

Klasa: 441-03/11-01/06

Urbroj: 5030125-11-6

Zagreb, 20. listopada 2011.

PREDSJEDNIKU HRVATSKOGA SABORA

Predmet: Prijedlog zakona o potvrđivanju Ugovora o financiranju između Republike Hrvatske i Europske investicijske banke za projekt „Financiranje vodno-komunalne infrastrukture“, s Konačnim prijedlogom zakona

Na temelju članka 84. Ustava Republike Hrvatske (Narodne novine, br. 56/90, 135/97, 8/98 – pročišćeni tekst, 113/2000, 124/2000 – pročišćeni tekst, 28/2001, 41/2001 – pročišćeni tekst, 55/2001 – ispravak, 76/2010 i 85/2010 – pročišćeni tekst) i članaka 129. i 159. Poslovnika Hrvatskoga sabora (Narodne novine, br. 71/2000, 129/2000, 117/2001, 6/2002 – pročišćeni tekst, 41/2002, 91/2003, 58/2004, 69/2007, 39/2008 i 86/2008), Vlada Republike Hrvatske podnosi Prijedlog zakona o potvrđivanju Ugovora o financiranju između Republike Hrvatske i Europske investicijske banke za projekt „Financiranje vodno-komunalne infrastrukture“, s Konačnim prijedlogom zakona za hitni postupak.

Za svoje predstavnike, koji će u njezino ime sudjelovati u radu Hrvatskoga sabora i njegovih radnih tijela, Vlada je odredila mr. sc. Božidara Pankretića, potpredsjednika Vlade Republike Hrvatske i ministra regionalnog razvoja, šumarstva i vodnoga gospodarstva, Zdravka Krmeka, Karla Gjurašića i Hermana Sušnika, državne tajnike u Ministarstvu regionalnog razvoja, šumarstva i vodnoga gospodarstva, te Ružicu Drmić, ravnateljicu u Ministarstvu regionalnog razvoja, šumarstva i vodnoga gospodarstva.

PREDSJEDNICA

Jadranka Kosor, dipl. iur.

**PRIJEDLOG ZAKONA O POTVRĐIVANJU UGOVORA O FINANCIRANJU
IZMEĐU REPUBLIKE HRVATSKE I EUROPSKE INVESTICIJSKE BANKE ZA
PROJEKT "FINANCIRANJE VODNO-KOMUNALNE INFRASTRUKTURE",
S KONAČNIM PRIJEDLOGOM ZAKONA**

PRIJEDLOG ZAKONA O POTVRĐIVANJU UGOVORA O FINANCIRANJU IZMEĐU REPUBLIKE HRVATSKE I EUROPSKE INVESTICIJSKE BANKE ZA PROJEKT "FINANCIRANJE VODNO-KOMUNALNE INFRASTRUKTURE"

I. USTAVNA OSNOVA ZA DONOŠENJE ZAKONA

Ustavna osnova za donošenje Zakona o potvrđivanju Ugovora o financiranju između Republike Hrvatske i Europske investicijske banke za projekt „Financiranje vodno-komunalne infrastrukture“ (u daljnjem tekstu: Ugovor o financiranju) sadržana je u odredbi članka 139. stavka 1. Ustava Republike Hrvatske (Narodne novine, br. 56/90, 135/97, 8/98 – pročišćeni tekst, 113/2000, 124/2000 – pročišćeni tekst, 28/2001, 41/2001 – pročišćeni tekst, 55/2001 – ispravak, 76/2010 i 85/2010 – pročišćeni tekst).

II. OCJENA STANJA I CILJ KOJI SE ZAKONOM ŽELI POSTIĆI

II.1. Ocjena stanja

II.1.1. O Europskoj investicijskoj banci

Europska investicijska banka (u daljnjem tekstu: EIB), osnovana 1958. Rimskim ugovorom o Europskoj ekonomskoj zajednici, jest financijska institucija Europske unije (u daljnjem tekstu EU) sa sjedištem u Luxembourg. Članice EIB-a su države članice EU i njih svih dvadeset i sedam zajednički, prema svojoj ekonomskoj snazi unutar EU, uplaćuju kapital EIB-a. Za potrebe financiranja projekata EIB se zadužuje na tržištima kapitala po vrlo povoljnim uvjetima budući da agencije za ocjenu kreditne sposobnosti redovito EIB ocjenjuju s „AAA“. Glavni ciljevi EIB-a su jačanje gospodarski manje razvijenih dijelova EU. EIB financira projekte prvenstveno unutar EU, a potom i projekte izvan EU koji povoljno utječu na jačanje europskih integracija. Tako EIB ima mandat za odobravanje zajmova i u državama srednje i istočne Europe i određenim mediteranskim državama koje su zatražile članstvo u EU, te državama Euro-mediteranskog partnerstva, itd. EIB spada u red financijskih institucija s najpovoljnijim uvjetima za zaduživanje jer ne zaračunava dodatne naknade. EIB kao financijska institucija EU osigurava vrlo povoljne uvjete financiranja.

II. 1.2. O uspostavljanju institucionalnih odnosa

Međusobni odnosi Republike Hrvatske i Europske investicijske banke generalno su uređeni Okvirnim sporazumom između Republike Hrvatske i Europske investicijske banke koji uređuje aktivnosti EIB-a u Republici Hrvatskoj (Narodne novine – Međunarodni ugovori, broj 6/2001), a koji je potpisan 13. prosinca 2000. godine.

Europska investicijska banka je u razdoblju od 2001. godine do danas u Republici Hrvatskoj odobrila 35 zajmova u sveukupnom iznosu od približno 2,5 milijardi eura. Od ukupnog broja zajmova, 24 zajma u ukupnom iznosu od 2,2 milijarde eura odobreno je za financiranje projekata u javnom sektoru, od čega 5 izravnih zajmova te 19 zajmova uz jamstvo Republike Hrvatske. Preostalih 11 zajmova bez jamstva Republike Hrvatske, u ukupnom iznosu od 350

milijuna eura, odobreno je financijskim institucijama u privatnom sektoru za financiranje projekata malog i srednjeg poduzetništva te leasing financiranje. U javnom sektoru Europska investicijska banka financira uglavnom velike infrastrukturne projekte (obnova komunalne infrastrukture na područjima od posebne državne skrbi, obnova i izgradnja cesta i autocesta, izgradnja plinovoda, zaštita okoliša, razvoj turizma i industrije).

U skladu s Odlukom Vlade Republike Hrvatske o pokretanju postupka za sklapanje Ugovora o financiranju od 13. listopada 2011. godine ovlašteno hrvatsko izaslanstvo obavilo je 14. listopada 2011. godine završne pregovore s Europskom investicijskom bankom o Ugovoru o financiranju.

Ugovor o financiranju potpisan je 18. listopada 2011. godine u Zagrebu, a za Republiku Hrvatsku potpisala ga je ministrica financija gđa. Martina Dalić, koju je za to ovlastila Vlada Republike Hrvatske, te 18. listopada 2011. godine u Luxembourg za Europsku investicijsku banku g. D. Courbin Voditelj odjela za kreditne poslove u Sloveniji, Hrvatskoj i zapadnom Balkanu i g. Massimo Nova, Voditelj odjela u Europskoj investicijskoj banci.

II. 2. Cilj koji se Zakonom želi postići

Zakonom se potvrđuje Ugovor o financiranju.

Radi se o zajmu kojim bi se financirao Projekt koji obuhvaća ulaganja u vodoopskrbne sustave, prikupljanje i pročišćavanje otpadnih voda te odvodnju oborinskih voda u općinama u svim hrvatskim županijama s izuzetkom Grada Zagreba.

U okviru Projekta moguća su slijedeća ulaganja u vodno-komunalnu infrastrukturu po pojedinom podprojektu:

- i. Proširenja/rekonstrukcije sustava odvodnje otpadnih i oborinskih voda i izgradnje uređaja za pročišćavanje otpadnih voda te;
- ii. Proširenje/rekonstrukcije vodoopskrbnih sustava.

Očekuje se da će više od 700 tisuća osoba diljem Hrvatske imati koristi od Projekta.

Projekt je potpuno usklađen s hrvatskim Okvirom za usklađenost strategija 2007.-2013. i posebice s Operativnom programom za okoliš čiji je cilj pripremiti Hrvatsku za puno članstvo u EU i sukladno s pravnom stečevinom Zajednice na području okoliša. Planirana ulaganja proizlaze iz aktivnosti i mjera navedenih u Strategiji upravljanja vodama (2008.) te su kao takva sukladna hrvatskom planu provedbe Direktive o vodi za piće i Direktive o pročišćavanju komunalnih otpadnih voda.

Ukupni troškovi povezani s Projektom „Financiranje vodno-komunalne infrastrukture“ (u daljnjem tekstu: Projekt) procijenjeni su na 150.000.000 eura. Europska investicijska banka potvrdila je sufinanciranje troškova Projekta putem zajma u iznosu od 75.000.000 eura dok se ostatak od 75.000.000 eura osigurava iz vlastitih ili ostalih izvora financiranja.

Prema uvjetima ponuđenim od Europske investicijske banke Republici Hrvatskoj, zajam je odobren na najviše 20 godina po svakoj pojedinoj povučenoj tranši zajma, uključujući početak od 5 godina.

Sredstva zajma bit će na raspolaganju za korištenje odmah nakon što Ugovor o financiranju stupi na snagu. Korištenje sredstava zajma ugovoreno je do 15. listopada 2015. godine.

OPIS ZAJMA

zajmoprimac:	Republika Hrvatska
zajmodavac:	Europska investicijska banka
iznos zajma:	75.000.000 eura
namjena:	Financiranje vodno-komunalne infrastrukture
rok otplate:	najviše 20 godina po povučenoj tranši zajma uključujući poček od 5 godina
kamata:	utvrđuje se prema odabiru zajmoprimca, a po prihvatu zajmodavca, prilikom svakog povlačenja sredstava zajma
naknade:	nema uobičajenih troškova za aranžiranje i rezervaciju sredstava zajma, osim troškova za odgodu, otkaz, obustavu ili prijevremenu otplatu
rok korištenja:	15. listopada 2015. godine

III. OSNOVNA PITANJA KOJA SE PREDLAŽU UREDITI ZAKONOM

Ovim Zakonom potvrđuje se Ugovor o financiranju kako bi njegove odredbe, u smislu članka 140. Ustava Republike Hrvatske (Narodne novine, broj 56/1990, 135/1997, 8/1998 – pročišćeni tekst, 113/2000, 124/2000 – pročišćeni tekst, 28/2001, 41/2001 – pročišćeni tekst, 55/2001 – ispravak, 76/2010 i 85/2010 – pročišćeni tekst), postale dio unutarnjeg pravnog poretka Republike Hrvatske, te se utvrđuje način podmirivanja financijskih obveza koje nastaju za Republiku Hrvatsku kao zajmoprimca, kao i središnje tijelo državne uprave u čijem je djelokrugu provedba Ugovora o financiranju.

IV. OCJENA SREDSTAVA POTREBNIH ZA PROVEDBU OVOGA ZAKONA

Republika Hrvatska, u svojstvu zajmoprimca, obvezuje se temeljem Ugovora o financiranju redovito i u potpunosti izvršavati sve financijske obveze, te je dužna pravovremeno planirati i osigurati sredstva u okviru odgovarajućih stavki državnih proračuna za razdoblje od 2011. do 2035. godine za isplatu kamata, naknada i otplatu glavnice.

V. PRIJEDLOG ZA DONOŠENJE ZAKONA PO HITNOM POSTUPKU

Temelj za donošenje ovoga Zakona po hitnom postupku nalazi se u članku 159. Poslovnika Hrvatskoga sabora (Narodne novine, br. 71/2000, 129/2000, 117/2001, 6/2002 – pročišćeni tekst, 41/2002, 91/2003, 58/2004, 69/2007, 39/2008 i 86/2008) i to u drugim osobito opravdanim državnim razlozima, budući da je njegovo stupanje na snagu uvjet za stupanje na snagu Ugovora o financiranju i uvjet za povlačenje sredstava Zajma.

S obzirom na prirodu postupka potvrđivanja međunarodnih ugovora, kojim država i formalno izražava spremnost da bude vezana već potpisanim međunarodnim ugovorom, kao i na činjenicu da se u ovoj fazi postupka u pravilu ne mogu vršiti izmjene ili dopune teksta međunarodnog ugovora, predlaže se da se ovaj Prijedlog zakona raspravi i prihvati po hitnom postupku, objedinjavajući prvo i drugo čitanje.

**KONAČNI PRIJEDLOG ZAKONA O POTVRĐIVANJU
UGOVORA O FINANCIRANJU IZMEĐU REPUBLIKE HRVATSKE I
EUROPSKE INVESTICIJSKE BANKE ZA PROJEKT "FINANCIRANJE
VODNO-KOMUNALNE INFRASTRUKTURE"**

Članak 1.

Potvrđuje se Ugovor o financiranju između Republike Hrvatske i Europske investicijske banke za Projekt "Financiranje vodno-komunalne infrastrukture", potpisan u Luxembourg, 18. listopada 2011. godine i u Zagrebu, 18. listopada 2011. godine, u izvorniku na engleskom jeziku.

Članak 2.

Tekst Ugovora iz članka 1. ovoga Zakona, u izvorniku na engleskom jeziku i u prijevodu na hrvatski jezik, glasi:

FI N° 31.176 (HR)
Serapis N° 2009-0032

FINANCIRANJE VODNO-KOMUNALNE INFRASTRUKTURE

Ugovor o financiranju

između

Republike Hrvatske

i

Europske investicijske banke

Luxembourg, 18. listopada 2011. godine
Zagreb, 18. listopada 2011. godine

OVAJ JE UGOVOR SKLOPLJEN IZMEĐU:

Republike Hrvatske, u čije ime
djeluje i koja djeluje putem (u daljnjem tekstu "**Zajmoprimac**")
Ministarstva financija, koju zastupa
ministrica financija, gđa. Martina
Dalić

s jedne strane, i

Europske investicijske banke sa
sjedištem u 100 blvd Konrad
Adenauer, Luxembourg, L-2950 (u daljnjem tekstu "**Banka**")
Luxembourg, koju zastupa g.
Dominique Courbin, Voditelj odjela
i g. Massimo Novo, Voditelj odjela

s druge strane.

BUDUĆI DA JE:

- (1) Zajmoprimac izjavio da pokreće projekt (u daljnjem tekstu "**Projekt**") financiranja manjih potprojekata unaprjeđenja vodoopskrbnih sustava, prikupljanja i obrade otpadnih voda, te odvodnje oborinskih voda u jedinicama lokalne samouprave (gradovi i općine), JLS-i, predstavljeni Komunalnim poduzećem (u daljnjem tekstu "**Krajnji korisnik/ci**") svih hrvatskih županija (sa izuzetkom Grada Zagreba), a koje provode jedinice lokalne samouprave na području Republike Hrvatske (u daljnjem tekstu "**Potprojekt/i**"), detaljnije opisani u tehničkom opisu ("**tehnički opis**") utvrđenim u Prilogu A.
- (2) Ukupni trošak Projekta, prema procjeni Banke, iznosi 150.000.000,00 EUR (stopedest milijuna eura) i Zajmoprimac je izjavio da namjerava financirati Projekt kako slijedi:

Izvor:	Iznos (EUR)
Vlastita sredstva ili ostali izvori financiranja	75.000.000,00
Kredit Europske investicijske banke	75.000.000,00
UKUPNO	150.000.000,00

- (3) U svrhu ostvarenja plana financiranja utvrđenog u Uvodnoj odredbi (2), Zajmoprimac je od Banke zatražio kredit u iznosu od EUR 75,000,000.00 (sedamdeset pet milijuna eura).
- (4) Republika Hrvatska i Banka su 13. prosinca 2000. godine sklopile Okvirni sporazum kojim se uređuju aktivnosti Banke u Republici Hrvatskoj (u daljnjem tekstu "**Okvirni sporazum**"), potvrđen zakonom koji je Hrvatski Sabor usvojio 3. svibnja 2001. godine, objavljenim u službenom glasilu Republike Hrvatske "*Narodne novine - međunarodni ugovori*", br. 6/2001 od 23. svibnja 2001.
- (5) Hrvatsko Ministarstvo regionalnog razvoja, šumarstva i vodnoga gospodarstva (u daljnjem tekstu "**MRRŠVG**"), koje je nadležno za sektor vodnog gospodarstva je promotor Projekta, dok su Hrvatske vode (u nastavku "**HV**") kao nacionalna agencija vodnog gospodarstva nadležna i za provođenje infrastrukturnih investicija u vodnom gospodarstvu, predlagat će potprojekte za financiranje prema ovom Ugovoru; u okviru Hrvatskih voda osnovat će se nova Jedinica za provedbu projekta (u daljnjem tekstu "**JPP**"), koja će biti sastavljena od djelatnika s odgovarajućim međunarodnim iskustvom, a čiji će zadatak biti učinkovito dovršenje i pokretanje rada postrojenja uključenih u potprojekte. Ugovorom o Projektu (definiran u daljnjem tekstu) definirati će se zadaci i uloge Jedinice za provedbu projekta ustrojene u sklopu Hrvatskih voda, kao i uloge MRRŠVG te Ministarstva financija.
- (6) Člankom 3. Okvirnog sporazuma, Republika Hrvatska suglasila se da su kamate i svi ostali iznosi koje Banka potražuje i koji nastaju uslijed aktivnosti predviđenih Okvirnim sporazumom, kao i imovina i prihodi Banke povezani s takvim aktivnostima, izuzeti od obveze plaćanja poreza.
- (7) Člankom 4. Okvirnog sporazuma, Republika Hrvatska suglasila se da će tijekom trajanja svih financijskih operacija koje se provode u skladu s Okvirnim sporazumom:

- (a) osigurati (i) da Krajnji korisnici mogu konvertirati u bilo koju potpuno konvertibilnu valutu, prema prevladavajućem tržišnom deviznom tečaju na datum dospijeća, iznose u nacionalnoj valuti Hrvatske, koji su potrebni za pravodobno plaćanje svih iznosa koji se duguju Banci s obzirom na zajmove i jamstva u vezi s bilo kojim projektom te (ii) da se ti iznosi mogu slobodno, trenutačno i učinkovito prenijeti;
 - (b) osigurati: (i) da Banka može konvertirati u bilo koju potpuno konvertibilnu valutu, prema prevladavajućem tržišnom deviznom tečaju, iznose u nacionalnoj valuti Hrvatske, koje je Banka primila kao uplatu u vezi sa zajmovima i jamstvima te ostalim aktivnostima, te da Banka može slobodno, trenutačno i učinkovito prenijeti tako konvertirana sredstva ili, po izboru Banke, (ii) da se tim iznosima može slobodno služiti na području Hrvatske, te (iii) da Banka može prema prevladavajućem tržišnom deviznom tečaju konvertirati bilo koji iznos u nekoj potpuno konvertibilnoj valuti u nacionalnu valutu Hrvatske.
- (8) Banka, uzimajući u obzir da financiranje Projekta potpada pod djelokrug njezinih funkcija i da je on u skladu s ciljevima Okvirnoga sporazuma, te s obzirom na navode i činjenice navedene u ovoj Uvodnoj odredbi, odlučila je udovoljiti zahtjevu Zajmoprimca za dodjelom kredita u visini od 75.000.000,00 EUR (sedamdeset pet milijuna eura) prema ovom Ugovoru o financiranju ("**Ugovor**"); pod uvjetom da (i) iznos zajma Banke neće, ni u kom slučaju, biti veći od 50% (pedeset posto) ukupnih troškova Projekta utvrđenih u Uvodnoj odredbi (2) i (ii) da iznos svakog pojedinog povlačenja tranše u odnosu na potprojekt neće biti veći od 50% prihvatljivog troška potprojekta. U slučaj sufinanciranja potprojekta sredstvima Instrumenta za predpristupnu pomoć (IPA) ili kroz ostale sheme potpore EU, sveukupan iznos financiranja od strane Banke i Europske unije će ostati ispod 90% ukupnih troškova predmetnog potprojekta.
- (9) Statutom Banke utvrđuje se da će Banka osigurati da se njezina sredstva upotrebljavaju što je racionalnije moguće u interesu Europske unije ("**EU**"); i, slijedom toga, odredbe i uvjeti projekata financiranih zajmom Banke moraju biti sukladni mjerodavnim politikama EU-a.
- (10) Zajmoprimac potvrđuje prvenstveni kreditorni status Banke kao međunarodne financijske institucije.
- (11) Upućivanja u ovome Ugovoru na članke, uvodne odredbe, priloge i dodatke odnose se na, ako drugačije nije izričito navedeno, na članke, uvodne odredbe, priloge i dodatke ovog Ugovora.
- (12) U ovom Ugovoru:

"Rok prihvatanja" za obavijest znači:

- (i) u 16,00 sati po luksemburškom vremenu na dan dostave, ako je obavijest dostavljena do 14,00 sati po luksemburškom vremenu na radni dan; ili
- (ii) 11,00 sati po luksemburškom vremenu prvoga sljedećeg dana koji je radni dan, ako je obavijest dostavljena nakon 14,00 sati po luksemburškom vremenu bilo koji takav dan, ili ako je dostavljena na dan koji nije radni dan.

"Datum obračuna" je 31. prosinac 2011.

"Predmetni potprojekt" ima značenje koje mu je pridano u članku 4.03A(3).

"Dodjela sredstava" ima značenje koje joj je pridano u članku 1.09B.

"Pismo o dodjeli sredstava" ima značenje koje mu je pridano u članku 1.09B.

"Razdoblje dodjele sredstava" ima značenje koje mu je pridano u članku 1.09A.

"Zahtjev za dodjelom sredstava" ima značenje koje mu je pridano u članku 1.09A

"Birds Directive" (Direktiva o pticama) znači Direktiva 79/409/CEE.

"Radni dan" znači dan (osim subote ili nedjelje) na koji su Banka i poslovne banke otvorene za opće poslovanje u Luxembourggu.

"Događaj promjene zakona" ima značenje navedeno u članku 4.03A(4).

"Ugovor" ima značenje koje mu je pridano u Uvodnoj odredbi (8).

"Kredit" ima značenje koje mu je pridano u članku 1.01.

"HV" Hrvatske vode ima značenje koje mu je pridodano u Uvodnoj odredbi (5)

"Obavijest o isplati" znači obavijest od Banke Zajmoprimcu prema i u skladu s člankom 1.02C.

"Zahtjev za isplatu" znači obavijest koja u bitnome ima oblik utvrđen u Prilogu C.1.

"Događaj narušavanja" znači jedno od sljedećeg ili oboje:

- (a) materijalno narušavanje onih sustava plaćanja ili komunikacija, ili onih financijskih tržišta čije je djelovanje, u svakom slučaju, potrebno kako bi se mogla izvršiti plaćanja u vezi s ovim Ugovorom;
- (b) nastupanje bilo kojeg drugog događaja koji ima za posljedicu narušavanje (tehničke ili sistemske naravi) poslovanja riznice ili platnog poslovanja bilo Banke ili Zajmoprimca, a koji tu stranu sprječava da:
 - (i) ispuni svoje obveze plaćanja prema ovom Ugovoru; ili
 - (ii) komunicira s drugim strankama,

i koje narušavanje (u svakom takvom slučaju navedenom pod (a) ili (b)) nije izazvano, i koje je izvan kontrole strane čije je poslovanje narušeno.

"PUO" znači Procjena učinka na okoliš u skladu s Direktivom 83/337/CEE prema naknadnim izmjenama i dopunama.

"**EIB izvještaj o dodjeljenim sredstvima**" ima značenje koje mu je pridano u članku 1.11.

"**Okoliš**" znači sljedeće, u mjeri u kojoj oni utječu na dobrobit ljudi: (a) fauna i flora; (b) tlo, voda, zrak, klima i krajobraz; i (c) kulturna baština i izgrađeni okoliš, te uključuje sigurnost i zaštitu na radu te socijalne učinke Projekta.

"**Propisi za zaštitu okoliša**" znače pravo EU-a i hrvatske nacionalne zakone i propise, osim izuzeća dogovorenih između Hrvatske i EU, kao i primjenjive međunarodne ugovore, čiji je temeljni cilj očuvanje, zaštita ili unaprjeđenje okoliša.

"**EURIBOR**" ima značenje koje mu je pridano u Prilogu B.

"**Instrument vanjskog duga**" ima značenje koje mu je pridano u članku 7.01.

"**Rok raspoloživosti sredstava**" znači 15. listopada 2015. godine.

"**Krajnji korisnik/ci**" ima značenje koje mu je pridano u Uvodnoj odredbi (1).

"**Fiksna kamatna stopa**" znači godišnja kamatna stopa koju određuje Banka u skladu s primjenjivim načelima koja povremeno utvrđuju Upravni odbori Banke za zajmove s fiksnom kamatnom stopom, denominirane u valuti tranše i s jednakim uvjetima za otplatu glavnice i otplatu kamata.

"**Tranša s fiksnom kamatnom stopom**" znači tranša na koju se primjenjuje fiksna kamatna stopa.

"**Promjenjiva kamatna stopa**" znači promjenjiva kamatna stopa s fiksnim rasponom, tj. godišnja kamatna stopa koja je jednaka EURIBOR-u, uvećana ili umanjena za kamatnu maržu kojeg određuje Banka za svako iduće referentno razdoblje promjenjive kamatne stope.

"**Referentno razdoblje promjenjive kamatne stope**" znači svako razdoblje od jednog datuma plaćanja do sljedećeg relevantnog datuma plaćanja, a prvo referentno razdoblje promjenjive kamatne stope započet će na datum isplate tranše.

"**Tranša s promjenjivom kamatnom stopom**" znači tranša na koju se primjenjuje promjenjiva kamatna stopa.

"**Okvirni sporazum**" ima značenje koje mu je pridano u Uvodnoj odredbi (4).

"**Habitat Directive**" (**Direktiva o staništima**) znači Direktiva 92/43/CEE.

"**Događaj prijevremene otplate uz naknadu**" znači događaj prijevremene otplate prema članku 4.03A osim podstavaka 4.03A(1) i 4.03A(2).

"**Revizija/konverzija kamatne stope**" znači određivanje novih financijskih uvjeta povezanih s kamatnom stopom, posebice iste kamatne osnovice ("**revizija**") ili drugačije kamatne osnovice ("**konverzija**") koja se može ponuditi za preostalo

razdoblje tranše ili do sljedećeg datuma revizije/konverzije kamatne stope, ako će ga biti.

"Datum revizije/konverzije kamatne stope" znači datum, koji će biti datum plaćanja, koji specificira Banka sukladno članku 1.02B u Obavijesti o isplati ili sukladno članku 3. i Prilogu D.

"Prijedlog revizije/konverzije kamatne stope" znači prijedlog koji podnese Banka prema Prilogu D, za iznos koji na datum predložene revizije/konverzije kamatne stope nije manji od 10.000.000,00 EUR (deset milijuna eura) ili njegove protuvrijednosti.

"Zahtjev za reviziju/konverziju kamatne stope" znači pisana obavijest Zajmoprimca, dostavljena najmanje 75 (sedamdeset pet) dana prije datuma revizije/konverzije kamatne stope, kojom zahtijeva od Banke da mu podnese prijedlog revizije/konverzije kamatne stope. U zahtjevu za reviziju/konverziju kamatne stope također treba specificirati:

- (i) Datume plaćanja odabrane u skladu s odredbama članka 3.01;
- (ii) preferirani plan otplate, odabran u skladu s člankom 4.01 i
- (iii) bilo koji kasniji datum revizije/konverzije kamatne stope, odabran u skladu s člankom 3.01.

"Zajam" znači ukupan iznos tranši koji Banka s vremena na vrijeme isplati prema ovom Ugovoru.

"JLS" znači jedinice lokalne samouprave, predstavljene komunalnim poduzećem tj. Krajnji korisnici ovog zajma.

"Dogadaj narušavanja tržišta" znači da u vezi s nekom određenom najavljenom tranšom ili za tranšu u vezi s kojom je Zajmoprimac prihvatio prijedlog revizije/konverzije kamatne stope u skladu s Prilogom D:

- (a) postoje, prema opravdanom shvaćanju Banke, iznimne okolnosti koje negativno utječu na pristup Banke njezinim izvorima financiranja;
- (b) po mišljenju Banke, za financiranje takve tranše u relevantnoj valuti i/ili za relevantno dospijeće i/ili u vezi s načinom otplate takve tranše, Banci nisu dostupna sredstva iz njezinih uobičajenih izvora financiranja;
- (c) u vezi s Tranšom s obzirom na koju se kamata plaća prema promjenjivoj kamatnoj stopi:
 - (A) trošak za Banku od pribavljanja sredstava iz njezinih izvora financiranja, kako ga odredi Banka, za razdoblje jednako referentnom razdoblju tranše s promjenjivom kamatnom stopom (tj. na novčanom tržištu) bio bi veći od primjenjivog EURIBOR-a;

ili

(B) Banka ocijeni da ne postoji adekvatan i pravičan način za utvrđivanje primjenjivog EURIBOR-a za relevantnu valutu takve tranše, ili nije moguće odrediti EURIBOR u skladu s definicijom iz Priloga B.

"Značajna negativna promjena" znači, u vezi sa Zajmoprimcem, bilo koji događaj ili promjena uvjeta, u odnosu na uvjete koji važe na dan sklapanja Ugovora, koji utječu na Zajmoprimca i koji prema mišljenju Banke: (1) značajno umanjuju sposobnost Zajmoprimca da ispunjava svoje financijske ili druge obveze iz ovog Ugovora; (2) značajno umanjuju financijsku sposobnost Zajmoprimca; ili (3) negativno utječu na instrumente osiguranja koje je Zajmoprimac pribavio.

"Datum dospijeca" znači posljednji datum otplate tranše, definiran u skladu s člankom 4.01(b)(iii).

"MRRŠVG" ima značenje koje mu je pridano u Uvodnoj odredbi (5).

"Najavljena Tranša" znači tranša za koju je Banka izdala obavijest o isplati.

