Global Environment Facility
Grant Agreement

(Sustainable Forest and Landscape Management Project)

between

BOSNIA AND HERZEGOVINA

and

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

acting as an Implementing Agency of the Global Environment Facility

Dated April 01, 2014
GLOBAL ENVIRONMENT FACILITY
GRANT AGREEMENT

AGREEMENT dated  April  01  , 2014, entered into between: BOSNIA AND HERZEGOVINA ("Recipient"); and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("World Bank"), acting as an implementing agency of the Global Environment Facility ("GEF").

The Recipient and the World Bank hereby agree as follows:

Article I
Standard Conditions; Definitions


1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the Standard Conditions or in this Agreement.

Article II
The Project

2.01. The Recipient declares its commitment to the objectives of the project described in Schedule 1 to this Agreement ("Project"). To this end, the Recipient shall cause the Federation to carry out Part A of the Project, and RS to carry out part B of the Project, in accordance with the provisions of Article II of the Standard Conditions and the Federation Project Agreement and the RS Project Agreement, respectively.

2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the Recipient and the World Bank shall otherwise agree, the Recipient shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.
Article III
The Grant

3.01. The World Bank agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a grant in an amount equal to five million five hundred seventy-five thousand seven hundred fifty-eight United States Dollars ($5,575,758) ("Grant") to assist in financing the Project.

3.02. The Recipient may withdraw the proceeds of the Grant in accordance with Section IV of Schedule 2 to this Agreement.

3.03. The Grant is funded out of the abovementioned trust fund for which the World Bank receives periodic contributions from the donors to the trust fund. In accordance with Section 3.02 of the Standard Conditions, the World Bank’s payment obligations in connection with this Agreement are limited to the amount of funds made available to it by the donors under the abovementioned trust fund, and the Recipient’s right to withdraw the Grant proceeds is subject to the availability of such funds.

Article IV
Additional Remedies

4.01. The Additional Events of Suspension referred to in Section 4.02 (k) of the Standard Conditions consist of the following:

(a) either Entity shall have failed to perform any of its obligations under the Project Agreement or the Subsidiary Agreement; or

(b) as a result of events which have occurred after the date of this Agreement, an extraordinary situation shall have arisen which shall make it improbable that either Entity shall be able to perform its obligations under the Project Agreement or the Subsidiary Agreement.

Article V
Effectiveness; Termination

5.01. This Agreement shall not become effective until evidence satisfactory to the World Bank has been furnished to the World Bank that the conditions specified below have been satisfied:

(a) the execution and delivery of this Agreement on behalf of the Recipient has been duly authorized or ratified by all necessary governmental action;
(b) a Project Agreement has been executed on behalf of the Bank and an Entity; and

(c) for the Entity referred to in paragraph (b) of this Section 5.01, a Subsidiary Agreement has been executed on behalf of the Recipient and the Entity concerned, on terms and conditions satisfactory to the Bank.

5.02. As part of the evidence to be furnished pursuant to Section 5.01, there shall be furnished to the World Bank an opinion or opinions satisfactory to the World Bank of a counsel acceptable to the World Bank or, if the World Bank so requests, a certificate satisfactory to the World Bank of a competent official of the Member Country, showing the following matters:

(a) on behalf of the Recipient, that this Agreement has been duly authorized or ratified by, and executed and delivered on its behalf and is legally binding upon it in accordance with its terms;

(b) on behalf of the Entity referred to in paragraph (b) of Section 5.01 of this Agreement, that the Project Agreement has been duly authorized or ratified by, and executed and delivered on its behalf and is legally binding upon it in accordance with its terms; and

(c) the Subsidiary Agreement referred to in paragraph (c) of Section 5.01 of this Agreement has been duly authorized or ratified by the Recipient and the Entity concerned and is legally binding upon each such party in accordance with its terms.

5.03. Except as the Recipient and the World Bank shall otherwise agree, this Agreement shall enter into effect on the date upon which the World Bank dispatches to the Recipient notice of its acceptance of the evidence required pursuant to Section 5.01 ("Effective Date"). If, before the Effective Date, any event has occurred which would have entitled the World Bank to suspend the right of the Recipient to make withdrawals from the Grant Account if this Agreement had been effective, the World Bank may postpone the dispatch of the notice referred to in this Section until such event (or events) has (or have) ceased to exist.

