or extra judicial step (without prejudice to any notice referred to below):

1. if the Borrower fails to comply with any provision of this Contract other than those referred to in or Article 10.1.A; or
2. if any fact related to the Borrower or the Project stated in the Recitals materially alters and is not materially restored and if the alteration either prejudices the interests of the Bank as lender to the Borrower or adversely affects the implementation or operation of the Project,

unless the non-compliance or circumstance giving rise to the non-compliance is capable of remedy and is remedied within a reasonable period of time specified in a notice served by the Bank on the Borrower.

## Other rights at law

Article 10.1 shall not restrict any other right of the Bank at law to require prepayment of the Loan Outstanding.

## Indemnity

### Fixed Rate Tranches

In case of demand under Article 10.1 in respect of any Fixed Rate Tranche, the Borrower shall pay to the Bank the amount demanded together with the indemnity on any amount of principal due to be prepaid. Such indemnity shall (i) accrue from the due date for payment specified in the Bank’s notice of demand and be calculated on the basis that prepayment is effected on the date so specified, and (ii) be for the amount communicated by the Bank to the Borrower as the present value (calculated as of the date of the prepayment) of the excess, if any, of:

1. the interest that would accrue thereafter on the amount prepaid over the period from the date of prepayment to the Interest Revision/Conversion Date, if any, or the Maturity Date, if it were not prepaid; over
2. the interest that would so accrue over that period, if it were calculated at the Redeployment Rate, less 0.19% (nineteen basis points).

The said present value shall be calculated at a discount rate equal to the Redeployment Rate, applied as of each relevant Payment Date of the applicable Tranche.

### Floating Rate Tranches

In case of demand under Article 10.1 in respect of any Floating Rate Tranche, the Borrower shall pay to the Bank the amount demanded together with a sum equal to the present value of 0.19% (nineteen basis points) per annum calculated and accruing on the amount of principal due to be prepaid in the same manner as interest would have been calculated and would have accrued, if that amount had remained outstanding according to the applicable amortisation schedule of the Tranche, until the Interest Revision/Conversion Date, if any, or the Maturity Date.

The value shall be calculated at a discount rate equal to the Redeployment Rate applied as of each relevant Payment Date.

### General

Amounts due by the Borrower pursuant to this Article 10.3 shall be payable on the date specified in the Bank’s demand.

## Non-Waiver

No failure or delay or single or partial exercise by the Bank in exercising any of its rights or remedies under this Contract shall be construed as a waiver of such right or remedy. The rights and remedies provided in this Contract are cumulative and not exclusive of any rights or remedies provided by law.

# 

Law and jurisdiction, miscellaneous

## Governing Law

This Contract shall be governed by the laws of the Grand Duchy of Luxembourg.

## Jurisdiction

1. The Court of Justice of the European Union has exclusive jurisdiction to settle any dispute (a "**Dispute**") arising out of or in connection with this Contract (including a dispute regarding the existence, validity or termination of this Contract or the consequences of its nullity).
2. The Parties agree that the Court of Justice of the European Union is the most appropriate and convenient court to settle Disputes between them and, accordingly, that they will not argue to the contrary.
3. The parties to this Contract hereby waive any immunity from or right to object to the jurisdiction of the Court of Justice of the European Union. A decision of the Court of Justice of the European Union given pursuant to this Article shall be conclusive and binding on each party without restriction or reservation.

## Place of performance

Unless otherwise specifically agreed by the Bank in writing, the place of performance under this Contract, shall be the seat of the Bank.

## Evidence of sums due

In any legal action arising out of this Contract the certificate of the Bank as to any amount or rate due to the Bank under this Contract shall, in the absence of manifest error, be prima facie evidence of such amount or rate.

## Entire Agreement

This Contract constitutes the entire agreement between the Bank and the Borrower in relation to the provision of the Credit hereunder, and supersedes any previous agreement, whether express or implied, on the same matter.

## Invalidity

If at any time any term of this Contract is or becomes illegal, invalid or unenforceable in any respect, or this Contract is or becomes ineffective in any respect, under the laws of any jurisdiction, such illegality, invalidity, unenforceability or ineffectiveness shall not affect:

1. the legality, validity or enforceability in that jurisdiction of any other term of this Contract or the effectiveness in any other respect of this Contract in that jurisdiction; or
2. the legality, validity or enforceability in other jurisdictions of that or any other term of this Contract or the effectiveness of this Contract under the laws of such other jurisdictions.

## Amendments

Any amendment to this Contract shall be made in writing and shall be signed by the Parties.

## Counterparts

This Contract may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument. Each counterpart is an original, but all counterparts shall together constitute one and the same instrument.

# 

Final clauses

## Notices

### Form of Notice

1. Any notice or other communication given under this Contract must be in writing and, unless otherwise stated, may be made by letter or electronic mail.
2. Notices and other communications for which fixed periods are laid down in this Contract or which themselves fix periods binding on the addressee, may be made by hand delivery, registered letter- or by electronic mail. Such notices and communications shall be deemed to have been received by the other Party:
   1. on the date of delivery in relation to a hand-delivered or registered letter; and
   2. in the case of any electronic mail only when such electronic mail is actually received in readable form and only if it is addressed in such a manner as the other Party shall specify for this purpose.
3. Any notice provided by the Borrower to the Bank by electronic mail shall:
   1. mention the Contract Number in the subject line; and
   2. be in the form of a non-editable electronic image (pdf, tif or other common non editable file format agreed between the Parties) of the notice signed by an Authorised Signatory with individual representation right or by two or more Authorised Signatories with joint representation right of the Borrower as appropriate, attached to the electronic mail.
4. Notices issued by the Borrower pursuant to any provision of this Contract shall, where required by the Bank, be delivered to the Bank together with satisfactory evidence of the authority of the person or persons authorised to sign such notice on behalf of the Borrower and the authenticated specimen signature of such person or persons.
5. Without affecting the validity of electronic mail notices or communication made in accordance with this Article 12.1, the following notices, communications and documents shall also be sent by registered letter to the relevant Party at the latest on the immediately following Business Day:
   1. Disbursement Acceptance
   2. any notices and communication in respect of the deferment, cancellation and suspension of a disbursement of any Tranche, interest revision or conversion of any Tranche, Market Disruption Event, Prepayment Request, Prepayment Notice, Event of Default, any demand for prepayment, and
   3. any other notice, communication or document required by the Bank.
6. The Parties agree that any above communication (including via electronic mail) is an accepted form of communication, shall constitute admissible evidence in court and shall have the same evidential value as an agreement under hand (*sous seing privé*).

