**LOAN NUMBER 97110-YF**

**Loan Agreement**

**(Second Real Estate Management Project)**

**between**

**REPUBLIC OF SERBIA**

**and**

**INTERNATIONAL BANK FOR RECONSTRUCTION**

**AND DEVELOPMENT**

LOAN AGREEMENT

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

# ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

* 1. The General Conditions (as defined in the Appendix to this Agreement) apply to   
     and form part of this Agreement.
  2. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions or in the Appendix   
     to this Agreement.

**ARTICLE II — LOAN**

2.01. The Bank agrees to lend to the Borrower the amount of thirty million Euros   
(EUR 30,000,000), as such amount may be converted from time to time through a Currency Conversion (“Loan”), to assist in financing the project described in Schedule 1 to this Agreement (“Project”).

* 1. The Borrower may withdraw the proceeds of the Loan in accordance with Section III of Schedule 2 to this Agreement.
  2. The Front-end Fee is one quarter of one percent (0.25%) of the Loan amount.
  3. The Commitment Charge is one quarter of one percent (0.25%) per annum on the Unwithdrawn Loan Balance.

2.05. The interest rate is the Reference Rate plus the Variable Spread or such rate as may apply following a Conversion; subject to Section 3.02(e) of the General   
Conditions.

2.06. The Payment Dates are May 15 and November 15 in each year.

2.07. The principal amount of the Loan shall be repaid in accordance with Schedule 3 to this Agreement.

**ARTICLE III — PROJECT**

* 1. The Borrower declares its commitment to the objectives of the Project. To this  
      end, the Borrower shall carry out the Project, through RGA, with the support of   
     the Ministry of Construction, Transport and Infrastructure, in accordance with the

provisions of Article V of the General Conditions and Schedule 2 to this  
Agreement.

# ARTICLE IV — REMEDIES OF THE BANK

4.01. The Additional Event of Suspension consists of the following, namely that the operation and functions of RGA as set forth in RGA Legislation, has been  
amended, abrogated, suspended, repealed, or waived as to affect, in the opinion of the Bank, materially and adversely, its ability to perform any of its obligations  
under the Project.

**ARTICLE V – TERMINATION**

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

**ARTICLE VI — REPRESENTATIVE; ADDRESSES**

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

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

(a) the Borrower’s address is:

Ministry of Finance

20 Kneza Milosa St.

11000 Belgrade

Republic of Serbia; and

(b) the Borrower’s Electronic Address is:

Facsimile: E-mail:

(381-11) 3618-961 [kabinet@mfin.gov.rs](mailto:kabinet@mfin.gov.rs)

6.03. For purposes of Section 10.01 of the General Conditions:

(a) the Bank’s address is:

International Bank for Reconstruction and Development

1818 H Street, N.W.

Washington, D.C. 20433

United States of America; and

(b) the Bank’s Electronic Address is:

Telex: Facsimile:

248423(MCI) or 1-202-477-6391

64145(MCI)

AGREED and signed in English as of the Signature Date.

**REPUBLIC OF SERBIA**



**By**

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**/s1/

**Authorized Representative**

**Name:**  Siniša Mali/n1/

**Title:** First Deputy Prime Minister and Minister of Finance/t1/

**Date:**  21-Aug-2024 /d1/

**INTERNATIONAL BANK FOR**

**RECONSTRUCTION AND DEVELOPMENT**



**By**

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**/s2/

**Authorized Representative**

**Name:** Nicola Pontara /n2/

**Title:** Country Manager /t2/

**Date:** 12-Aug-2024 /d2/

**SCHEDULE 1**

**Project Description**

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

The Project consists of the following parts:

**Part 1. Implementation of the Property Mass Valuation System**

1.1. Support to mass valuation for residential and non-residential properties,   
through *inter alia*:

1. the development of mass valuation models for non-residential properties in the Borrower’s territory;
2. the national rollout of mass valuation models already developed for residential properties;
3. the development of an information system for mass property valuation; and
4. the creation of a residential property price index that will include all types of residential property, with sub-indexes for the different types of properties.

