IMPLEMENTATION AGREEMENT FOR JOINT ACTIONS IN FLOOD MANAGEMENT IN THE SAVA RIVER BASIN (Trust Fund No. TF072015) FINANCED OUT OF THE "WESTERN BALKANS: WBIF PROGRAM TRUST FUND-REGIONAL"
Trust Fund Number: TF072015

Whereas, the International Bank for Reconstruction and Development (hereinafter referred to as the "World Bank") and the European Bank for Reconstruction and Development acting as co-manager of the European Western Balkans Joint Fund (hereinafter referred to as the "EBRD") entered into a Trust Fund Administration Agreement Regarding Implementation by The World Bank of Projects Approved by the Steering Committee of the Joint Grant Facility of the Western Balkans Investment Framework, dated March 20, 2013 (the "Administration Agreement").

Whereas, the Ministry of Foreign Trade and Economic Relations of Bosnia and Herzegovina, the Ministry of Environment and Water of the Republic of Serbia, the Ministry of Rural Development and Water of Montenegro, and the International Sava River Basin Commission ("ISRBC") (the "Project Beneficiaries") have requested the World Bank to provide to the Project Beneficiaries technical assistance for implementation of the Project, as described in Schedule 1 of this Implementation Agreement.

Whereas, on June 12, 2014 the Steering Committee of the JGF has approved the Project to be financed out of the EWBJF Resources and has assigned the World Bank to act as a Lead Financial Institution, as such term is defined in the Administration Agreement.

Whereas, the World Bank agrees to implement the Project in accordance with the terms and conditions set forth in the Administration Agreement and in this Implementation Agreement.

Now therefore, the World Bank and the EBRD, agree as follows:

Terms not otherwise defined in this Implementation Agreement are used as defined in the Administration Agreement.

1. Implementation Period of the Project

The implementation period of the Project shall commence on the day following the date of entry into force of this Implementation Agreement (the "Commencement Date") and shall be completed by June 30, 2017, which shall in no case be less than four (4) months prior to the End Disbursement Date (the "Closing Date"). The period of time between the Commencement Date and the Closing Date, both inclusive, shall constitute the "Implementation Period" of the Project.
2. **Amount and disbursement of the Contribution**

In accordance with the provisions of the Administration Agreement and the approval of the Steering Committee of the JGF of the WBIF dated June 12, 2014, the EBRD shall transfer the EWBJF Grant to the World Bank in the amount of EUR 2,000,000 (two million Euros) to the Trust Fund.

EBRD shall inform the World Bank when such payment has been initiated. When making each such transfer, EBRD shall instruct its bank to include in its payment details information (remittance advice) field of its SWIFT payment message, information indicating: the amount paid, that the payment is made by the EBRD for TFO72015 the "Western Balkans Investment Framework (WBIF) Program-Regional" (the "Trust Fund") and for the project ‘Joint Actions in Flood Management in the Sava River Basin Project (P153325)”, and the date of the deposit (the "Deposit Instruction"). In addition, the EBRD shall provide a copy of the EBRD’s Deposit Instruction to the World Bank's Accounting Trust Funds Division by e-mail sent to tfremitadvice@worldbank.org or by fax sent to (202) 614-1315.

The World Bank shall promptly confirm receipt of the full amount of the EWBJF Grant so transferred.

3. **Payment Terms**

3.1 Following the entry into force of this Implementation Agreement, the EWBJF Grant shall be paid in full by the EBRD in EUR, to the Trust Fund, within 15 (fifteen) days of the receipt of a Call of Funds from the World Bank.

3.2 It is expressly acknowledged and agreed that the EBRD shall not be obliged to make any payment under and/or pursuant to this Implementation Agreement, except to the extent that an amount in respect of, and equal to, such payment is available to the EBRD in the Fund Account for such purpose.

4. **Use of the EWBJF Grant**

The EWBJF Grant shall be used by the World Bank solely for the purpose of implementing the Project in accordance with this Implementation Agreement, and the provisions of the Administration Agreement.

Upon transfer of the EWBJF Grant by the EBRD to the World Bank, the World Bank shall be solely responsible for the management and administration of the EWBJF Grant in accordance with the terms of the Administration Agreement and this Implementation Agreement.
5. Communication

Except as provided for in Section 4.3 of the Administration Agreement, any notice, request or other communication to be given or made under this Implementation Agreement shall be in writing and delivered by mail, facsimile or e-mail to the respective party's address specified below or at such other address as such party notifies in writing to the other party from time to time:

For the World Bank:
Anna Cestari
Lead Water Resources Specialist Agriculture and Rural Development Sector Unit, Europe and Central Asia Region
The World Bank
1818 H Street, NW
Washington, DC 20433
U.S.A.
Tel: (202) 458-7288
E-mail: galaerts@worldbank.org

For the EBRD:

EBRD
One Exchange Square
London EC2A 2JN
United Kingdom
Attention: Director, Donor Co-Financing
Telefax: +44 207 338 6942
E-mail:

6. Amendment

This Implementation Agreement may be amended only in writing between the World Bank and the EBRD, in accord with the EIB, except for changes in communication addresses, which may be agreed by exchange of letters among the Parties.