### Addresses

The address and electronic mail address (and the department for whose attention the communication is to be made) of each Party for any communication to be made or document to be delivered under or in connection with this Contract is:

|  |  |
| --- | --- |
| For the Bank | Attention: OPS/MA-3 PUB SEC (SI,HR,WBs)  100 boulevard Konrad Adenauer  L-2950 Luxembourg  E-mail address: contactline-94231@eib.org |
| For the Borrower | Ministry of Finance  20 Kneza Milosa Street  11000 Belgrade  Republic of Serbia  E-mail address: [kabinet@mfin.gov.rs](mailto:kabinet@mfin.gov.rs)  Copy to: uprava@javnidug.gov.rs |
|  |  |

### Notification of communication details

The Bank and the Borrower shall promptly notify the other Party in writing of any change in their respective communication details.

## English language

1. Any notice or communication given under or in connection with this Contract must be in English.
2. All other documents provided under or in connection with this Contract must be:
   1. in English; or
   2. if not in English, and if so required by the Bank, accompanied by a certified English translation and, in this case, the English translation will prevail.

## Effectiveness of this Contract

Other than this Article 12.3, which will become legally effective and enter into full force and effect upon the date of signature of this Contract, this Contract shall become effective on the date (the "**Date of Effectiveness**") specified in a letter from the Bank to the Borrower confirming that the Bank has received a copy of the Official Gazette of the Republic of Serbia publishing the law on ratification of this Contract by the Parliament of the Republic of Serbia.

If the Date of Effectiveness does not occur on or prior to the date falling 24 (twenty-four) months after the date of this Contract, this Contract shall not enter into force and no further action shall be necessary or required.

## Recitals, Schedules and Annexes

The Recitals and following Schedules form part of this Contract:

|  |  |
| --- | --- |
| Schedule A | Project Specification and Reporting |
| Schedule B | Definition of EURIBOR |
| Schedule C | Forms for Borrower |
| Schedule D | Interest Rate Revision and Conversion |
| Schedule E | Certificate to be provided by the Borrower |
| Schedule F | Project Fiche |
|  |  |

The parties hereto have caused this Contract to be executed in 6 (six) originals in the English language.

|  |  |  |
| --- | --- | --- |
| At Belgrade, this 13.12. 2022 | At Luxembourg, this 13 December 2022 | |
|  |  | |
|  |  | |
| Signed for and on behalf of  **THE REPUBLIC OF SERBIA** | Signed for and on behalf of  **EUROPEAN INVESTMENT BANK** | |
|  |  |  |
| \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Mr. Siniša Mali  Deputy Prime Minister and  Minister of Finance | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Head of Division  Matteo RIVELLINI | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Legal Counsel  Laurie CARRETTE |

# Schedule A

* 1. Project Specification and Reporting

# A.1 TECHNICAL DESCRIPTION

**Purpose, Location**

The project consists of several investments within the TEN-T Rhine-Danube inland waterway corridor through the Republic of Serbia, along the Danube, Sava and Tisa Rivers. It aims at increasing the capacity and improving the efficiency and the safety of inland waterway transport, thus allowing for a modal shift from roads to inland navigation. In addition, it will support the development of educational facilities in support of the inland navigation sector. The different schemes to be implemented under the framework loan are linked to the Development Strategy on Waterborne Transport of the Republic of Serbia 2015 – 2025.

**Description**

The works will be developed either on the waterways’ fairway or on port or lock facilities and installations located next to or in them. These works may include the following components and units:

1. Inland port terminals: civil works including demolition, site preparation, dredging of berthing pockets, reclamation, earthworks, foundations for handling equipment and its rails, pavements, port utilities (electricity, lighting, drainage, water supply and IT/telecom infrastructure), fairway signalling systems, buildings and gates, fencing and port security systems, as well as rail and road infrastructure within the port limits;
2. Navigation lock systems: dredging of the fairway in the approximation of the locks, civil works including demolitions, electromechanical works, acquisition of electromechanical equipment, works in the lock gates, acquisition or rehabilitation of lock gates, fairway signalling systems, lock utilities (electricity, lighting, drainage, water supply and IT/telecom infrastructure), buildings and gates, fencing and lock security systems and associated works within the different lock complexes;
3. River dredging and training works designed to increase the safety of the navigation;
4. River and traffic monitoring systems: including hydro-meteorological stations, aids to navigation, telecommunication systems and RIS;
5. Works for the removal of obstructions to the navigation within the fairways;
6. Workboats for the maintenance of the navigation conditions in the rivers' fairways, locks and inland ports. This may, for example, include marking or survey vessels and tugboats, multicats and similar vessels. Vessels dedicated to bunkering, cargo and/or passenger transport, dredging and/or dredging support are not eligible; and
7. Investments in infrastructure for education and training activities at all levels related to maritime and inland waterway transport. This may, for example, comprise the establishment of training centres for the training of inland vessel crewmembers, workers in ports, or personnel of river search and rescue team, etc. Such investments will be considered eligible insofar as:

i. The infrastructure will provide education and training programmes that comply with the relevant national and international standards, and that are provided under the supervision of the MoCTI; and

ii. The infrastructure will comply with the Bank’s energy efficiency eligibility criteria for buildings, as well as energy supply eligibility criteria for power generation (if applicable) as outlined in the Bank’s Energy Lending Policy (Annex 1 and 2).[[3]](#footnote-3)

Mobile assets and infrastructure dedicated to the transport and/or storage of fossil fuels (dedicated vessels, coal and oil terminals, LNG bulk breaking facilities, etc.) are excluded from being financed. Dedicated is defined as built and/or acquired with the explicit intention to predominantly transport and/or store fossil fuels over the life of the project.