"Datum plaćanja" znači: godišnji, polugodišnji ili kvartalni datumi, specificirani u obavijesti o isplati do datuma revizije/konverzije kamatne stope, ako će ga biti, ili datuma dospijeca, osim što, u slučaju da bilo koji takav datum nije relevantni radni dan, to znači:

- (i) za tranšu s fiksnom kamatnom stopom, sljedeći relevantni radni dan, bez korekcije dospjele kamate iz članka 3.01; i
- (ii) za tranšu s promjenjivom kamatnom stopom, sljedeći dan, ako takav postoji, tog kalendarskog mjeseca koji je relevantni radni dan ili, ako ga nema, koji pada na najbliži prethodni dan koji je relevantni radni dan, u svim slučajevima uz odgovarajuću korekciju dospjele kamate iz članka 3.01.

"JPP" ima značenje koje mu je pridano u Uvodnoj odredbi (5).

"Iznos prijevremene otplate" znači iznos tranše koju će Zajmoprimac prijevremeno otplatiti u skladu s člankom 4.02A.

"Datum prijevremene otplate" znači datum, koji će biti datum plaćanja, koji Zajmoprimac predlaže za izvršenje prijevremene otplate Iznosa prijevremene otplate.

"Obavijest o prijevremenoj otplati" znači pisanu obavijest Zajmoprimca u kojoj se, između ostalog, detaljno navodi iznos prijevremene otplate i datum prijevremene otplate u skladu s člankom 4.02A.

"Projekt" ima značenje koje mu je pridano u Uvodnoj odredbi (1).

"Ugovor o Projektu" označava ugovor između Hrvatskih voda, MRRŠVG-a i Ministarstva financija, koji definira zadatke i uloge JPP unutar HV-a, te uloge MRRŠVG-a i Ministarstva financija u odnosu na Projekt, u obliku i sadržaju koji zadovoljava Banku.

"Stopa ponovnog angažmana" znači fiksna kamatna stopa koja vrijedi na dan izračunavanja naknade za zajmove s fiksnom kamatnom stopom denominirane u istoj valuti i koji će imati iste uvjete za plaćanje kamata i isti model otplate do datuma revizije/konverzije kamatne stope, ako će ga biti, ili datuma dospijeca kao i iznos prijevremene otplate. Za slučajeve kada je to razdoblje kraće od minimalnih intervala opisanih u članku 3.01, upotrijebit će se ekvivalent stope najbližeg odgovarajućeg novčanog tržišta, tj. EURIBOR umanjen za 0,125% (12,5 baznih bodova) za razdoblja do 12 (dvanaest) mjeseci. Za razdoblja koja padaju između 13 i 36/48 mjeseci, od slučaja do slučaja primjenjivat će se ponuđena cijena za kupnju kod swap stopa koje objavljuje Intercapital na stranici Reutersa za povezanu valutu i koje se Banka pridržava u vrijeme izračuna.

"Relevantni radni dan" znači:

- (i) za EUR, dan koji je radni dan prema kalendaru radnih dana u sustavu plaćanja Target; i
- (ii) za svaku drugu valutu, dan kada su banke otvorene za redovno poslovanje u glavnom domaćem financijskom središtu dotične valute.

"Planirani datum isplate" znači datum na koji se planira da će se tranša isplatiti u skladu s člankom 1.02B.

"Osiguranje" i **"Založno pravo"** znači svaka hipoteka, zalog, pravo zadržavanja, teret, prijenos, ugovor o hipoteci ili drugo založno pravo ili svaki drugi sporazum ili aranžman koji ima sličan učinak.

"Potprojekt/i" ima značenje koje mu je pridano u Uvodnoj odredbi (1), a osobito se odnosi na projekte JLS-a čiji je cilj rekonstrukcija i dogradnja manjih vodoopskrbnih sustava i sustava za odvodnju otpadnih i oborinskih voda, u svim hrvatskim županijama, osim glavnoga grada.

"Raspon" znači fiksni kamatni raspon u odnosu na EURIBOR (koji je ili plus ili minus) koji određuje Banka i o kojoj Banka obavijesti Zajmoprimca u relevantnoj obavijesti o isplati ili prijedlogu revizije/konverzije kamatne stope.

"TARGET" znači Trans-European Automated Real-Time Gross Settlement Payment System (TARGET) - Transeuropski automatizirani sustav velikih plaćanja u euru u realnome vremenu na bruto načelu.

"Tehnički opis" ima značenje koje mu je pridano u Uvodnoj odredbi (1).

"Dugoročni zajam" ima značenje koje mu je pridano u članku 4.03A(2).

"Tranša" znači svaka isplata izvršena ili koja treba biti izvršena prema ovom Ugovoru.

"KP" ima značenje komunalno poduzeće tj. Krajnji korisnik ovog Zajma – ima značenje koje mi je prodano u Uvodnoj odredbi (1)

"EU" ima značenje koje mu je pridano u Uvodnoj odredbi (9).

STOGA je dogovoreno kako slijedi:

ČLANAK 1. **Kredit i isplate**

1.01 Iznos kredita

Ovim Ugovorom Banka utvrđuje u korist Zajmoprimca, a Zajmoprimac prihvaća, kredit u iznosu protuvrijednosti od 75.000.000,00 EUR (sedamdeset pet milijuna eura) u svrhu financiranja projekta ("**Kredit**").

1.02 Postupak isplate

1.02A Tranše

Banka će isplatiti Kredit u jednoj ili više tranši. Iznos svake tranše, ako se ne radi o preostalom neiskorištenom iznosu Kredita, bit će najmanje iznos u protuvrijednosti od 10.000.000,00 EUR (deset milijuna eura) za bilo koju od tranši, time da iznos prve tranše neće biti veći od 22.500.000,00 EUR (dvadeset dva milijuna petsto tisuća eura).

1.02B Zahtjev za isplatu

- (a) Zajmoprimac može, putem Ministarstva financija, s vremena na vrijeme podnijeti Banci zahtjev za isplatu tranše, a najkasnije 15 (petnaest) dana prije roka raspoloživosti sredstava. Zahtjev za isplatu mora specificirati:
- (i) iznos tranše;
 - (ii) poželjni datum isplate za tranšu, a to mora biti relevantni radni dan koji pada najmanje 15 (petnaest) dana nakon datuma zahtjeva za isplatu i na rok raspoloživosti sredstava ili prije njega, uz uvažavanje da Banka može isplatiti tranšu najkasnije u roku od 4 (četiri) kalendarska mjeseca od datuma zahtjeva za isplatom;
 - (iii) je li tranša s fiksnom kamatnom stopom ili tranša s promjenjivom kamatnom stopom, svaka prema relevantnim odredbama članka 3.01;
 - (iv) poželjnu dinamiku otplate kamata za tranšu, odabranu u skladu s člankom 3.01;
 - (v) poželjne rokove otplate glavnice za tranšu, odabrane u skladu s člankom 4.01;
 - (vi) poželjni prvi i posljednji datum otplate glavnice tranše;
 - (vii) izbor Zajmoprimca u pogledu datuma revizije/konverzije kamatne stope, ako će ga biti, za tranšu; i

(viii) IBAN kod (ili odgovarajući format u skladu s lokalnom bankarskom praksom) i SWIFT BIC računa banke na koji treba izvršiti isplatu tranše u skladu s člankom 1.02D.

(b) Zajmoprimac također može prema vlastitom nahodjenju u zahtjevu za isplatom specificirati sljedeće odgovarajuće elemente, ako takvi postoje, koje Banka pruža na indikativnoj osnovi i bez obveze, a koji će se primjenjivati na tranšu, to jest.:

(i) u slučaju tranše s fiksnom kamatnom stopom, fiksnu kamatnu stopu; i

(ii) u slučaju tranše s promjenjivom kamatnom stopom, kamatnu maržu,

primjenjive na tranšu do datuma dospijeća ili do datuma revizije/konverzije kamatne stope, ako će ga biti.

(c) Svaki zahtjev za isplatu mora biti popraćen dokazom o ovlaštenju osobe ili osoba ovlaštenih za njegovo potpisivanje i ovjerenim potpisom takve osobe ili osoba.

(d) Svaki zahtjev za isplatom mora sadržavati ili biti popraćen izjavom, potpisanom od strane zajmoprimca, kojom se potvrđuje da će se iznos tranše koji treba biti isplaćen, koristiti za financiranje potprojekata u vezi s kojima su izdana pisma o dodjeli sredstava i u iznosima koji su u njima specificirani.

(e) Sukladno članku 1.02C(b), svaki zahtjev za isplatu je neopoziv.

1.02C **Obavijest o isplati**

(a) Najmanje 10 (deset) dana prije predloženog planiranog datuma isplate tranše, Banka će, ako je zahtjev za isplatu u skladu s ovim člankom 1.02, dostaviti Zajmoprimcu obavijest o isplati u kojoj će specificirati:

(i) valutu i iznos tranše;

(ii) planirani datum isplate;

(iii) osnovicu kamatne stope za tranšu;

(iv) prvi datum plaćanja kamate i dinamiku otplate kamata za tranšu;

(v) uvjete otplate glavnice za tranšu;

(vi) prvi i posljednji datum otplate glavnice za tranšu;

(vii) primjenjive datume plaćanja za tranšu;

(viii) datum revizije/konverzije kamatne stope, ako to zahtijeva Zajmoprimac, za tranšu; i

- (ix) fiksnu kamatnu stopu za tranšu s fiksnom kamatnom stopom, a za tranšu s promjenjivom kamatnom stopom, kamatna marža.
- (b) Ako jedan ili više elemenata utvrđenih u obavijesti o isplati nije u skladu s odgovarajućim elementom, ako takav postoji, u zahtjevu za isplatu Zajmoprimac može, nakon primitka obavijesti o isplati, povući zahtjev za isplatu dajući o tome pisanu obavijest Banci koju Banka mora primiti najkasnije u 12:00 h po luksemburškom vremenu sljedećeg radnog dana, nakon čega zahtjev za isplatu i obavijest o isplati prestaju biti valjani. Ako Zajmoprimac nije povukao pisanim putem zahtjev za isplatu unutar tog roka, smatrat će se da je Zajmoprimac prihvatio sve elemente navedene u obavijesti o isplati.
- (c) Ako je Zajmoprimac podnio Banci zahtjev za isplatu u kojem Zajmoprimac nije specificirao elemente navedene u članku 1.02B(b), smatrat će se da se Zajmoprimac unaprijed složio s odgovarajućim elementom kako je naknadno specificirano u obavijesti o isplati.

1.02D **Račun isplate**

Isplata će se izvršiti na račun Zajmoprimca koji on dostavi Banci u pisanom obliku najkasnije 15 (petnaest) dana prije planiranog datuma isplate (s IBAN kodom ili s odgovarajućim formatom u skladu s lokalnom bankarskom praksom).

Za svaku tranšu može se dostaviti samo jedan račun.

1.03 **Valuta isplate**

Banka će svaku tranšu isplatiti u EUR.

1.04 **Uvjeti isplate**

1.04A **Prva tranša**

Isplata prve tranše prema članku 1.02 ovisi o primitku od strane Banke, u obliku i sadržajem zadovoljavajućim za Banku, zajedno sa zahtjevom za isplatu, sljedećih dokumenata ili dokaza:

- (a) dokaza zadovoljavajućeg za Banku da su za potpisivanje ovog Ugovora od strane Zajmoprimca dobivena propisna ovlaštenja i da su osoba ili osobe koje potpišu Ugovor u ime Zajmoprimca propisno ovlašteni da to učine, zajedno s ovjerenim potpisom za svaku takvu osobu ili osobe;

- (b) pravnog mišljenja, na engleskom jeziku, izdanog od strane ili u ime ministra pravosuđa Republike Hrvatske, o propisnom potpisivanju ovog Ugovora od strane Zajmoprimca, kojim se potvrđuje (i) da su njegove odredbe na snazi i pravomoćne, (ii) da je ovaj Ugovor važeći, obvezujući i pravomoćan u Republici Hrvatskoj u skladu s uvjetima koje sadržava, (iii) da financiranje prema ovom Ugovoru ulazi u područje primjene Okvirnog sporazuma i (iv) da trenutačno ne postoje nikakva ograničenja i da nisu potrebna nikakva odobrenja u smislu kontrole valutne zamjene kojima bi se odobrio primitak svih iznosa koji će se isplatiti temeljem ovog Ugovora i kojima bi se odobrila otplata Zajma i plaćanje kamata i svih drugih iznosa plativih prema ovom Ugovoru;
- (c) dokaza da je Zajmoprimac pribavio sve potrebne suglasnosti, ovlaštenja, dozvole ili odobrenja državnih ili javnih tijela ili vlasti koja su potrebna u vezi s ovim Ugovorom i Projektom;
- (d) dokaza da je u okviru HV osnovana JPP s dovoljnim brojem djelatnika, kako bi se osiguralo učinkovito ispunjenje Projekta, uključujući početak rada. Opis rada takve JPP mora uključivati, između ostalog, odgovornost za:
 - (i) identifikaciju potprojekata i provjeru sukladnosti s kriterijima prihvatljivosti Banke;
 - (ii) usklađenost s Direktivama EU-a iz područja javne nabave i zaštite okoliša;
 - (iii) postupke dodjele i isplate, uključujući podatke koje pružaju KP (JLS-i) u obliku prihvatljivom za Banku; i
 - (iv) zahtjeve Banke za redovitim praćenjem i izvješćivanjem. i
- (e) ovjerene kopije Ugovora o Projektu, zajedno sa njenim ovjerenim prijevodom na engleski jezik.

1.04B Sve tranše uključujući i prvu

Isplata svake tranše sukladno članku 1.02, uključujući prvu, ovisi o sljedećem:

- (a) primitku od strane Banke, u za nju zadovoljavajućem obliku i sadržaju, zajedno sa zahtjevom za isplatu predložene Tranše, sljedećih dokumenata ili dokaza:
 - (i) potvrde od Zajmoprimca na obrascu iz Priloga C.2; i
 - (ii) dokaza koji pokazuje da, nakon povlačenja relevantne tranše, ukupni iznos Zajma ili Zajmova neće biti veći od ukupnih nastalih izdataka ili izdataka na koje se prema Ugovoru Zajmoprimac obvezao u vezi s Projektom do datuma relevantnog zahtjeva za isplatu; i
- (b) da na planirani datum isplate za predloženu tranšu:

- (i) očitovanja i jamstva koja se ponavljaju prema članku 6.08 su točni u svakom smislu; i
- (ii) nikakav događaj ili okolnost koja čini ili bi s vremenom ili davanjem obavijesti prema ovom Ugovoru činili događaj neispunjenja obveza iz članka 10.01 ili događaj prijevremene otplate iz članka 4.03, nije se dogodio i ne nastavlja se neispravljen ili da se od njega nije odustalo ili ne bi proizašao iz predložene tranše.

1.04C **Sve tranše, isključujući prvu**

Isplata svake tranše sukladno članku 1.02, isključujući prvu, ovisi o sljedećem:

- a) da Banka od Zajmoprimca na datum ili prije datuma relevantnog zahtjeva za isplatom, primi za nju zadovoljavajući dokaz da je: (i) najmanje 80% ukupnog iznosa svih prethodno isplaćenih tranši u cijelosti dodijeljeno potprojektima koji su prihvatljivi prema ovom Ugovoru, ili (ii) najmanje 50% ukupnog iznosa svih prethodno isplaćenih tranši Zajmoprimac isplatio krajnjim korisnicima, u svakom slučaju u granicama dijela Kredita specificiranog u relevantnom pismu o dodijeli;
- b) da Banka od Zajmoprimca na datum ili prije datuma relevantnog zahtjeva za isplatom, primi popis potprojekata koje je Banka financirala prethodnim tranšama iz ovog Ugovora, navodeći za svaki potprojekt:
 - (i) je li procjena utjecaja na okoliš (PUO) bila potrebna ili nije sukladno odredbama Direktive 83/337/CEE i njenih kasnijih izmjena i dopuna,
 - (ii) je li procjena utjecaja na prirodu bila potrebna ili nije, sukladno odredbama Habitat Directive (Direktive o staništima) i Birds Directive (Direktive o pticama); i
 - (iii) dokaz da uvjeti ugovora o financiranju s relevantnim Krajnjim korisnicima sadrže odredbe čiji je cilj osiguranje operativne održivosti i odgovarajuće razine povrata troškova, prema zahtjevima za podacima specificiranim u Prilogu A3; i
- (c) da je Banka poslala Zajmoprimcu, nakon primitka relevantnih Zahtjeva za dodjelu, pismo o dodjeli kojim se potvrđuje prihvatljivost potprojekata u vezi s kojima Zajmoprimac traži isplatu.

1.05 **Odgoda isplate**

1.05A **Razlozi za odgodu**

Na pisani zahtjev Zajmoprimca Banka će odgoditi isplatu bilo koje najavljene tranše u cijelosti ili djelomično do datuma koji utvrdi Zajmoprimac, ali ne više od 6 (šest) mjeseci od planiranog datuma isplate. U takvom slučaju Zajmoprimac je dužan platiti naknadu za odgodu sukladno članku 1.05B niže.

Svaki zahtjev za odgodu isplate smatrat će se važećim za tranšu samo ako je podnesen najmanje 5 (pet) radnih dana prije planiranog datuma isplate.

Ako bilo koji od uvjeta iz članka 1.04 nije ispunjen zaključno s utvrđenim danom i na planirani datum isplate, te Banka smatra da neće biti ispunjen, isplata će se odgoditi do datuma o kojem se dogovore Banka i Zajmoprimac, ali koji pada najmanje 5 (pet) radnih dana nakon ispunjenja svih uvjeta za isplatu.

1.05B **Naknada za odgodu**

Ako se bilo koja najavljena tranša odgodi, bilo na zahtjev Zajmoprimca ili kao posljedica neispunjenja uvjeta za isplatu, Zajmoprimac je dužan, na zahtjev Banke, platiti naknadu za iznos čija je isplata odgođena. Takva naknada će se obračunati od planiranog datuma isplate do datuma kada je isplata stvarno izvršena, ili ako je to slučaj, do datuma otkazivanja najavljene tranše u skladu s ovim Ugovorom, po stopi jednakoj **R1** umanjeno za **R2**, pri čemu:

"**R1**" označava kamatnu stopu koja bi se primjenjivala prema potrebi u skladu s člankom 3.01 i ako je tranša isplaćena na planirani datum isplate; dok

"**R2**" označava EURIBOR umanjen za 0,125% (12,5 baznih bodova); uz uvjet da u svrhu određivanja EURIBOR-a u odnosu na ovaj članak 1.05 relevantna razdoblja utvrđena u Prilogu B budu uzastopna razdoblja od 1 (jednog) mjeseca počevši od planiranog datuma isplate.

Nadalje, naknada:

- (a) će se obračunati na kraju svakog mjeseca, ako odgoda traje duže od jednog (1) mjeseca;
- (b) će se obračunati korištenjem pravila o brojanju dana koje se primjenjuje kod **R1**;
- (c) ako je **R2** veći od **R1**, bit će nula; i
- (d) će biti isplaćena u skladu s člankom 1.08.

1.05C **Otkazivanje isplate odgođene za 6 (šest) mjeseci**

Banka može, pisanom obaviješću Zajmoprimcu, otkazati isplatu koja je bila odgođena prema članku 1.05A ukupno više od 6 (šest) mjeseci. Otkazani iznos ostat će na raspolaganju za isplatu prema članku 1.02.

1.06 **Otkazivanje i obustava**

1.06A **Pravo Zajmoprimca na otkazivanje**

Zajmoprimac može u bilo koje vrijeme, uz davanje pisane obavijesti Banci o tome, otkazati u cijelosti ili djelomično i s trenutačnim stupanjem na snagu, neisplaćeni dio kredita. Međutim, takva obavijest neće imati nikakav učinak na najavljenu

tranšu čiji planirani datum isplate pada unutar 5 (pet) radnih dana od datuma te obavijesti.

1.06B Pravo Banke na obustavu i otkazivanje

- (a) Banka može, uz davanje pisane obavijesti o tome Zajmoprimcu, obustaviti i/ili otkazati neisplaćeni dio Kredita, u cijelosti ili djelomično, u bilo koje vrijeme i s trenutačnim stupanjem na snagu:
 - (i) nakon nastupanja događaja ili okolnosti navedenih u članku 4.03A ili članku 10.01 ili događaja ili okolnosti koji bi s vremenom ili davanjem obavijesti prema ovom Ugovoru činili događaj sukladno članku 4.03A ili događaj neispunjenja obveza sukladno članku 10.01;
 - (ii) ako nastupi značajna negativna promjena.
- (b) Svaka obustava traje sve dok Banka ne okonča obustavu ili otkáže obustavljeni iznos.

1.06C Naknada za obustavu i otkazivanje tranše

1.06C(1) OBUSTAVA

Ako Banka obustavi najavljenju tranšu, bilo nakon događaja prijevremene otplate uz naknadu ili nakon događaja iz članka 10.01, Zajmoprimac je dužan Banci isplatiti naknadu u skladu s člankom 1.05B.

1.06C(2) OTKAZIVANJE

Ako prema članku 1.06A Zajmoprimac otkáže:

- (a) najavljenju tranšu s fiksnom kamatnom stopom, dužan je Banci platiti naknadu u skladu s člankom 4.02B;
- (b) najavljenju tranšu s promjenljivom kamatnom stopom ili bilo koji dio Kredita osim najavljenju tranše, nema obveze plaćanja provizije.

Ako Banka otkáže najavljenju tranšu s fiksnom kamatnom stopom nakon događaja prijevremene otplate uz naknadu ili u skladu s člankom 1.05C, Zajmoprimac je dužan Banci platiti naknadu u skladu s člankom 4.02B. Ako Banka otkáže najavljenju tranšu nakon događaja spomenutog u članku 10.01, Zajmoprimac je dužan platiti naknadu Banci u skladu s člankom 10.03. Osim u tim slučajevima, nikakva naknada se ne plaća nakon otkazivanja tranše od strane Banke.

Naknada će se izračunavati na način da će se za otkazani iznos smatrati da je bio isplaćen i otplaćen na planirani datum isplate ili, do mjere do koje je isplata tranše trenutno odgođena ili obustavljena, na datum obavijesti o otkazivanju.

1.07 Otkazivanje nakon isteka Kredita

Ne dovodeći u pitanje članak 1.09(A), u bilo kojem trenutku po proteku 4 (četiri) mjeseca od isteka roka raspoloživosti sredstava, Banka može, uz davanje obavijesti o tome Zajmoprimcu i bez nastanka obveze po bilo koju od stranka, otkazati bilo koji iznos Kredita za koji nije podnesen nikakav zahtjev za isplatu prema članku 1.02B.

1.08 Iznosi dospjeli sukladno članku 1.

Iznosi dospjeli sukladno člancima 1.05 i 1.06, bit će plativi u valuti predmetne tranše. Navedeni se iznosi moraju platiti u roku od 7 (sedam) dana od dana kada Zajmoprimac primi zahtjev Banke, ili u nekom duljem roku kojeg Banka odredi u svojem zahtjevu.

1.09 Postupak dodjele sredstava

1.09A Prijava potprojekata

U razdoblju od današnjeg dana pa sve do 15. travnja 2015. godine (koje razdoblje se naziva "**razdoblje dodjele**"), Zajmoprimac će putem MRRŠVG-a podnijeti Banci na odobrenje jedan ili više zahtjeva za dodjelu sredstava (pojedinačno "**zahtjev za dodjelu**"), po jedan za svaki potprojekt za koji traži financiranje u skladu s ovim Ugovorom, navodeći iznos traženog Kredita za potprojekt, koji mora biti manji od 50% prihvatljivog troška potprojekta. Potprojekti moraju biti prihvatljivi za financiranje od strane Banke u skladu s Prilogom A.

Uz svaki zahtjev za dodjelu sredstava treba priložiti sažetak, koji sadrži informacije sa sadržajem i u obliku o kojima Banka s vremena na vrijeme obavještava Zajmoprimca, kako je specificirano u Prilogu A.3.

Prije podnošenja Zahtjeva za dodjelu na odobrenje Banci:

A) za potprojekte s projektnim troškovima preko 3.000.000,00 EUR, ili čiji specifični trošak prelazi 3.000,00 EUR per capita, Zajmoprimac će:

- (i) za projekte za koje je potrebna procjena utjecaja na okoliš (PUO), podnijeti Banci netehnički sažetak PUO-a; i
- (ii) podnijeti Banci Obrasce A ili B iz procjene, u skladu s Direktivom o staništima i Direktivom o pticama EU-a;

B) za potprojekte s projektnim troškovima manjim od 3.000.000,00 EUR, i čiji specifični trošak iznosi do 3.000,00 EUR per capita, Zajmoprimac će:

- (i) dostaviti Banci očitovanje nadležnog tijela na temelju popisa potprojekata, o tome je li PUO potrebna ili nije;

- (ii) za potprojekte koji nemaju nikakav učinak, ni potencijalni niti vjerojatni, na lokalitet koji je od važnosti za očuvanje prirode, dostaviti Banci očitovanje nadležnog tijela koje se temelji na popisu potprojekata, kako bi se osiguralo da su potprojekti usklađeni s Direktivom o staništima i Direktivom o pticama EU-a; te
- (iii) za potprojekte koji imaju učinak na lokalitete koji su od važnosti za očuvanje prirode, podnijeti pojedinačno za svaki potprojekt Obrazac B, koji mora biti propisno potpisan od strane nadležnog tijela.

Zajmoprimac će osigurati da MRRŠVG:

- (i) ne proslijedi niti jedan dio financijskih sredstava predviđenih ovim Ugovorom na potprojekte za koje je potrebna PUO ili procjena bioraznolikosti u skladu s pravom EU-a i nacionalnim pravom, bez da prethodno (i) primi suglasnost nadležnog tijela i (ii) netehnički sažetak PUO-a koji je učinjen dostupnim javnosti;
- (ii) za svaki potprojekt (ili skupinu projekata u istom gradu/općini), podnese Banci za nju zadovoljavajući dokaz iz kojeg proizlazi da će biti postignuta puna pokrivenost operativnih troškova i troškova rada iz tarifa, ili tamo gdje prosječno domaćinstvo to ne može financirati, putem kombinacije tarifa i pouzdanih, unaprijed definiranih proračunskih transfera, i pruži informaciju o punom povratu troškova (uključujući glavnica i financijske troškove) kroz kombinaciju naknada i nacionalnih ili lokalnih potpora. U tu svrhu, Zajmoprimac će osigurati da MRRŠVG u svoj ugovor o financiranju s Krajnjim korisnicima ugradi odgovarajuće odredbe, čiji je cilj osiguranje operativne i financijske održivosti.

Ako Zajmoprimac ne dostavi zahtjev za dodjelu bilo kojeg dijela Kredita 15. travnja 2015. godine, Banka može, po proteku mjesec dana od dostave obavijesti, otkazati taj dio kredita, osim ako Zajmoprimac u roku od mjesec dana ne dostavi zahtjev za dodjelu koji se na taj dio odnosi.

1.09B **Dodjela sredstava**

Ako Banka odobri zahtjev za dodjelu sredstava za potprojekt koji joj je dostavljen u skladu s člankom 1.09A, Banka će o tome obavijestiti Zajmoprimca putem MRRŠVG-a pismom o dodjeli (u daljnjem tekstu, pojedinačno "**pismo o dodjeli**") u kojem se navodi:

- (i) da su potprojekti odobreni; i
- (ii) dio Kredita koji Banka dodjeljuje potprojektima (svaki takav dio u daljnjem se tekstu naziva "**dodjela**", koji pojam će uključivati i ponovno angažiranje sredstava prema članku 6.02).

1.10 Preraspodjela dodijeljenih sredstava

Zajmoprimac može na vlastiti zahtjev, u bilo koje vrijeme prije 15. travnja 2015. godine, u skladu s člankom 1.09 preraspodijeliti bilo koji dio Kredita koji je bio dodijeljen, ali u odnosu na koji Zajmoprimac nije vršio isplate prema Krajnjem korisniku.

1.11 EIB-ov izvještaj o dodijeljenim sredstvima

- (a) Zajmoprimac će ustrojiti i održavati unutarnji sustav izvješćivanja radi praćenja Dodjela ("**EIB-ov izvještaj o dodjeli sredstava**") u obliku koji se s vremena na vrijeme dogovori između Banke i Zajmoprimca.
- (b) EIB-ov izvještaj o dodjeli sredstava mora sadržavati naziv svakog pojedinog Krajnjeg korisnika, datume i iznose dodjela i isplata koje je Zajmoprimac izvršio prema određenom Krajnjem korisniku (kako je kasnije istaknuto u Prilogu A.4);
- (c) Zajmoprimac će na zahtjev dostaviti Banci EIB-ov izvještaj od dodjeli sredstava, uključujući informacije o svim potprojektima kojima su sredstva dodijeljena prema ovom Ugovoru, u svim slučajevima ne kasnije od tri mjeseca od završetka razdoblja dodjele, ili ga priložiti zahtjevu za isplatom za posljednju tranšu.

ČLANAK 2. Zajam

2.01 Iznos zajma

Zajam će obuhvaćati ukupan iznos tranši koje Banka isplati u sklopu kredita, potvrđen od strane Banke prema članku 2.03.

2.02 Valuta otplate, kamate i druge naknade

Zajmoprimac će platiti kamate, otplate i druge naknade plative u vezi sa svakom tranšom u valuti u kojoj se tranša isplaćuje.

Svako drugo plaćanje bit će izvršeno u valuti koju odredi Banka s obzirom na valutu u kojoj je izražen izdatak koji će se nadoknaditi tim plaćanjem.

2.03 Potvrda Banke

U roku od 10 (deset) dana nakon isplate svake tranše, Banka će Zajmoprimcu dostaviti plan otplate zajma naveden u članku 4.01, ako je to prikladno, koja sadrži datum isplate, valutu, isplaćeni iznos, rokove otplate te kamatnu stopu te tranše i za tu tranšu.