1.2 Support for Building Register advancement, through, *inter alia*:

1. the development of a Building Register module as part of ISREC;
2. the establishment of a central database;
3. the migration of data from the existing Building Register and from other  
   external data sources to the new Building Register module;
4. the integration of the Building Register with the information system for mass property valuation and GeoSrbija;
5. the acquisition of Very High-Resolution Satellite Imagery and climate-related data;
6. the creation of a digital orthophoto and the processing of its data;
7. the carrying out updates to the Building Register’s Registry of Established Changes to Constructions submodule; and
8. assessing the options for automating obtaining of data from external data sources, quality assurance and quality control during software development,   
   and the development of a long-term sustainable model for the maintenance of the Building Register and the information system for the mass property   
   valuation system.

**Part 2. Integration of Information Systems and NSDI Services Development**

2.1. Further development and rollout of the ISREC, through, *inter alia*:

1. the carrying out of ISREC’s upgrades and the completion of its national implementation;
2. the establishment of the infrastructure cadaster;
3. the development and implementation of an information system for land consolidation;
4. the expansion of the Risk Register;
5. the carrying out of technical studies for the advancement and use of cadastral data;
6. the supply of IT hardware and equipment and carry out of small-scale   
   retrofitting works linked to hardware installation, if needed;
7. the provision of cybersecurity support; and
8. the provision of support for the supervision, coordination, and quality control   
   of the data systems to be implemented and/or expanded.

2.2. Support to the National Spatial Data Infrastructure (NSDI)

Support the implementation of RGA’s NSDI Action Plan, and the development of web and mobile applications and digital services.

2.3. Support to the Digital Archive, through, *inter alia*:

1. the development of a module for managing the analogue archive;
2. the development of e-services for specialized users; and
3. the conversion of the scanned geodetic plans to allow online access.

**Part 3. Institutional Improvement, RGA Sustainability, and Project Management**

3.1. Support for institutional improvement and RGA sustainability, through, *inter alia*:

1. the carrying out of updates to RGA’s roadmap, strategic plan, and business   
   plan;
2. the implementation of the RGA’s portfolio management plan; and
3. the implementation of several International Organization for Standardization (ISO) standards for RGA’s full compliance with international standards for   
   land administration and associated IT systems.

3.2. Project Management

Carrying out Project management activities, including:

1. support the PIU’s operations and monitoring and evaluation activities;
2. the supply of IT hardware and equipment;
3. the provision of Training to RGA’s management and technical staff, NSDI stakeholders, selected government institutions and local authorities, and other relevant entities;
4. the carrying out of customer satisfaction surveys; and
5. the carrying out of technical and policy studies and development of social assessments.

**SCHEDULE 2**

**Project Execution**

**Section I. Implementation Arrangements**

**A. Institutional Arrangements**

1. The Borrower shall maintain at all times during Project implementation the PIU under the RGA, with the necessary resources and staff to carry out the Project, and with a composition and terms of reference satisfactory to the Bank, including a director, an office manager, and procurement, financial management, monitoring and evaluation, IT, data protection/cybersecurity, environmental and social specialists, as further described in the ESCP and the Operational Manual.

2. The Borrower shall establish not later than two (2) months after the Effective Date, and thereafter maintain during Project implementation, a Project Council with a composition, terms of reference, and resources satisfactory to the Bank. The   
Project Council shall be responsible for making major policy decisions concerning Project implementation and for overall Project supervision, as well as approving annual work plans, training plans and reports. The Project Council shall be chaired by a coordinator from the MCTI and shall include representatives of other institutions of the Borrower, as further described in the Operational Manual.

1. The Borrower shall establish not later than two (2) months after the Effective Date, and thereafter maintain during Project implementation, a Project Steering Committee with a composition, terms of reference, and resources satisfactory to  
   the Bank, as further described in the Operational Manual. The Steering Committee shall be in charge of supervising the regular implementation activities of the  
   Project, and shall provide reports to the Project Council on a quarterly basis, or as requested by the Project Council, pursuant to criteria set forth in the Operational Manual.

**B. Operational Manual**

1.The Borrower, through RGA, shall by no later than one (1) month after the   
Effective Date, prepare and adopt a Project operational manual (“Operational Manual” or “POM”) containing detailed guidelines and procedures for the implementation of the Project, including, *inter alia*, with respect to: (a) Project administration and coordination, monitoring and evaluation, financial   
management, procurement and accounting procedures, environmental and social procedures; (b) corruption and fraud mitigation measures; (c) a grievance redress mechanism; (d) Personal Data collection and processing in accordance with applicable national law and good international practice; and € roles and responsibilities for Project implementation, and such other arrangements and

procedures as shall be required for the effective implementation of the Project, in form and substance satisfactory to the Bank.