The eligible project investment cost includes (non-exhaustively) studies and project management costs, civil works, equipment and fittings, non-recoverable VAT, technical and price contingencies as well as environmental and social mitigation measures as described by the applicable ESIA.

The following costs are non-eligible for the Bank: VAT and other taxes and duties, land acquisition, purchase of existing buildings, maintenance (including maintenance dredging), repairs and other operating costs, acquisition of second-hand assets, interest during construction, purchase of licenses for the use of non-generated public assets (e.g., telecom licenses), patents, brands and trademarks. Purely financial transactions are also not eligible.

**Calendar**

The Promoter has scheduled the start of the project works during Q3 2018 with a total duration of 7 years. As such, project completion is expected by 31.12.2025.

# A.2 PROJECT INFORMATION TO BE SENT TO THE BANK AND METHOD OF TRANSMISSION

1. Dispatch of information: designation of the person responsible

The information below has to be sent to the Bank under the responsibility of:

|  |  |  |
| --- | --- | --- |
|  | **Financial Contact** | **Technical Contact** |
| Promoter | Ministry of Construction, Transport and Infrastructure | Ministry of Construction, Transport and Infrastructure |
| Contact person | Mr. Veljko KOVAČEVIĆ | Mr. Veljko KOVAČEVIĆ |
| Title | Assistant Minister | Assistant Minister |
| Function / Department financial and technical | Ministry of Construction, Transport and Infrastructure | Ministry of Construction, Transport and Infrastructure |
| Address | Nemanjina 22-26,  11000 Belgrade | Nemanjina 22-26,  11000 Belgrade |
| Phone | +381 11 361 9491 | +381 11 361 9491 |
| Fax | N/A | N/A |
| Email | [veljko.kovacevic@mgsi.gov.rs](mailto:veljko.kovacevic@mgsi.gov.rs) | [veljko.kovacevic@mgsi.gov.rs](mailto:veljko.kovacevic@mgsi.gov.rs) |

The above-mentioned contact person(s) is (are) the responsible contact(s) for the time being. The Promoter shall inform the EIB immediately in case of any changes.

1. Information on specific subjects

The Promoter shall deliver to the Bank the following information at the latest by the deadline indicated below.

|  |  |
| --- | --- |
| **Document / information** | **Deadline** |
| *For schemes falling under Annex I or Annex II of the EIA Directive 2011/92/EC as amended by Directive 2014/52/EU, a copy of the full ESIA, as well as the NTS, or a decision screening out the scheme issued by the Competent Authority, as appropriate.* | *Prior to each allocation* |
| *For each scheme to be allocated with a project investment cost below EUR 50m, the Promoter will send ex-ante a completed allocation request, in accordance with the format and instructions set out by the Bank Services (section A.2.6) and subject to the Bank’s approval.* | *Prior to each allocation* |
| *Updated procurement plan for each allocation* | *Prior to each allocation* |
| *Updated finance plan.* | *Prior to any disbursement offer* |
| *Detailed Operation & Maintenance Plan for the Serbian TEN-T IWW network to the satisfaction of the Bank’s Services.* | *Prior to last disbursement offer* |
| *Updates in the strategic framework and plans of the Serbian global transport or inland waterway system.* | *As soon as legally approved and available* |

1. Information on the project’s implementation

The Promoter shall deliver to the Bank the following information on project progress during implementation at the latest by the deadline indicated below.

|  |  |  |
| --- | --- | --- |
| **Document / information** | **Deadline** | **Frequency of reporting** |
| Project Progress Report:   * *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, explaining reasons for any possible delay;* * *Update on the cost of the project, explaining reasons for any possible cost variations vs. initial budgeted cost;* * *A description of any major issue with impact on the environment;* * *Update of the procurement plan;* * *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 on-going;* * *Non-confidential project-related pictures, if available.* | *6 months after contract signature* | *Every 6 months* |

1. Information on the end of works and first year of operation

The Promoter shall deliver to the Bank the following information on project completion and initial operation at the latest by the deadline indicated below.

|  |  |
| --- | --- |
| **Document / information** | **Date of delivery  to the Bank** |
| Project Completion Report, including:   * *A final Technical Description of the project as completed, explaining the reasons for any significant change compared to the Technical Description in A.1.;* * *The date of completion of each of the main project’s components, explaining reasons for any possible delay;* * *The final cost of the project, explaining reasons for any possible cost variations vs. initial budgeted cost;* * *Employment effects of the project: person-days required during implementation as well as permanent new jobs created;* * *A description of any major issue with impact on the environment or social impacts;* * *Update on procurement procedures and explanation of deviations from the procurement plan;* * *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 on going;* * *Non-confidential project-related pictures, if available; and* * *An update on the following Monitoring Indicators:*   Output: IWW network capacity in t/year;  Outcome: annual cargo traffic handled in the IWW network in t/year; | *15 months after project completion* |