5.04. This Agreement and all obligations of the parties under it shall terminate if it has not entered into effect by the date one hundred and twenty (120) days after the date of this Agreement, unless the World Bank, after consideration of the reasons for the delay, establishes a later date for the purpose of this Section. The World Bank shall promptly notify the Recipient of such later date.
Article VI
Recipient’s Representative; Addresses

6.01. The Recipient’s Representative referred to in Section 7.02 of the Standard Conditions is its Minister of Finance and Treasury.

6.02. The Recipient’s Address referred to in Section 7.01 of the Standard Conditions is:

Ministry of Finance and Treasury
TrgBih 1
71000 Sarajevo
Bosnia and Herzegovina

Facsimile:

(387-33) 202-930

6.03. The World Bank’s Address referred to in Section 7.01 of the Standard Conditions is:

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

Cable: INTBAFRAD
Telex: 248423 (MCI) or 64145 (MCI)
Facsimile: 1-202-477-6391
AGREED at Sarajevo, Bosnia and Herzegovina, as of the day and year first above written.

BOSNIA AND HERZEGOVINA

By

[Signature]

Authorized Representative

Name: NIKOLA SPIRIC

Title: MINISTER OF FINANCE

AND TREASURY OF BH

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
acting as an Implementing Agency of the
Global Environment Facility

By

[Signature]

Authorized Representative

Name: ANABELA ABREU

Title: COUNTRY MANAGER
SCHEDULE 1

Project Description

The objective of the Project is to build capacity of forestry sector stakeholders and to demonstrate approaches for Sustainable Forest Land Management (SFLM) through integrated management of vulnerable forest, scrub and pasture landscapes.

The Project consists of the following parts:

Part A The Federation

I. Enhanced Planning and monitoring for SFLM

(a) Supporting the certification and recertification of forest management in the Federation.

(b) Strategic planning for forest roads through: (i) the preparation of a model forest roads master plan; and (ii) the adoption of road rehabilitation guidelines to minimize environmental and social impacts.

(c) Strengthening the use of FMIS for decision-making through: (i) the introduction of information related to climate change; and (ii) dissemination of information to stakeholders.

II. Demonstration and replication of SFLM techniques in vulnerable areas

(a) Carrying out afforestation, assisted natural regeneration and forest stand rehabilitation activities on selected public forest estates including: (i) afforestation with native species; (ii) afforestation with new species appropriate for drying conditions or increased fire hazard; (iii) stand management complementing natural regeneration through thinning and weeding; (iv) stand rehabilitation using enrichment planting, limbing or thinning; (v) forest conversion from coppice forest to high forest; and (vi) production of seedlings using methods or species appropriate to improve climate resilience, all in accordance with existing forest management plans.

(b) Carrying out SFLM demonstration activities in Selected Areas including activities such as: (i) non-timber forest product (NTFP) harvesting; (ii) hunting and wildlife management complementing forest management; (iii) bio-mass management for energy production; (iv) bio-mass thinning for local use and fire management; and (v) forest-based tourism.
(c) Carrying out small scale fire management demonstration activities in areas under fire hazard.

(d) Providing operational support for the facilitation of local participation in the SFLM and fire management Demonstration Activities

III. Project Management

(a) Supporting Project management including (i) financial management and procurement; (ii) annual audits; and (iii) project evaluations.
Part B  Republika Srpska

I.  Enhanced Planning and monitoring for SFLM

(a)  Supporting the recertification of forest management in the RS.

(b)  Strategic planning for forest roads through: (i) the preparation of a model forest roads master plan; and (ii) the adoption of road rehabilitation guidelines to minimize environmental and social impacts.

(c)  Strengthening the use of FMIS for decision-making through: (i) the introduction of information related to climate change; and (ii) dissemination of information to stakeholders.

II. Demonstration and replication of SFLM techniques in vulnerable areas

(a)  Carrying out afforestation, assisted natural regeneration and forest stand rehabilitation activities on selected public forest estates including: (i) afforestation with native species; (ii) afforestation with new species appropriate for drying conditions or increased fire hazard; (iii) stand management complementing natural regeneration through thinning and weeding; (iv) stand rehabilitation using enrichment planting, limbing or thinning; (v) forest conversion from coppice forest to high forest; and (vi) production of seedlings using methods or species appropriate to improve climate resilience, all in accordance with existing forest management plans.