2. Except as the Bank shall otherwise agree, the Borrower, through RGA, shall not   
to assign, amend, abrogate, or waive, or otherwise fail to enforce the POM or any   
of its provisions thereof. In case of any inconsistencies between the POM and the provisions of this Agreement, the provisions of this Agreement shall prevail.

**C. Environmental and Social Standards**

1. The Borrower, through RGA, shall ensure that the Project is carried out in accordance with the Environmental and Social Standards, in a manner acceptable   
to the Bank.

2. Without limitation upon paragraph 1 above, the Borrower, through RGA, shall ensure that the Project is implemented in accordance with the Environmental and Social Commitment Plan (“ESCP”), in a manner acceptable to the Bank. To this   
end, the Borrower shall ensure that:

1. the measures and actions specified in the ESCP are implemented with due diligence and efficiency, as provided in the ESCP;
2. sufficient funds are available to cover the costs of implementing the ESCP;
3. policies and procedures are maintained, and qualified and experienced   
   staff in adequate numbers are retained to implement the ESCP, as provided in the ESCP; and
4. the ESCP, or any provision thereof, is not amended, repealed, suspended   
   or waived, except as the Bank shall otherwise agree in writing, as specified in the ESCP, and ensure that the revised ESCP is disclosed promptly thereafter.

3. In case of any inconsistencies between the ESCP and the provisions of this Agreement, the provisions of this Agreement shall prevail.

1. The Borrower, through RGA, shall ensure that:
2. all measures necessary are taken to collect, compile, and furnish to the   
   Bank through regular reports, with the frequency specified in the ESCP,  
   and promptly in a separate report or reports, if so requested by the Bank, information on the status of compliance with the ESCP and the environmental and social instruments referred to therein, all such reports   
   in form and substance acceptable to the Bank, setting out, *inter alia*: (i) the status of implementation of the ESCP; (ii) conditions, if any, which   
   interfere or threaten to interfere with the implementation of the ESCP; and

(iii) corrective and preventive measures taken or required to be taken to address such conditions; and

1. the Bank is promptly notified of any incident or accident related to or  
   having an impact on the Project which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or workers, in accordance with the ESCP, the environmental and social instruments referenced therein and the Environmental and Social   
   Standards.
2. The Borrower, through RGA, shall establish, publicize, maintain and operate an accessible grievance mechanism, to receive and facilitate resolution of concerns  
   and grievances of Project-affected people, and take all measures necessary and appropriate to resolve, or facilitate the resolution of, such concerns and grievances, in a manner acceptable to the Bank.

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

**D. Annual Work Plan and Budget**

The Borrower, through RGA, shall:

(a) prepare and furnish to the Bank not later than December 31st of each year during the implementation of the Project, a proposed Annual Work Plan   
and Budget containing: (i) all activities to be carried out under the Project during the following year; (ii) a consolidated training plan for any training activities that may be required under the Project including, *inter alia*, the type of training, the purpose of the training, the length of the training, the numbers of trainees, the draft terms of reference, and the projected cost;   
and (iii) a proposed financing plan.

(b) afford the Bank a reasonable opportunity to exchange views on each such proposed Annual Work Plan and Budget, and shall thereafter ensure that  
the Project is implemented with due diligence during said following year,   
in accordance with such Annual Work Plan and Budget as shall have been approved by the Bank; and

(c) not make or allow to be made any change to the approved Annual Work   
Plan and Budget without the Bank’s prior written approval.

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

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

Except as may otherwise be explicitly required or permitted under this Agreement or as may be explicitly requested by the Bank, in sharing any information, report   
or document related to the activities described in Schedule 1 of this Agreement,   
the Recipient shall ensure that such information, report or document does not   
include Personal Data.