1. Information required 3 years after the Project Completion Report.

The Promoter shall deliver to the Bank the following information 3 years after the project completion report at the latest by the deadline indicated below.

|  |  |
| --- | --- |
| **Document / information** | **Date of delivery  to the Bank** |
| Update on the Monitoring Indicators listed in the table above. | *Three years after project completion.* |
| **Language of reports** | *English* |

# Schedule B

Definition of EURIBOR

* + 1. EURIBOR

"**EURIBOR**" means:

1. in respect of a relevant period of less than one month, the Screen Rate (as defined below) for a term of one month;
2. in respect of a relevant period of one or more months for which a Screen Rate is available, the applicable Screen Rate for a term for the corresponding number of months; and
3. in respect of a relevant period of more than one month for which a Screen Rate is not available, the rate resulting from a linear interpolation by reference to two Screen Rates, one of which is applicable for a period next shorter and the other for a period next longer than the length of the relevant period,

(the period for which the rate is taken or from which the rates are interpolated being the "**Representative Period**").

For the purposes of paragraphs (a) to (c) above:

1. "**available**" means the rates, for given maturities, that are calculated and published by Global Rate Set Systems Ltd (GRSS), or such other service provider selected by the European Money Markets Institute (EMMI), or any successor to that function of EMMI, as determined by the Bank; and
2. "**Screen Rate**" means the rate of interest for deposits in EUR for the relevant period as published at 11:00 a.m., Brussels time, or at a later time acceptable to the Bank on the day (the "Reset Date") which falls 2 (two) Relevant Business Days prior to the first day of the relevant period, on Reuters page EURIBOR 01 or its successor page or, failing which, by any other means of publication chosen for this purpose by the Bank.

If such Screen Rate is not so published, the Bank shall request the principal offices of four major banks in the euro-zone, selected by the Bank, to quote the rate at which EUR deposits in a comparable amount are offered by each of them, as at approximately 11:00a.m., Brussels time on the Reset Date to prime banks in the euro-zone interbank market for a period equal to the Representative Period. If at least 2 (two) quotations are provided, the rate for that Reset Date will be the arithmetic mean of the quotations. If no sufficient quotations are provided as requested, the rate for that Reset Date will be the arithmetic mean of the rates quoted by major banks in the euro-zone, selected by the Bank, at approximately 11:00 a.m., Brussels time, on the day which falls 2 (two) Relevant Business Days after the Reset Date, for loans in EUR in a comparable amount to leading European banks for a period equal to the Representative Period. The Bank shall inform the Borrower without delay of the quotations received by the Bank.

All percentages resulting from any calculations referred to in this Schedule will be rounded, if necessary, to the nearest one thousandth of a percentage point, with halves being rounded up.

If any of the foregoing provisions becomes inconsistent with provisions adopted under the aegis of EMMI (or any successor to that function of EMMI as determined by the Bank) in respect of EURIBOR, the Bank may by notice to the Borrower amend the provision to bring it into line with such other provisions.

If the Screen Rate becomes permanently unavailable, the EURIBOR replacement rate will be the rate (inclusive of any spreads or adjustments) formally recommended by (i) the working group on euro risk-free rates established by the European Central Bank (ECB), the Financial Services and Markets Authority (FSMA), the European Securities and Markets Authority (ESMA) and the European Commission, or (ii) the European Money Market Institute, as the administrator of EURIBOR, or (iii) the competent authority responsible under Regulation (EU) 2016/1011 for supervising the European Money Market Institute, as the administrator of the EURIBOR, or (iv) the national competent authorities designated under Regulation (EU) 2016/1011, or (v) the European Central Bank.

If no Screen Rate and/or the EURIBOR replacement rate is available as provided above, EURIBOR shall be the rate (expressed as a percentage rate per annum) which is determined by the Bank to be the all-inclusive cost to the Bank for the funding of the relevant Tranche based upon the then applicable internally generated Bank reference rate or an alternative rate determination method reasonably determined by the Bank.

# Schedule C

Forms for Borrower

C.1 Form of Disbursement Offer/Acceptance (Articles 1.2.B and 1.2.C.)

To: Republic of Serbia

From: European Investment Bank

Date:

Subject: Disbursement Offer/Acceptance for the Finance Contract between European Investment Bank and the Republic of Serbia dated [•] (the "Finance Contract")

Serapis number 2017-0671 FI number 94.231

Dear Sirs,

We refer to the Finance Contract. Terms defined in the Finance Contract have the same meaning when used in this letter.

Following your request for a Disbursement Offer from the Bank, in accordance with Article 1.2.B of the Finance Contract, we hereby offer to make available to you the following Tranche:

1. Amount to be disbursed in EUR:
2. Scheduled Disbursement Date:
3. Interest rate basis:
4. Interest payment periodicity:
5. Payment Dates:
6. Terms for repayment of principal:
7. The Repayment Dates and the first and the last Repayment Date for the Tranche:
8. The Interest Revision/Conversion Date:
9. The Fixed Rate or Spread, applicable until the Interest Revision/Conversion Date if any, or until the Maturity Date.

To make the Tranche available subject to the terms and conditions of the Finance Contract, the Bank must receive a Disbursement Acceptance in the form of a copy of this Disbursement Offer duly signed on your behalf, to the following e-mail [\_\_] no later than the Disbursement Acceptance Deadline of [time] Luxembourg time on [date].

The Disbursement Acceptance below must be signed by an Authorised Signatory and must be fully completed as indicated, to include the details of the Disbursement Account.

If not duly accepted by the above stated time, the offer contained in this document shall be deemed to have been refused and shall automatically lapse.

If you do accept the Tranche as described in this Disbursement Offer, all the related terms and conditions of the Finance Contract shall apply, in particular, the provisions of Article 1.4.