ČLANAK 3. Kamata

3.01 Kamatna stopa

Fiksne kamatne stope i rasponi su na raspolaganju za razdoblja od najmanje 4 (četiri) godine ili, u slučaju neotplaćivanja glavnice u tom razdoblju, najmanje 3 (tri) godine.

3.01A Tranše s fiksnom kamatnom stopom

Zajmoprimac je dužan platiti kamatu na nepodmireni iznos svake tranše s fiksnom kamatnom stopom tromjesečno, polugodišnje ili godišnje za proteklo razdoblje na relevantne datume plaćanja, kako je utvrđeno u obavijesti o isplati, počevši s prvim takvim datumom plaćanja nakon datuma isplate određene tranše.

Ako je razdoblje od datuma na koji je isplata izvršena do prvog datuma plaćanja 15 (petnaest) dana ili manje, tada će se plaćanje obračunate kamate tijekom takvog razdoblja odgoditi do sljedećeg datuma plaćanja.

Kamata će se obračunati na temelju članka 5.01(a) po godišnjoj stopi koja je fiksna stopa.

3.01B Tranše s promjenjivom kamatnom stopom

Zajmoprimac je dužan platiti kamatu na nepodmireni iznos svake tranše s promjenljivom kamatnom stopom tromjesečno, polugodišnje ili godišnje za proteklo razdoblje na relevantne datume plaćanja, kako je utvrđeno u obavijesti o isplati, počevši s prvim takvim datumom plaćanja nakon datuma isplate određene tranše.

Ako je razdoblje od datuma na koji je isplata izvršena do prvog datuma plaćanja 15 (petnaest) dana ili manje, tada će se plaćanje obračunate kamate tijekom takvog razdoblja odgoditi do sljedećeg datuma plaćanja.

Banka će o promjenljivoj kamatnoj stopi obavijestiti zajmoprimca u roku od 10 (deset) dana nakon početka svakog referentnog razdoblja promjenljive kamatne stope.

Ako se sukladno člancima 1.05 i 1.06 isplata bilo koje tranše s promjenljivom kamatnom stopom dogodi nakon planiranog datuma isplate, odredit će se kamatna stopa primjenjiva na prvo referentno razdoblje promjenljive kamatne stope, kao da je isplata izvršena na planirani datum isplate.

Kamate će biti obračunate za svako referentno razdoblje promjenjive kamatne stope na temelju članka 5.01(b).

3.01C Revizija ili konverzija tranši

Kada Zajmoprimac iskoristi mogućnost revizije ili konverzije osnovice kamatne stope tranše, dužan je, od efektivnog datuma revizije/konverzije efektivne kamatne stope (u skladu s postupkom utvrđenim u Prilogu D), platiti kamatu po stopi određenoj u skladu s odredbama Priloga D.

3.02 Kamate na dospjela nepodmirena dugovanja

Bez utjecaja na članak 10. i uz iznimku članka 3.01, kamata na sva dospjela nepodmirena dugovanja po ovom Ugovoru obračunavat će se od datuma dospelja do datuma plaćanja po godišnjoj stopi jednakoj EURIBOR-u, uvećanom za 2% (200 baznih bodova), a plaćat će se u skladu sa zahtjevom Banke. U svrhu utvrđivanja EURIBOR-a u vezi s ovim člankom 3.02, relevantna razdoblja u okviru značenja Priloga B bit će uzastopna razdoblja u trajanju od jednog mjeseca, počevši s datumom dospelja.

Međutim, kamata na tranšu s fiksnom kamatnom stopom naplaćivat će se po godišnjoj stopi, koja je iznos stope definiran u članku 3.01A, uvećan za 0,25% (25 baznih bodova), ako ta godišnja stopa prelazi, za bilo koje relevantno razdoblje, stopu naznačenu u prethodnom stavku.

Ako je dospjeli nepodmireni iznos u valuti različitoj od valute Zajma, primjenjivat će se sljedeća godišnja kamatna stopa, a to je relevantna međubankarska stopa koju Banka inače ima za transakcije u toj valuti, uvećana za 2% (200 baznih bodova), izračunata u skladu s praksom na tržištu za tu stopu.

3.03 Događaj narušavanja tržišta

Ako u bilo koje vrijeme između datuma na koji Banka izda obavijest o isplati u vezi s tranšom ili datuma kada Zajmoprimac prihvati prijedlog revizije/konverzije kamatne stope u skladu s Prilogom D, i datuma koji pada dva radna dana prije planiranog datuma isplate ili relevantnog datuma revizije/konverzije kamatne stope, nastupi događaj narušavanja tržišta, Banka može obavijestiti Zajmoprimca da je ova klauzula stupila na snagu. U takvom slučaju primjenjivat će se sljedeća pravila: u slučaju najavljene tranše ili tranše koja je podložna reviziji/konverziji kamatne stope do datuma dospelja ili datuma revizije/konverzije kamatne stope, ako će ga biti, primjenjivat će se kamatna stopa (izražena kao godišnja stopa u postocima) za koju Banka odredi da je ukupni trošak Banke za financiranje relevantne tranše, koja se temelji na tada primjenjivoj interno određenoj Bančinoj referentnoj stopi ili alternativnoj metodi određivanja stope koju razumno određuje Banka. Zajmoprimac će imati pravo u pisanom obliku odbiti takvu isplatu u roku specificiranom u obavijesti i snosit će naknade koje su kao rezultat toga zaračunate, ako takve postoje, u kojem slučaju Banka neće izvršiti isplatu, a odgovarajući Kredit će ostati na raspolaganju za isplatu prema članku 1.02B. Ako Zajmoprimac ne odbije isplatu na vrijeme, strane su suglasne da će isplata i njezini uvjeti biti u potpunosti obvezujući za obje strane.

U svakom slučaju raspon ili fiksna kamatna stopa o kojoj je Banka prethodno dala obavijest u obavijesti o isplati ili u prijedlogu revizije/konverzije kamatne stope, više neće biti primjenjiva.

ČLANAK 4. Otplata

4.01 Redovna otplata

- (a) Zajmoprimac je dužan otplatiti svaku tranšu u ratama na datume plaćanja utvrđene u dotičnoj obavijesti o isplati, u skladu s uvjetima plana otplate zajma koji se dostavlja u skladu s člankom 2.03.
- (b) Svaki plan otplate sastavlja se na temelju sljedećih pretpostavki:
 - (i) u slučaju tranše s fiksnom kamatnom stopom bez datuma revizije/konverzije kamatne stope, otplata će se vršiti na bazi jednakih anuiteta ili u jednakim godišnjim, polugodišnjim ili tromjesečnim ratama glavnice;
 - (ii) u slučaju tranše s fiksnom kamatnom stopom s datumom revizije/konverzije kamatne stope ili tranše s promjenjivom kamatnom stopom, otplata će vršiti u jednakim godišnjim, polugodišnjim ili tromjesečnim ratama glavnice; i
 - (iii) prvi datum otplate svake tranše bit će datum plaćanja koji pada najranije 60 dana od planiranog datuma isplate (ili, u slučaju odgode, stvarnog datuma isplate) i najkasnije na prvi datum plaćanja koji neposredno slijedi iza pete (5) godišnjice planiranog datuma isplate tranše, dok će posljednji datum otplate svake tranše biti datum plaćanja koji pada najranije 4 (četiri) godine, a najkasnije 20 (dvadeset) godina nakon planiranog datuma isplate.

4.02 Dobrovoljna prijevremena otplata

4.02A Mogućnost prijevremene otplate

Podložno člancima 4.02B, 4.02C i 4.04, Zajmoprimac može prijevremeno otplatiti cjelokupni ili djelomični iznos bilo koje tranše, zajedno s obračunatim kamatama i naknadama ako takve postoje, tako da najmanje 1 (jedan) mjesec unaprijed pošalje obavijest u kojoj će navesti iznos prijevremene otplate i datum prijevremene otplate.

Podložno članku 4.02C Obavijest o prijevremenoj otplati bit će pravomoćna i neopoziva.

4.02B Naknada za prijevremenu otplatu

4.02B(1) TRANŠA S FIKSNOM KAMATNOM STOPOM

- (a) Podložno stavku (b) u nastavku, ako Zajmoprimac prijevremeno otplati tranšu s fiksnom kamatnom stopom, Zajmoprimac će Banci na datum prijevremene otplate platiti naknadu, koja je jednaka sadašnjoj vrijednosti razlike (kao na datum prijevremene otplate), ako takva postoji, između:

- (i) kamate koja bi se nakon toga obračunala na Iznos prijevremene otplate u razdoblju od datuma prijevremene otplate do datuma revizije/konverzije kamatne stope, ako će ga biti, ili datuma dospjeća, ako nije došlo do prijevremene otplate; nad
- (ii) kamatom koja bi se obračunala tijekom tog razdoblja da se izračunava po stopi ponovnog angažmana, umanjenoj za 0,15% (15 baznih bodova).

Spomenuta sadašnja vrijednost bit će izračunata po diskontnoj stopi koja je jednaka stopi ponovnog angažmana, koja se primjenjuje kao na svaki relevantni datum plaćanja.

- (b) Zajmoprimac može prijevremeno otplatiti tranšu s fiksnom kamatnom stopom bez naknade na datum revizije/konverzije kamatne stope u slučaju neispunjenja revizije/konverzije kamatne stope sukladno Prilogu D.

4.02B(2) TRANŠA S PROMJENJIVOM KAMATNOM STOPOM

Zajmoprimac može prijevremeno otplatiti tranšu s promjenjivom kamatnom stopom bez naknade na svaki dotični datum plaćanja. Ako je Zajmoprimac prihvatio prijedlog revizije/konverzije kamatne stope za konverzijom tranše s promjenjivom kamatnom stopom u tranšu s fiksnom kamatnom stopom sukladno Prilogu D, primjenjuje se članak 4.02B(1).

4.02C Načini prijevremene otplate

Banka će Zajmoprimca obavijestiti, najkasnije 15 (petnaest) dana prije datuma prijevremene otplate, o iznosu prijevremene otplate, o visini dospjele obračunate kamate i o naknadi koja se plaća prema članku 4.02B ili, ako je to slučaj da naknada nije zaračunata.

Najkasnije do isteka roka prihvaćanja, Zajmoprimac je dužan Banku izvijestiti o sljedećem:

- (a) da potvrđuje obavijest o prijevremenoj otplati po uvjetima utvrđenima od Banke; ili
- (b) da povlači svoju obavijest o prijevremenoj otplati.

Ako Zajmoprimac dostavi potvrdu kao što je navedeno u stavku (a) gore, dužan je izvršiti prijevremenu otplatu. Ako Zajmoprimac povuče obavijest o prijevremenoj otplati ili je ne potvrdi na vrijeme, neće moći izvršiti prijevremenu otplatu. Osim u prethodno navedenom slučaju, obavijest o prijevremenoj otplati bit će pravomoćna i neopoziva.

Zajmoprimac je dužan uz prijevremenu otplatu platiti i do tog trenutka zaračunate kamate kao i naknadu, ako takve ima, koji se zaračunavaju na Iznos prijevremene otplate.

4.03 Obvezna prijevremena otplata

4.03A Osnove za prijevremenu otplatu

4.03A(1) SMANJENJE TROŠKOVA PROJEKTA

Ako ukupni trošak Projekta bude smanjen od iznosa navedenog u Uvodnoj odredbi (2) na razinu na kojoj iznos Kredita premašuje 50% (pedeset posto) takvog troška, Banka može razmjerno tom smanjenju, uz prethodno davanje obavijesti Zajmoprimcu, otkazati neisplaćeni dio Kredita i/ili zahtijevati prijevremenu otplatu Zajma.

4.03A(2) KLAUZULA PARI PASSU NA DRUGI DUGOROČNI ZAJAM

Ako Zajmoprimac dobrovoljno prijevremeno otplati djelomično ili u cijelosti neki drugi zajam koji mu je izvorno odobren na rok duži od 5 (pet) godina ("**dugoročni zajam**") osim iz sredstava revolving kredita koja ostaju otvorena za povlačenje nakon takve prijevremene otplate pod istim uvjetima kao takva prijevremena otplata, Banka može, uz prethodno davanje obavijesti Zajmoprimcu, otkazati kredit ili zahtijevati prijevremenu otplatu Zajma do mjere do koje prijevremeno otplaćeni iznos dugoročnog zajma odgovara ukupnom nepodmirenom iznosu svih dugoročnih zajmova.

Banka će svoju obavijest Zajmoprimcu poslati u roku od 30 (trideset) dana od primitka obavijesti iz članka 8.02(ii).

U svrhe ovog članka, "**zajam**" uključuje svaki zajam, obveznicu ili drugi oblik financijskog zaduženja ili bilo koju obvezu plaćanja ili otplate novčanog iznosa. Takav izraz isključivat će zaduženje u obliku državnih obveznica.

4.03A(3) PROPISI ZA ZAŠTITU OKOLIŠA

Ako Banka stekne saznanja o tome da Krajnji korisnik nije ispunio zahtjeve propisa za zaštitu okoliša, ili da nije ispunio svoju obvezu davanja informacija iz članka 6.06 (e) i (f) u odnosu na potprojekt (u daljnjem tekstu "**predmetni potprojekt**"), može o tome obavijestiti Zajmoprimca. Zajmoprimac će u roku od 30 (trideset) dana od davanja takve obavijesti bilo (i) preraspodijeliti dotični dio Zajma na drugi potprojekt sukladno članku 1.02, ili (ii) dati uz rok od 30 (trideset) dana obavijest o prijevremenom plaćanju dijela Zajma koji odgovara udjelu vrijednosti Predmetnog potprojekta u ukupnoj vrijednosti svih potprojekata.

4.03A(4) PROMJENA ZAKONA

Zajmoprimac će bez odgode obavijestiti Banku ako se dogodio događaj promjene propisa ili je vjerojatno da će se dogoditi u vezi sa Zajmoprimcem. U takvom slučaju, ili ako Banka ima razuman razlog vjerovati da se dogodilo ili će se dogoditi događaj promjene propisa, Banka može zahtijevati da se Zajmoprimac konzultira s njom. Takva konzultacija se mora održati u roku od 30 (trideset) dana od datuma Bančinog zahtjeva. Ako, (a) protekne rok od 30 (trideset) dana od

datuma takvog zahtjeva za konzultaciju, ili (b) nastupi očekivani događaj promjene propisa, ovisno o tome što od toga prije nastupi, Banka može, putem obavijesti Zajmoprimcu, otkazati Kredit i zahtijevati prijevremenu otplatu Zajma, zajedno s pripadajućom kamatom i svim drugim pripadajućim ili neotplaćenim iznosima prema ovom Ugovoru. Zajmoprimac će izvršiti plaćanje iznosa koji se traži na datum koji specificira Banka, a takav će datum padati najmanje 30 (trideset) dana od datuma zahtjeva.

U svrhe ovog članka "**dogadaj promjene zakona**" znači donošenje, proglašenje, potpisivanje ili ratificiranje, odnosno bilo kakvu izmjenu ili dopunu bilo kojeg zakona, propisa ili uredbe (ili u primjeni ili službenom tumačenju bilo kojeg zakona propisa ili uredbe) koji se dogodi nakon datuma ovog Ugovora i koji za posljedicu ima ili je razumno vjerojatno da će za posljedicu imati značajnu negativnu promjenu.

4.03A(5) **PREKORAČENJE UKUPNOG IZNOSA**

Ako Banka na dan ili nakon 15. ožujka 2014. godine, nakon što je potvrdila ili odbila zahtjeve za dodjelom, utvrdi da zbroj izvornih iznosa svih tranši isplaćenih prema ovom Ugovoru premašuje zbroj svih dodjela sredstava učinjenih prema ovom Ugovoru, Zajmoprimac će prijevremeno otplatiti više isplaćeni iznos na prvi zahtjev Banke.

Takvo prijevremeno plaćanje izvršit će se na datum koji specificira Banka, a takav datum će padati najranije 15 (petnaest) dana od datuma kada Zajmoprimac primi Bančin zahtjev za izvršenje prijevremenog plaćanja.

4.03B **Način prijevremene otplate**

Svaki iznos koji Banka zahtijeva po članku 4.03A, uključujući i sve zaračunate kamate ili druge obračunate ili neotplaćene iznose te sve dospjele naknade po članku 4.03C, platit će se na datum koji navede Banka, a takav datum će padati najranije 30 (trideset) dana od datuma Bančine obavijesti o zahtjevu i bit će primijenjen u skladu s člankom 10.05.

4.03C **Naknada za prijevremenu otplatu**

U slučaju događaja prijevremene otplate uz naknadu, naknada, ako takva postoji, bit će određena u skladu s člankom 4.02B za tranšu s fiksnom kamatnom stopom.

Ako, pored toga, prema bilo kojoj odredbi članka 4.03A, Zajmoprimac unaprijed otplati Tranšu na datum koji je različit od relevantnog datuma plaćanja, Zajmoprimac će isplatiti naknadu Banci u iznosu za koji Banka potvrdi da je potreban da joj se nadoknadi primitak sredstava na datum koji je različit od relevantnog datuma plaćanja.

4.04 **Primjena djelomičnih prijevremenih otplata**

Ako Zajmoprimac djelomično prijevremeno otplati tranšu, Iznos prijevremene otplate će se primijeniti razmjerno na svaku neotplaćenu ratu (pro rata).

Unaprijed otplaćeni iznos ne može se ponovno pozajmiti. Ovaj članak 4. neće prejudicirati članak 10.

ČLANAK 5. **Plaćanja**

5.01 Pravila računanja dana

Svi iznosi potraživani na ime kamata, naknada ili provizija od Zajmoprimca po ovom Ugovoru i koji se izračunavaju za neki dio godine, utvrđivat će se uz primjenu sljedećih pravila:

- (a) za tranšu s fiksnom kamatnom stopom, godina od 360 (tristo šezdeset) dana i mjesec od 30 (trideset) dana; i
- (b) za tranšu s promjenjivom kamatnom stopom, godina od 360 (tristo šezdeset) dana i broj proteklih dana.

5.02 Vrijeme i mjesto plaćanja

Ako nije drugačije navedeno, svi iznosi osim iznosa kamata, naknade i glavnice imaju se platiti u roku od 7 (sedam) dana od dana kada Zajmoprimac primi zahtjev Banke.

Svaki iznos koji je Zajmoprimac dužan platiti po ovom Ugovoru, plaća se na odgovarajući račun o kojem će Banka obavijestiti Zajmoprimca. Banka će o računu obavijestiti najmanje 15 (petnaest) dana prije datuma dospijeca prve uplate Zajmoprimca, te o svakoj promjeni računa najmanje 15 (petnaest) dana prije datuma prve uplate na koju se promjena odnosi. Ovaj rok za obavijest ne odnosi se na uplate iz članka 10.

Iznos koji je Zajmoprimac dužan platiti smatrat će se plaćenim kad ga Banka primi.

5.03 Prijeboj

Banka može izvršiti prijeboj svake dospjele obveze koju joj je Zajmoprimac dužan platiti prema ovom Ugovoru (u mjeri u kojoj je stvarni vlasnik Banka) sa svakom obvezom (neovisno je li dospjela ili nije) koju Banka duguje Zajmoprimcu, bez obzira na mjesto plaćanja, poslovnicu koja obavlja knjiženje ili valutu bilo koje obveze. Ako su obveze u različitim valutama, Banka može konvertirati bilo koju obvezu po tržišnoj stopi zamjene valute u svom uobičajenom poslovanju u svrhu izvršenja prijeboja. Ako je bilo koja obveza nelikvidirana ili neutvrđena, Banka može izvršiti prijeboj u iznosu za koji u dobroj vjeri procijeni da je iznos te obveze.

5.04 Narušavanje sustava plaćanja

Ako Banka utvrdi (prema vlastitoj ocjeni) da je nastupio događaj narušavanja ili Zajmoprimac obavijesti Banku da je nastupio događaj narušavanja:

- (a) Banka se može, i mora ako to zatraži Zajmoprimac, konzultirati s njime u cilju postizanja suglasnosti sa Zajmoprimcem o takvim promjenama u

izvršavanju ili administraciji Ugovora, kako to Banka bude smatrala nužnim u danim okolnostima;

- (b) Banka neće biti obvezna konzultirati se sa Zajmoprimcem u vezi s bilo kakvim promjenama spomenutim u stavku (a) ako, po njezinom mišljenju, to ne bude izvedivo u danim okolnostima te, ni u kojem slučaju neće imati nikakve obveze suglasiti se s takvim promjenama; i
- (c) Banka neće biti odgovorna ni za kakve štete, troškove ili gubitke koji proizlaze iz događaja narušavanja, odnosno za poduzimanje ili nepoduzimanje bilo kakve radnje prema ili u vezi s ovim člankom 5.04.

ČLANAK 6. Obveze i izjave Zajmoprimca

Obveze u ovom članku 6. ostaju na snazi od datuma ovog Ugovora sve dok bilo koji iznos bude neotplaćen prema ovom Ugovoru ili sve dok Kredit bude na snazi.

A. Obveze u vezi s Projektom

6.01 Korištenje Zajma i raspoloživost drugih sredstava

Zajmoprimac će sam, i pobrinut će se da to učine i Krajnji korisnici, upotrebljavati sve iznose koje je pozajmio u sklopu Zajma isključivo za financiranje do 50% relevantnih troškova potprojekta.

Zajmoprimac će osigurati da ima na raspolaganju druga sredstva navedena u Uvodnoj odredbi (2), te da se ta sredstva troše, u potrebnoj mjeri, na financiranje potprojekata.

6.02 Ponovno angažiranje sredstava

Ako:

- (a) su iznosi novčanih sredstava koji su dani na raspolaganje Krajnjem korisniku plaćeni ili vraćeni Zajmoprimcu; ili
- (b) Krajnji korisnik ne postupa sukladno odredbama ugovora o financiranju, vezano uz relevantni potprojekt na kojeg se primjenjuje ovaj Ugovor,

odgovarajući dio Zajma Zajmoprimac će iskoristiti za potrebe financiranja drugih potprojekata koji zadovoljavaju kriterije utvrđene u Prilogu A i koji su navedeni u Uvodnim odredbama, u skladu s člankom 1.09, osim u mjeri u kojoj Zajmoprimac dobrovoljno prijevremeno otplati predmetni iznos iz članka 4.02.

6.03 Provedba i dovršenje projekta

Zajmoprimac je dužan Projekt izvoditi, i pobrinut će se da to učini i Krajnji korisnik, u skladu s tehničkim opisom, koji se povremeno može mijenjati uz odobrenje Banke, te dovršiti Projekt u naznačenom roku.

6.04 Povećanje troškova projekta

Ako ukupan trošak Projekta premaši procjenu naznačenu u Uvodnoj odredbi (2), Zajmoprimac je dužan pribaviti sredstva za financiranje tih povećanih troškova bez obraćanja Banci za pomoć, kako bi se osiguralo dovršenje potprojekata u skladu s tehničkim opisom.

Plan financiranja povećanih troškova potrebno je bez odgađanja predati Banci.

6.05 Postupak nabave

Zajmoprimac će osigurati da svaki Krajnji korisnik kupuje opremu, osigurava usluge i naručuje radove za predmetne potprojekte putem međunarodnog nadmetanja ili drugog prihvatljivog postupka nabave, pridržavajući se, na zadovoljstvo Banke, njezine politike opisane u njezinim *Smjernicama za nabavu* na snazi na datum pokretanja postupka nabave.

Budući da su Direktive Europske unije transponirane u hrvatsko zakonodavstvo donošenjem Zakona o javnoj nabavi koji je stupio na snagu u siječnju 2008. godine, ugovori će biti sklopljeni prema Zakonu o javnoj nabavi na snazi u Republici Hrvatskoj.

U slučajevima kad su za pojedine ugovore dostignuti pragovi Europske unije, dodjela ugovora provodi se putem međunarodnih natječaja sukladno Direktivama 2004/17EC i 2004/18/EC i zahtjeva objavu u službenom listu Europske unije.

6.06 Stalne obveze u Projektu

Zajmoprimac će osigurati da Krajnji korisnik:

- (a) **Održavanje:** održava, popravlja, servisira i obnavlja svu imovinu koja čini dio dotičnog potprojekta koliko je potrebno da ista bude u dobrom radnom stanju;

U slučaju da za potrebe funkcioniranja i održavanja u vezi s potprojektom nastaju značajni dodatni troškovi, HV će u svoj ugovor o financiranju s Krajnjim korisnikom unijeti uvjete i odredbe s ciljem osiguranja operativne održivosti i odgovarajuće razine povrata troškova.

- (b) **Imovina projekta:** osim ako je Banka prethodno dala svoju pisanu suglasnost, zadrži vlasništvo i posjed nad cjelokupnom ili značajnom većinom imovine koja čini dotični potprojekt ili, po potrebi, zamijeni i obnovi tu imovinu i vodi dotični potprojekt tako da stalno funkcionira u skladu sa svojom izvornom namjenom; uz uvjet da Banka može uskratiti svoj pristanak jedino ako predloženi postupak može utjecati na interese Banke kao zajmodavca Zajmoprimcu ili ako može dovesti do toga da je dotični potprojekt neprihvatljiv za financiranje od strane Banke prema njezinom Statutu ili prema članku 309. Ugovora o funkcioniranju Europske unije;

- (c) **Osiguranje:** osigura sve radove i imovinu koja je dio dotičnog potprojekta na zadovoljstvo Banke u skladu s uobičajenom praksom za slične radove od javnog interesa u Hrvatskoj;
- (d) **Prava i dozvole:** održava na snazi sva prava prolaza ili uporabe i sve dozvole nužne za izvođenje i rad dotičnog potprojekta;
- (e) **Okoliš:** provodi i upravlja dotičnim potprojektom u skladu sa Zakonom o okolišu;
- (f) **Pravo EU-a:** izvršava i upravlja dotičnim potprojektom u skladu s mjerodavnim hrvatskim zakonima i standardima prava EU-a, osim bilo kojih općih izuzeća usvojenih od strane Europske unije.
- (g) **Postupak dodjele:** osigurati da HV raspodjele Kredit na potprojekte u skladu s postupcima prilagođenima veličini potprojekta i u skladu sa sljedećim procedurama:

Zajmoprimac će osigurati da HV unaprijed dostavi Banci odgovarajući sažetak informacija o Projektu i ispunjeni upitnik u skladu s Prilogom A.3 za svaki potprojekt čiji je investicijski trošak veći od 3.000.000,00 EUR, odnosno specifični trošak veći od 3.000,00 EUR per capita. Provjera Banke temeljit će se na ovim podacima i upitniku, uz mogućnost pojedinačne ocjene od strane Bančinih službi.

Zajmoprimac će osigurati da HV naknadno dostavi Banci odgovarajuće informacije o Projektu u skladu s Prilogom A.3 za svaki potprojekt (ali u svakom slučaju prije svake daljnje isplate), čiji je trošak do 3.000.000,00 EUR i specifični trošak do 3.000,00 EUR per capita.

- (h) **Ostale obveze:** Zajmoprimac će osigurati da HV:
 - (i) kadrovski popuni i održava JPP kao dio svog ustrojstva do dovršetka Projekta, na zadovoljstvo Banke;
 - (ii) obavijesti Banku o svakom potprojektu koji se usporedno financira drugim kreditnim sredstvima Banke ili neke druge financijske institucije, te osigura da nema dvostrukog financiranja;
 - (iii) osigura usklađenost s općim kriterijima prihvatljivosti Banke u odnosu na sektore i troškove; i
 - (iv) potvrdi usklađenost Krajnjih korisnika s mjerodavnim i primjenjivim pravilima zakonodavstva Europske unije, osobito na područjima zaštite okoliša, državne potpore i javne nabave.

Banka pridržava pravo srednjoročnog pregleda provedbe Projekta i jednostranog preispitivanja postupaka za dodjeljivanje sredstava predviđenih ovim Ugovorom.

Zajmoprimac će osigurati da kod svih pojedinačnih potprojekata, u slučaju njihovog sufinanciranja sredstvima Instrumenta za predpristupnu pomoć (IPA) ili kroz ostale sheme potpore EU, sveukupan iznos financiranja od strane Banke i Europske unije ostane ispod 90% ukupnih troškova predmetnog potprojekta.

B. Opće obveze

6.07 **Uskladenost s propisima**

Zajmoprimac će se pridržavati u svakom pogledu svih propisa koji se primjenjuju na njega ili na Projekt, a čije nepridržavanje bi za posljedicu imalo, ili je razumno vjerojatno da bi za posljedicu imalo značajnu negativnu promjenu.

6.08 **Opće izjave i jamstva**

Zajmoprimac izjavljuje i jamči Banci da:

- (a) ima ovlasti potpisati, ispuniti i izvršiti sve svoje obveze prema ovom Ugovoru i da su poduzete sve potrebne korporativne, dioničarske i ostale radnje potrebne da ga se ovlasti za potpisivanje, ispunjavanje i izvršenje istih;
- (b) ovaj Ugovor za njega stvara pravno važeće, obvezujuće i izvršive obveze;
- (c) izvršavanje i ispunjenje njegovih obveza prema i u skladu s odredbama ovog Ugovora nije i neće biti:
 - (i) u suprotnosti ili sukobu s bilo kojim primjenjivim zakonom, statutom, pravilom ili uredbom, ili bilo kojom presudom, uredbom ili dozvolom kojoj podliježe;
 - (ii) u suprotnosti ili sukobu s bilo kojim sporazumom ili drugim instrumentom koji je za njega obvezujući, za kojeg bi se moglo razumno očekivati da će imati značajan negativan učinak na njegovu sposobnost izvršavanja svojih obveza prema ovom Ugovoru;
- (d) nije bilo nikakve značajno negativne promjene od datuma obračuna;
- (e) nikakav događaj ili okolnost koja čini događaj neispunjenja obveza iz članka 10.01 nije nastupio i ne nastavlja se neispravljen ili da se od njega nije odustalo;
- (f) je pribavio sve potrebne suglasnosti, ovlaštenja, dozvole ili odobrenja državnih ili javnih tijela ili vlasti povezane s ovim Ugovorom i Projektom i da su sve takve suglasnosti, ovlaštenja, dozvole ili odobrenja na snazi i pravomoćne i prihvatljive kao dokaz; i

- (g) njegove obveze plaćanja prema ovom Ugovoru imaju barem jednaki položaj (*pari passu*) u pogledu prava plaćanja u odnosu na sve druge, sadašnje i buduće neosigurane obveze prema bilo kojem njegovom instrumentu vanjskog duga, osim obveza koje zakon koji se primjenjuje na trgovačka društva općenito tretira kao obvezujuće prioritete.