**Section III. Withdrawal of Loan Proceeds**

**A. General.**

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

|  |  |  |
| --- | --- | --- |
| **Category** | **Amount of the Loan**  **Allocated**  **(expressed in EUR)** | **Percentage of Expenditures to be financed** |
| (1) Goods, works,  non-consulting services for the Project | 22,025,000 | 100% (inclusive of Taxes other than Value Added Tax and Customs Duties) |
| (2) Consulting services, Training and Operating Costs for the Project | 7,900,000 | 100% (inclusive of Taxes) |
| (3) Front-end Fee | 75,000 | Amount payable pursuant  to Section 2.03 of this Agreement in accordance with Section 2.07 (b) of the General Conditions |
| TOTAL AMOUNT | 30,000,000 |  |

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

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

1.Notwithstanding the provisions of Part A above, no withdrawal shall be made for payments made prior to the Signature Date.

2.The Closing Date is July 31, 2029.

**SCHEDULE 3**

**Commitment-Linked Amortization Repayment Schedule**

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

**Level Principal Repayments**

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

**APPENDIX**

**Definitions**

1. “Annual Work Plan and Budget” means the annual work plan and budget referred   
   to in Section I.D. of Schedule 2 to this Agreement.
2. “Anti-Corruption Guidelines” means, for purposes of paragraph 5 of the Appendix to the General Conditions, the “Guidelines on Preventing and Combating Fraud   
   and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006 and revised in January 2011 and as of July 1, 2016.
3. “Building Register” means the Borrower’s type of database used for identifying   
   the physical location and other characteristics of buildings, parts of buildings, and other structures established pursuant to the Borrower’s Law on State Survey and Cadastre, published on the Official Gazette no. 72/2009, 18/2010, 65/2013,   
   15/2015, 96/2015, 47/2017, 113/2017, 27/2018, 41/2018, 9/2020, and 92/2023.
4. “Category” means a category set forth in the table in Section III.A of Schedule 2   
   to this Agreement.
5. “Environmental and Social Commitment Plan” or “ESCP” means the   
   environmental and social commitment plan for the Project, dated June 13, 2024,   
   as the same may be amended from time to time in accordance with the provisions thereof, which sets out the material measures and actions that the Borrower shall carry out or cause to be carried out to address the potential environmental and   
   social risks and impacts of the Project, including the timeframes of the actions and measures, institutional, staffing, training, monitoring and reporting arrangements, and any environmental and social instruments to be prepared thereunder.
6. “Environmental and Social Standards” or “ESSs” means, collectively: (i) “Environmental and Social Standard 1: Assessment and Management of Environmental and Social Risks and Impacts”; (ii) “Environmental and Social Standard 2: Labor and Working Conditions”; (iii) “Environmental and Social Standard 3: Resource Efficiency and Pollution Prevention and Management”; (iv) “Environmental and Social Standard 4: Community Health and Safety”; (v) “Environmental and Social Standard 5: Land Acquisition, Restrictions on Land   
   Use and Involuntary Resettlement”; (vi) “Environmental and Social Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources”; (vii) “Environmental and Social Standard 7: Indigenous Peoples/Sub-Saharan Historically Underserved Traditional Local Communities”; (viii) “Environmental and Social Standard 8: Cultural Heritage”; (ix) “Environmental   
   and Social Standard 9: Financial Intermediaries”; (x) “Environmental and Social

Standard 10: Stakeholder Engagement and Information Disclosure”; effective on October 1, 2018, as published by the Bank.