Yours faithfully,

EUROPEAN INVESTMENT BANK

We hereby accept the above Disbursement Offer for and on behalf of the Borrower:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

for and on behalf of the Republic of Serbia

Date:

**IMPORTANT NOTICE TO THE BORROWER:**

**BY SIGNING BELOW, YOU CONFIRM THAT THE LIST OF AUTHORISED SIGNATORIES AND ACCOUNTS PROVIDED TO THE BANK WAS DULY UPDATED PRIOR TO THE PRESENTATION OF THE ABOVE DISBURSEMENT OFFER BY THE BANK.**

**IN THE EVENT THAT ANY SIGNATORIES OR ACCOUNTS APPEARING IN THIS DISBURSEMENT ACCEPTANCE ARE NOT INCLUDED IN THE LATEST LIST OF AUTHORISED SIGNATORIES AND ACCOUNTS (AS DISBURSEMENT ACCOUNT) RECEIVED BY THE BANK, THE ABOVE DISBURSEMENT OFFER SHALL BE DEEMED AS NOT HAVING BEEN MADE.**

Disbursement Account (as defined in the Finance Contract) to be credited[[4]](#footnote-4):

Disbursement Account N°: …………………………………………………………………………………………….

Disbursement Account Holder/Beneficiary: ………………………………………………………………………….

(Please, provide IBAN format if the country is included in IBAN Registry published by SWIFT, otherwise an appropriate format in line with the local banking practice should be provided)

Bank name and address: ……………………………………………..……………………………...........................

Bank identification code (BIC): ………………………………………………………………………........................

Payment details to be provided: ……………………………………………………………………..........................

Please transmit information relevant to:

Name(s) of the Borrower's Authorised Signatory(ies) (as defined in the Finance Contract):

………………………………………………………..…………………………………………………………………….

Signature(s) of the Borrower’s Authorised Signatory(ies) (as defined in the Finance Contract):

# Schedule D

Interest Rate Revision and Conversion

If an Interest Revision/Conversion Date has been included in the Disbursement Offer for a Tranche, the following provisions shall apply.

A. Mechanics of Interest Revision/Conversion

Upon receiving an Interest Revision/Conversion Request the Bank shall, during the period commencing 60 (sixty) days and ending 30 (thirty) days before the Interest Revision/Conversion Date, deliver to the Borrower an Interest Revision/Conversion Proposal stating:

1. the Fixed Rate and/or Spread that would apply to the Tranche, or of its part indicated in the Interest Revision/Conversion Request pursuant to Article 3.1; and
2. that such rate shall apply until the Maturity Date or until a new Interest Revision/Conversion Date, if any, and that interest is payable quarterly, semi-annually or annually in accordance with Article 3.1, in arrear on designated Payment Dates.

The Borrower may accept in writing an Interest Revision/Conversion Proposal by the deadline specified therein.

Any amendment to this Contract requested by the Bank in this connection shall be effected by an agreement to be concluded not later than 15 (fifteen) days prior to the relevant Interest Revision/Conversion Date.

Fixed Rates and Spreads are available for periods of not less than 4 (four) years or, in the absence of a repayment of principal during that period, not less than 3 (three) years.

1. Effects of Interest Revision/Conversion

If the Borrower duly accepts in writing a Fixed Rate or a Spread in respect of an Interest Revision/Conversion Proposal, the Borrower shall pay accrued interest on the Interest Revision/Conversion Date and thereafter on the designated Payment Dates.

Prior to the Interest Revision/Conversion Date, the relevant provisions of this Contract and Disbursement Offer and Disbursement Acceptance shall apply to the Tranche in its entirety. From and including the Interest Revision/Conversion Date onwards, the provisions contained in the Interest Revision/Conversion Proposal relating to the new Fixed Rate or Spread shall apply to the Tranche (or any part thereof, as indicated in the Interest Revision/Conversion Request) until the new Interest Revision/Conversion Date, if any, or until the Maturity Date.

1. Partial or no Interest Revision/Conversion

In case of a partial Interest Revision/Conversion, the Borrower will repay, without indemnity, on the Interest Revision/Conversion Date the part of the Tranche that is not covered by the Interest Revision/Conversion Request and which is therefore not subject to the Interest Revision/Conversion.

If the Borrower does not submit an Interest Revision/Conversion Request or does not accept in writing the Interest Revision/Conversion Proposal for the Tranche or if the Parties fail to effect an amendment requested by the Bank pursuant to paragraph A above, the Borrower shall repay the Tranche in full on the Interest Revision/Conversion Date, without indemnity.

# Schedule E

Certificates to be provided by the Borrower

E.1 Form of Certificate from Borrower (Article 1.4.C)

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| |  |  |  | | --- | --- | --- | | To: | European Investment Bank | | | From: | The Republic of Serbia | | | Date: |  | | | Subject: | Serbian Inland Waterway Infrastructure B Finance Contract between European Investment Bank and the Republic of Serbia dated [•] (the "Finance Contract") | | |  | Contract Number 94.231 | Operation Number 2017-0671 | |

Dear Sirs,

Terms defined in the Finance Contract have the same meaning when used in this letter.

For the purposes of Article 1.4 of the Finance Contract we hereby certify to you as follows:

1. no Security of the type prohibited under Article 7.1 has been created or is in existence;
2. there has been no material change to any aspect of the Project or in respect of which we are obliged to report under Article 8.1, save as previously communicated by us;
3. we have sufficient funds available to ensure the timely completion and implementation of the Project in accordance with the Technical Description;
4. no event or circumstance which constitutes or would with the passage of time or giving of notice under the Finance Contract constitute a Prepayment Event or an Event of Default has occurred and is continuing unremedied or unwaived;
5. no litigation, arbitration administrative proceedings or investigation is current or to our knowledge is threatened or pending before any court, arbitral body or agency which has resulted or if adversely determined is reasonably likely to result in a Material Adverse Change, nor is there subsisting against us any unsatisfied judgement or award;
6. the representations and warranties to be made or repeated by us under Article 6.10 are true in all respects;
7. no Material Adverse Change has occurred, as compared with the situation at the date of the Finance Contract; and
8. the most recent List of Authorised Signatories and Accounts provided to the Bank by the Borrower is up-to-date and the Bank may rely on the information set out therein.