Izjave i jamstva navedena gore vrijedit će poslije potpisivanja ovog Ugovora i smatraju se, osim stavka (d) gore, ponovljenima na svaki planirani datum isplate i na svaki datum plaćanja.

6.09 Načelo savjesnosti i poštenja

Zajmoprimac izjavljuje i jamči da nije počinio, niti da je neka osoba prema njegovom znanju počinila neku od sljedećih radnji, te da neće počinuti, niti će bilo koja osoba koja djeluje uz njegovo znanje ili suglasnost, počinuti neku od tih radnji, a to su:

- (a) nuđenje, davanje, primanje ili traženje bilo kakve neprimjerene koristi kojom bi utjecao na radnje osobe u javnoj službi ili funkciji, odnosno na direktora ili zaposlenika javne ustanove ili javnog poduzeća, odnosno direktora ili dužnosnika javne međunarodne organizacije, u vezi s bilo kakvim postupkom nabave ili izvršavanjem ugovora u vezi s potprojektima; ili
- (b) sve radnje kojim se na neprimjeren način utječe ili se nastoji utjecati na proces nabave ili provedbe potprojekata na štetu Zajmoprimca, uključujući tajni dogovor ponuditelja.

Zajmoprimac se obvezuje da će obavijestiti Banku ako sazna za bilo kakvu činjenicu ili informaciju koja upućuje na mogućnost počinjenja bilo kojeg od navedenih djela.

ČLANAK 7. Osiguranje otplate duga

Obveze u ovom članku 7. ostaju na snazi od datuma potpisivanja ovog Ugovora sve dok bilo koji iznos prema ovom Ugovoru bude neopozivo i bezuvjetno otplaćen, vraćen ili prijevremeno plaćen Banci ili dok Kredit bude na snazi.

7.01 Položaj jednakih prava (*Pari Passu*)

Zajmoprimac će osigurati da njegove obveze plaćanja prema ovom Ugovoru imaju i da će imati barem jednaki položaj (*pari passu*) u pogledu prava plaćanja u odnosu na sve druge, sadašnje i buduće neosigurane obveze prema bilo kojem njegovom Instrumentu vanjskog duga, osim obveza koje zakon koji se primjenjuje na trgovačka društva općenito tretira kao obvezujuće prioritete.

Posebice, ako Banka podnese zahtjev iz članka 10.01 ili ako je događaj ili potencijalni događaj neispunjenja obveza prema bilo kojem neosiguranom i

nepodređenom Instrumentu vanjskog duga Zajmoprimca ili bilo koje njegove agencije ili sredstvima nastupio i traje, Zajmoprimac neće izvršiti (niti odobriti) nikakvo plaćanje povezano s bilo kojim drugim takvim Instrumentom vanjskog duga (bez obzira na to je li redovno raspoređen u planu otplate ili nije), a da istodobno ne plati, ili rasporedi na namjenski račun za plaćanje na sljedeći datum plaćanja, iznos udjela neotplaćenog duga prema ovom Ugovoru koji odgovara onom udjelu koji plaćanje prema takvom Instrumentu vanjskog duga ima u ukupno neotplaćenom dugu prema tom Instrumentu. U tu svrhu, svako plaćanje Instrumenta vanjskog duga koje se izvrši iz sredstava izdanja drugog instrumenta, na koji su se velikim dijelom upisale za poravnanje iste osobe koje imaju potraživanja iz Instrumenta vanjskog duga, bit će odbijeno.

U ovom Ugovoru, "**instrument vanjskog duga**" znači (a) instrument, uključujući svaki račun ili bankovni izvadak, kojima se dokazuje ili koji stvaraju obvezu otplate zajma, pologa, predujma ili sličnog produženja kredita (uključujući bez ograničenja bilo koje produženje kredita prema sporazumu o refinanciranju ili reprogramiranju), (b) obveza dokazana obveznicom, zadužnicom ili sličnim pisanim dokazom zaduženja ili (c) jamstvo koje je izdao Zajmoprimac za obvezu treće strane; uz uvjet u svakom slučaju da je takva obveza: (i) uređena pravnim sustavom koji nije ujedno i pravni sustav Zajmoprimca; ili (ii) plativa u valuti koja nije valuta države Zajmoprimca; ili (iii) plativa registriranoj pravnoj osobi, s prebivalištem, boravištem ili sjedištem ili glavnim mjestom poslovanja izvan države Zajmoprimca.

7.02 Osiguranje

Ako Zajmoprimac da trećoj strani bilo kakvo osiguranje za izvršenje bilo kojeg Instrumenta vanjskog duga ili bilo koju prednost ili prioritet u vezi s njim, Zajmoprimac će, ako to bude zahtijevala Banka, dati Banci ekvivalentno osiguranje za izvršenje obveza prema ovom Ugovoru ili dati Banci ekvivalentnu prednost ili prioritet.

7.03 Uvrštene klauzule

Ako Zajmoprimac sklopi s bilo kojim drugim srednjoročnim ili dugoročnim financijskim vjerovnikom sporazum o financiranju koji uključuje klauzulu o padu boniteta zajmoprimca, odnosno ugovor ili drugu odredbu koja se odnosi na položaj jednakih prava (*pari passu ranking*) ili odredbu o zajedničkoj odgovornosti zbog neplaćanja, ako je to primjenjivo, a koja je stroža od ekvivalentne odredbe u ovom Ugovoru, Zajmoprimac će o tome obavijestiti Banku i, na zahtjev Banke, potpisat će sporazum kojim će se ovaj Ugovor izmijeniti i dopuniti u svrhu osiguravanja ekvivalentne odredbe u korist Banke.

ČLANAK 8. Informacije i posjeti

8.01 Informacije koje se tiču Projekta

Zajmoprimac će:

- (a) dostaviti Banci:
 - (i) informacije koje imaju sadržaj i oblik te u rokovima koji su utvrđeni u Prilogu A.2. ili drugačije kako stranke ovog Ugovora s vremena na vrijeme dogovore; i
 - (ii) sve takve informacije ili ostale dokumente koji se tiču financiranja, javne nabave, provedbe, funkcioniranja i utjecaja na okoliš Projekta i za Projekt, koje Banka može opravdano zatražiti u razumnom roku;

uvijek pod uvjetom da, ako takve informacije ili dokument nisu dostavljeni Banci na vrijeme i Zajmoprimac ne ispravi propust u razumnom roku postavljenom od Banke u pisanom obliku, Banka može popraviti nedostatak, koliko je to izvedivo, zapošljavanjem vlastitog osoblja ili konzultanta ili bilo koje treće strane na trošak Zajmoprimca, a Zajmoprimac će pružiti takvim osobama svu pomoć koja je potrebna u tu svrhu;
- (b) osigurati da JPP podnese na odobrenje Banci bez odgode bilo koju značajnu promjenu Projekta, uključujući, između ostaloga, promjene kod cijena, nacрта, planova, vremenskog rasporeda ili programa izdataka, odnosno plana financiranja za Projekt, a koji su u vezi s očitovanjima prema Banci prije potpisivanja ovog Ugovora;
- (c) odmah obavijestiti Banku o:
 - (i) svakoj uloženoj tužbi ili protestu ili svakom prigovoru koji je podnijela bilo koja treća stranka ili svaku autentičnu pritužbu koju je primio Zajmoprimac ili bilo koji značajan parnični postupak koji je pokrenut, ili za koji postoji rizik da će biti pokrenut protiv njega u vezi s pitanjima okoliša ili drugim pitanjima koja utječu na Projekt; i
 - (ii) svakoj činjenici ili događaju koji su poznati Zajmoprimcu, koji mogu značajno prejudicirati ili utjecati na uvjete izvršenja ili funkcioniranja Projekta; i
- (d) pohraniti i ažurirati relevantne dokumente (uključujući studije okoliša povezane s PUO, netehničke sažetke PUO-a te procjene prirode/bioraznolikosti ili ekvivalentne dokumente kao dokaz usklađenosti s Direktivama EU-a o staništima i pticama), te ih bez odgađanja dostaviti Banci na njezin zahtjev (u roku od 10 radnih dana s uputom o prihvaćanju Bančine procedure objave javnih podataka kao odgovor vanjskim upitima).

8.02 Informacije koje se tiču Zajmoprimca

Zajmoprimac će s vremena na vrijeme dostaviti Banci informacije o svojem općem financijskom stanju, a koje Banka može opravdano zahtijevati.

Zajmoprimac će promptno informirati Banku o sljedećem:

- (i) svakoj činjenici koja ga obvezuje na prijevremenu otplatu financijskog duga ili bilo kojeg financiranja od strane EU-a;
- (ii) svakom događaju ili odluci koji čine ili mogu imati za posljedicu događaje opisane u članku 4.03A;
- (iii) svakoj namjeri sa svoje strane u pogledu davanja bilo kakvog osiguranja nad bilo kojim dijelom svoje imovine u korist treće strane;
- (iv) o svakoj činjenici ili događaju za koji se opravdano vjeruje da će u značajnoj mjeri spriječiti ispunjenje njegovih obveza iz ovog Ugovora; ili
- (v) svakom događaj navedenom u članku 10.01 koji se dogodio ili postoji rizik da se dogodi ili se predviđa.

8.03 Posjeti od strane Banke

Zajmoprimac je dužan dopustiti, te će osigurati da Krajnji korisnici dopuste, osobama koje odredi Banka da posjete lokacije, postrojenja i radove koje potprojekt obuhvaća i da obave sve provjere koje smatraju potrebnima i u tu svrhu treba im pružiti ili osigurati da im Krajnji korisnik pruži, odnosno osigurati da im se pruži sva potrebnu pomoć.

ČLANAK 9. Pristojbe i troškovi

9.01 Porezi, pristojbe i naknade

Zajmoprimac je dužan platiti sve poreze, pristojbe, naknade i ostala davanja bilo koje vrste, uključujući i pristojbe za biljege i registraciju, koji proizlaze iz izvršenja ili provedbe ovog Ugovora ili bilo kojeg povezanog dokumenta i izrade, zaključivanja, registracije ili izvršenja bilo kojeg osiguranja za Zajam u mjeri u kojoj se to na njega primjenjuje.

Zajmoprimac je dužan platiti sve glavnice, kamate, naknade i ostale iznose koji dospijevaju prema ovom Ugovoru, i to bruto bez odbijanja bilo kakvih državnih ili lokalnih davanja bilo koje vrste, uz uvjet da će Zajmoprimac, ako je obvezan primijeniti takav odbitak, uvećati svoju isplatu Banci za iznos tako da neto iznos koji će Banka primiti nakon odbitka bude jednak iznosu koji duguje.

9.02 Ostali troškovi

Zajmoprimac će snositi troškove svih pristojbi i troškove, uključujući strukovne, bankarske i tečajne naknade u vezi s pripremom, potpisivanjem, provođenjem i raskidom ovog Ugovora ili bilo kojeg s njim povezanog dokumenta, kao i bilo koje izmjene i dopune, dodatka ili odricanja koje je povezano s ovim Ugovorom ili bilo kojim povezanim dokumentom, te u vezi s izmjenom i dopunom, osnivanjem, upravljanjem i realizacijom bilo kakvog instrumenta osiguranja za Zajam.

**ČLANAK 10.
Dogadaji neispunjenja obveza****10.01 Pravo traženja prijevremene otplate**

Zajmoprimac je dužan odmah otplatiti sav Zajam ili neki njegov dio, uključujući zaračunate kamate i sve druge obračunate i neotplaćene iznose iz ovog Ugovora, na pisani zahtjev Banke, u skladu s odredbama koje slijede.

10.01A Zahtjev bez odgode

Banka može takav zahtjev uložiti bez odgode:

- (a) ako Zajmoprimac na datum dospijeća ne otplati bilo koji dio Zajma, ne plati Banci pripadajuću kamatu ili bilo koji drugi iznos po ovom Ugovoru;
- (b) ako se ispostavi da je bilo koja informacija ili dokument koje je Banka dobila od Zajmoprimca ili u njegovo ime, ili da su bilo koje očitovanje ili izjava sačinjeni ili za koje se smatra da su bili sačinjeni od Zajmoprimca u primjeni ovog Ugovora ili u vezi s pregovorima oko ovog Ugovora netočni, ili se dokaže da su bili netočni, ili da su navodili na krive zaključke po bilo kojem značajnom pitanju;
- (c) ako nakon bilo kojeg neispunjenja od strane Zajmoprimca u vezi s bilo kojim zajmom, ili bilo kojom obvezom koja proizlazi iz bilo koje financijske transakcije, osim Zajma:
 - (i) od Zajmoprimca bude zatraženo ili se od njega može zahtijevati ili će, nakon isteka bilo kojeg primjenjivog ugovornog razdoblja počeka, biti zahtijevano ili će se moći od njega zahtijevati da prijevremeno otplati, podmiri, zatvori ili otkaže prije dospijeća takav drugi zajam ili obvezu; ili
 - (ii) bilo koja financijska obveza za takav drugi zajam ili obvezu je otkazana ili obustavljena;
- (d) ako Zajmoprimac ne ispuni svoje obveze u izvršavanju bilo kakve obveze u pogledu bilo kojeg drugog zajma koji mu je dodijelila Banka iz svojih sredstava ili sredstava Europske unije, odnosno na drugi način u odnosu na Banku;

- (e) ako nastupi značajna negativna promjena, u usporedbi sa situacijom Zajmoprimca na datum ovog Ugovora; ili
- (f) ako je protuzakonito ili postane protuzakonito za Zajmoprimca da izvršava bilo koju svoju obvezu prema ovom Ugovoru ili ovaj Ugovor ne stvara učinke u skladu s njegovim uvjetima ili Zajmoprimac tvrdi da ne stvara učinke u skladu s njegovim uvjetima i odredbama.

10.01B **Zahtjev nakon opomene**

Banka također može uložiti takav zahtjev:

- (a) ako Zajmoprimac ne ispunji bilo koju svoju obvezu prema ovom Ugovoru, a koja nije obveza spomenuta u članku 10.01A; ili
- (b) ako se bilo koja činjenica navedena u Uvodnim odredbama značajno promijeni i ne bude u bitnom dijelu ispravljena te ako ta promjena utječe na interese Banke kao zajmodavca Zajmoprimcu ili negativno utječe na provedbu ili funkcioniranje Projekta,

osim ako je neispunjenje ili okolnost zbog koje je došlo do neispunjenja moguće ispraviti te se ispravi u razumnom roku specificiranom u obavijesti koju Banka dostavi Zajmoprimcu.

10.02 **Ostala prava prema zakonu**

Članak 10.01 neće ograničiti neko drugo pravo Banke koje ona ima po zakonu u smislu prava na traženje prijevremene otplate Zajma.

10.03 **Odštete**

10.03A **Tranše s fiksnom kamatnom stopom**

U slučaju zahtjeva iz članka 10.01 u pogledu svake tranše s fiksnom kamatnom stopom, Zajmoprimac je dužan Banci platiti traženi iznos zajedno s iznosom zaračunatim u skladu s člankom 4.02B na bilo koji dospjeli nepodmireni iznos. Taj će se iznos obračunavati od datuma dospijeca za plaćanje utvrđenog u obavijesti o zahtjevu Banke i izračunavat će se kao da je prijevremena otplata izvršena na tako utvrđeni datum.

10.03B **Tranše s promjenjivom kamatnom stopom**

U slučaju zahtjeva iz članka 10.01 u pogledu svake tranše s promjenjivom kamatnom stopom, Zajmoprimac je dužan Banci platiti traženi iznos zajedno s iznosom jednakim sadašnjoj vrijednosti 0,15% (15 baznih bodova) godišnje, izračunato i obračunato na iznos koji dospijeva na prijevremenu otplatu na isti način na koji bi kamata bila izračunata i obračunata da je taj iznos ostao nepodmiren sukladno izvornom planu otplate tranše, do datuma revizije/konverzije kamatne stope, ako će ga biti, ili datuma dospijeca.

Vrijednost će biti izračunata po diskontnoj stopi jednakoj stopi ponovnog angažmana koja se primjenjuje kao na svaki relevantni datum plaćanja.

10.03C **Općenito**

Iznosi koje Zajmoprimac duguje prema članku 10.03 dospijevaju na naplatu na dan prijevremene otplate utvrđen u zahtjevu Banke.

10.04 **Neodricanje od prava**

Nikakav propust ili kašnjenje Banke, odnosno jednokratno ili djelomično ostvarivanje njezinih prava ili pravnih lijekova prema ovom Ugovoru neće se tumačiti kao odricanje od takvog prava ili pravnog lijeka.

Prava i pravni lijekovi predviđeni ovim Ugovorom su kumulativne naravi i ne isključuju nikakva prava i pravne lijekove koji proizlaze iz zakona.

10.05 **Raspoređivanje primljenih iznosa**

Iznosi koje Banka primi nakon zahtjeva iz članka 10.01 prvo će se rasporediti na plaćanje troškova, kamata i naknada, a nakon toga na podmirenje preostalih nepodmirenih rata redosljedom obrnutim od redosljeda dospijeća. O raspodjeli primljenih uplata na određene tranše odlučuje Banka.

ČLANAK 11.

Mjerodavno pravo i sudska nadležnost

11.01 **Mjerodavno pravo**

Na ovaj se Ugovor primjenjuje austrijsko pravo kao mjerodavno.

11.02 **Nadležnost**

Ovime stranke ovog Ugovora priznaju nadležnost Suda Europske unije.

Stranke ovog Ugovora ovim putem odriču se svakog imuniteta od ili prava na prigovor pravnoj nadležnosti tih sudova. Svaka odluka koju donesu sudovi prema ovom članku bit će konačna i obvezujuća za svaku stranku, bez ograničenja i rezervi.

11.03 **Dokaz o dospjelim iznosima**

U svakom sudskom postupku koji proizlazi iz ovog Ugovora, potvrda Banke o nekom dospjelom iznosu ili obroku koji treba platiti Banci prema ovom Ugovoru, predstavljat će u nedostatku očite pogreške prima facie dokaz o takvom iznosu.

ČLANAK 12. Završne odredbe

12.01 Obavijesti bilo kojoj stranci

Obavijesti i ostale poruke koje se daju prema ovom Ugovoru upućene bilo kojoj stranci ovog Ugovora trebaju se poslati na adresu ili broj telefaksa kako je navedeno dolje, ili na takvu drugu adresu ili broj telefaksa o kojoj neka stranka prethodno obavijesti drugu pisanim putem:

Za Banku

Na pažnju:
100 boulevard Konrad Adenauer
L-2950 Luxembourg
Telefaks br.: [+352 437962897](tel:+352437962897)

Za Zajmoprimca

Na pažnju:
Ministarstvo financija
Katančičeva 5
10000 Zagreb
Hrvatska
Telefaks br.: [+385 14922598](tel:+38514922598)

12.02 Oblik obavijesti

Svaka obavijest ili druga priopćenja dana prema ovom Ugovoru moraju biti u pisanom obliku.

Obavijesti i ostala priopćenja za koje se u ovom Ugovoru utvrđuju fiksni rokovi ili koje u sebi sadrže fiksne rokove obvezujuće za primatelje, dostavljaju se osobnom dostavom, preporučenim pismom ili telefaksom. Za utvrđivanje roka odlučujući će biti datum dostave, uručenja, ili u određenom slučaju, potvrđeni datum primitka prijena.

Ostale obavijesti i poruke mogu se dostaviti osobnom dostavom, preporučenim pismom, ili telefaksom ili, ako se strane suglase pisanim sporazumom, elektronskom poštom ili drugom elektronskom komunikacijom.

Bez utjecaja na valjanost svake obavijesti dostavljene telefaksom prema stavicima gore, primjerak svake obavijesti dostavljene faksimilom također će biti poslan poštom dotičnoj stranci najkasnije sljedećeg Radnog dana.

Obavijesti koje izda Zajmoprimac prema bilo kojoj odredbi ovog Ugovora trebaju se, ako tako traži Banka, dostaviti u Banku zajedno s prihvatljivim dokazima o ovlaštenju osobe ili osoba ovlaštenih za potpisivanje takve obavijesti u ime Zajmoprimca i ovjerenim uzorkom potpisa takve osobe odnosno osoba.

12.03 Promjene kod stranaka

Zajmoprimac ne smije ustupiti ili prenijeti neko od svojih prava ili obveza iz ovog Ugovora bez prethodne pisane suglasnosti Banke.

Banka može ustupiti sva svoja prava i koristi ili njihov dio, odnosno prenijeti (obnovom, podsudjelovanjem ili na drugi način) sva svoja prava, koristi i obveze iz ovog Ugovora ili njihov dio.

12.04 Uvodne odredbe i Prilozi

Uvodne odredbe i sljedeći Prilozi sastavni su dio ovog Ugovora:

Prilog A	Specifikacija projekta i izvješćivanje
Prilog B	Definicija EURIBOR-a
Prilog C	Obrasci za Zajmoprimca
Prilog D	Revizija i konverzija kamatne stope

12.05. Stupanje na snagu

Ovaj Ugovor stupa na snagu datumom stupanja na snagu zakona o njegovom potvrđivanju.

U POTVRDU NAVEDENOG, stranke su sklopile ovaj Ugovor u (4) četiri izvornika na engleskom jeziku te su svaku stranicu ovog Ugovora parafirali u njihovo ime.

U Zagrebu, 18. listopada 2011.
godine

U Luxembourg, 18. listopada 2011.
godine

Potpisano za i u ime
REPUBLIKE HRVATSKE
ministrica financija

Potpisano za i u ime
EUROPSKE INVESTICIJSKE BANKE
voditelj odjela voditelj odjela

Martina DALIĆ, v.r.

Dominique COURBIN, v.r. Massimo NOVO, v.r.

Specifikacija projekta i izvješćivanje

A.1 Tehnički opis (članak 6.02)

Svrha, lokacija

Program se odnosi na unaprjeđenje vodoopskrbnih sustava, prikupljanja i obrade otpadnih voda, te odvodnje oborinskih voda u općinama i gradovima u svim hrvatskim županijama, osim glavnoga grada. Obuhvaća manje projekte koji se trebaju provesti u razdoblju od 2009. do 2014. godine i od kojih će koristi većinom imati manje zajednice. Projekti će unaprijediti vodoopskrbu za približno 390.000 stanovnika, dok će otprilike 350.000 stanovnika imati koristi od poboljšanog prikupljanja i obrade otpadnih voda.

Opis

Ovaj program obuhvaća dogradnju osnovne vodovodne infrastrukture i infrastrukture za odvodnju otpadnih i oborinskih voda u KP (JLS-ima) i javnim entitetima u svim hrvatskim županijama, osim glavnoga grada. Zajam je namijenjen financiranju sljedećih komponenti:

Komponenta I – Institucionalno jačanje:

- I.a Jačanje komunalnih poduzeća za vodoopskrbu i odvodnju,
- I.b Upravljanje projektom;

Komponenta II – Investicijska ulaganja u građevine javne vodoopskrbe:

- II.a Izrada pripremnih studija i projektne dokumentacije,
- II.b Izgradnja vodoopskrbnih sustava (mreža i uređaji za kondicioniranje voda),
- II.c Nadzor nad građenjem,

Komponenta III – Investicijska ulaganja u građevine javne odvodnje otpadnih voda:

- III.a Izrada pripremnih studija i projektne dokumentacije,
- III.b Izgradnja sustava odvodnje (mreža i uređaji za pročišćavanje),
- III.c Nadzor nad građenjem.

Projekti će se odrediti na temelju kriterija prihvatljivosti, detaljno navedenih u Prilogu A.3. Kao primjer, svi će projekti morati biti usklađeni s primjenjivim zakonodavstvom, svim relevantnim Direktivama EU-a, Plana provedbe vodno-komunalnih direktiva, propisima, sektorskim politikama i prioritetima (tj. Okvirom za usklađenost strategija za 2007.-2013., Regionalnim operativnim programima, Operativnim programom za zaštitu okoliša, nacionalnim Strategijama za upravljanje otpadom i vodama). Dio Zajma koji će se koristiti za Komponentu I. biti će ograničen na iznos jednak 5% iznosa Zajma i mora biti u izravnoj vezi sa predloženim potprojektima.

Turistički projekti (uključujući svaki novi razvoj područja) neće biti prihvatljivi za financiranje od strane EIB-a iz ovog zajma. Jednako tako, u nedostatku nacionalne strategije za upravljanje poplavama koja bi bila koordinirana sa svim susjednim državama, projekti za zaštitu od poplava neće biti prihvatljivi za financiranje iz ovog zajma.

Ako pojedinačni Potprojekti dobiju poticaj iz EU IPA fonda, ili putem drugih poticajnih shema EU-a, tada kombinirani financijski doprinos EIB-a i EU-a ne smije biti veći od 90% troškova potprojekta.

Kalendar

Potprojekti iz ovog Okvirnog zajma moraju se provesti tijekom razdoblja 2011.-2014. godine.

A.2. INFORMACIJE O PROJEKTU KOJE SE TREBAJU SLATI BANCIMA I NAČIN NJIHOVA SLANJA

1. Slanje informacija: imenovanje odgovorne osobe.

Za slanje niže navedenih informacija Bancima odgovorna je:

Tvrtka	MINISTARSTVO REGIONALNOG RAZVOJA, ŠUMARSTVA I VODNOGA GOSPODARSTVA
Kontakt osoba	Gdin. Zdravko Krmek
Položaj	Državni tajnik
Funkcija / Odjel	Uprava vodne politike i međunarodnih projekata
Adresa	Ulica grada Vukovara 220, 10 000 Zagreb, Hrvatska
Telefon	+385 1 63 07 411
Telefaks	+385 1 63 07 426
E-pošta	zdravko.krmek@voda.hr

Navedena kontakt osoba(e) za sada je (su) osoba zadužena za kontakt(e).
Zajmoprimac će bez odlaganja obavijestiti EIB o svakoj promjeni.

2. Informacije o posebnim pitanjima

Zajmoprimac je obavezan Bancima dostaviti sljedeće informacije najkasnije do dolje navedenih rokova.

Dokument / informacija	Rok
Potpisivanje Ugovora o Projektu	Prije prvog zahtjeva za dodjelu
Izjava Nositelja da su projekti, za koje je podnjet zahtjev za financiranje od strane Banke, usklađeni s primjenjivim zakonodavstvom, propisima, sektorskim politikama i prioritetima (tj. OUS za 2007.-2013., Operativnim programom za zaštitu okoliša, Regionalnim operativnim programima, nacionalnim Strategijama za upravljanje vodama). Lista projekata u skladu sa sektorskim prioritetima te prilagođenim rasporedom financiranja.	Prije prvog zahtjeva za dodjelu
Organizacijska shema Jedinice za provedbu programa (JPP) koja djeluje u okviru HV, opis njezinog posla, uključujući, između ostalog, odgovornost za usklađenost s Direktivama EU-a o javnoj nabavi i okolišu.	Prije prve isplate.

<p>Predložci prijavnih obrazaca (pogledajte Prilog A.3 za veće projekte i A.4 za manje projekte) za odabir projekata, koji odražavaju kriterije prihvatljivosti Banke u odnosu na vodni sektor, zajedno s odgovarajućim sagledavanjem povrata troškova, dostupnosti i funkcionalne održivosti.</p>	<p>Zajedno sa svakim zahtjevom za dodjelu.</p>
<p>Opći uvjeti ugovora za razvoj baze podataka projektnih troškova, pokazatelja izvršenja te operativnih troškova i troškova održavanja u okviru komunalnih usluga uključenih ovim investicijskim programom.</p>	<p>Prije druge isplate.</p>
<p>Od Nositelja će se zatražiti da na internetskim stranicama redovito objavljuje i ažurira obavijesti o dodjeli ugovora na najprikladnijoj razini (razina ministarstva, županije ili JLS-a) te da se dogovori s Bankom za sve radove iznad 130.000 EUR.</p>	<p>Mjesec dana po dodjeli svakog od tendera</p>

3. Informacije o provedbi projekta

Zajmoprimac tijekom provedbe projekta dostavlja Banci sljedeće podatke o napretku projekta, najkasnije u dolje utvrđenim rokovima.

Dokument / informacija	Rok	Učestalost izvještavanja
<p>Izvješće o napretku projekta</p> <ul style="list-style-type: none"> - <i>Kratko izvješće o tehničkom opisu, uz objašnjenje o razlozima nastanka značajnih razlika u odnosu na početni okvir;</i> - <i>Izvješće o datumu dovršetka svake od glavnih komponenti projekta, uz objašnjenje o razlozima eventualnog kašnjenja;</i> - <i>Izvješće o troškovima projekta i cijelog programa, uz objašnjenje o razlozima svakog eventualnog povećanja troškova u odnosu na početne troškove obuhvaćene proračunom;</i> - <i>Opis svakog značajnijeg problema koji utječe na okoliš;</i> - <i>Izvješće o postupcima javne nabave i javnom nadmetanju (otvoreni, dodijeljeni tenderi, itd.);</i> - <i>Izvješće o potrebama projekta ili iskorištenju i komentari;</i> - <i>Svako značajno pitanje ili svaki značajan rizik koji može utjecati na funkcioniranje projekta;</i> - <i>Svaki sudski postupak koji je u tijeku u vezi s projektom.</i> - <i>Nositelj će dostavljati redovna izvješća o predviđenim novčanim tijekovima za lokalne pružatelje usluga, zajedno s podnošenjem godišnjeg popisa pokazatelja izvršenja za svaku jedinicu lokalne samouprave, radi dobivanja suglasnosti Banke.</i> - <i>Izvješća o JPP-u (promjene u organizaciji, osoblju, itd.)</i> - <i>Sve relevantne promjene u sektorima obuhvaćenima Zajmom, kao primjerice u propisima, organizaciji sektora, proširenju mogućnosti institucija, itd.</i> 	<p><i>3 mjeseca po potpisivanju</i></p>	<p><i>Godišnje</i></p>

4. Informacije o završetku radova i prvoj godini rada

Zajmoprimac je obvezan Banci dostaviti sljedeće informacije o dovršenju projekta i puštanju u promet, najkasnije do niže naznačenih rokova.