(b)  Carrying out SFLM demonstration activities in Selected Areas including activities such as: (i) non-timber forest product (NTFP) harvesting; (ii) hunting and wildlife management complementing forest management; (iii) bio-mass management for energy production; (iv) bio-mass thinning for local use and fire management; and (v) forest-based tourism.

(c)  Carrying out small scale fire management demonstration activities in areas under fire hazard.

(d)  Providing operational support for the facilitation of local participation in the SFLM and fire management Demonstration Activities

III. Project Management

Supporting Project management including (i) financial management and procurement; (ii) annual audits; and (iii) project evaluations.
SCHEDULE 2

Project Execution

Section I. Institutional and Other Arrangements

A. Institutional Arrangements

1. The Recipient shall cause:
   (a) the Federation to carry out Part A of the Project under the overall responsibility of MAWF; and
   (b) the RS to carry out Part B of the Project under the overall responsibility of MAFW.

2. The Recipient shall cause each Entity to maintain its respective PIU at all times during Project implementation with resources and responsibilities satisfactory to the World Bank, including procurement and financial management, and with competent staff in adequate numbers.

3. The Recipient shall, and shall cause the Entities to:
   (a) duly perform all obligations under the Project Operational Manual in a timely manner and in accordance with their respective terms, and apply and implement, as the case may be, the actions, criteria, policies, procedures and arrangements therein set forth; and
   (b) not amend or waive, or permit to be amended or waived, the Project Operational Manual or any provision thereof, except with the prior written approval of the World Bank.

B. Subsidiary Agreements

1. To facilitate the carrying out of the Project, the Recipient shall make part of the proceeds of the Grant, allocated from time to time to Category (1) as set forth on the table in Section IV.A.2 of Schedule 2 to this Agreement, available to the Federation under a subsidiary agreement ("Federation Subsidiary Agreement") between the Recipient and the Federation, under terms and conditions acceptable to the World Bank.

2. To facilitate the carrying out of the Project, the Recipient shall make part of the proceeds of the Grant, allocated from time to time to Category (2) as set forth on the table in Section IV.A.2 of Schedule 2 to this Agreement, available to the RS under a subsidiary agreement ("RS Subsidiary Agreement") between the Recipient and the RS, under terms and conditions acceptable to the World Bank.
3. The Recipient shall exercise its rights under the Subsidiary Agreements in such manner as to protect the interests of the Recipient and the World Bank and to accomplish the purposes of the Grant. Except as the World Bank shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive the Subsidiary Agreements or any of their provisions.

C. Safeguards.

1. The Recipient shall cause the Entities:

   (a) to carry out their respective parts of the Project in accordance with the EMF;

   (b) prior to carrying out any activities under Parts A.II and B.II of the Project, to prepare EMPs in accordance with the EMF, in form and substance satisfactory to the World Bank, and to implement said activities in accordance with the relevant EMP;

   (c) to ensure that: (i) no Project activities involve land acquisition; and (ii) if any Project activities require temporary use of land, it shall be done with a request and in consultation with the owners or users thereof;

   (d) to ensure that no Project activities involve the use of pesticides or the significant conversion or degradation of critical natural habitats;

   (e) to ensure that any guidelines, reviews and plans with respect to forest roads, to be supported under Parts A.I.(b) and B.I.(b) of the Project are carried out under terms of reference satisfactory to the World Bank and are consistent with, and pay due attention to, international environmental standards and practice, as well as the Recipient’s own laws relating to the environmental and social aspects of the Project.

D. Anti-Corruption

The Recipient shall ensure that the Project is carried out in accordance with the provisions of 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 (“Anti-Corruption Guidelines”).

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports; Completion Report

1. The Recipient shall and shall cause the Entities to monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the
provisions of Section 2.06 of the Standard Conditions and on the basis of indicators acceptable to the World Bank. Each Project Report shall cover the period of six (6) months, and shall be furnished to the World Bank not later than forty-five (45) days after the end of the period covered by such report.

2. The Recipient shall prepare the Completion Report in accordance with the provisions of Section 2.06 of the Standard Conditions. The Completion Report shall be furnished to the World Bank not later than six (6) months after the Closing Date.