1. “General Conditions” means the “International Bank for Reconstruction and Development General Conditions for IBRD Financing, Investment Project Financing”, dated December 14, 2018 (Last revised on July 15, 2023).
2. “GeoSrbija” means Serbia’s digital platform used for accessing spatial information contained in the country’s National Spatial Data Infrastructure.
3. “International Organization for Standardization” or “ISO” means the international organization through which international experts agree on means of standardizing various products and services for multiple economic sectors.
4. “ISREC” means the Borrower’s Integrated System for Real Estate Cadaster.
5. “IT” means Information Technology.
6. “MCTI” means the Borrower’s Ministry of Construction, Transport and Infrastructure, or any successor thereto.
7. “National Spatial Data Infrastructure” or “NSDI” means metadata, geospatial datasets and services, network services and technologies; agreements on sharing, access and use of geospatial data; as well as coordination and monitoring mechanisms, processes and procedures established, managed and made available  
   in accordance with the Borrower’s Law on the NSDI published in Borrower’s Official Gazette No. 27/2018.
8. “NSDI Action Plan” means Serbia’s strategic document that is used for technological, policy, service provision, and data quality advancements as part of the modernization of Serbia’s National Spatial Data Infrastructure.
9. “Operating Costs” means the reasonable and incremental expenses incurred by RGA, on account of implementation of the Project, for office supplies and other consumables, office rent, internet connection and communications costs, support   
   for information systems, translation costs, utilities, reasonable travel,   
   transportation, *per diem*, accommodation costs (lodging), and other reasonable expenditures directly associated with the implementation of the Project, as agreed between the Borrower and the Bank on the basis of semi-annual budgets acceptable to the Bank, excluding salaries of the Borrower’s civil service.
10. “Operational Manual” means the manual, acceptable to the Bank, referred to in Section I.B of Schedule 2 to this Agreement, as the same may be amended from   
    time to time with the prior written agreement of the Bank.
11. “Personal Data” means any information relating to an identified or identifiable individual. An identifiable individual is one who can be identified by reasonable means, directly or indirectly, by reference to an attribute or combination of   
    attributes within the data, or combination of the data with other available information. Attributes that can be used to identify an identifiable individual   
    include, but are not limited to, name, identification number, location data, online identifier, metadata and factors specific to the physical, physiological, genetic, mental, economic, cultural or social identity of an individual.
12. “PIU” means the Project Implementing Unit, referred to in Section I.A.1 of   
    Schedule 2 of this Agreement.
13. “Procurement Regulations” means, for purposes of paragraph 85 of the Appendix   
    to the General Conditions, the “World Bank Procurement Regulations for IPF Borrowers”, dated September 2023.
14. “Project Council” means the council specified in Section I.A.2 of Schedule 2 to   
    this Agreement.
15. “Registry of Established Changes to Constructions” means a database created for Borrower’s territory which is an integral part of the geodetic-cadastral information system, as per the Article 1. of the Borrower’s Rulebook on Records on Established Changes to Construction, published in the Borrower’s Official Gazette No. 102/2020.
16. “Risk Register” means interactive, electronic, geographic-information database for the Borrower’s territory which includes applicative solutions and services   
    important for risk management, pursuant to the Borrower’s Law on Disaster Risk Reduction and Management of Emergency Situations published in Borrower’s Official Gazette No. 87/2018.

1. “RGA” means Republic Geodetic Authority of the Borrower, an agency of the Borrower responsible for national mapping, surveying and registration of property rights, established pursuant to Borrower’s Law on State Survey and Cadaster, published in the Borrower’s Official Gazette No. 72/2009, 18/2010, 65/2013, 15/2015, CC desision No. 96/2015, 47/2017, 113/2017, Other Law No. 27/2018, Other Law No. 41/2018 (all of the preceding constituting the “RGA Legislation”), or any successor thereto.
2. “RGA’s Portfolio Management Plan” means the strategic document used for improving the management of RGA’s products and services.
3. “RGA’s Roadmap, Strategic Plan, and Business Plan” means the documents used   
   by RGA for planning the agency’s long-term institutional sustainability.
4. “Signature Date” means the later of the two dates on which the Borrower and the Bank signed this Agreement and such definition applies to all references to “the   
   date of the Loan Agreement” in the General Conditions.
5. “Steering Committee” means the committee referred to in Section I.A.3 of   
   Schedule 2 to this Agreement.
6. “Training” means expenditures (other than for consultants’ services), incurred for: (i) reasonable travel, room, board and *per diem* expenditures incurred by trainers   
   and trainees in connection with their training; (ii) course fees; (iii)  
    training/workshop facility and equipment rentals; and (iv) training material preparation, acquisition, reproduction and distribution expenses not otherwise covered under this paragraph, all based on an Annual Work Plan and Budget   
   agreed with the Bank.
7. Very High-Resolution (VHR) Satellite Imagery means satellite imagery with   
   spatial resolution of ≤ 0.40m per pixel, pursuant to Article 138. of the Borrower’s Rulebook on Topographic Survey and Topographic-cartographic Products   
   published in the Borrower’s Official Gazette No. 7/2015.