Dokument / informacija	Datum dostave Banci
<p>Izvjješće o dovršenju projekta, koje uključuje:</p> <ul style="list-style-type: none"> - <i>Kratki opis tehničkih karakteristika dovršenog projekta,, uz objašnjenje o razlozima svake značajne promjene;</i> - <i>Datum dovršetka svake od glavnih komponenti projekta, uz objašnjenje o razlozima eventualnog kašnjenja;</i> - <i>Konačni trošak projekta, uz objašnjenje o razlozima svakog eventualnog povećanja troškova u odnosu na početni trošak predviđen proračunom; izvješće o pokazateljima troškova projekta (jedinični troškovi, troškovi rada i održavanja (O&M) za relevantne komunalne usluge, na temelju izrađene baze podataka</i> - <i>Sažetak pokazatelja obavljanja komunalnih usluga na temelju izrađene baze podataka;</i> - <i>Broj novih radnih mjesta otvorenih projektom: kako radnih mjesta otvorenih tijekom provedbe projekta, tako i novostvorenih stalnih radnih mjesta;</i> - <i>Opis svakog značajnijeg problema koji utječe na okoliš;</i> - <i>Sažetak o postupcima javne nabave (broj i vrsta otvorenih tendera, statistika dodijele, itd.);</i> - <i>Izvjješće o potrebama projekta ili iskorištenju i komentari;</i> - <i>Svako značajno pitanje ili svaki značajan rizik koji može utjecati na funkcioniranje projekta;</i> - <i>Svaki sudski postupak koji je u tijeku u vezi s projektom.</i> 	<p>15 mjeseci nakon dovršetka projekta</p>
<p>Jezik izvješća</p>	<p><i>Engleski jezik</i></p>

A.3. SAŽETAK S PODACIMA O PROJEKTU I UPITNIK

Nositelj kojega je potvrdio JPP mora ispuniti sljedeći upitnik.

1. OSNOVNI PODACI

- Naziv projekta:
- Broj projekta:
- Općina/Grad:
- Lokacija:
- Kontakt osoba:
 - Može li kontakt osoba komunicirati na engleskom jeziku (da/ne):
 - Adresa:
 - Broj telefona:
 - Telefaks:
 - E-pošta:
- Obrazac popunio:
- Datum:
- Potpisi:

Direktor komunalnog poduzeća	Načelnik općine / Gradonačelnik (propisno ovlašten odlukom općinskog/gradskog vijeća br.)	Voditelj JPP-a
Ime i prezime:	Ime i prezime:	Ime i prezime:

2. OPIS PROJEKTA

2.1 Pozadina

- Opis postojeće situacije i razlozi zbog kojih se projekt želi provesti, uključujući opis postojećih nedostataka/rizika u vezi s vodoopskrbom/otpadnim vodama/okolišem. Posebice, istaknite sva poznata zdravstvena pitanja kojima se projekt bavi, ili poznati potencijali utjecaj na vodoopskrbu ili rizik po nju.
- Institucionalni i pravni okvir (upravljanje, vlasništvo i funkcioniranje vodne infrastrukture, postojećih postrojenja). Osobito, jesu li vodne usluge namjenske komunalne usluge ili čine dio većeg broja komunalnih usluga?
- Postoji li već suradnja, odnosno postoji li mogućnost suradnje više općina u pogledu vodnih usluga i usluga zbrinjavanja otpadnih voda, poput regionalnog vodoopskrbnog

sustava ili suradnje s drugim gradovima? Posebice, postoje li ideje, mogućnosti za povezivanje na vodovodne/kanalizacijske sustave u drugim općinama?

- Opis vodnih projekata i projekata koji se odnose na otpadne vode, a koji su u tijeku (također pogledajte posebni investicijski upitnik u Prilogu A.4)
- Podjela na faze i povezivanje sa sektorskim planovima/programima ili urbanim odnosno regionalnim Master planovima. Je li projekt dio uzastopnog niza intervencija?
- Trenutačno/predviđeno sudjelovanje ostalih donatora/agencija/međunarodnih financijskih institucija.
- Navedite primarni izvor pitke vode. Ako se radi o bunarima, molimo navedite dubinu bunara
- Navedite riječni sliv/podsliv kojem pripada područje projekta i naziv prihvatnog vodnog tijela. Također navedite je li područje krševito
- Molimo da dostavite preglednu kartu projektnog područja i pojednostavljeni shematski prikaz vodoopskrbnog sustava i sustava za zbrinjavanje otpadnih voda (ako postoji), na kojem su prikazana
 - postojeća i predviđena ključna postrojenja
 - pitka voda, prihvatna vodna tijela i smjer podzemnih voda (ako je taj podatak poznat)

2.2 Područje usluge i projekta

(u mjeri u kojoj je informacija dostupna, u protivnom dostavite procjenu i označite sa *)

Ukupan broj stanovnika administrativnog područja (općine/grada)	
Površina administrativnog područja (općine/grada)	
Broj stanovnika najvećega grada koji je uključen u projekt	
Prosječna veličina domaćinstva u općini/gradu	
Prosječni mjesečni prihod po domaćinstvu	
Broj gradova/sela uključenih u projekt	
Broj stanovnika na koje projekt utječe	
Broj stanovnika koji imaju priključak na središnji vodovodni sustav	
Broj stanovnika koji imaju priključak na vodoopskrbu u administrativnom području (općini/gradu), uključujući decentralizirane sustave	
Ima li prekida u opskrbi bilo kojeg područja u bilo kojem dijelu godine? Ako je to slučaj, kada je i kroz koliko sati osigurana opskrba?	
Dužina središnjeg sustava vodoopskrbne mreže (bez servisnih cijevi)	
Broj vodovodnih priključaka	
Broj vodovodnih priključaka s mjerilima	
Broj stanovnika priključenih na kanalizacijsku mrežu	
Broj domaćinstava priključenih na kanalizacijsku mrežu	

Broj stanovnika koji koristi septičke jame	
Broj domaćinstava koja koriste septičke jame	

2.3. Prosječna vodna bilanca

Navesti podatke za 2009. (za 2010. nakon 1. travnja 2011.), u mjeri u kojoj je informacija dostupna, u protivnom dostavite procjenu i označite sa *)

Crpljenje podzemnih voda (m ³ /dan)			
Crpljenje iz izvora (m ³ /dan)			
Crpljenje iz površinskih voda iz rijeka/jezera (m ³ /dan)			
Proizvedena količina pitke vode (m ³ /dan)			
Vrsta/razina obrade pitke vode			
Količina vode predana u distribucijsku mrežu (m ³ /dan)			
Količina vode gravitacijski predana u distribucijsku mrežu (m ³ /dan)			
	Domaćinstva	Poslovni korisnici	Ostalo
Izmjerena legalna potrošnja (m ³ /dan)			
Neizmjerena legalna potrošnja, otprilike (m ³ /dan)			
Ukupna fakturirana potrošnja (m ³ /dan)			
Prikupljene otpadne vode (m ³ /dan)			
Obradene otpadne vode (m ³ /dan)			
Vrsta/razina trenutne obrade otpadnih voda			
Navedite vrste industrijskih otpadnih voda ispuštenih u sustav i razinu prethodne obrade			
Potrošnja domaćinstava per capita (litara/po osobi/po danu)			
Noćni dotok u distribucijsku mrežu (m ³ /sat) izmjeren približno između 4 i 5 sati rano ujutro)			
Procijenjeno istjecanje iz mreže vode predane u mrežu (m ³ /dan)			
Procijenjena infiltracija u kanalizacijsku mrežu iz podzemnih voda / s površine (m ³ /dan)			
Godišnji broj puknuća u mreži			

2.4 Trendovi u posljednjih 5 godina

	Opskrba pitkom vodom					Zbrinjavanje otpadnih voda	
	Ukupna proizvodnja vode (m ³ /god.)	Potrošnja u domaćinstvima (m ³ /god.)	Ostala potrošnja (m ³ /god.)	Pucanja cijevi (broj)	Istjecanje iz mreže (m ³ /god.)	Priključeno stanovništvo (broj stanovnika)	Obradeno otpadnih voda (m ³ /god.)
2006.							
2007.							
2008.							
2009.							
2010.							

2.5 Tehnički opis

Opis treba sadržavati:

- kratko opravdanje za odabrano rješenje i navođenje razmotrenih alternativa (ako su razmatrane) te razlozi njihovog odbacivanja
- relevantne ključne dimenzije, kapacitete i materijale,

- projektne kriterije (poput potražnje za vodom po stanovniku, tereta onečišćenja, itd.) korištene za projektiranje vodova i uređaja
- izjavu o količinama novih izgradnji/proširenja/rekonstrukcija,
- kartu koja prikazuje lokaciju projekta,
- plan koji prikazuje raspored, naznačujući postojeću i predloženu ključnu vodovodnu infrastrukturu i infrastrukturu za zbrinjavanje otpadnih voda, poput vodovodnih cijevi, crpnih stanica, postrojenja za obradu, glavnih kanalizacijskih cijevi,

2.6 Razina pripremljenosti projekta i odgovornosti za pripremu/provedbu projekta

- Kratko opišite prethodna iskustva općine/grada ili javnog komunalnog poduzeća u provođenju postupaka javne nabave i nadzoru radova
- Popis nedavno provedenih studija i planova
- Stupanj i faza projektiranja i konstrukcije za svaku od komponenti projekta
- Dobivena odobrenja za izradu projekata i izgradnju, datumi odobrenja
- Jesu li već odabrane buduće lokacije glavnih instalacija (poput crpne stanice, spremnika, postrojenja za obradu otpadnih voda)?
- Da li je pribavljeno zemljište potrebno za projekt?
- Agencije/organizacije/konzultanti odgovorni za pripremu projekta (projekt/dokumentacija za tender), upravljanje ugovorima, nadzor nad radovima, funkcioniranje i održavanje

2.7 Utjecaji na okoliš i hidrološki utjecaji

- Molimo da kratko objasnite svaki mogući negativni učinak koji bi projekt mogao imati na okoliš (tijekom faze izgradnje, kao i tijekom faze funkcioniranja)
- Je li prema zakonu potrebna procjena učinka na okoliš (PUO)? Je li izvršena PUO? Ako je to slučaj, dostavite netehnički sažetak. Opišite način javnog sudjelovanja.
- Tamo gdje je područje projekta uz rijeku/potok, koji je približni niski protok prihvatne rijeke/potoka (m³/sat)?
- Postoji li zabilježena poplava/rizik od poplavlivanja važnih postrojenja?
- Postoje li u blizini ili nizvodno neka područja zaštite prirode (prirodni rezervati, područje posebnog biljnog i životinjskog svijeta/prirodnih posebnosti)? Da li će projekt utjecati na njih?
- Postoje li industrijska poduzeća koja obavljaju djelatnost u tom području? Koje su industrije djelovale u prošlosti?
- Koja se vrsta postrojenja koristi za upravljanje kanalizacijskim muljem (ako postoji)?

2.8 Planirano razdoblje provedbe

- Datum početka:
- Datum završetka:

2.9 Procjena investicijskog troška (prema cijenama u 2009.), također pogledajte zasebni investicijski upitnik u Točki 3.

	HRK	EUR ⁽¹⁾
Projektiranje i nadzor		
Građevinski radovi - Stavka 1. - Stavka 2. - itd.		
Oprema - Stavka 1. - Stavka 2. - itd.		
Nabava zemljišta		
Razno		
Nepredviđene tehničke okolnosti		
Nepredviđena povećanja cijena (...% godišnje povećanje), ako je primjenjivo ⁽²⁾		
PDV ⁽³⁾		

⁽¹⁾ 1 EUR = xxx HRK (ažurirati u skladu s time)

⁽²⁾ Molimo da objasnite o kojim se nepredviđenim okolnostima i troškovima radilo

⁽³⁾ Napomena (Molimo objasnite postupak oporezivanja PDV-om i postotak)

2.10 Tablica očekivanih izdataka i izvori sredstava (u HRK bez PDV-a)

Izvor sredstava	Ukupno	Raspodjela po godinama					
		2010.	2011.	2012.	2013.	2014.	2015.
Vlada							
Općina							
Ostali oblici vlastitog / nacionalnog sudjelovanja							
Sufinanciranje od strane međunarodne(ih) financijske(ih) institucije(a)							
UKUPNO							

2.11 Plan nabave

Opišite vrijednost i vrstu ugovora (projektiranje/radovi/isporuke) i način javnog nadmetanja predviđen za svaku od komponenti (lokalni, međunarodni) postupka(aka) javnog nadmetanja

2.12 Elementi troškova rada i održavanja postrojenja:

Element troškova	Jedinica	Sadašnje stanje			Nakon što se projekt provede		
		Voda	Otpadna voda	Ukupno	Voda	Otpadna voda	Ukupno
Ukupni troškovi rada i održavanja	HRK godišnje						
Od čega za energiju	HRK godišnje						
Od čega za osoblje	HRK godišnje						
Specifična potrošnja energije	kWh po m ³	(po m ³ obrađene vode)	(po m ³ proizvedene vode)	nema podataka	(po m ³ obrađene vode)	(po m ³ proizvedene vode)	nema podataka
Specifični trošak rada i održavanja	HRK po m ³	(po m ³ obrađene vode)	(po m ³ proizvedene vode)	nema podataka	(po m ³ obrađene vode)	(po m ³ proizvedene vode)	nema podataka
Osoblje	broj						

2.13 Vodne tarife

2.13.1 Fiksna komponenta 2010.

- Naznačite komponentu koja se fakturira neovisno od potrošene količine, poput obračuna po brojilu, po priključku, po stanovniku, po nekretnini, itd.
- Gdje je to mjerodavno, razlučite na vodu i otpadnu vodu te dalje na kategorije, poput grupa korisnika (domaćinstva, poslovni korisnici, itd.), promjer brojila, veličina nekretnine, itd.
- Naznačite relevantni(e) iznos(e) zajedno s učestalosti fakturiranja (mjesečno, tromjesečno, godišnje, itd.)

2.13.2 Komponenta ovisna o količini 2010.

Komponenta voda	
Komponenta otpadnih voda	
Porez 1 (poput poreza na crpljenje vode)	
Porez 2 (poput poreza na zagađenje)	
...	
PDV	
UKUPNA CIJENA	

- Gdje je to mjerodavno, razlučite dalje na kategorije, poput grupa korisnika (domaćinstva, poslovni korisnici, itd.), tarifnih grupa vezanih uz količine, itd.
- Naznačite relevantni(e) iznos(e) i/ili postotke, zajedno s učestalosti fakturiranja (mjesečno, tromjesečno, godišnje, itd.)

2.13.3 Kretanje cijena

Opišite planirano kretanje cijena tijekom nekoliko sljedećih godina.

2.14 Pokazatelji investicijskih troškova

	Opskrba vodom	Otpadne vode
Stanovništvo na koje će utjecati nova izgradnja ili proširenje		
Stanovništvo na koje će utjecati rekonstrukcija ili obnavljanje postojeće infrastrukture		
Trošak projekta po stanovniku u područjima nove izgradnje (HRK/stanovniku)		
Trošak projekta po stanovniku u područjima rekonstrukcije (HRK/stanovniku)		

2.15 Mogućnost povećanja cijena i pokrivenost troškova

- Dostavite analizu utjecaja na mogućnost (% neto raspoloživog prihoda) povećanja cijena potrebnih za pokrivanje (i) 100% troškova rada i održavanja novog potprojekta, (ii) cjelokupnog troška potprojekta. Molimo da gornje podatke dostavite kako za prosječna domaćinstva, tako i za domaćinstva s malim prihodima ¹ (najniža kvintila? Najniža decila? 40% medijana prihoda?) na tom području.
- Dostavite dokaz da cijena vodnih usluga pokriva najmanje 100% troškova rada i održavanja.
- Ako cijene ne pokrivaju troškove rada i održavanja, dostavite (i) dokaz da puni povrat troškova rada i održavanja neće moći snositi prosječno domaćinstvo na području projekta i (ii) dokaz da će se puni povrat troškova rada i održavanja postići kombinacijom tarifnih prihoda i pouzdanih, unaprijed definiranih proračunskih transfera.
- Ako cijene pokrivaju više od troškova rada i održavanja, naznačite % od ukupnih troškova vodnih usluga.
- Dostavite dokaz da će se puni povrat troškova (uključujući glavnica i financijske troškove) ostvariti kombinacijom tarifa, naknada te nacionalnih ili lokalnih potpora.

2.16 Financijska bilanca

- Dostavite sažetak specifikacije općinskog proračuna.
- Opišite vrste i iznose postojećih značajnih zajmova/dugova na razini komunalnih poduzeća.

2.17 Novčani tijek komunalne usluge

Dostavite sažetak specifikacije proračuna operatera (uobičajeno je to komunalno poduzeće) u kojem su prikazani različiti izvori prihoda te operativni i kapitalni troškovi, uključujući ne-vodne i kanalizacijske sektore te transfere iz općine i u nju. Za gore

¹ Molimo da prema potrebi dostavite definiciju

navedenu svrhu može poslužiti i poslovni plan. U idealnom slučaju ovi bi podaci trebali obuhvatiti protekle 3 godine i narednih 5 godina (tj. uključujući učinke projekta).

2.18 Održivost projekta

Za kapitalne investicijske projekte veće od 3 milijuna EUR financijska održivost projekta treba se dokazati analizom troškova i koristi (cost-benefit analiza), uključujući projekcije novčanih tijekova za razdoblje od 20 godina. Projekcije novčanih tijekova moraju odražavati podatke dostavljene u prethodnim odjeljcima. Podaci bi trebali biti prema stalnim cijenama (npr. iz 2010.) i uključivati detalje o različitim izvorima prihoda te operativnim i kapitalnim troškovima (uključujući i zamjene).

Sve se pretpostavke trebaju jasno naznačiti i opravdati.

3. UPITNIK O PROJEKTOJ INVESTICIJI

(Popunjava se izravno u EXCEL datoteku koja je dostavljena Nositelju)

Naziv projekta:

Ukupni sumarni proračun:

Plan financiranja:

Valuta (HRK ili EUR, molimo naznačite):

Troškovi investicije	0.
Kupnja zemljišta	
Radovi i oprema	
Projekt Nadzor	
Ukupno nepredviđene okolnosti - od čega nepredviđene financijske okolnosti (ako se zasebno procjenjuju) - od čega nepredviđena povećanja cijena (ako se zasebno procjenjuju)	
UKUPNO	

Izvor:	0.	%
Vlastita sredstva Nositelja Donator Ostalo 1 (treća strana) Ostalo itd. (treća strana) ...		
...		
Ostali zajmovi međunarodnih financijskih institucija		
Zatraženi zajam od EIB-a		
UKUPNO	0	

Detaljni pregled troškova i financiranja za projekt koji je predložen za financiranje od strane EIB-a

Svi su iznosi navedeni u

Opis komponente	Izvor sredstava za komponentu (*)	(**)					
		2010	2011	2012	2013	2014	2015
Komponenta 1							
Komponenta 2							
Komponenta ...							
Komponenta ...							

(*) EIB, ostale međunarodne financijske institucije, donator, općina, vlastita sredstva komunalnog poduzeća - tamo gdje se komponente financiraju iz više izvora, molimo naznačite sve izvore

Ostale investicije u vodoopskrbu, kanalizaciju i okoliš, koje nisu uključene u predloženi projekt

Svi su iznosi navedeni u:

Ovo uključuje ostale projekte financirane vanjskim ili vlastitim sredstvima, uključujući zamjene / dogradnje / veće radove na obnovi (npr. zamjene cijevi ili opreme za crpljenje).

Opis komponente	Izvor sredstava (*)	(**)					
		2010.	2011.	2012.	2013.	2014.	2015.
Komponenta 1							
Komponenta 2							
Komponenta ...							
Komponenta ...							

← Provedeni/ u proračunom, tijekom planirani →

(*) EIB, ostale međunarodne financijske institucije, donator, općina, vlastita sredstva komunalnog poduzeća - tamo gdje se komponente financiraju iz više izvora, molimo naznačite sve izvore

(**) Ako je program neke druge međunarodne financijske institucije/donatora započeo prije 2009. god., ali je dovršen nakon 2009. god. ili još uvijek traje, molimo opišite investicije koje su realizirane od početka takvog programa.

A.4 Tablice dodjele i praćenja za sve potprojekte - redovno se podnose Banci (ili na zahtjev)

Identifikacijska šifra	Županija	Lokacija (općina ili mjesto)	Krajnji korisnik (naziv i vrsta)	Opis projekta	Usklađenost s okolišem		Faza provedbe	Datumi početka/dovršetka		Ukupni prihvatljivi troškovi		Trošak po stanovniku (stvarni)
					PUO	Očuvanje prirode (Natura 2000)		početak	kraj	planirano	stvarno	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Ukupno:												

Napomene za pojašnjenje:

- (4) Naziv i vrsta krajnjeg korisnika: država, općina, privatni, NVO, itd.
- (6) Molimo navesti: NE: PUO nije potrebna; S-O: projekt Aneks II isključen (screened out); Da: projekt Aneks I ili Aneks II uključen. Ako DA, priložiti kopiju netehničkog sažetka pri dodjeli ili čim je to moguće
- (7) Odnosi se na Natura 2000 ili druga staništa od međunarodne ili nacionalne važnosti. Molimo navesti: NE: Procjena nije potrebna; NZU - nema značajnog utjecaja; Procjena obavljena: nema značajnog utjecaja; ZU (značajan utjecaj); Procjena obavljena, značajan utjecaj - molimo priložiti obrazac B pri dodjeli ili kada to bude moguće, ali prije nego što se bilo koja sredstva EIB-a dodijele projektu
- (8) Molimo navesti fazu provedbe Projekta na datum podnošenja (studija izvedivosti, idejni projekt, provedba, dovršeno, ... itd.)
- (9),(10) Molimo navesti najnovije predviđene datume početka i dovršenja projekta
- (11) Procjena početnih ukupnih prihvatljivih troškova projekta (prema izvješću poslanom EK-u, fiksno u vrijeme podnošenja zahtjeva za dodjelu, ovaj iznos treba ostati nepromijenjen do kraja programa)
- (12) Najnovija procjena: treba je ažurirati pri svakom zahtjevu za dodjelu

Definicije EURIBOR-a

A. EURIBOR

"EURIBOR" znači:

- (a) u smislu relevantnog razdoblja kraćeg od mjesec dana, kamatnu stopu na depozite u EUR dane za razdoblje od jednog mjeseca;
- (b) u smislu relevantnog razdoblja od jednog ili više cijelih mjeseci, kamatnu stopu na depozite u EUR dane za odgovarajući broj cijelih mjeseci; i
- (c) u smislu relevantnog razdoblja dužeg od mjesec dana (ali ne cijelih mjeseci), stopa koja je rezultat linearne interpolacije uz referencu na dvije stope na depozite u EUR, od kojih je jedna primjenjiva na razdoblje cijelih mjeseci neposredno kraćih, a druga na razdoblje cijelih mjeseci neposredno dužih od trajanja relevantnog razdoblja,

(pri čemu je razdoblje za koje se kamatna stopa uzima ili iz kojeg se stope interpoliraju "**reprezentativno razdoblje**"),

objavljenu u 11,00 sati prema vremenu u Bruxellesu, ili nekom kasnijem vremenu prihvatljivom Banci na dan ("**datum resetiranja**") koji pada 2 (dva) relevantna radna dana prije prvog dana relevantnog razdoblja, na Reutersovoj stranici pod nazivom EURIBOR 01 ili njezinoj zamjenskoj stranici ili, ako to nije moguće, u bilo kojem sredstvu publikacije koje u tu svrhu odredi Banka.

Ako se takva stopa ne objavi na gore navedeni način, Banka će zatražiti od glavnih podružnica četiri najveće banke u eurozoni po vlastitom izboru, da joj priopće stope po kojima svaka od njih nudi depozite usporedivog iznosa u EUR, u približno 11,00 sati prema vremenu u Bruxellesu, na datum resetiranja, vodećim bankama na međubankovnom tržištu eurozone, na razdoblje koje odgovara reprezentativnom razdoblju. Ako Banka primi najmanje 2 (dvije) tražene obavijesti, stopa na taj datum resetiranja bit će jednaka aritmetičkoj sredini između te dvije obavijesti.

Ako primi manje od 2 (dvije) obavijesti prema zahtjevu, stopa na taj datum resetiranja bit će jednaka aritmetičkoj sredini stopa koje su navele veće banke eurozone, po izboru Banke, u približno 11,00 sati prema vremenu u Bruxellesu, na dan koji pada 2 (dva) relevantna radna dana nakon datuma resetiranja, za zajmove u EUR za ekvivalentni iznos koji se izdaju vodećim europskim bankama za razdoblje jednako reprezentativnom razdoblju.

B. Općenito

U svrhu gore spomenutih definicija:

- (a) Svi postoci koji su rezultat proračuna iz ovog Priloga, po potrebi, zaokružuju se na najbliži stotisućiti dio postotnog boda, s tim da se polovine vrijednosti zaokružuju na višu vrijednost.

- (b) Banka će bez odgađanja obavijestiti Zajmoprimca o visini kotacija koje primi.
- (c) Ako bilo koja od prethodnih odredaba dođe u nesklad s odredbama usvojenim pod pokroviteljstvom EURIBOR-a FBE i EURIOBOR-a ACI u pogledu EURIBOR-a, Banka može, uz obavijest Zajmoprimcu, izmijeniti i dopuniti dotičnu odredbu kako bi je uskladila s takvim drugim odredbama.

Obrasci za Zajmoprimca**C.1 Obrazac Zahtjeva za isplatu (članak 1.02B)****Zahtjev za isplatu**

Hrvatska – ZAJAM ZA FINANCIRANJE KOMUNALNIH VODNIH PROJEKATA

Datum:

Molimo vas da provedete sljedeću isplatu:

Naziv zajma (*):

Datum potpisa (*):

FI br. Ugovora:

Zahtijevana valuta & iznos	
Valuta	Iznos

Predloženi datum isplate:

KAMATA	Osnovica kamatne stope (Čl. 3.01)	
	Stopa (% ili Raspon)²	
	Učestalost (Čl. 3.01)	Godišnje <input type="checkbox"/> Polugodišnje <input type="checkbox"/> Tromjesečno <input type="checkbox"/>
	Datumi plaćanja (Čl. 5.)	
	Datum revizije/konverzije kamatne stope (ako postoji)	

GLAVNICA	Učestalost otplate	Godišnje <input type="checkbox"/> Polugodišnje <input type="checkbox"/> Tromjesečno <input type="checkbox"/>
	Način otplate (Čl. 4.01)	Jednake rate <input type="checkbox"/> Konstantni anuiteti <input type="checkbox"/> Jednokratna otplata <input type="checkbox"/>
	Datum prve otplate	
	Datum dospijeca:	

Rezervirano za EIB (valuta ugovora)	
Ukupan iznos Kredita:	
Isplaćeno do sada:	
Ostalo <u>za</u> isplatu:	
Sadašnja isplata:	
Saldo <u>nakon</u> isplate:	
Rok za isplatu:	
Maksimalni broj isplata:	
Minimalna veličina Tranše:	
Ukupne dosadašnje dodjele:	
Preduvjeti:	Da / Ne

² NAPOMENA: Ako Zajmoprimac ovdje ne specificira kamatnu stopu ili raspon, smatrat će se da je suglasan s kamatnom stopom ili rasponom koju je naknadno dostavila Banka u obavijesti o isplati, u skladu s člankom 1.02C(c).

Prilog C

Račun Zajmoprimca na koji će se isplatiti kredit:

Broj računa:

(molimo navedite IBAN u slučaju isplata u EUR ili odgovarajući format za relevantnu valutu)

Naziv i adresa Banke:

Molimo vas da podatke relevantne za zahtjev dostavite:

Ime(na) i potpis(i) ovlaštene osobe (osoba) Zajmoprimca:

C.2 Obrazac potvrde Zajmoprimca (članak 1.04B)

Prima: Europska investicijska banka

Šalje: [Zajmoprimac]

Datum:

Predmet: **"FINANCIRANJE VODNO-KOMUNALNE INFRASTRUKTURE"**
Ugovor o financiranju između Europske investicijske banke i Republike Hrvatske s datumom 14. listopada 2011. godine ("**Ugovor o financiranju**"),
FI broj 31.176 Serapis broj 2009-0032

Poštovani,

izrazi definirani u Ugovoru o financiranju imaju isto značenje kada se upotrebljavaju u ovom Pismu.