We undertake to immediately notify the Bank if any of the above fails to be true or correct as of the Disbursement Date for the proposed Tranche.

Yours faithfully,

For and on behalf of the Republic of Serbia

Date:

# Schedule F

|  |
| --- |
| **PROJECT FICHE**  (For schemes with total costs below EUR 50m) |

**SERBIAN INLAND WATERWAY INFRASTRUCTURE B**

**2017-0671**

|  |  |
| --- | --- |
| **Name of the project/scheme:** |  |
| **Scheme code:** |  |
| **Detailed location of the scheme:** | *[Provide an accurate location of the scheme and its components, including location in km along the river fairway]* |
| **Type:** | *[New project/extension/rehabilitation]* |
| *[Short description of the scheme]* | |

|  |  |
| --- | --- |
| **Implementing body:** |  |
| **Full name of the contact person:** |  |
| **E-mail:** |  |
| **Direct telephone:** |  |

|  |  |
| --- | --- |
| **Final Promoter** | |
| Authority: | *Ministry of Construction, Transport and Infrastructure of the Republic of Serbia* |
| Detailed description of current facilities/condition of the infrastructure: | *[Refer to existing infrastructure, current operational facilities, nautical access (length and depth both at channel and berths), existing berths and hinterland connections, current situation of the fairway and river facilities, general condition of the lock system, rehabilitation/maintenance projects carried out in the last 15 years, etc.]* |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Project/Scheme** | | | | | | | | | | | | | |
| Project Investment Cost (excl. VAT) in m EUR | | | *[XX,XXX.XX]* | | | | | | | | | | |
| Investment timeline: | Before 2021 | | 2021 | | 2022 | | | 2023 | | 2024 | | | 2025 and after |
| *(Total costs per year in m EUR)* | *[X,XXX.XX]* | | *[X,XXX.XX]* | | *[X,XXX.XX]* | | | *[X,XXX.XX]* | | *[X,XXX.XX]* | | | *[X,XXX.XX]* |
| Exchange rate applied: | *1 EUR* | | | | | | | *[XXXX] RSD* | | | | | |
| Detailed description of the proposed scheme: | *Refer to the components of the project; include key features, localisation and main quantities of works as well as the capacities of the infrastructure once completed.* | | | | | | | | | | | | |
| Project preliminary phases/Design | *Refer to engineering and operational feasibility, economic viability, detailed technical design or any other relevant, including full name of the studies, date of release of the final versions and full details of the consultant(s) that have conducted the studies.* | | | | | | | | | | | | |
| Project supervision | *Refer to the details of the supervision programme that will be implemented to monitor the progress of the works and their alignment with all EIB contractual conditions, including full name of the Consultants in charge and providing an organogram of the proposed team.* | | | | | | | | | | | | |
| Project rationale: | *Comment coherence with applicable legislation and policies at the EU and national levels, global Serbian transport strategy, Master Plan. Describe the reasons for undertaking the scheme and its main objectives.*  *Describe and quantify expected impacts on navigation conditions, vessel scale permissible, cargo handling capacity, transport time savings.* | | | | | | | | | | | | |
| Economic lifespan of the scheme | *[XX] years* | | | | | | | | | | | | |
| Current capacity (where applicable): | [XXX] m tonne | | | | | Future capacity (where applicable): | | | | | [XXX] m tonne | | |
| Additional comments: | *Comment on possible technical or operational difficulties, related investments in the area, financing by EU or other funds, state funds and/or state aid and any other relevant issues.* | | | | | | | | | | | | |
|  |  | | | | | | | | | | | | |
| Breakdown of investment cost (in m EUR): | | | | | | | | | | | | | |
| *[Specify costs providing details for major subcomponents by adding lines, if required]* | Before 2021 | 2021 | | 2022 | | | 2023 | | 2024 | | | 2025 | |
| Project Design: |  |  | |  | | |  | |  | | |  | |
| Supervision works: |  |  | |  | | |  | |  | | |  | |
| Construction works: |  |  | |  | | |  | |  | | |  | |
| Equipment: |  |  | |  | | |  | |  | | |  | |
| Technical contingencies: |  |  | |  | | |  | |  | | |  | |
| Price contingencies: |  |  | |  | | |  | |  | | |  | |
| Interest during construction: |  |  | |  | | |  | |  | | |  | |
| Others: |  |  | |  | | |  | |  | | |  | |
| TOTAL: |  |  | |  | | |  | |  | | |  | |