B. Financial Management; Financial Reports; Audits

1. The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.

2. The Recipient shall ensure that interim unaudited financial reports for the Project are prepared and furnished to the World Bank not later than forty-five (45) days after the end of each calendar quarter, covering the quarter, in form and substance satisfactory to the World Bank.

3. The Recipient shall have its Financial Statements for the Project audited in accordance with the provisions of Section 2.07 (b) of the Standard Conditions. Each such audit of the Financial Statements shall cover the period of one fiscal year of the Recipient. The audited Financial Statements for each such period shall be furnished to the World Bank not later than six months after the end of such period.

Section III. Procurement

A. General

1. Procurement and Consultant Guidelines. All goods, works, non-consulting services and consultants’ services required for the Project and to be financed out of the proceeds of the Grant shall be procured in accordance with the requirements set forth or referred to in:

(a) Section I of the “Guidelines: Procurement of Goods, Works and Non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” dated January 2011 (“Procurement Guidelines”) in the case of goods, works and non-consulting services, and Sections I and IV of the “Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” dated January 2011 (“Consultant Guidelines”) in the case of consultants’ services; and
(b) the provisions of this Section III, as the same shall be elaborated in the procurement plan prepared and updated from time to time by the Recipient for the Project in accordance with paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines ("Procurement Plan").

2. Definitions. The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the World Bank of particular contracts, refer to the corresponding method described in Sections II and III of the Procurement Guidelines, or Sections II, III, IV and V of the Consultant Guidelines, as the case may be.

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

1. International Competitive Bidding. Except as otherwise provided in paragraph 2 below, goods, works and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding.

2. Other Methods of Procurement of Goods, Works and Non-consulting Services. The following methods, other than International Competitive Bidding, may be used for procurement of goods, works and non-consulting services for those contracts specified in the Procurement Plan: (a) National Competitive Bidding, subject to the additional provision set forth in the attached Annex to Schedule 2; (b) Shopping; and (c) Direct Contracting.

C. Particular Methods of Procurement of Consultants' Services

1. Quality- and Cost-based Selection. Except as otherwise provided in paragraph 2 below, consultants' services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.

2. Other Methods of Procurement of Consultants' Services. The following methods, other than Quality- and Cost-based Selection, may be used for procurement of consultants' services for those assignments which are specified in the Procurement Plan: (a) Selection under a Fixed Budget; (b) Least Cost Selection; (c) Selection based on Consultants' Qualifications; (d) Single-source Selection of consulting firms; (e) Selection of Individual Consultants; and (f) Single-source procedures for the Selection of Individual Consultants.

D. Review by the World Bank of Procurement Decisions

The Procurement Plan shall set forth those contracts which shall be subject to the World Bank's Prior Review. All other contracts shall be subject to Post Review by the World Bank.
Section IV. Withdrawal of Grant Proceeds

A. General

1. The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (a) Article III of the Standard Conditions; (b) this Section; and (c) such additional instructions as the World Bank may specify by notice to the Recipient (including the "World Bank Disbursement Guidelines for Projects" dated May 2006, as revised from time to time by the World Bank and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.

2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Grant ("Category"), the allocations of the amounts of the Grant to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Grant Allocated (expressed in USD)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, works, non-consulting services, consultants' services, Training and Incremental Operating Costs under Part A of the Project</td>
<td>2,787,879</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Goods, works, non-consulting services, consultants' services, Training and Incremental Operating Costs under Part B of the Project</td>
<td>2,787,879</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>5,575,758</td>
<td></td>
</tr>
</tbody>
</table>
B. **Withdrawal Conditions; Withdrawal Period**

1. Notwithstanding the provisions of part A of this Section no withdrawal shall be made:

   (a) for payments made prior to the date of this Agreement;

   (b) for payments under Category (1) unless:

      (i) the Federation Project Agreement between the World Bank and the Federation has been executed, on terms and conditions satisfactory to the World Bank;

      (ii) the Federation Subsidiary Agreement has been executed on behalf of the Recipient and the Federation, on terms and conditions satisfactory to the World Bank; and

      (iii) opinions have been furnished to the World Bank stating that such Project Agreement and Subsidiary Agreement have been duly authorized or ratified by the parties there to and are legally binding upon them in accordance with their respective terms.