U svrhe članka 1.04 Ugovora o financiranju ovim vam potvrđujemo sljedeće:

- (a) da nije osnovano, niti postoji osiguranje takve vrste koja je zabranjena prema članku 7.;
- (b) da ne postoji nikakva značajna promjena bilo kojeg aspekta Projekta ili u pogledu kojeg smo obvezani dati izvješće prema članku 8.01, osim kako smo to ranije priopćili;
- (c) da imamo dovoljno sredstava na raspolaganju da osiguramo pravodobno dovršenje i provedbu Projekta u skladu s Prilogom A.1;
- (d) da nije nastupio nikakav događaj ili okolnost koja čini ili bi s vremenom ili davanjem obavijesti iz Ugovora o financiranju činila događaj neispunjenja obveza iz članka 10.01, niti se nastavlja neispravljen ili da se od njega nije odustalo;
- (e) nikakva parnica, arbitraža, upravni postupci ili istraga nisu u tijeku niti, koliko nam je poznato, nisu najavljeni niti su ostali neriješeni pred bilo kojim sudom, arbitražnim tijelom ili agencijom, a koji su za posljedicu imali, ili bi u slučaju donošenja nepovoljne odluke bilo razumno vjerojatno da bi za posljedicu imali značajno negativnu promjenu, te da ne postoji protiv nas ili bilo kojeg našeg ovisnog društva bilo koja neizvršena presuda ili odluka suda;

- (f) očitovanja i jamstva koja ćemo dati ili ponoviti iz članka 6.08 su točni u svakom značajnom smislu; i

- (g) nije se dogodila nikakva značajno negativna promjena, u usporedbi s našim stanjem na datum Ugovora o financiranju.

S poštovanjem,

Za i u ime [Zajmoprimca]

Datum:

Revizija i konverzija kamatne stope

Ako je Datum revizije/konverzije kamatne stope uključen u obavijest o isplati za tranšu, primjenjivat će se sljedeće odredbe.

A. Načini revizije/konverzije kamatne stope

Po primitku Zahtjeva za reviziju/konverziju kamatne stope, Banka će, tijekom razdoblja koje započinje 60 (šezdeset) dana i završava 30 (trideset) dana prije datuma revizije/konverzije kamatne stope, dostaviti Zajmoprimcu prijedlog revizije/konverzije kamatne stope u kojem će navesti:

- (a) kamatnu stopu i/ili raspon koji će se primijeniti na tranšu, ili njezin dio naveden u zahtjevu za reviziju/konverziju kamatne stope prema članku 3.01; i
- (b) da će se takva stopa primjenjivati do datuma dospijeca ili do novog datuma revizije/konverzije kamatne stope, ako će ga biti, s tim da se kamate plaćaju tromjesečno, polugodišnje ili godišnje unatrag, na naznačene datume plaćanja.

Zajmoprimac može pisanim putem prihvatiti prijedlog revizije/konverzije kamatne stope do roka naznačenog u njemu.

Bilo kakve izmjene i dopune Ugovora koje Banka zatraži s ovim u vezi, stupit će na snagu putem ugovora koji se mora sklopiti najkasnije 15 (petnaest) dana prije relevantnog datuma revizije/konverzije kamatne stope.

B. Učinci revizije/konverzije kamatne stope

Ako Zajmoprimac pravovaljano prihvati pisanim putem fiksnu kamatnu stopu ili raspon u vezi s prijedlogom revizije/konverzije kamatne stope, Zajmoprimac je obvezan platiti obračunate kamate na datum revizije/konverzije kamatne stope, kao i na sve sljedeće određene datume plaćanja.

Prije datuma revizije/konverzije kamatne stope, relevantne odredbe Ugovora i obavijesti o isplati primjenjivat će se na cijelu tranšu. Od datuma revizije/konverzije kamatne stope nadalje, uključujući i taj dan, odredbe sadržane u prijedlogu za reviziju/konverziju kamatne stope koje se odnose na novu kamatnu stopu ili raspon, primjenjivat će se na tranšu (ili njezin dio) do novog datuma revizije/konverzije kamatne stope, ako će ga biti, ili do datuma dospijeca.

C. Neprovođenje revizije/konverzije kamatne stope

Ako Zajmoprimac ne podnese zahtjev za reviziju/konverziju kamatne stope ili ne prihvati pisanim putem prijedlog revizije/konverzije kamatne stope za tranšu, ili ako strane ne provedu izmjenu i dopunu koju zahtijeva Banka prema gornjem Stavku A, Zajmoprimac je dužan otplatiti tranšu (ili njezin dio) na datum revizije/konverzije kamatne stope bez naknade. Zajmoprimac će otplatiti na datum revizije/konverzije kamatne stope svaki dio tranše na koji ne utječe revizija/konverzija kamatne stope.

MUNICIPAL WATER FINANCING FACILITY

Finance Contract

between the

Republic of Croatia

and the

European Investment Bank

Luxembourg, 18 October 2011
Zagreb, 18 October 2011

THIS CONTRACT IS MADE BETWEEN:

the Republic of Croatia, acting by
and through its Ministry of Finance, (the “**Borrower**”)
represented by Ms Martina Dalić,
Minister of Finance,

of the first part, and

The European Investment Bank
having its seat at 100 blvd Konrad
Adenauer, Luxembourg, L-2950 (the “**Bank**”)
Luxembourg, represented by Mr
Dominique Courbin, Head of
Division and by Mr Massimo Novo,
Head of Division,

of the second part.

WHEREAS:

- (1) The Borrower has stated that it is undertaking a project (the "**Project**") for financing improvements in water supply systems, waste water collection and treatment as well as storm water disposal in municipalities located in all Croatian counties (with the exception of Zagreb), to be carried out by Local Self Government Units (municipalities and towns), LSGU, represented by Utility Companies (the "**UC**" and, hereinafter, the "**Final Beneficiary/ies**") throughout Croatia (hereafter, the "**Sub-Project/s**"), as more particularly described in the technical description (the "**Technical Description**") set out in Schedule A.
- (2) The total cost of the Project is estimated by the Bank to be EUR 150,000,000.00 (one hundred fifty million euros) and the Borrower has stated that it intends to finance the Project as follows:

Source	Amount (EUR)
Own or other sources of funds	75,000,000.00
Credit from the European Investment Bank	75,000,000.00
TOTAL	150,000,000.00

- (3) In order to fulfil the financing plan set out in Recital (2), the Borrower has requested from the Bank a credit of EUR 75,000,000.00 (seventy five million euros).
- (4) The Republic of Croatia and the Bank concluded on 13 December 2000 a Framework Agreement governing the Bank's activities in the Republic of Croatia (hereinafter the "**Framework Agreement**") as ratified by law adopted on 3 May 2001 by the Croatian Parliament, and published in the Croatian official gazette "*Narodne novine – međunarodni ugovori*" No. 6/2001 dated 23 May 2001.
- (5) The Croatian Ministry of Regional Development, Forestry and Water Management (hereinafter the "**MRDFWM**"), which is responsible for the water management sector, is the promoter of the Project, while Croatian Waters (hereinafter "**CW**") as a national agency for water management, carrying out the water management infrastructure investments, will be promoter of the Sub-Projects to be financed under this Finance Contract; a new dedicated Project Implementation Unit (hereafter the "**PIU**"), comprised of staff members having appropriate international experience, will be established within CW to ensure the effective completion and the start of operation of the facilities comprised in the Sub-Projects. The tasks and role of the PIU within CW, as well as the role of the MRDFWM and the Ministry of Finance will be defined under the Project Agreement (as defined below).
- (6) By Article 3 of the Framework Agreement, the Republic of Croatia agreed that interest and all other payments due to the Bank and arising out of activities envisaged by the Framework Agreement, as well as the assets and revenues of the Bank connected with such activities, shall be exempt from tax.
- (7) By Article 4 of the Framework Agreement, the Republic of Croatia agreed that throughout the life of any financial operation concluded pursuant to the Framework Agreement it shall:

- (a) ensure (i) that Final Beneficiaries may convert into any fully convertible currency, at the prevailing market exchange rate on the due date, the amounts in the national currency of Croatia necessary for the timely payment of all sums due to the Bank in respect of loans and guarantees in connection with any project; and (ii) that such amounts shall be freely, immediately and effectively transferable;
 - (b) ensure (i) that the Bank may convert into any fully convertible currency, at the prevailing market exchange rate, the amounts in the national currency of Croatia received by the Bank by way of payments arising in respect of loans and guarantees or any other activity and that the Bank may freely, immediately and effectively transfer the amounts so converted; or, at the Bank's option, (ii) that it may freely dispose of such amounts within the territory of Croatia; and (iii) that the Bank may convert into the national currency of Croatia, at the prevailing market exchange rate, any amounts in any fully convertible currency.
- (8) The Bank considering that the financing of the Project falls within the scope of its functions and it conforms to the aims of the Framework Agreement, 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 a credit in an amount of or equivalent to EUR 75,000,000.00 (seventy five million euros) under this Finance Contract (the "**Contract**"); provided that (i) the amount of the Bank loan shall not, in any case, exceed 50% (fifty per cent) of the total cost of the Project set out in Recital (2) and (ii) the amount of each drawdown in respect of a Sub-Project shall not exceed 50 per cent. of the eligible Sub-Project cost. In the event that any individual Sub-Project receives support under any European Union Instrument of Pre-Accession Assistance (IPA) or through other European Union support schemes, the combined financial contribution from the Bank and the European Union shall remain below 90% of such individual Sub-Project cost.
- (9) 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 (the "**Union**"); and, accordingly, the terms and conditions of the Bank's loan operations must be consistent with relevant Union policies.
- (10) The Borrower confirms the Bank's preferred creditor status as an international financial institution.
- (11) References in this Contract 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.
- (12) In this Contract:
- “**Acceptance Deadline**” for a notice means:
- (i) 16h00 Luxembourg time on the day of delivery, if the notice is delivered by 14h00 Luxembourg time on a Business Day; or

- (ii) 11h00 Luxembourg time on the next following day which is a Business Day, if the notice is delivered after 14h00 Luxembourg time on any such day or is delivered on a day which is not a Business Day.

"Accounting Date" means 31 December 2011.

"Affected Sub-Project" has the meaning given to it in Article 4.03A(3).

"Allocation" has the meaning given to it in Article 1.09B.

"Allocation Letter" has the meaning given to it in Article 1.09B.

"Allocation Period" has the meaning given to it in Article 1.09A.

"Allocation Request" has the meaning given to it in Article 1.09A.

"Birds Directive" means Directive 79/409/CEE.

"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.

"Change-of-Law Event" has the meaning given to it in Article 4.03A(4).

"Contract" has the meaning given to it in Recital (8).

"Credit" has the meaning given to it in Article 1.01.

"CW" has the meaning given to it in Recital (5).

"Disbursement Notice" means a notice from the Bank to the Borrower pursuant to and in accordance with Article 1.02C.

"Disbursement Request" means a notice substantially in the form set out in Schedule C.1.

"Disruption Event" means either or both of:

- (a) 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
- (b) 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:
 - (i) from performing its payment obligations under this Contract; or
 - (ii) from communicating with other parties,

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.

"EIA" means the Environmental Impact Assessment in accordance with Directive 83/337/CEE as subsequently amended.

"EIB Allocation Report" has the meaning given to it in Article 1.11.

"Environment" means the following, in so far as they affect human well-being: (a) fauna and flora; (b) soil, water, air, climate and the landscape; and (c) cultural heritage and the built environment and includes occupational health and safety and the Project's social effects.

"Environmental Law" means EU law and the Croatian national laws and regulations save for any derogations agreed between Croatia and the EU, as well as applicable international treaties, of which a principal objective is the preservation, protection or improvement of the Environment.

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

"External Debt Instrument" has the meaning given to it in Article 7.01.

"Final Availability Date" means 15 October 2015.

"Final Beneficiary/ies" has the meaning given to it in Recital (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.

"Fixed Rate Tranche" means a Tranche disbursed on a Fixed Rate basis.

"Floating Rate" means a fixed-spread floating interest rate, that is to say an annual interest rate equal to EURIBOR plus or minus the Spread, determined by the Bank for each successive Floating Rate Reference Period.

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

"Floating Rate Tranche" means a Tranche disbursed on a Floating Rate basis.

"Framework Agreement" has the meaning given to it in Recital (4).

"Habitat Directive" means Directive 92/43/CEE.

"Indemnifiable Prepayment Event" means a prepayment event under Article 4.03A other than paragraphs 4.03A(1) and 4.03A(2).

"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 a next Interest Revision/Conversion Date, if any.

"Interest Revision/Conversion Date" means the date, being a Payment Date, specified by the Bank pursuant to Article 1.02B in the Disbursement Notice or pursuant to Article 3 and Schedule D.

"Interest Revision/Conversion Proposal" means a proposal made by the Bank under Schedule D, for an amount which, at the proposed Interest Revision/Conversion Date, is not less than EUR 10.000.000 (ten million euros) or the equivalent thereof.

"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:

- (i) Payment Dates chosen in accordance with the provisions of Article 3.01;
- (ii) the preferred repayment schedule chosen in accordance with Article 4.01; and
- (iii) any further Interest Revision/Conversion Date chosen in accordance with Article 3.01.

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

"LSGU" means the Local Self Government Units, represented by Utilities Companies, i.e. the Final Beneficiaries of this Loan.

"Market Disruption Event" means in relation to a specific Notified Tranche or to a Tranche in respect of which an Interest Revision/Conversion Proposal has been accepted by the Borrower in accordance with Schedule D:

- (a) there are, in the reasonable opinion of the Bank, exceptional circumstances adversely affecting the Bank's access to its sources of funding;
- (b) in the opinion of the Bank, funds are not available from its ordinary sources of funding to fund such Tranche in the relevant currency and/or for the relevant maturity and/or in relation to the reimbursement profile of such Tranche;
- (c) in relation to Tranche in respect of which interest is payable at Floating Rate:
 - (A) 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 a Tranche (i.e. in the money market) would be in excess of the applicable EURIBOR;

or

 - (B) the Bank determines that adequate and fair means do not exist for ascertaining the applicable EURIBOR for the relevant currency of such Tranche or it is not possible to determine the EURIBOR in accordance with the definition contained in Schedule B.

"Material Adverse Change" means, in relation to the Borrower, any event or change of condition, as compared with its condition at the date of this Contract, affecting the Borrower, which, in the opinion of the Bank: (1) materially impairs the ability of the Borrower to perform its financial or any of its other obligations under this Contract; (2)

materially impairs the financial condition of the Borrower; or (3) adversely affects any security provided by the Borrower.

"Maturity Date" means the last repayment date of a Tranche specified pursuant to Article 4.01(b)(iii).

"MRDFWM" has the meaning given to it in Recital (5).

"Notified Tranche" means a Tranche in respect of which the Bank has issued a Disbursement Notice.

"Payment Date" means the annual, semi-annual or quarterly dates specified in the Disbursement Notice until 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:

- (i) for a Fixed Rate Tranche, the following Relevant Business Day, without adjustment to the interest due under Article 3.01; and
- (ii) for a Floating Rate Tranche, the next day, if any, of that calendar month that is a Relevant Business Day or, failing that, the nearest preceding day that is a Relevant Business Day, in all cases with corresponding adjustment to the interest due under Article 3.01.

"PIU" has the meaning given to it in Recital (5).

"Prepayment Amount" means the amount of a Tranche to be prepaid by the Borrower in accordance with Article 4.02A.

"Prepayment Date" means the date, which shall be a Payment Date, on which the Borrower proposes to effect prepayment of a Prepayment Amount.

"Prepayment Notice" means a written notice from the Borrower specifying, amongst other things, the Prepayment Amount and the Prepayment Date in accordance with Article 4.02A.

"Project" has the meaning given to it in Recital (1).

"Project Agreement" means the agreement to be entered into between CW, the MRDFWM and the Ministry of Finance, defining the tasks and role of the PIU within CW, as well as the role of the MRDFWM and the Ministry of Finance in respect of the Project, in form and substance satisfactory to the Bank.

"Redeployment Rate" means the Fixed Rate in effect on the day of the indemnity calculation for fixed-rate loans denominated in the same currency and which shall have 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 Prepayment Amount. For those cases where the period is shorter than the minimum intervals described under Article 3.01 the most closely corresponding money market rate equivalent will be used, that is EURIBOR minus 0.125% (12.5 basis points) for

periods of up to 12 (twelve) months. For periods falling between 13 and 36/48 months respectively, the bid point on the swap rates as published by InterCapital in Reuters for the related currency and observed by the Bank at the time of calculation will apply.

"Relevant Business Day" means:

- (i) for EUR, a day which is a business day according to the TARGET operating days calendar; and
- (ii) for any other currency, a day on which banks are open for general business in the principal domestic financial centre of the relevant currency.

"Scheduled Disbursement Date" means the date on which a Tranche is scheduled to be disbursed in accordance with Article 1.02B.

"Security" and **"Security Interest"** means any mortgage, pledge, lien, charge, assignment, hypothecation or security interest or any other agreement or arrangement having the effect of conferring security.

"Sub-Project/s" has the meaning given to it in Recital (1), and in particular means projects aimed at rehabilitation and up-grading of smaller water supply, waste water and storm water systems by LSGUs located in all Croatian counties, with the exception of the capital city.

"Spread" means the fixed spread to EURIBOR (being either plus or minus) determined by the Bank and notified to the Borrower in the relevant Disbursement Notice or Interest Revision/Conversion Proposal.

"TARGET" means Trans-European Automated Real-Time Gross Settlement Payment System (TARGET).

"Technical Description" has the meaning given to it in Recital (1).

"Term Loan" has the meaning given to it in Article 4.03A(2).

"Tranche" means each disbursement made or to be made under this Contract.

"UC" has the meaning given to it in Recital (1).

"Union" has the meaning given to it in Recital (9).

NOW THEREFORE it is hereby agreed as follows:

ARTICLE 1

Credit and disbursement

1.01 Amount of Credit

By this Contract the Bank establishes in favour of the Borrower, and the Borrower accepts, the credit in an amount of or equivalent to EUR 75,000,000.00 (seventy five million euros) for the financing of the Project (the **"Credit"**).

1.02 Disbursement procedure**1.02A Tranches**

The Bank shall disburse the Credit in one or several Tranches. The amount of each Tranche, if not being the undrawn balance of the Credit, shall be in a minimum amount of or equivalent to EUR 10,000,000.00 (ten million euros) for any Tranche, provided that the amount of the first Tranche shall not exceed EUR 22,500,000.00 (twenty two million five hundred thousand euros).

1.02B Disbursement Request

- (a) From time to time up to 15 (fifteen) days before the Final Availability Date, the Borrower, through the Ministry of Finance, may present to the Bank a Disbursement Request for the disbursement of a Tranche. The Disbursement Request shall specify:
 - (i) the amount of the Tranche;
 - (ii) the preferred disbursement date for the Tranche, which shall be a Relevant Business Day falling at least 15 (fifteen) days after the date of the Disbursement Request and on or before the Final Availability Date, it being understood that the Bank may disburse the Tranche up to 4 (four) calendar months from the date of the Disbursement Request;
 - (iii) whether the Tranche is a Fixed Rate Tranche or a Floating Rate Tranche, each pursuant to the relevant provisions of Article 3.01;
 - (iv) the preferred interest payment periodicity for the Tranche, chosen in accordance with Article 3.01;
 - (v) the preferred terms for repayment of principal for the Tranche, chosen in accordance with Article 4.01;
 - (vi) the preferred first and last dates for repayment of principal for the Tranche;
 - (vii) the Borrower's choice of Interest Revision/Conversion Date, if any, for the Tranche; and
 - (viii) the IBAN code (or appropriate format in line with local banking practice) and SWIFT BIC of the bank account to which disbursement of the Tranche should be made in accordance with Article 1.02D.
- (b) The Borrower may also at its discretion specify in the Disbursement Request the following respective elements, if any, as provided by the Bank on an indicative basis and without commitment, to be applicable to the Tranche, that is to say:

- (i) in the case of a Fixed Rate Tranche, the fixed interest rate; and
- (ii) in the case of a Floating Rate Tranche, the Spread,

applicable to the Tranche until the Maturity Date or until the Interest Revision/Conversion Date, if any.

- (c) Each Disbursement Request shall be accompanied by evidence of the authority of the person or persons authorised to sign it and the specimen signature of such person or persons.
- (d) Each Disbursement Request shall contain, or shall be accompanied by, a declaration, duly signed on behalf of the Borrower, confirming that the amount of the Tranche to be disbursed shall be used to fund the Sub-Projects in respect of which Allocation Letters have been issued and for the amounts specified therein.
- (e) Subject to Article 1.02C(b), each Disbursement Request is irrevocable.

1.02C **Disbursement Notice**

- (a) Not less than 10 (ten) days before the proposed Scheduled Disbursement Date of a Tranche the Bank shall, if the Disbursement Request conforms to this Article 1.02, deliver to the Borrower a Disbursement Notice which shall specify:
 - (i) the currency and amount of the Tranche;
 - (ii) the Scheduled Disbursement Date;
 - (iii) the interest rate basis for the Tranche;
 - (iv) the first interest Payment Date and the periodicity for the payment of interest for the Tranche;
 - (v) the terms for repayment of principal for the Tranche;
 - (vi) the first and last dates for repayment of principal for the Tranche;
 - (vii) the applicable Payment Dates for the Tranche;
 - (viii) the Interest Revision/Conversion Date, if requested by the Borrower, for the Tranche; and
 - (ix) for a Fixed Rate Tranche the Fixed Rate and for a Floating Rate Tranche the Spread.

- (b) If one or more of the elements specified in the Disbursement Notice does not reflect the corresponding element, if any, in the Disbursement Request, the Borrower may following receipt of the Disbursement Notice revoke the Disbursement Request by written notice to the Bank to be received no later than 12h00 Luxembourg time on the next Business Day and thereupon the Disbursement Request and the Disbursement Notice shall be of no effect. If the Borrower has not revoked in writing the Disbursement Request within such period, the Borrower will be deemed to have accepted all elements specified in the Disbursement Notice.
- (c) If the Borrower has presented to the Bank a Disbursement Request in which the Borrower has not specified the elements referred to in Article 1.02B(b), the Borrower will be deemed to have agreed in advance to the corresponding element as subsequently specified in the Disbursement Notice.

1.02D Disbursement Account

Disbursement shall be made to the account of the Borrower as the Borrower shall notify in writing to the Bank not later than 15 (fifteen) days before the Scheduled Disbursement Date (with IBAN code or with the appropriate format in line with local banking practice).

Only one account may be specified for each Tranche.

1.03 Currency of disbursement

The Bank shall disburse each Tranche in EUR.

1.04 Conditions of disbursement

1.04A First Tranche

The disbursement of the first Tranche under Article 1.02 is conditional upon receipt by the Bank in form and substance satisfactory to it, together with the Disbursement Request, of the following documents or evidence:

- (a) evidence satisfactory to the Bank that the execution of this Contract by the Borrower has been duly authorised and that the person or persons signing the Contract on behalf of the Borrower is/are duly authorised to do so together with the specimen signature of each such person or persons;
- (b) a legal opinion, in the English language, issued by or behalf of the Minister of Justice of Croatia on the due execution of this Contract by the Borrower, confirming (i) that its provisions are in full force and effect, (ii) that this Contract is valid, binding and enforceable in the Republic of Croatia in accordance with its terms, (iii) that the financing to be provided under this Contract falls within the scope of the Framework Agreement, and (iv) that no exchange control restrictions are in place or consents are required in order to permit the receipt of all amounts to be disbursed hereunder and to permit the repayment of the Loan and the payment of interest and all other amounts due under this Contract;

- (c) evidence that the Borrower has obtained all necessary consents, authorisations, licences or approvals of governmental or public bodies or authorities required in connection with this Contract and the Project;
- (d) evidence that a properly staffed PIU, to the satisfaction of the Bank, has been established within CW to ensure the effective delivery of the Project, including start of operation. The terms of reference of such PIU shall include, inter alia, responsibility for:
 - (i) Sub-project identification and verification of compliance with the Bank's eligibility criteria;
 - (ii) compliance with EU procurement and Environmental Directives;
 - (iii) allocation and disbursement procedures, including information provided by the LSGUs, represented by the UCs, in a format acceptable to the Bank; and
 - (iv) regular monitoring and reporting requirements of the Bank; and
- (e) a certified copy of the Project Agreement, together with a notarised translation in English thereof.

1.04B All Tranches including the first

The disbursement of each Tranche under Article 1.02, including the first, is conditional upon:

- (a) receipt by the Bank in form and substance satisfactory to it, together with the Disbursement Request for the proposed Tranche, of the following documents or evidence:
 - (i) a certificate from the Borrower in the form of Schedule C.2; and
 - (ii) evidence demonstrating that, following drawdown of the relevant Tranche, the aggregate amount of the Loan or Loans will not exceed the aggregate expenditure incurred or contractually committed by the Borrower in respect of the Project up to the date of the relevant Disbursement Request; and
- (b) that on the Scheduled Disbursement Date for the proposed Tranche:
 - (i) the representations and warranties which are repeated pursuant to Article 6.08 are correct in all material respects; and
 - (ii) no event or circumstance which constitutes or would with the passage of time or giving of notice under this Contract constitute an event of default under Article 10.01 or a prepayment event under Article 4.03 has occurred and is continuing unremedied or unwaived or would result from the proposed Tranche.

1.04C **All Tranches excluding the first**

The disbursement of each Tranche under Article 1.02, excluding the first, is subject to:

- a) the Bank having received from the Borrower, on or before the date of the relevant Disbursement Request, evidence satisfactory to the Bank to the effect that (i) at least 80 per cent of the aggregate amount of all the preceding Tranches has been fully allocated to Sub-Projects that are eligible under this Contract, or (ii) at least 50 per cent of the aggregate amount of all the preceding Tranches has been fully disbursed by the Borrower to Final Beneficiaries in each case within the limit of the portion of the Credit specified in the relevant Allocation Letter;
- b) the Bank having received from the Borrower, on or before the date of the relevant Disbursement Request, a list of the Sub-Projects financed by the Bank with previous Tranches under this Contract, indicating, for each Sub-Project:
 - (i) whether an EIA, according to the provisions of Directive 83/337/CEE as subsequently amended, was required or not,
 - (ii) whether an assessment on impact on nature, according to the provisions of the Habitat Directive and the Birds Directive, was required or not; and
 - (iii) evidence that the terms of the financing agreements with the relevant Final Beneficiaries include provisions aimed at ensuring operational sustainability and an appropriate level of cost recovery, as per the information requirements specified in Schedule A3; and
- (c) the Bank having sent to the Borrower, following receipt of the relevant Allocation Requests, the Allocation Letter confirming the eligibility of the Sub-Projects in relation to which the disbursement is requested by the Borrower.

1.05 **Deferment of disbursement**

1.05A **Grounds for deferment**

Upon the written request of the Borrower, the Bank shall defer the disbursement of any Notified Tranche in whole or in part to a date specified by the Borrower being a date falling not later than 6 (six) months from its Scheduled Disbursement Date. In such case, the Borrower shall pay the deferment indemnity as determined pursuant to Article 1.05B below.

Any request for deferment shall have effect in respect of a Tranche only if it is made at least 5 (five) Business Days before its Scheduled Disbursement Date.

If any of the conditions referred to in Article 1.04 is not fulfilled as at the specified date and at the Scheduled Disbursement Date, and the Bank is of the opinion that it

will not be satisfied, disbursement will be deferred to a date agreed between the Bank and the Borrower falling not earlier than 5 (five) Business Days following the fulfilment of all conditions of disbursement.

1.05B Deferment indemnity

If the disbursement of any Notified Tranche is deferred, whether at the request of the Borrower or by reason of non-fulfilment of the conditions of disbursement, the Borrower shall, upon demand by the Bank, pay an indemnity on the amount of disbursement deferred. Such indemnity shall accrue from the Scheduled Disbursement Date to the actual disbursement date or, as the case may be, until the date of cancellation of the Notified Tranche in accordance with this Contract at a rate equal to **R1** minus **R2**, where:

"R1" means the rate of interest that would have applied from time to time pursuant to Article 3.01 and, if the Tranche had been disbursed on the Scheduled Disbursement Date; and

"R2" means EURIBOR less 0.125% (12.5 basis points); provided that for the purpose of determining the EURIBOR in relation to this Article 1.05, the relevant periods provided for in Schedule B shall be successive periods of 1 (one) month commencing on the Scheduled Disbursement Date.

Furthermore, the indemnity:

- (a) if the deferment exceeds one (1) month in duration, shall accrue at the end of every month;
- (b) shall be calculated using the day count convention applicable to **R1**;
- (c) where **R2** exceeds **R1**, shall be set at zero; and
- (d) shall be payable in accordance with Article 1.08.

1.05C Cancellation of disbursement deferred by 6 (six) months

The Bank may, by notice in writing to the Borrower, cancel a disbursement which has been deferred under Article 1.05A by more than 6 (six) months in aggregate. The cancelled amount shall remain available for disbursement under Article 1.02.

1.06 Cancellation and suspension

1.06A Borrower's right to cancel

The Borrower may at any time by notice in writing to the Bank cancel, in whole or in part and with immediate effect, the undisbursed portion of the Credit. However, the notice shall have no effect in respect of a Notified Tranche which has a Scheduled Disbursement Date falling within 5 (five) Business Days of the date of the notice.

1.06B Bank's right to suspend and cancel

- (a) The Bank may, by notice in writing to the Borrower, suspend and/or cancel the undisbursed portion of the Credit in whole or in part at any time and with immediate effect:
 - (i) upon the occurrence of an event or circumstance mentioned in Article 4.03A or Article 10.01 or an event or circumstance which would with the passage of time or giving of notice under this Contract constitute an event under Article 4.03A or an event of default under Article 10.01;
 - (ii) if a Material Adverse Change occurs.
- (b) Any suspension shall continue until the Bank ends the suspension or cancels the suspended amount.

1.06C Indemnity for suspension and cancellation of a Tranche**1.06C(1) SUSPENSION**

If the Bank suspends a Notified Tranche, whether upon an Indemnifiable Prepayment Event or an event mentioned in Article 10.01, the Borrower shall indemnify the Bank under Article 1.05B.

1.06C(2) CANCELLATION

If pursuant to Article 1.06A, the Borrower cancels:

- (a) a Fixed Rate Notified Tranche, it shall indemnify the Bank under Article 4.02B;
- (b) a Floating Rate Notified Tranche or any part of the Credit other than a Notified Tranche, no indemnity is payable.

If the Bank cancels a Fixed Rate Notified Tranche upon an Indemnifiable Prepayment Event or pursuant to Article 1.05C, the Borrower shall indemnify the Bank under Article 4.02B. If the Bank cancels a Notified Tranche upon an event mentioned in Article 10.01, the Borrower shall indemnify the Bank under Article 10.03. Save in these cases, no indemnity is payable upon cancellation of a Tranche by the Bank.