7. Disclosure

The World Bank will disclose this Implementation Agreement and applicable related information on this Implementation Agreement in accordance with the World Bank Policy on Access to Information. By entering into this Implementation Agreement, the EBRD consents to disclosure of this Implementation Agreement and related information on the Implementation Agreement.
8. Settlement of Disputes

Any disputes arising out of or in connection with this Agreement, including its existence, validity, interpretation or termination shall be settled amicably between the World Bank and the EBRD. In default of amicable settlement, the World Bank or the EBRD may refer the matter for resolution through arbitration in accordance with the UNCITRAL Arbitration Rules as at present in force. There shall be one arbitrator and the appointing authority shall be Permanent Court of Arbitration at The Hague. The place of arbitration shall be The Hague and the English language shall be used throughout the arbitral proceedings. The arbitral tribunal shall not be authorized to grant, and the Parties agree that neither Party shall seek from any judicial authority, any interim measures or pre-award relief against the other Party, any provisions of UNCITRAL Arbitration Rules notwithstanding.

9. Privileges and Immunities

Nothing in this Agreement shall be construed as a waiver, renunciation or modification of any of the immunities, privileges or exemptions enjoyed by the World Bank, the EBRD and the EIB, their Governors, Directors, alternates, officers and employees pursuant to their respective constituent documents, international convention or any applicable law, all of which are expressly reserved.

10. Accord with the European Investment Bank

For purposes of the EWBJF General Conditions, the EBRD hereby represents to the World Bank that it is entering into this Agreement in full accord with the EIB.

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IN WITNESS WHEREOF, each Party, acting through its duly authorized representative(s), has signed two originals of this Agreement in the English language, all originals having equal force for all legal purposes. This Agreement shall become effective as the date of the last countersignature.

FOR THE WORLD BANK:  
By: 
Authorized Representative
Name: ALEXANDRIA ROYLAND
Title: SENIOR OPERATIONS OFFICER
Date: 7/7/2015

FOR THE EBRD:  
By: Camilla Otto
Authorized Representative
Name: CAMILLA OTTO
Title: DIRECTOR DONOR CO-FINANCING
Date: 22.6.2015
SCHEDULE 1
TO THE IMPLEMENTATION AGREEMENT
FOR JOINT ACTIONS IN FLOOD MANAGEMENT IN THE
SAVA RIVER BASIN PROJECT

This Schedule shall be applicable to and form an integral part of the Implementation Agreement entered into between the World Bank and the EBRD.

A. Description of the Project

The development objective is sustainable flood protection in the Sava River Basin, by aiming to prevent or limit hazard, to reduce flood risk, and to reduce or mitigate adverse consequences of floods (the "Project").

The Project consists of the following Parts:

World Bank Executed Activities:

Part 1. Flood risk management plan

Developing a flood risk management plan for the Sava River Basin (the “Basin”), aimed at: (i) setting up common objectives for managing the flood risk at the Basin based on long-term sustainable approaches; and (ii) ensuring a consistent and coordinated approach to flood risk management in the Basin.

The flood risk management plan for the Basin will consist of the following:

i. A summary of conclusions relevant to the Basin drawn from the preliminary flood risk assessment prepared/to be prepared by the governments of Serbia, Montenegro and Bosnia and Herzegovina, and flood hazard and risk maps;

ii. A program of measures (“PoM”) relevant to the Basin to improve the flood safety, including structural and non-structural measures;

iii. A PoM implementation proposal, consisting of PoM implementation prioritisation, timing, method and entities responsible for implementation; and

iv. A PoM environmental impact assessment, to ensure ecological foundations for identification of special environment protection requirements.

Part 2. Flood forecasting and warning system

Developing a flood forecasting and warning system for the Basin, through the following:

i. Identification, assessment and acquisition of relevant data and information for the Basin, including hydro-meteorological data; meteorological quantitative
precipitation forecasts from the different numerical forecasting models available in the region, hydrological models, as well as the hydraulic routing models developed by the Project Beneficiaries; and other data, such as digital terrain models, soil type, land use maps, etc.

ii. Developing a common software platform for hydro-meteorological data and data management methods, through the following:

a. Setting up of a stand-alone platform for real-time flood forecasting structured for Basin;
b. Homogenization and integration of hydro-meteorological data and maps of the different Sava River sub-basins into the common system;
c. Integration of the different meteorological forecasting models and precipitation forecasts into the common platform;
d. Incorporation of existing hydrological models into the common platform and linked to relevant data;
e. Incorporation of available hydraulic models into the common platform and linked to relevant data;
f. Developing a single common distributed model (or water resources analysis and simulation), which takes into account the water balance at small pixels scale (smaller than 1 km) at the basin scale and its integration in the common platform.

iii. Assessment of predictive uncertainty and scenario generation, through the following:

a. Developing an operational tool for assessing predictive uncertainty in the precipitation and flood forecasts;
b. Carrying out predictive uncertain assessments with the above-mentioned operational tool to the different sub-catchments of the Basin and sharing results with stakeholders;
c. Developing a set of possible scenarios for floods and droughts in the Basin.

iv. Setting up the chaining of data-models-forecast scenarios into the common platform; and testing the system with active participation of the main stakeholders.

v. Carrying out a gap analysis consisting of (a) identification and assessment of data and information gaps regarding common flood forecasting and warning system for the Basin; and (b) recommendations for activities that will follow up on the Project.

vi. Developing an investment program for an optimal system for hydro-meteorological monitoring, forecasting and warning in the Basin, including an implementing plan proposal and tentative budget. The investment program shall also include measures foreseen for the national level, aiming to strengthen
capacities of hydro-meteorological services and agencies in charge of flood protection in the Sava River riparian countries.

B. Categories of Expenditures

The EWBJF Grant for the Project may be used to finance the following categories of expenditure, as applied by the World Bank:

i. Associated overheads;
ii. Consultants fees;
iii. Contractual services;
iv. Equipment costs lease
v. Extended term consultants;
vi. Media and workshop costs;
vii. Staff costs (with indirects, as applicable);
viii. Travel expenses;
ix. Temporary support staff costs.