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| --- | --- | --- | --- | --- |
| **Procurement plan** | | | | |
| List of main contracts related to the project | | | | |
| **Scope of the contract** | **Contract amount** | **Type of procedure** | **Publication of notices** | **Status / Outcome** |
| *Description of works* | *m EUR* | *International, open, restricted, direct negotiation…* | *Indicate date, reference to OJEU and internet link whenever possible* | *Indicate company awarded with the contract* |
|  |  |  |  |  |
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|  |  |  |  |  |
| Does the tendering of the aforementioned projects/contracts fully comply with the EU Directives on Public Procurement and the EIB Guide to Procurement? | | *[YES/NO]* | | |
| Are there any court cases or complaints related to the procurement process of this scheme? If so, please comment on their status: | |  | | |

|  |  |
| --- | --- |
| **Authorisation(s) required to operate/implement the project** | |
| Please provide the name(s) of the Authority(ies) issuing the relevant permit(s) and whether or not the authorisation(s) has (have) been issued, as well as the dates if available. If permits are not issued, please indicate the expected date: |  |

|  |  |
| --- | --- |
| **Environment** | |
| Has a SEA been performed? | *If yes, please indicate the date.* |
| Is an EIA required? | *If yes, please indicate the date.* |
| Has a consultation according to the ESPOO Convention been conducted? What are the consulted parties? What responses received? What was the outcome of the process? | *If yes, please indicate the date.* |
| Has a Climate Change Vulnerability Assessment been conducted? If so, please outline the main results and describe how will the design and layout of the proposed infrastructure maximise opportunities for building infrastructure resilience (e.g., water and energy efficiency measures, sustainable urban drainage, flood risk, etc.) | *If yes, please indicate the date.* |
| Has a Water Framework Directive risk assessment been performed? | *If yes, please indicate the date.* |
| Has the environmental permit/consent been granted by the competent authority? | *If yes, please indicate the date.* |
| Are there any nature conservation areas located in the vicinity (including cross-border) of the project? Is the project likely to have significant impacts on those protected areas? | *If yes, please identify the nature conservation areas near the project.* |
| Has the declaration of no significant impacts in Natura 2000 sites been issued by the competent authorities (including those in neighbouring countries)? | *If yes, please indicate the date of the declaration.* |
| Has any public consultation been carried out on any document related to the project? (Master Plan, EIA or any other) | *If yes, please indicate the date and a resume of the most relevant issues raised. If possible, provide link to the corresponding internet site.* |
| Is there any strong opposition to the project from individuals, private organizations (incl. NGO) or public authorities? | *If yes, please provide additional details on the referred opposition.* |
| Does the project comply with all the environmental requirements? (Local, national and EU) |  |
| Comment the main impacts generated by the project on the environment: |  |
| Indicate the main mitigation and compensation measures defined at the EIA and to be implemented as well as the current status of implementation: |  |
| Additional comments: | *Refer to the climate change strategy (mitigation or adaptation) and to climate change impacts, energy efficiency and renewable energy considerations taken into account during the design.* |

|  |  |
| --- | --- |
| **Social** | |
| Does the project have any particular social issues (involuntary economic and/or physical displacement, impacts on vulnerable groups, labour standards, occupational health, safety and security)? Social impacts may be negative (e.g., from compulsory purchase of property) or positive (e.g., from improvement in housing stock, improved access to municipal services, improvement on quality of life, integration of vulnerable groups, etc.): |  |
| If applicable, please describe any public consultation process and involvement of local communities and most vulnerable groups: |  |
| If applicable, please indicate how the resettlement of people has been managed and its impact in terms of affected people and compensation measures: |  |
| What health and safety policies, measures and requirements will be implemented during the execution of the proposed scheme? Have/will occupational safety considerations been/be taken into account at the time of project design? How does the Promoter intend to monitor HSE performance on site? |  |

|  |  |  |
| --- | --- | --- |
| **Project implementation** | | |
| **Key milestones** | **Dates** | **Comments** |
| Project design |  |  |
| Environmental procedures |  |  |
| Construction works |  |  |
| Handling equipment |  |  |
| Any other relevant [please describe] |  |  |
|  | | |
| Jobs created during construction | *[XXXX] persons-years* | |
| Permanent jobs created during the operation & maintenance phases | *[XXXX] FTE* | |

|  |  |  |  |
| --- | --- | --- | --- |
| **Operation** | | | |
| Management & Organization: | *Describe the structure of the organisation, number of employees, whether the infrastructure will be under a concession or operated directly by the Port Authority, operational improvement* | | |
| O&M costs without the project (annually): | *[XX,XXX.XX] m EUR* | O&M costs with the project (annually): | *[XX,XXX.XX] m EUR* |

|  |  |
| --- | --- |
| **Economic and financial justification *(to be assessed case by case)*** | |
| Business case: | *Describe the general financial and economic benefits of the project and quantify and value the operational improvements, cost savings and capacity increase, the impacts on reducing transport externalities and employment creation.* |
| Market demand and competition: | *Describe the competition from other transport modes or facilities, past and future traffic trends, cargo destinations, agreements with users.* |
| Tariffs and Revenues: | *Provide average tariff by cargo unit and corresponding revenues forecasts. Comment on the past and future trends.* |
| Has any financial or economic viability analysis been performed? | *Please describe the results of economic/financial viability studies, CBA (Cost Benefit Analysis), IRR, NPV, DCF or any other cash flow analysis and provide the studies executed and excel calculations used.* |

Additional project documents that **must be provided** to the Bank along with the allocation request:

1. EIA Directive 2014/52/EU amending 2011/92/EU:
2. For schemes requiring an EIA (Annex II screened in or Annex I of EIA Directive): Copy of the Environmental Decision(s) (or equivalent) and Environmental Impact Assessment (EIA) Study with a summary description of the environmental measures adopted (mitigating, compensation, etc.);
3. For schemes which fall under Annex II of the EIA Directive and not requiring an EIA: The promoter shall ensure that a screening procedure taking into account the criteria listed in Annex III of EU EIA Directive was carried out by the environmental competent authority. The screening decision can be common for several schemes;
4. EU Habitats and Birds Directives (92/43/EEC and 2009/147/EC):
5. For schemes with potential or likely significant effects on a Site of Community Importance (SCI) (Natura 2000 or otherwise) and subject to a screening under the EU Habitats and Birds Directives: Form A (see below) or its equivalent signed by the competent authority responsible for the monitoring of Natura 2000. This declaration should confirm that the required assessments under the EU Habitats and Birds Directives have been carried out (if necessary), that the scheme will have no significant impact on any protected site and that the appropriate mitigation measures have been identified;
6. For schemes with a significant impact, potential or likely, on a SCI, requiring an assessment under article 6(4) of the Habitats Directive: Form B (see below) or its equivalent - signed by the competent authority responsible for monitoring Natura 2000 Sites, together with the justification of overriding public interest as well as the opinion of the European Commission, if applicable;
7. Relevant Climate Vulnerability and Risk Assessment;
8. Relevant assessment under the EU Water Framework Directive (2000/60/EC), if applicable;
9. Relevant Espoo Notifications;
10. If applicable, the final version of the relevant Resettlement Action Plan/Livelihood Restoration Plan, to the satisfaction of the Bank, and endorsed by the Promoter;
11. Project map at small scale (A3 or A4);
12. If applicable, port Master Plan map at small scale (A3 or A4); and
13. Detailed timeline with associated costs with breakdown by components, type of works (engineering, construction, supervision) and per year.

|  |  |
| --- | --- |
| **Promoter** | **EIB** |
| Signature: | Signature: |
| Responsible: | Responsible: |
| Date: | Date: |

**Form A – No Appropriate Assessment required by Article 6(3) was required**

**DECLARATION BY THE AUTHORITY RESPONSIBLE FOR MONITORING   
SITES OF NATURE CONSERVATION IMPORTANCE**[[5]](#footnote-5)

Responsible Authority:

Having examined the project application[[6]](#footnote-6)

Which is to be located at:

Declares that the project is not likely to have significant effect on a national or international conservation area on the following grounds:

Therefore, an appropriate assessment required by Article 6(3) was not deemed necessary.

A map at scale of 1:100.000 (or nearest possible scale) is attached, indicating the location of the project as well as the national or international conservation areas concerned, if any.

Date (dd/mm/yyyy):

Signed:

Name:

Position:

Organisation:

(Authority responsible for monitoring national or international conservation areas)

Official Seal:

**Form A – Assessment of effects on national or international conservation areas - No risk of significant effect**

**DECLARATION BY THE AUTHORITY RESPONSIBLE FOR MONITORING   
SITES OF NATURE CONSERVATION IMPORTANCE**[[7]](#footnote-7)

Responsible Authority

Having examined the project application[[8]](#footnote-8)

Which is to be located at

Declares that following an appropriate assessment required by Article 6(3) of Directive 92/43/EEC, the project will not have significant effects on a site of nature conservation importance.

Please provide a summary of the conclusions of the appropriate assessment carried out according to Article 6(3) of Directive 92/43/EEC:

Please provide a summary of the mitigation measures required for the project:

A map at scale of 1:100.000 (or the nearest possible scale) is attached, indicating the location of the project as well as the sites of nature conservation importance.

Signed:

Name and Position:

Organisation (Authority responsible for monitoring national or international conservation areas):

Official Seal:

**Form B - Risk of significant effect**

**INFORMATION FROM THE AUTHORITY RESPONSIBLE FOR MONITORING   
SITES OF NATURE CONSERVATION IMPORTANCE**[[9]](#footnote-9)

Responsible Authority

Having examined[[10]](#footnote-10) the project application

Which is to be located at

provides the following information and documentation to be sent to the European Commission for (tick the appropriate box):

information (Art. 6(4).1) 🞏 opinion (Art. 6(4).2) 🞏

Member State:

Competent National Authority:

Address:

Contact person:

Tel., fax, e-mail:

Date:

Is the notification containing sensitive information? If yes, please specify and justify:

1. https://www.eib.org/en/publications/environmental-and-social-standards-2018. [↑](#footnote-ref-1)
2. https://www.eib.org/en/publications/guide-to-procurement.htm Please note that the reference is to the version of the Guide in force at the time of the relevant project procurement. [↑](#footnote-ref-2)
3. Projects are required to adopt best energy standards as compared to a baseline which will be defined on a case-by-case basis by the Bank’s services through a transparent, practical method, such as the IFC’s EDGE tool. The Bank will also consider partial energy efficiency eligibility for less ambitious buildings, based on evidence of energy related individual measures. If the project contains a power generation component, it must emit less than 250 gCO2e per kWhe. [↑](#footnote-ref-3)
4. The details concerning banking intermediary are also to be provided if such intermediary has to be used to make the transfer to the Beneficiary’s Account. [↑](#footnote-ref-4)
5. 5 This includes sites protected as part of the Natura 2000 network (including Special Areas of Conservation and Special Protection Areas), potential Natura 2000 sites, Ramsar sites, Important Bird Areas, sites of the Emerald Network, or others as relevant. [↑](#footnote-ref-5)
6. 6. Taking into account the requirements of Art. 6(3) of Directive 92/43/EEC on the conservation of natural habitats and of wild fauna and flora. [↑](#footnote-ref-6)
7. This includes sites protected as part of the Natura 2000 network (including Special Areas of Conservation and Special Protection Areas), potential Natura 2000 sites, Ramsar sites, Important Bird Areas, sites of the Emerald Network, or others as relevant. [↑](#footnote-ref-7)
8. Taking into account the requirements of Art. 6(3) of Directive 92/43/EEC on the conservation of natural habitats and of wild fauna and flora. [↑](#footnote-ref-8)
9. This includes sites protected as part of the Natura 2000 network (including Special Areas of Conservation and Special Protection Areas), potential Natura 2000 sites, Ramsar sites, Important Bird Areas, sites of the Emerald Network, or others as relevant. [↑](#footnote-ref-9)
10. Taking into account the requirements of Art. 6(4) of Directive 92/43/EEC on the conservation of natural habitats and of wild fauna and flora. [↑](#footnote-ref-10)