An indemnity shall be calculated on the basis that the cancelled amount is deemed to have been disbursed and repaid on the Scheduled Disbursement Date or, to the extent that the disbursement of the Tranche is currently deferred or suspended, on the date of the cancellation notice.

1.07 Cancellation after expiry of the Credit

Without prejudice to Article 1.09A, any time following the expiry of a period of 4 (four) months after the Final Availability Date, the Bank may by notice to the Borrower and without liability arising on the part of either party, cancel any part of the Credit in respect of which no Disbursement Request has been made in accordance with Article 1.02B.

1.08 Sums due under Article 1

Sums due under Articles 1.05 and 1.06 shall be payable in the currency of the Tranche concerned. They shall be payable within 7 (seven) days of the Borrower's receipt of the Bank's demand or within any longer period specified in the Bank's demand.

1.09 Allocation Procedure

1.09A Submission of Sub-Projects

Between the present date and 15 April 2015 (such period being the "**Allocation Period**"), the Borrower through the MRDFWM shall submit for approval of the Bank one or more allocation requests (each one, an "**Allocation Request**"), one for each Sub-Project, in respect of which it seeks finance under this Contract indicating the amount of the Credit requested in respect of the Sub-Project, such within the limit of 50 per cent of the eligible Sub-Project cost. The Sub-Projects shall be eligible for financing from the Bank in accordance with Schedule A.

Each Allocation Request shall be supported by a fiche, containing the information in content and form which the Bank shall notify from time to time to the Borrower as specified in Schedule A.3.

Before submitting to the Bank an Allocation Request for approval:

- A)** in relation to Sub-Projects with an investment cost exceeding EUR 3,000,000.00 or with a specific cost exceeding EUR 3,000 per capita, the Borrower shall:
 - (i) when an EIA is required, submit to the Bank the Non-Technical Summary of the EIA; and
 - (ii) submit to the Bank Forms A or B from the assessment, according to the EU Habitats and Birds Directives;
- B)** in relation to Sub-Projects with project cost up to EUR 3,000,000.00 and with a specific cost up to EUR 3,000 per capita, the Borrower shall:
 - (i) deliver to the Bank a declaration issued by the competent authority based on a list of Sub-Projects as to whether an EIA is required or not;

- (ii) for Sub-Projects with no effect, potential or likely, on a conservation site, deliver to the Bank a declaration issued by the competent authority based on a list of Sub-Projects to ensure that the Sub-Projects comply with the EU Habitats and Birds Directives; and
- (iii) for Sub-Projects with an effect on conservation sites, submit Form B individually for each Sub-Project, duly signed by the competent authority.

The Borrower shall procure that the MRDFWM:

- (i) shall not commit any part of the financing provided hereunder to Sub-Projects that require an EIA or biodiversity assessment according to EU and national law without, prior to such commitment, (i) receiving consent from the competent authority and (ii) the Non-Technical Summary of the EIA having been made available to the public;
- (ii) for each Sub-Project (or set thereof located in the same Municipality), submits to the Bank evidence satisfactory to the Bank showing that full coverage of operation maintenance costs will be achieved through tariffs or, where this is not affordable for the average household, through a combination of tariffs and reliable budget transfers defined *ex ante*, and provides information on full cost recovery (including capital and financial costs) through a combination of charges and national or local subsidies. To this end, the Borrower shall procure that the MRDFWM includes appropriate terms in its financing agreement with the Final Beneficiaries aimed at ensuring operational and financial sustainability.

If the Borrower has not delivered by 15 April 2015 an Allocation Request for any part of the Credit, the Bank may by one month's notice cancel that part of the Credit unless, within the one-month period, the Borrower delivers an Allocation Request in respect thereof.

1.09B **Allocation**

If an Allocation Request for a Sub-Project submitted to the Bank pursuant to Article 1.09A above is approved by the Bank, the Bank shall notify the Borrower, through the MRDFWM, by way of a letter of allocation (hereafter, each an "**Allocation Letter**") stating:

- (i) that the Sub-Projects are approved; and
- (ii) the portion of the Credit which the Bank allocates to the Sub-Projects (each such portion being hereafter called an "**Allocation**", which term shall include a re-employment of funds under Article 6.02).

1.10 Reallocation

The Borrower may at its discretion, at any time before the 15 April 2015, reallocate in accordance with Article 1.09 any part of the Credit already allocated but in respect of which no disbursement has been made by the Borrower to a Final Beneficiary.

1.11 EIB Allocation Report

- (a) The Borrower shall establish and maintain an internal reporting system for the monitoring of the Allocations (the "**EIB Allocation Report**") in the form agreed from time to time between the Bank and the Borrower.
- (b) The EIB Allocation Report shall contain the name of each Final Beneficiary, the dates and amounts of allocations and disbursements by the Borrower to the respective Final Beneficiary (as further outlined in Schedule A.4);
- (c) the Borrower shall provide the Bank with the EIB Allocation Report including information on all Sub-Projects to which allocations have been made under this Contract at the Bank's request and in any case not later than three months from the end of the allocation Period or attached to the Disbursement Request for the last Tranche.

ARTICLE 2
The Loan

2.01 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 2.03.

2.02 Currency of repayment, interest and other charges

Interest, repayments and other charges payable in respect of each Tranche shall be made by the Borrower in the currency of the Tranche.

Any other payment 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.

2.03 Confirmation by the Bank

Within 10 (ten) days after disbursement of each Tranche, the Bank shall deliver to the Borrower the amortisation table referred to in Article 4.01, if appropriate, showing the disbursement date, currency, the amount disbursed, the repayment terms and the interest rate of and for that Tranche.

ARTICLE 3
Interest

3.01 Rate of interest

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.

3.01A 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 arrears on the relevant Payment Dates as specified in the Disbursement Notice, commencing on the first such Payment Date following the date on which the disbursement of the Tranche was made.

If the period from the date on which disbursement was made 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 5.01(a) at an annual rate that is the Fixed Rate.

3.01B Floating Rate Tranches

The Borrower shall pay interest on the outstanding balance of each Floating Rate Tranche at the Floating Rate quarterly, semi-annually or annually in arrears on the relevant Payment Dates, as specified in the Disbursement Notice commencing on the first such Payment Date following the date of disbursement of the Tranche.

If the period from the date of disbursement to the first Payment Date 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 Floating Rate to the Borrower within 10 (ten) days following the commencement of each Floating Rate Reference Period.

If pursuant to Articles 1.05 and 1.06 disbursement of any Floating Rate Tranche takes place after the Scheduled Disbursement Date the interest rate applicable to the first Floating Rate Reference Period shall be determined as though disbursement had taken place on the Scheduled Disbursement Date.

Interest shall be calculated in respect of each Floating Rate Reference Period on the basis of Article 5.01(b).

3.01C 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.

3.02 Interest on overdue sums

Without prejudice to Article 10 and by way of exception to Article 3.01, interest shall accrue on any overdue sum payable under the terms of this Contract from the due date to the date of payment at an annual rate equal to EURIBOR plus 2% (200 basis points) and shall be payable in accordance with the demand of the Bank. For the purpose of determining EURIBOR in relation to this Article 3.02, the relevant periods within the meaning of Schedule B shall be successive periods of one month commencing on the due date.

However, interest on a Fixed Rate Tranche shall be charged at the annual rate that is the sum of the rate defined in Article 3.01A plus 0.25% (25 basis points) if that annual rate exceeds, for any given relevant period, the rate specified in the preceding paragraph.

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.

3.03 Market Disruption Event

If at any time between the date of issuance by the Bank of a Disbursement Notice in respect of a Tranche or the date that an Interest Revision/Conversion Proposal is accepted by the Borrower in accordance with Schedule D, and the date falling two Business Days prior to the Scheduled Disbursement Date or the relevant Interest Revision/Conversion Date, a Market Disruption Event occurs, the Bank may notify to the Borrower that this clause has come into effect. In such case, the following rules shall apply: the rate of interest applicable to such Notified Tranche or Tranche subject to Interest Revision/Conversion 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 notification and shall bear charges incurred as a result, if any, in which case the Bank shall not effect the disbursement and the corresponding Credit shall remain available for disbursement under Article 1.02B. If the Borrower does not refuse the disbursement in time, the parties agree that the disbursement and the conditions thereof shall be fully binding for both parties.

In each case the Spread or Fixed Rate previously notified by the Bank in the Disbursement Notice or in an Interest Revision/Conversion Proposal shall be no longer applicable.

ARTICLE 4

Repayment

4.01 Normal repayment

- (a) The Borrower shall repay each Tranche by instalments on the Payment Dates specified in the relevant Disbursement Notice in accordance with the terms of the amortisation table delivered pursuant to Article 2.03.
- (b) Each amortisation table shall be drawn up on the basis that:
 - (i) in the case of a Fixed Rate Tranche without an Interest Revision/Conversion Date, repayment shall be made on a constant annuity basis or by equal annual, semi-annual or quarterly instalments of principal;
 - (ii) 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 annual, semi-annual or quarterly instalments of principal; and
 - (iii) the first repayment date of each Tranche shall be a Payment Date falling not earlier than 60 days from the Scheduled Disbursement Date (or, in case of deferment, the actual disbursement date) and not later than the first Payment Date immediately following the fifth (5) anniversary of the Scheduled Disbursement Date of the Tranche and the last repayment date shall be a Payment Date falling not earlier than 4 (four) years and not later than 20 (twenty) years from the Scheduled Disbursement Date.

4.02 Voluntary prepayment

4.02A Prepayment option

Subject to Articles 4.02B, 4.02C and 4.04, the Borrower may prepay all or part of any Tranche, together with accrued interest and indemnities if any, upon giving a Prepayment Notice with at least 1 (one) month's prior notice specifying the Prepayment Amount and the Prepayment Date.

Subject to Article 4.02C the Prepayment Notice shall be binding and irrevocable.

4.02B Prepayment indemnity

4.02B(1) FIXED RATE TRANCHE

- (a) Subject to paragraph (b) below, if the Borrower prepays a Fixed Rate Tranche the Borrower shall pay to the Bank on the Prepayment Date an indemnity equal to the present value (as of the Prepayment Date) of the excess, if any, of:

- (i) 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
- (ii) the interest that would so accrue over that period, if it were calculated at the Redeployment Rate, less 0.15% (fifteen 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.

- (b) The Borrower may prepay a Fixed Rate Tranche without indemnity on the Interest Revision/Conversion Date in the event of the non-fulfilment of an Interest Revision/Conversion pursuant to Schedule D.

4.02B(2) FLOATING RATE TRANCHE

The Borrower may prepay a Floating Rate Tranche without indemnity on any relevant Payment Date. If the Borrower has accepted an Interest Revision/Conversion Proposal to convert a Floating Rate Tranche to a Fixed Rate Tranche pursuant to Schedule D, Article 4.02B(1) applies.

4.02C **Prepayment mechanics**

The Bank shall notify the Borrower, not later than 15 (fifteen) days prior to the Prepayment Date, of the Prepayment Amount, of the accrued interest due thereon and of the indemnity payable under Article 4.02B or, as the case may be, that no indemnity is due.

Not later than the Acceptance Deadline, the Borrower shall notify the Bank either:

- (a) that it confirms the Prepayment Notice on the terms specified by the Bank; or
- (b) that it withdraws the Prepayment Notice.

If the Borrower gives the confirmation under paragraph (a) above, it shall effect the prepayment. If the Borrower withdraws the Prepayment Notice or fails to confirm it in due time, it may not effect the prepayment. Save as aforesaid, the Prepayment Notice shall be binding and irrevocable.

The Borrower shall accompany the prepayment by the payment of accrued interest and indemnity, if any, due on the Prepayment Amount.

4.03 Compulsory prepayment

4.03A Grounds for prepayment

4.03A(1) PROJECT COST REDUCTION

If the total cost of the Project should be reduced from the figure stated in Recital (2) to a level at which the amount of the Credit exceeds 50% (fifty per cent) of such cost, the Bank may in proportion to the reduction forthwith, by notice to the Borrower, cancel the undisbursed portion of the Credit and/or demand prepayment of the Loan.

4.03A(2) PARI PASSU TO ANOTHER TERM LOAN

If the Borrower voluntarily prepays a part or the whole of any other loan originally granted to it for a term of more than five (5) years (a "**Term Loan**") otherwise than under revolving credit facilities which remain open for drawing after such prepayment on the same terms as such prepayment, the Bank may, by notice to the Borrower, cancel the Credit and demand prepayment of the Loan, in such proportion as the prepaid amount of the Term Loan bears to the aggregate outstanding amount of all Term Loans.

The Bank shall address its notice to the Borrower within 30 (thirty) days of receipt of notice under Article 8.02(ii).

For the purposes of this Article, "**loan**" includes any loan, bond or other form of financial indebtedness or any obligation for the payment or repayment of money. Such term shall exclude indebtedness in the form of publicly-issued bonds.

4.03A(3) ENVIRONMENTAL LAW

If the Bank becomes aware that the Final Beneficiary has failed to comply with Environmental Laws or with the information obligation referred to in Article 6.06 (e) and (f) in respect of a Sub-Project (hereinafter an "**Affected Sub-Project**"), it may notify the Borrower. Within a period of 30 (thirty) days following the giving of that notice, the Borrower shall either (i) reallocate the relevant portion of the Loan to another Sub-Project in accordance with Article 1.02, or (ii) give 30 (thirty) days' notice of prepayment of a fraction of the Loan corresponding to the ratio of the value of the Affected Sub-Project to the aggregate value of all Sub-Projects.

4.03A(4) CHANGE OF LAW

The Borrower shall promptly inform the Bank if a Change-of-Law Event has occurred or is likely to occur in respect to the Borrower. 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 earlier of (a) the lapse of 30 (thirty) days from the date of such request for consultation or (b) the occurrence of the anticipated Change-of-Law Event, the Bank may, by notice to the Borrower, cancel the Credit and demand prepayment of the Loan, 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) that occurs after the date of this Contract which results or is reasonably likely to result in a Material Adverse Change.

4.03A(5) EXCEEDING OF SUMS

If, on or after 15 March 2014, the Bank, having approved or declined Allocation Requests, shall establish that the sum of the original amounts of all Tranches disbursed hereunder exceeds the sum of all Allocations made hereunder, the Borrower shall prepay the excess amount on first demand of the Bank.

Such prepayment shall be made on a date determined by the Bank falling not earlier than 15 (fifteen) days from the Borrower's receipt of the Bank's demand for prepayment.

4.03B **Prepayment mechanics**

Any sum demanded by the Bank pursuant to Article 4.03A, together with any interest or other amounts accrued and outstanding and any indemnity due under Article 4.03C, shall be paid on the date indicated by the Bank which date shall fall not less than 30 (thirty) days from the date of the Bank's notice of demand and shall be applied in accordance with Article 10.05.

4.03C **Prepayment indemnity**

In the case of an Indemnifiable Prepayment Event, the indemnity, if any, shall be determined in accordance with Article 4.02B for a Fixed Rate Tranche.

If, moreover, pursuant to any provision of Article 4.03A the Borrower prepays a Tranche on a date other than a relevant Payment Date, the Borrower shall indemnify the Bank in such amount as the Bank shall certify is required to compensate it for receipt of funds otherwise than on a relevant Payment Date.

4.04 **Application of partial prepayments**

If the Borrower partially prepays a Tranche, the Prepayment Amount shall be applied pro rata to each outstanding instalment.

A prepaid amount may not be reborrowed. This Article 4 shall not prejudice Article 10.

ARTICLE 5

Payments

5.01 Day count convention

Any amount due by way of interest, indemnity or 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:

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

5.02 Time and place of payment

Unless otherwise specified, all sums other than sums of interest, indemnity and principal are payable within 7 (seven) days of the Borrower's receipt of the Bank's demand.

Each sum payable by the Borrower under this Contract shall be paid to the respective account notified by the Bank to the Borrower. The Bank shall indicate 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.

A sum due from the Borrower shall be deemed paid when the Bank receives it.

5.03 Set-off

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.

5.04 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:

- (a) 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 the Contract as the Bank may deem necessary in the circumstances;
- (b) 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
- (c) 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 5.04.

ARTICLE 6

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

6.01 Use of Loan and availability of other funds

The Borrower shall and shall cause the Final Beneficiaries to use the proceeds of the Loan exclusively for the financing of up to fifty per cent of the relevant Sub-Project's costs.

The Borrower shall ensure that it has available to it the other funds listed in Recital (2) and that such funds are expended, to the extent required, on the financing of the Sub-Projects.

6.02 Re-employment of funds

If:

- (a) monies made available to a Final Beneficiary are paid or repaid to the Borrower; or
- (b) a Final Beneficiary is not in compliance with the provisions of the financing agreement in relation to the relevant Sub-Project implementing this Contract,

a corresponding part of the Loan shall be used by the Borrower for the purpose of financing other Sub-Projects which satisfy the criteria set out in Schedule A referred to in the Recitals, in accordance with Article 1.09 save to the extent that the Borrower voluntarily prepays the sum in question under Article 4.02.

6.03 Implementation and Completion of Project

The Borrower shall and ensure that the Final Beneficiary will carry out the Sub-Projects, in accordance with the Technical Description as may be modified from time to time with the approval of the Bank, and complete them by the final date specified therein.

6.04 Increased cost of Project

If the total cost of the Project exceeds the estimated figure set out in Recital (2), the Borrower shall obtain the finance to fund the excess cost without recourse to the Bank, so as to enable the Sub-Projects, to be completed in accordance with the Technical Description.

The plans for funding the excess cost shall be communicated to the Bank without delay.

6.05 Procurement procedure

The Borrower shall procure that each Final Beneficiary undertakes to purchase equipment, secure services and order works for the relevant Sub-Projects by open international tender or other acceptable procurement procedure complying, to the Bank's satisfaction, with its policy as described in its *Procurement Guide* in force at the date of starting of the procurement procedure.

As EU procurement directives have been transposed into national Croatian legislation by the Public Procurement Act that entered into force as of January 2008, contracts shall be procured in accordance with public procurement legislation in force in the Republic of Croatia.

However, in those cases where the relevant EU thresholds are reached, contracts will be tendered internationally according to Directives 2004/17/EC and 2004/18/EC, therefore requiring publication in the Official Journal of the EU.

6.06 Continuing Project undertakings

The Borrower shall cause the Final Beneficiary to:

- (a) **Maintenance:** maintain, repair, overhaul and renew all property forming part of the relevant Sub-Project as required to keep it in good working order.

In case of Sub-Projects generating significant additional operation and maintenance cost, CW shall include terms in its financing agreement with the Final Beneficiary aimed at ensuring operational sustainability and an appropriate level of cost recovery.

- (b) **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 relevant Sub-Project or, as appropriate, replace and renew such assets and maintain the relevant Sub-Project in substantially continuous operation in accordance with its original purpose; provided that 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;
- (c) **Insurance:** insure all works and property forming part of the relevant Sub-Project to the satisfaction of the Bank in accordance with normal practice for similar works of public interest in Croatia;
- (d) **Rights and Permits:** maintain in force all rights of way or use and all permits necessary for the execution and operation of the relevant Sub-Project;
- (e) **Environment:** implement and operate the relevant Sub-Project in conformity with Environmental Law;
- (f) **EU law:** execute and operate the relevant Sub-Project in accordance with the relevant standards of EU law, save for any general derogation made by the European Union, as well as the relevant laws of Croatia.
- (g) **Allocation Procedure:** ensure that CW allocates the Credit to the Sub-Projects with procedures modulated according to Sub-Project size and in line with the following procedures:

The Borrower shall procure that CW provides the Bank, *ex ante*, with the appropriate Project information fiche and completed questionnaire in accordance with Schedule A.3 for each Sub-Project with an investment cost exceeding EUR 3,000,000.00 or with a specific cost exceeding EUR 3,000 per capita. The review by the Bank will be based upon such information and questionnaire, with an option for an individual appraisal to be carried out by the Bank's services.

The Borrower shall procure that CW provides the Bank, *ex post*, the appropriate Project information in accordance with Schedule A.3 in relation to each Sub-Project (but in any event prior to any further disbursements), with project cost up to EUR 3,000,000.00 and with a specific cost up to EUR 3,000 per capita.

- (h) **Other:** The Borrower shall procure that CW:

- (i) adequately staffs and maintains a PIU within its organisation until Project completion, to the Bank's satisfaction;
- (ii) informs the Bank of any Sub-Project being financed in parallel with another operation with the Bank or other international financial institution and ensures that any double financing is avoided;
- (iii) ensures compliance with the Bank's general eligibility criteria concerning sectors and costs criteria; and
- (iv) verifies compliance of the Final Beneficiaries with the relevant and applicable rules of the European Union legislation, in particular in the fields of environment, State aid and public procurement.

The Bank reserves the right to review the mid-term implementation of the Project and to unilaterally revise the allocation procedures set forth hereunder.

The Borrower shall procure that, in the event that any individual Sub-Project receives support under any European Union Instrument of Pre-Accession Assistance (IPA) or through other European Union support schemes, the combined financial contribution from the Bank and the European Union remains below 90% of such individual Sub-Project cost.

B. General undertakings

6.07 Compliance with laws

The Borrower shall comply in all respects with all laws to which it or the Project is subject where failure to do so results or is reasonably likely to result in a Material Adverse Change.

6.08 General Representations and Warranties

The Borrower represents and warrants to the Bank that:

- (a) it has the power to execute, deliver and perform its obligations under this Contract and all necessary corporate, shareholder and other action has been taken to authorise the execution, delivery and performance of the same by it;
- (b) this Contract constitutes its legally valid, binding and enforceable obligations;
- (c) the execution and delivery of, the performance of its obligations under and compliance with the provisions of this Contract do not and will not:
 - (i) contravene or conflict with any applicable law, statute, rule or regulation, or any judgement, decree or permit to which it is subject;

- (ii) contravene or conflict with 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;
- (d) there has been no Material Adverse Change since the Accounting Date;
- (e) no event or circumstance which constitutes an event of default under Article 10.01 has occurred and is continuing unremedied or unwaived;
- (f) it has obtained all necessary consents, authorisations, licences or approvals of governmental or public bodies or authorities in connection with this Contract and the Project and all such consents, authorisations, licences or approvals are in full force and effect and admissible in evidence; and
- (g) its payment obligations under this Contract rank not less than *pari passu* in right of payment in right of payment with all other present and future unsecured obligations under any of its External Debt Instruments except for obligations mandatorily preferred by law applying to companies generally.

The representations and warranties set out above shall survive the execution of this Contract and are, except paragraph (d) above, deemed repeated on each Scheduled Disbursement Date and each Payment Date.

6.10 Integrity Commitment

The Borrower represents and warrants that it has not committed, and no person to its present knowledge has committed, any of the following acts and that it will not commit, and no person, with its consent or prior knowledge, will commit any such act, that is to say:

- (a) the offering, giving, receiving or soliciting of any improper advantage to influence the action of a person holding a public office or function or a director or employee of a public authority or public enterprise or a director or official of a public international organisation in connection with any procurement process or in the execution of any contract in connection with Sub-Projects; or
- (b) any act which improperly influences or aims improperly to influence the procurement process or the implementation of a Sub-Project to the detriment of the Borrower, including collusion between tenderers.

The Borrower undertakes to inform the Bank if it should become aware of any fact or information suggestive of the commission of any such act.

ARTICLE 7

Security

The undertakings in this Article 7 remain in force from the date of signature of this Contract for so long as any amount under this Contract has been irrevocably and unconditionally paid, repaid or prepaid to the Bank or the Credit is in force.

7.01 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 obligations under any of its External Debt Instruments except for obligations mandatorily preferred by law applying to companies generally.

In particular, if the Bank makes a demand under Article 10.01 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 authorize) 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 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 of an obligation arising under an External Debt Instrument from another lender; 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.

7.02 Security

Should 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.

7.03 Clauses by inclusion

If the Borrower concludes with any other medium or long term financial creditor a financing agreement that includes a loss-of-rating clause or a covenant or other provision regarding pari passu ranking or cross default, if applicable, that is stricter than any equivalent provision of this Contract, the Borrower shall so inform the Bank and shall, at the request of the Bank, execute an agreement to amend this Contract so as to provide for an equivalent provision in favour of the Bank.

**ARTICLE 8
Information and visits****8.01 Information concerning the Project**

The Borrower shall:

- (a) deliver to the Bank:
 - (i) 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 to this Contract; and
 - (ii) any such information or further document concerning the financing, procurement, implementation, operation and environmental impact of or for the Project 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 and the Borrower shall provide such persons with all assistance necessary for the purpose;

- (b) through the PIU submit for the approval of the Bank without delay any material change to the Project, including, *inter alia*, in respect of the price, design, plans, timetable or to the expenditure programme or financing plan for the Project, in relation to the disclosures made to the Bank prior to the signing of this Contract;
- (c) promptly inform the Bank of:
 - (i) any action or protest initiated or any objection raised by any third party or any genuine complaint received by the Borrower or any material litigation that is commenced or threatened against it with regard to environmental or other matters affecting the Project; and

- (ii) any fact or event known to the Borrower, which may substantially prejudice or affect the conditions of execution or operation of the Project; and
- (d) store and keep the relevant documents updated (including environmental studies related to the EIA, the Non-Technical Summaries of EIAs, and nature/biodiversity assessments or equivalent documents supporting compliance with the EU Habitats and Birds Directives), and promptly provide them to the Bank upon request (within 10 working days with reference to the commitment in the Bank's public disclosure policy on responses to external inquiries).

8.02 Information concerning the Borrower

The Borrower shall deliver to the Bank from time to time, such information on its general financial situation as the Bank may reasonably require.

The Borrower shall inform the Bank immediately of:

- (i) any fact which obliges it to prepay any financial indebtedness or any EU funding;
- (ii) any event or decision that constitutes or may result in the events described in Article 4.03A;
- (iii) any intention on its part to grant any security over any of its assets in favour of a third party;
- (iv) any fact or event that is reasonably likely to prevent the substantial fulfilment of any obligation of the Borrower under this Contract; or
- (v) any event listed in Article 10.01 having occurred or being threatened or anticipated.

8.03 Visits by the Bank

The Borrower shall and shall cause the Final Beneficiaries to allow persons designated by the Bank to visit the sites, installations and works comprising the Sub-Projects and to conduct such checks as they may wish, and shall and shall cause the Final Beneficiaries to provide them, or ensure that they are provided, with all necessary assistance for this purpose.

ARTICLE 9

Charges and expenses

9.01 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, indemnity and other amounts due under this Contract gross without deduction of any national or local impositions whatsoever; provided that, if the Borrower is obliged to make any such deduction, it will gross up the payment to the Bank so that after deduction, the net amount received by the Bank is equivalent to the sum due.

9.02 Other charges

The Borrower shall bear all charges and expenses, including professional, banking or exchange charges incurred in connection with the preparation, execution, implementation, 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 and realisation of any security for the Loan.

ARTICLE 10 Events of default

10.01 Right to demand repayment

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

10.01A Immediate demand

The Bank may make such demand immediately:

- (a) if the Borrower fails on the due date to repay any part of the Loan, to pay interest thereon or to make any other payment to the Bank as provided in this Contract;
- (b) if any information or document given to the Bank by or on behalf of the Borrower or any representation or statement made or deemed to be made by the Borrower in this Contract or in connection with the negotiation of this Contract is or proves to have been incorrect or misleading in any material respect;
- (c) 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:

- (i) 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
 - (ii) any financial commitment for such other loan or obligation is cancelled or suspended;
- (d) if the Borrower defaults in the performance of any obligation in respect of any other financing granted by the Bank from the resources of the Bank or of the European Union or otherwise to the Bank;
 - (e) if a Material Adverse Change occurs, as compared with the Borrower's condition at the date of this Contract; or
 - (f) 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.

10.01B Demand after notice to remedy

The Bank may also make such demand:

- (a) if the Borrower fails to comply with any obligation under this Contract not being an obligation mentioned in Article 10.01A; or
- (b) if any fact 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.

10.02 Other rights at law

Article 10.01 shall not restrict any other right of the Bank at law to require prepayment of the Loan.

10.03 Indemnity

10.03A Fixed Rate Tranches

In case of demand under Article 10.01 in respect of any Fixed Rate Tranche, the Borrower shall pay to the Bank the amount demanded together with a sum calculated in accordance with Article 4.02B on any amount that has become due and payable. Such sum shall 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.

10.03B Floating Rate Tranches

In case of demand under Article 10.01 in respect of a Floating Rate Tranche, the Borrower shall pay to the Bank the sum demanded together with a sum equal to the present value of 0.15% (fifteen basis points) per annum calculated and accruing on the amount 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 original 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.

10.03C General

Amounts due by the Borrower pursuant to this Article 10.03 shall be payable on the date of prepayment specified in the Bank's demand.

10.04 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.

10.05 Application of sums received

Sums received by the Bank following a demand under Article 10.01 shall be applied first in payment of expenses, interest and indemnities and secondly in reduction of the outstanding instalments in inverse order of maturity. The Bank may apply sums received between Tranches at its discretion.

ARTICLE 11 Law and jurisdiction

11.01 Governing Law

This Contract shall be governed by the laws of Austria.

11.02 Jurisdiction

The parties hereby submit to the jurisdiction of the Court of Justice of the European Union.

The parties to this Contract hereby waive any immunity from or right to object to the jurisdiction of these courts. A decision of the courts given pursuant to this Article shall be conclusive and binding on each party without restriction or reservation.

11.03 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.

ARTICLE 12 Final clauses

12.01 Notices to either party

Notices and other communications given under this Contract addressed to either party to this Contract shall be made to the address or facsimile number as set out below, or to such other address or facsimile number as a party previously notifies to the other in writing:

For the Bank	Attention: 100 boulevard Konrad Adenauer L-2950 Luxembourg Facsimile no.: +352 437962897
--------------	---

For the Borrower	Attention: Ministry of Finance Katanciceva, 5 10000 Zagreb Croatia Facsimile no.: +385 14922598
------------------	--

12.02 Form of notice

Any notice or other communication given under this Contract must be in writing.