   (c) for payments under Category (2) unless:

      (i) the RS Project Agreement between the World Bank and the RS has been executed, on terms and conditions satisfactory to the World Bank;

      (ii) the RS Subsidiary Agreement has been executed on behalf of the Recipient and the RS, on terms and conditions satisfactory to the World Bank; and

      (iii) opinions have been furnished to the World Bank stating that such Project Agreement and Subsidiary Agreement have been duly authorized or ratified by the parties there to and are legally binding upon them in accordance with their respective terms.

2. The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is May 31, 2019.
ANNEX TO SCHEDULE 2

Additional Provisions for National Competitive Bidding

For the purposes of following National Competitive Bidding procedures in the procurement of goods, works and non-consulting services to be financed under the Grant, the following modifications and additions shall apply:

(1) Registration

(a) bidding shall not be restricted to pre-registered firms;

(b) where registration is required, bidders: (i) shall be allowed a reasonable time to complete the registration process; and (ii) shall not be denied registration for reasons unrelated to their capability and resources to successfully perform the contract, which shall be verified through post-qualification; and

(c) foreign bidders shall not be precluded from bidding. If a registration process is required, a foreign bidder declared the lowest evaluated bidder shall be given a reasonable opportunity to register.

(2) Advertising

Invitations to bid shall be advertised in at least one widely circulated national daily newspaper allowing a minimum of thirty (30) days for the preparation and submission of bids.

(3) Pre-qualification

When pre-qualification shall be required for large or complex works, invitations to pre-qualify for bidding shall be advertised in at least one widely circulated national daily newspaper a minimum of thirty (30) days prior to the deadline for the submission of pre-qualification applications. Minimum experience and technical and financial requirements shall be explicitly stated in the pre-qualification documents.

(4) Participation by Government-owned enterprises

Government-owned enterprises in Bosnia and Herzegovina, including those in the Federation and RS, shall be eligible to participate in bidding only if they can establish that they are legally and financially autonomous, operate under commercial law and are not a dependent
agency of the contracting authority. Furthermore, they will be subject to the same bid and performance security requirements as other bidders.

(5) Bidding Documents

Procuring entities shall use the appropriate standard bidding documents for the procurement of goods, works or services, acceptable to the World Bank.

(6) Bid Opening and Bid Evaluation

(a) bids shall be opened in public, immediately after the deadline for submission of bids;

(b) evaluation of bids shall be made in strict adherence to the monetarily quantifiable criteria declared in the bidding documents; and

(c) contracts shall be awarded to the qualified bidder having submitted the lowest-evaluated, substantially responsive bid and no negotiation shall take place.

(7) Price Adjustment

Civil works contracts of long duration (more than 18 months) shall contain an appropriate price adjustment clause.

(8) Rejection of Bids

All bids shall not be rejected and new bids solicited without the World Bank's prior concurrence.

(9) Securities

(a) bid security and performance security should follow the generally accepted practice used in the local market;

(b) alternative methods such as bid securing declaration may be acceptable, in which case the Borrower may require bidders to sign a declaration accepting that if they withdraw or modify their bids during the period of validity or they are awarded the contract and they fail to sign the contract or to submit a performance security before the deadline defined in the bidding
documents, the bidder will be suspended for bidding in any contract with the implementing unit; and

(c) no advance payment shall be made to contractors without a suitable advance payment security. These securities shall be included in the bidding documents in a text and format acceptable to the World Bank.

(10) **Right to inspect and audit**

Each contract financed out of the proceeds of the Grant shall provide that the suppliers, contractors and subcontractors shall permit the World Bank, at its request, to inspect their accounts and records relating to the procurement and performance of the contract and to have said accounts and records audited by auditors appointed by the World Bank. The deliberate and material violation by the supplier, contractor or subcontractor of such provision may amount to obstructive practice.

(11) **Fraud and Corruption**

The World Bank shall declare a firm or individual ineligible, either indefinitely or for a stated period, to be awarded a contract financed by the World Bank, if it at any time determines that the firm or individual has, directly or through an agent, engaged in corrupt, fraudulent, collusive, coercive or obstructive practices in competing for, or in executing, a contract financed by the World Bank.
APPENDIX

Definitions

1. “Entity” means either the Federation or RS, as the case may be, and Entities means the Federation and RS, collectively.

2. “Environmental Management Framework” or “EMF” means the environmental framework and management plan, satisfactory to the Bank, dated _______, adopted by the Recipient and describing the environmental mitigation, monitoring and institutional measures under the Project.

3. “Environmental Management Plan” or “EMP” means a site-specific Environmental Management Plan prepared under the Project in accordance with the EMF, describing the environmental mitigation measures anticipated for activities under the Project and the parties responsible for monitoring of construction and operational impacts.

4. “EU” means the European Union.

5. “Federation” means the Federation of Bosnia and Herzegovina, a constitutive part of the Recipient, and includes any successor or successors thereto.

6. “Federation PIU” means the Federation Project Implementation Unit headed by a Manager and comprising a qualified Procurement Manager, a Procurement Analyst, a Financial Manager, an Accountant, a Project Engineer and such other qualified personnel, as necessary, established in MAWF.

7. “Federation Project Agreement” means the Project Agreement entered into between the World Bank and the Federation for the purposes of carrying out Part A of the Project, as the same may be amended from time to time, and such term includes all schedules and agreements supplemental to the Federation Project Agreement.

8. “Federation Subsidiary Agreement” means the Subsidiary Agreement to be entered into between the Recipient and the Federation, pursuant to which the Recipient makes a part of the proceeds of the Grant available to the Federation for the carrying out of Part A of the Project, as the same may be amended from time to time with the prior approval of the World Bank, and such term includes all schedules and agreements supplemental to the Federation Subsidiary Agreement.

10. "Incremental Operating Costs" means reasonable incremental expenses incurred on account of Project implementation, management and monitoring, including office supplies, publication of procurement notices, vehicle operation, office and equipment maintenance and repair, communication, translation and interpretation, travel and supervision costs, and other miscellaneous costs directly associated with Project, but excluding salaries of officials and employees of the Recipient.

11. "MAFW" means the RS' Ministry of Agriculture, Forestry and Water Management.


13. "Project Agreement" means either the Federation Project Agreement or the RS Project Agreement, as the case may be, and Project Agreements means said Project Agreements collectively.

14. "Project Implementing Unit" or "PIU" means either the Federation PIU or the RS APCU, as the case may be, and "PIUs" means the Federation PIU and RS PIU, collectively.

15. "Project Operational Manual" means the manual, including the Environmental Framework, satisfactory to the World Bank and adopted by the Federation and RS, respectively, and setting out the operational and administrative procedures, responsibilities, and rules for the implementation of the Project, and including, inter alia, arrangements for Project implementation, the monitoring and evaluation guide, arrangements for procurement under the Project, the eligibility criteria and selection procedure for Selected Areas, the EMF and guidelines for parties to negotiate mutually agreeable arrangements in cases where conflicts may arise from SFLM activities.

16. "Republika Srpska" or "RS" means Republika Srpska, a constitutive part of the Recipient, and includes any successor or successors thereto.

17. "RS APCU" means the RS Agricultural Project Coordination Unit headed by a Manager and comprising a qualified Procurement Manager, a Procurement Analyst, a Financial Manager, an Accountant, a Project Engineer and such other qualified personnel, as necessary, established within MAFW.

18. "RS Project Agreement" means the Project Agreement between the World Bank and the RS for the purposes of carrying out Part B of the Project, as the same may be amended from time to time, and such term includes all schedules and agreements supplemental to the RS Project Agreement.
19. "RS Subsidiary Agreement" means the Subsidiary Agreement between the Recipient and RS, pursuant to which the Recipient makes a part of the proceeds of the Grant available to RS for the carrying out of Part B of the Project, as the same may be amended from time to time with the prior approval of the World Bank, and such term includes all schedules and agreements supplemental to the RS Subsidiary Agreement.

20. "Selected Areas" means individual or community landholdings selected following the criteria set forth in the Project Operational Manual.

21. "SFLM" means sustainable forest land management.

22. "Subsidiary Agreement" means the Federation Subsidiary Agreement or the RS Subsidiary Agreement, as the case may be, and Subsidiary Agreements mean the Federation Subsidiary Agreement and the RS Subsidiary Agreement, collectively.

23. "Training" means all expenditures related to training activities under the Project such as training workshops, study tours and local training and including fees, travel costs and per-diem allowances for the trainers and trainees, cost of training materials, space and equipment rental, and other related expenditures.