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 facsimile. The date of delivery, registration or, as the case may be, the stated date of receipt of transmission shall be conclusive for the determination of a period.

Other notices and communications may be made by hand delivery, registered letter or facsimile or, to the extent agreed by the parties by written agreement, by email or other electronic communication.

Without affecting the validity of any notice delivered by facsimile according to the paragraphs above, a copy of each notice delivered by facsimile shall also be sent by letter to the relevant party on the next following Business Day at the latest.

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.

12.03 Changes to parties

The Borrower may not assign or transfer any of its rights or obligations under this Contract without the prior written consent of the Bank.

The Bank may assign all or part of its rights and benefits or transfer (by way of novation, sub-participation or otherwise) all or part of its rights, benefits and obligations under this Contract.

12.04 Recitals and Schedules

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 the Borrower
Schedule D	Interest Rate Revision and Conversion

12.05 Entry into force

This Contract shall enter into force on the date of entry into force of the law of its ratification.

IN WITNESS WHEREOF the parties hereto have caused this Contract to be executed in four (4) originals in the English language and have respectively caused to initial each page of this Contract on their behalf.

Zagreb, 18. October 2011.

Luxembourg, 18. October 2011

Signed for and on behalf of
THE REPUBLIC OF CROATIA
The Minister of Finance

Signed for and on behalf of
EUROPEAN INVESTMENT BANK
The Head of Division The Head of Division

Martina DALIĆ

Dominique COURBIN

Massimo NOVO

Project Specification and Reporting
A.1 Technical Description (Article 6.02)

Purpose, Location

The programme concerns improvements in water supply systems, waste water collection and treatment as well as storm water disposal in municipalities located in all Croatian counties, with the exception of the capital city. It comprises smaller scale projects to be implemented between 2009 and 2014 and will mainly benefit smaller communities. The projects will improve water supply of approximately 390 000 inhabitants whereas about 350 000 inhabitants will benefit from improved waste water collection and treatment.

Description

The programme comprises the upgrading of basic water, waste water and storm water infrastructure by UCs (LSGUs) and public entities in all Croatian counties except the capital city. The loan is directed at the financing of the following components:

Component I – Institutional set up:

- I.a Strengthening of the utility companies for water and waste water;
- I.b Management of the Project.

Component II – Investments in watersupply infrastructure

- II.a Preparation of studies and technical documentation;
- II.b Investments in watersupply infrastructure;
- II.c Supervision of construction works.

Component III – Investments in wastewater infrastructure:

- III.a Preparation of studies and technical documentation;
- III.b Investments in wastewater infrastructure (network and WWTP, sludge treatment);
- III.c Supervision of construction works.

Projects will be allocated based on eligibility criteria detailed in Schedule A.3. As an example, all projects will have to comply with the applicable legislation, all relevant EU Directives, implementation plan for water Utility Directives, regulations, sector policies and priorities (i.e. SCF for 2007-2013, Regional Operational Programmes, Environment Protection Operational Programme, National Waste and Water Management Strategies). The part of the Loan used for Component I will be capped at an amount equal to 5% of the Credit and must directly relate to the proposed Sub-Projects.

Tourism projects (including any new development of area) will not be eligible for EIB funding under this facility. In the absence of a national flood management strategy coordinated with all neighbouring countries, flood defence projects are not eligible under this facility, neither.

Should individual Sub-Projects receive support under EU IPA or through other EU support schemes then the combined financial contribution from EIB and EU should remain below 90% of Sub-Project cost.

Calendar

The Sub-Projects under this Framework Loan will be implemented in the period 2011-2014.

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:

Company	MINISTRY OF REGIONAL DEVELOPMENT, FORESTRY AND WATER MANAGEMENT
Contact person	Mr. Zdravko Krmek
Title	State Secretary
Function / Department	Directorate of Water Policy and International Projects
Address	Ulica grada Vukovara 220, 10 000 Zagreb, Croatia
Phone	+385 1 63 07 411
Fax	+385 1 63 07 426
Email	zdravko.krmek@voda.hr

The above-mentioned contact person(s) is (are) the responsible contact(s) for the time being.

The Borrower shall inform the EIB immediately in case of any change.

2. Information on specific subjects

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

Document / information	Deadline
Project Agreement	Prior to the 1 st allocation request.
Statement from the Promoter that projects submitted for the Bank's financing comply with the applicable legislation, regulations, sector policies and priorities (i.e. SCF for 2007-2013, Environmental Operational programme, Regional Operational Programmes, National Water Management Strategies). List of projects in accordance with sectorial priorities and adjusted financing calendar.	Prior to the 1 st allocation request.
Chart of the Programme Implementation Unit (PIU) within CW and its terms of reference including, inter alia, responsibility for compliance with EU procurement and environmental Directives.	Prior to the 1 st disbursement.
Template application forms (see Schedule A.3 for larger projects and A.4 for smaller projects) for project selection reflecting the Bank's water sector eligibility criteria together with appropriate consideration for cost recovery, affordability and operational sustainability.	Together with each allocation request.

<p>Terms of reference for the development of a database for project costs, performance indicators and operation and maintenance costs among the utilities concerned by this investment programme..</p>	<p>Prior to the 2nd disbursement.</p>
<p>The promoter will be requested to regularly publish on a website and update a list of public award notices at the most convenient level (Ministry, County or LSGUs level) and to be agreed with the Bank for all works above EUR 130 000.</p>	<p>One month after each tender's award</p>

3. Information on the project's implementation

The Borrower 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
<p>Project Progress Report</p> <ul style="list-style-type: none"> - <i>A brief update on the technical description, explaining the reasons for significant changes vs. initial scope;</i> - <i>Update on the date of completion of each of the main project's components, explaining reasons for any possible delay;</i> - <i>Update on the cost of each project and the whole programme, explaining reasons for any possible cost increases vs. initial budgeted cost;</i> - <i>A description of any major issue with impact on the environment;</i> - <i>Update on procurement procedures and tendering (tenders launched, awarded, etc.);</i> - <i>Update on the project's demand or usage and comments;</i> - <i>Any significant issue that has occurred and any significant risk that may affect the project's operation;</i> - <i>Any legal action concerning the project that may be ongoing.</i> - <i>The Promoter will provide a regular update of cash-flow projections for municipal service providers along with the annual submission of a list of performance indicators, for each municipality, to be agreed with the Bank;</i> - <i>Update on the PIU (changes in organisation, staff, etc.)</i> - <i>Any relevant changes in the sectors covered by the Facility such as in laws, in sector organisation, institutional capacity building, etc.</i> 	<p><i>3 months after signature</i></p>	<p><i>Yearly</i></p>

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

The Borrower 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
<p>Project Completion Report, including:</p> <ul style="list-style-type: none"> - <i>A brief description of the technical characteristics of the project as completed, explaining the reasons for any significant change;</i> - <i>The date of completion of each of the main project's components, explaining reasons for any possible delay;</i> - <i>The final cost of the project, explaining reasons for any possible cost increases vs. initial budgeted cost; report on the project cost indicators (unit costs, O&M costs) for the relevant utilities, based on the data base which had been developed</i> - <i>Summary report on the utilities' performance indicators based on the data base which had been developed;</i> - <i>The number of new jobs created by the project: both jobs during implementation and permanent new jobs created;</i> - <i>A description of any major issue with impact on the environment;</i> - <i>Summary report on procurement procedures (number and types of tenders launched, award statistics, etc);</i> - <i>Update on the project's demand or usage and comments;</i> - <i>Any significant issue that has occurred and any significant risk that may affect the project's operation;</i> - <i>Any legal action concerning the project that may be ongoing.</i> 	<p><i>15 months after project completion</i></p>
Language of reports	<i>English</i>

A.3. PROJECT INFORMATION FICHE AND QUESTIONNAIRE

The Promoter endorsed by the PIU is required to complete the following questionnaire.

1. BASIC INFORMATION

- Project Name:
- Project number:
- Municipality:
- Location:
- Contact person:
 - Can contact person communicate in English (yes/no):
 - Address:
 - Telephone no:
 - Fax:
 - E-mail:
- Form filled in by:
- Date:
- Signatures:

The Head of the Communal Enterprise	The Mayor (duly authorised by Municipal Council decision n°	The Head of PIU
Name:	Name:	Name:

2. PROJECT DESCRIPTION

2.1 Background

- Description of existing situation and reasons for wanting to undertake the project, including a description of current deficiencies/risks in water supply/wastewater/environment. In particular, highlight any known health issue to be addressed by the project or known potential impact on/risk to water supplies
- Institutional and legal framework (administration, ownership and operation of water infrastructure, existing facilities). In particular, are water services a dedicated utility or are they part of a multi-utility?
- Is there any existing or potential inter-municipal cooperation for water or wastewater services, such as a regional water supply system or cooperation with other towns? In

particular, are there ideas, possibilities for connection to water/wastewater systems in other municipalities?

- Description of ongoing water and waste water projects (see also separate investment questionnaire in Schedule A.4)
- Phasing and link to sector plans/programmes or to urban or regional Master Plans. Is the project part of a succession of interventions?
- Current/envisaged involvement with other donors/agencies/international financing institutions.
- State the primary source of drinking water. If wells, please state the depth of wells
- State the river-basin/sub/river/basin to which the project area belongs and the name of the receiving water body. Also state if the area is karstic
- Please provide an overview map of the project area and a simplified schematic of the supply system and the waste water collection system (if existing), showing
 - key existing and foreseen installations
 - drinking water, recipients water bodies and the direction of groundwater (if known)

2.2 Service and Project Area

(to the extent that the information is available, otherwise provide estimate and indicate with *)

Total population of the administrative area (municipality)	
Physical area of administrative area (municipality)	
Population of largest town included in the project	
Average household size in municipality	
Average household income per month	
Number of towns/villages included in the project	
Number of people affected by the project	
Number of people supplied with piped water supply from the central system	
Number of people supplied with pipe water supply in the administrative area (municipality), including decentralised systems	
Is supply discontinuous to any area for any part of the year? If so, when and how many hours of supply are provided?	
Length of central system water supply network (excluding service pipes)	
Number of water supply connections	
Number of water supply connections that are metered	
Number of people with piped waste water collection	
Number of households with piped waste water collection	
Number of people using septic tanks	
Number of households using septic tanks	

2006								
2007								
2008								
2009								
2010								

2.5 Technical Description

The description shall include:

- Brief justification of the chosen solution and mention of the alternatives considered (if any) and reasons for discarding
- relevant key dimensions, capacities and materials,
- design criteria (such as water demand per inhabitant, pollution load, etc.) used for design of mains and plants
- statement of amount of new construction/extension/ rehabilitation,
- a map showing the location of the project,
- a plan showing the layout, indicating existing and proposed key water and waste water infrastructure such as water mains, pumping stations, treatment plants, trunk sewers,

2.6 Level of preparation of the project and responsibilities for preparation/implementation

- Briefly describe previous experience of municipality or PCE with tendering and supervision of works
- List of studies and plans carried out recently
- Level and stage of planning and design for each of the project components
- Planning and Construction approvals obtained, dates of approvals
- Have the future sites of major installations (such as pumping station, reservoir, WWTP) already been chosen?
- Has the land required for the project been acquired?
- Agencies/organisations/consultants responsible for project preparation (design/tender documents), contract management, supervision of works, operation and maintenance

2.7 Environmental and hydrological impacts

- Please explain briefly any potential negative effects that the project may have on the environment (during construction phase and during operation phase).
- Is an Environmental Impact Assessment (EIA) required under law? Have the EIAs been performed? If so, provide non-technical summary. Describe manner of public participation.

Government							
Municipality							
Other own/ national contribution							
Co-financing International Financing Institution(s)							
TOTAL							

2.11 Procurement Plan

Describe the value and type of contract (Design-Build/Works/Supply) and manner of tendering envisaged for each component (local, international) tendering procedure(s)

2.12 Operation and maintenance cost elements of the facilities:

Cost element	Unit	Present			After project implementation		
		Water	Waste water	Total	Water	Waste water	Total
Total operating & maintenance cost	HRK per year						
Of which for energy	HRK per year						
Of which for staff	HRK per year						
Specific power consumption	kWh per m ³	(per m ³ of treated water)	(per m ³ of produced water)	n.a.	(per m ³ of treated water)	(per m ³ of produced water)	n.a.
Specific operating and maintenance cost	HRK per m ³	(per m ³ of treated water)	(per m ³ of produced water)	n.a.	(per m ³ of treated water)	(per m ³ of produced water)	n.a.
Staff	N°						

2.13 Water Tariffs

2.13.1 Fixed component 2010

- Indicate component that is billed independently of the volume consumed, such as charge per meter, per connection, per capita, per property, etc.
- Where relevant distinguish for water and waste water and further to categories, such as user groups (domestic, commercial, etc.), meter diameter, property size, etc.
- Indicate the relevant amount(s) with the frequency of billing (monthly, quarterly, yearly, etc.)

2.13.2 Volume related component 2010

Water component	
Wastewater component	
Tax 1 (such as abstraction tax,)	
Tax 2 (such as pollution tax)	

...	
VAT	
TOTAL TARIFF	

- Where relevant distinguish further to categories, such as user groups (domestic, commercial, etc.), volume related tariff groups, etc.
- Indicate the relevant amount(s) and or percentages with the frequency of billing (monthly, quarterly, yearly, etc.)

2.13.3 Tariff evolution

Describe planned evolution of tariffs over the next few years.

2.14 Investment Cost indicators

	Water Supply	Wastewater
Population affected by new construction or extension		
Population affected by reconstruction or renewal of existing infrastructure		
Cost per inhabitant of project in areas of new construction (HRK/inhabitant)		
Cost per inhabitant of project in areas of reconstruction (HRK/inhabitant)		

2.15 Affordability and cost coverage

- Provide an analysis of the impact on affordability (% of net disposable income) of the increase in tariffs that would be needed to cover (i) 100% O&M costs of the new Sub-Project, (ii) the full cost of the Sub-Project. Please provide this both for the average households and for low-income households¹ (lowest quintile? Lowest decile? 40% of median income?) in the area.
- Provide proof that the price of water services covers at least 100% of operation and maintenance costs.
- If prices do not cover O&M costs, provide (i) evidence that full O&M cost recovery would be unaffordable fro the average household in the project area and (ii) evidence that full O&M cost recovery will be achieved through a combination of tariff revenues and reliable budget transfers defined ex-ante
- If prices cover more that O&M costs, indicate the % of full costs that the price of water services.
- Provide evidence that full cost recovery (including capital and financial costs) will be achieved through a combination of tariffs, charges and national or local subsidies.

2.16 Financial Balance

- Provide summary breakdown of Municipal Budget.

¹ Please provide definition as appropriate

- Describe types and amounts of existing significant loans/debt at CE level.

2.17 Cash Flow of Utility

Provide summary breakdown of budget for the operator (typically the CE), showing different sources of income and operational and capital expenditure, including for the non water and sanitation sectors and transfers from/to the municipality. A business plan can also serve for the above purpose. The data should cover ideally the 3 past years plus the 5 coming years (i.e. including the effects of the project).

2.18 Project viability

For capital investment projects in excess of EUR 3 m, the financial viability of the project should be demonstrated through a cost-benefit analysis including cash flow projections over a period of 20 years. The cash flow projections should reflect data provided in previous sections. Figures should be in constant (e.g. 2010) prices, and should include details of the various revenue sources and operational and capital (including replacement) expenditures.

All assumptions should be clearly stated and justified.

3. PROJECT INVESTMENT QUESTIONNAIRE

(To be filled in directly in the EXCEL file submitted to the Promoter)

Name of project:

Overall summary budget:

Currency (HRK or EUR, please indicate):

Financing Plan:

Investment Cost	0
Land purchase	
Works and Equipment	
Design	
Supervision	
Contingencies total	
- of which financing contingencies (if estimated separately)	
- of which price contingencies (if estimated separately)	
TOTAL	

Source	0	%
Promoter's own funds		
Donor		
Other 1 (other 3rd party)		
Other etc. (other 3rd party)		
...		
...		
Other IFI loans		
Requested EIB loan		
TOTAL	0	

Detailed expenditure and financing schedule for project proposed for EIB financing

All amounts are given in

Description of component	Source of funds for component (*)	2010	2011	2012	2013	2014	2015
Component 1							
Component 2							
Component ...							
Component ...							

(*) EIB, other IFI, donor, municipality, utility's own cash resources - where a component is financed from more than one source, please state all sources

Other water supply, sanitation and environmental investments, not included in the proposed project

All amounts are given in:

This includes other externally or own-funded projects, including replacements/upgrades/major or refurbishment works (e.g. pipe replacements or replacement of pumping gear).

Description of Component	Source of funds (*)	Carried out/on-going (**)			Budgeted, planned		
		2010	2011	2012	2013	2014	2015
Component 1							
Component 2							
Component ...							
Component ...							

(*) EIB, other IFI, donor, municipality, utility's own cash resources - where a component is financed from more than one source, please state all sources

(**) If another international IFI/donor programme has commenced prior to 2009 but been completed after 2009 or is still ongoing, please describe investments made going back to the start of such a programme.

A.4 Allocation and Monitoring tables for all Sub-Projects– provided to the Bank regularly (or upon request)

Identification code	County	Location (municipality or commune)	Final Beneficiary (name and type)	Project description	Environmental compliance		Implementation phase	Start/end dates		Total Eligible Cost		Cost per inhabitant (actual)
					EIA	Nature conservation (Natura 2000)		start	end	planned	actual	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Total:												

Explanatory notes:

- (4) Name and type of final beneficiary: state, municipality, private, NGO, etc.
- (6) Please indicate: NO: no EIA required; S-O: Annex II project screened out; Yes: Annex I project or Annex II screened in. If YES, provide copy of NTS at allocation or as soon as available
- (7) It refers to Natura 2000 or other habitats areas of international or national importance. Please indicate: NO: Assessment not required; NSI: Assessment performed: no significant impact; SI: Assessment performed, significant impact - please attach Form B at allocation or when available but before allocation of any EIB funds to the project
- (8) Please indicate the implementation phase of the project at the date of submission (FS, preliminary design, implementation, completedetc.)
- (9),(10) Please indicate the latest estimated dates for commencement and completion of the project
- (11) Estimated initial total eligible cost of the project (as reported to the EC, fixed at time of allocation request, this amount should remain unchanged until end of the programme)
- (12) Latest estimate: to be updated at each allocation request

Definitions of EURIBOR

A. EURIBOR

"EURIBOR" means:

- (a) in respect of a relevant period of less than one month, the rate of interest for deposits in EUR for a term of one month;
- (b) in respect of a relevant period of one or more whole months, the rate of interest for deposits in EUR for a term for the corresponding number of whole months; and
- (c) in respect of a relevant period of more than one month (but not whole months), the rate resulting from a linear interpolation by reference to two rates for deposits in EUR, one of which is applicable for a period of whole months next shorter and the other for a period of whole months 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**"),

as published at 11h00 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 rate is not so published, the Bank shall request the principal euro-zone 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 11h00, 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 fewer than 2 (two) 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 11h00 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.

B. General

For the purposes of the foregoing definitions:

- (a) All percentages resulting from any calculations referred to in this Schedule will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with halves being rounded up.
- (b) The Bank shall inform the Borrower without delay of the quotations received by the Bank.
- (c) If any of the foregoing provisions becomes inconsistent with provisions adopted under the aegis of EURIBOR FBE and EURIBOR ACI in respect of EURIBOR, the Bank may by notice to the Borrower amend the provision to bring it into line with such other provisions.

Forms for the Borrowers
C.1 Form of Disbursement Request (Article 1.02B)
Disbursement Request
Croatia – MUNICIPAL WATER FINANCING FACILITY

Date:

Please proceed with the following disbursement:

Loan Name (*):

Signature Date (*):

Contract FI number:

Currency & amount requested	
Currency	Amount

Proposed disbursement date:

I N T E R E S T	Int. rate basis (Art. 3.01)	<input style="width: 150px; height: 15px;" type="text"/>	R E S E R V E D F O R T H E E I B	Reserved for the EIB (contract currency)	
	Rate (% or Spread)²	<input style="width: 150px; height: 15px;" type="text"/>		Total Credit Amount:	<input style="width: 100px; height: 15px;" type="text"/>
	Frequency (Art. 3.01)	Annual <input type="checkbox"/> Semi-annual <input type="checkbox"/> Quarterly <input type="checkbox"/>		Disbursed to date:	<input style="width: 100px; height: 40px;" type="text"/>
	Payment Dates (Art. 5)	<input style="width: 150px; height: 15px;" type="text"/>		Balance <u>for</u> disbursement:	<input style="width: 100px; height: 15px;" type="text"/>
	Interest Revision/Conversion date (if any)	<input style="width: 150px; height: 40px;" type="text"/>		Current disbursement:	<input style="width: 100px; height: 40px;" type="text"/>
C A P I T A L	Repayment frequency	Annual <input type="checkbox"/> Semi-annual <input type="checkbox"/> Quarterly <input type="checkbox"/>	Balance <u>after</u> disbursement:	<input style="width: 100px; height: 40px;" type="text"/>	
	Repayment methodology (Art. 4.01)	Equal instalments <input type="checkbox"/> Constant annuities <input type="checkbox"/> Single instalment <input type="checkbox"/>	Disbursement deadline:	<input style="width: 100px; height: 40px;" type="text"/>	
	First repayment date	<input style="width: 150px; height: 15px;" type="text"/>	Max. number of disbursements:	<input style="width: 100px; height: 15px;" type="text"/>	
	Maturity Date:	<input style="width: 150px; height: 15px;" type="text"/>	Minimum Tranche size:	<input style="width: 100px; height: 15px;" type="text"/>	
			Total allocations to date:	<input style="width: 100px; height: 15px;" type="text"/>	
		Conditions precedent:	Yes / No		

² NOTE: If the Borrower does not specify an interest rate or Spread here, the Borrower will be deemed to have agreed to the interest rate or Spread subsequently provided by the Bank in the Disbursement Notice, in accordance with Article 1.02C(c).

Schedule C

Borrower's account to be credited:

Acc. N°:

(please, provide IBAN format in case of disbursements in EUR, or appropriate format for the relevant currency)

Bank name, address:

Please transmit information relevant to:

Borrower's authorised name(s) and signature(s):

C.2 Form of Certificate from the Borrower (Article 1.04B)

To: European Investment Bank

From: [Borrower]

Date:

Subject: **"MUNICIPAL WATER FINANCING FACILITY"**

Finance Contract between European Investment Bank and Republic of Croatia dated 14 October 2011 (the "**Finance Contract**"), FI number 31.176 Serapis number 2009-0032.....

Dear Sirs,

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

For the purposes of Article 1.04 of the Finance Contract we hereby certify to you as follows:

- (a) no security of the type prohibited under Article 7 has been created or is in existence;
- (b) there has been no material change to any aspect of the Project or in respect of which we are obliged to report under Article 8.01, save as previously communicated by us;
- (c) we have sufficient funds available to ensure the timely completion and implementation of the Project in accordance with Schedule A.1;
- (d) no event or circumstance which constitutes or would with the passage of time or giving of notice under the Finance Contract constitute an event of default under Article 10.01 has occurred and is continuing unremedied or unwaived;
- (e) 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 or any of our subsidiaries any unsatisfied judgement or award;
- (f) the representations and warranties to be made or repeated by us under Article 6.08 are true in all material respects; and
- (g) no Material Adverse Change has occurred, as compared with our condition at the date of the Finance Contract.

Yours faithfully,

For and on behalf of [Borrower]

Date:

Interest Rate Revision and Conversion

If an Interest Revision/Conversion Date has been included in the Disbursement Notice 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:

- (a) the interest rate and/or Spread that would apply to the Tranche, or the part thereof indicated in the Interest Revision/Conversion Request pursuant to Article 3.01; and
- (b) 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 arrears on designated Payment Dates.

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

Any amendment to the 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.

B. 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 the Contract and Disbursement Notice shall apply to the entire Tranche. From and including the Interest Revision/Conversion Date onwards, the provisions contained in the Interest Revision/Conversion Proposal relating to the new interest rate or Spread shall apply to the Tranche (or part thereof) until the new Interest Revision/Conversion Date, if any, or until the Maturity Date.

C. Non-fulfillment of 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 (or part thereof) on the Interest Revision/Conversion Date, without indemnity. The Borrower will repay on the Interest Revision/Conversion Date any part of a Tranche which is unaffected by the Interest Revision/Conversion.

Članak 3.

Financijske obveze koje nastaju za Republiku Hrvatsku kao zajmoprimca na temelju Ugovora iz članka 1. ovoga Zakona planiraju se i podmiruju u okviru proračunskih sredstava sukladno odredbama propisa o izvršavanju državnih proračuna Republike Hrvatske za godine od 2011. do 2035. prema planovima otplate do konačne otplate zajma.

Članak 4.

Provedba ovoga Zakona u djelokrugu je središnjih tijela državne uprave nadležnih za poslove financija i vodnoga gospodarstva.

Članak 5.

Ugovor iz članka 1. ovoga Zakona stupa na snagu danom stupanja na snagu ovoga Zakona.

Članak 6.

Ovaj Zakon stupa na snagu osmoga dana od dana objave u Narodnim novinama.

OBRAZLOŽENJE

Člankom 1. Zakona propisano je da se potvrđuje Ugovor o financiranju između Republike Hrvatske i Europske investicijske banke za Projekt „Financiranje vodno-komunalne infrastrukture“, a sukladno članku 139. stavak 1. Ustava Republike Hrvatske (Narodne novine, broj 56/1990, 135/1997, 8/1998 – pročišćeni tekst, 113/2000, 124/2000 – pročišćeni tekst, 28/2001, 41/2001 – pročišćeni tekst, 55/2001 – ispravak, 76/2010 i 85/2010 – pročišćeni tekst) i članku 18. Zakona o sklapanju i izvršavanju međunarodnih ugovora (Narodne novine, br. 28/1996), čime se iskazuje formalni pristanak Republike Hrvatske da bude vezana ovim Ugovorom o financiranju.

Članak 2. sadrži tekst Ugovora iz članka 1. ovoga Zakona, u izvorniku na engleskom jeziku i u prijevodu na hrvatski jezik.

Člankom 3. uređeno je da se financijske obveze koje nastaju za Republiku Hrvatsku kao zajmoprimca na temelju Ugovora iz članka 1. ovoga Zakona planiraju i podmiruju u okviru proračunskih sredstava sukladno odredbama propisa o izvršavanju državnih proračuna za godine od 2011. do 2035. prema planovima otplate do konačne otplate zajma.

Člankom 4. utvrđeno je da je provedba Zakona o potvrđivanju Ugovora iz članka 1. ovoga Zakona u djelokrugu središnjih tijela državne uprave nadležnih za poslove financija i vodnoga gospodarstva.

Člankom 5. utvrđuje se da Ugovor iz članka 1. ovoga Zakona stupa na snagu danom stupanja na snagu ovoga Zakona.

Člankom 6. utvrđuje se stupanje na snagu Zakona o potvrđivanju Ugovora iz članka 1. ovoga Zakona.

Prilog – preslika teksta Ugovora o financiranju između Republike Hrvatske i Europske investicijske banke za Projekt „Financiranje vodno-komunalne infrastrukture“, u izvorniku na engleskom jeziku

THIS CONTRACT IS MADE BETWEEN:

the Republic of Croatia, acting by and through its Ministry of Finance, represented by Ms Martina Dalić, Minister of Finance,

(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 Mr Dominique Courbin, Head of Division and by Mr Massimo Novo, Head of Division,

(the "Bank")

of the second part.

MT

WHEREAS:

- (1) The Borrower has stated that it is undertaking a project (the "Project") for financing improvements in water supply systems, waste water collection and treatment as well as storm water disposal in municipalities located in all Croatian counties (with the exception of Zagreb), to be carried out by Local Self Government Units (municipalities and towns), LSGU, represented by Utility Companies (the "UC" and, hereinafter, the "Final Beneficiary/ies") throughout Croatia (hereafter, the "Sub-Project/s"), as more particularly described in the technical description (the "Technical Description") set out in Schedule A.
- (2) The total cost of the Project is estimated by the Bank to be EUR 150,000,000.00 (one hundred fifty million euros) and the Borrower has stated that it intends to finance the Project as follows:

Source	Amount (EUR)
Own or other sources of funds	75,000,000.00
Credit from the European Investment Bank	75,000,000.00
TOTAL	150,000,000.00

- (3) In order to fulfil the financing plan set out in Recital (2), the Borrower has requested from the Bank a credit of EUR 75,000,000.00 (seventy five million euros).
- (4) The Republic of Croatia and the Bank concluded on 13 December 2000 a Framework Agreement governing the Bank's activities in the Republic of Croatia (hereinafter the "Framework Agreement") as ratified by law adopted on 3 May 2001 by the Croatian Parliament, and published in the Croatian official gazette "Narodne novine - međunarodni ugovori" No. 6/2001 dated 23 May 2001.
- (5) The Croatian Ministry of Regional Development, Forestry and Water Management (hereinafter the "MRDFWM"), which is responsible for the water management sector, is the promoter of the Project, while Croatian Waters (hereinafter "CW") as a national agency for water management, carrying out the water management infrastructure investments, will be promoter of the Sub-Projects to be financed under this Finance Contract; a new dedicated Project Implementation Unit (hereinafter the "PIU"), comprised of staff members having appropriate international experience, will be established within CW to ensure the effective completion and the start of operation of the facilities comprised in the Sub-Projects. The tasks and role of the PIU within CW, as well as the role of the MRDFWM and the Ministry of Finance will be defined under the Project Agreement (as defined below).
- (6) By Article 3 of the Framework Agreement, the Republic of Croatia agreed that interest and all other payments due to the Bank and arising out of activities envisaged by the Framework Agreement, as well as the assets and revenues of the Bank connected with such activities, shall be exempt from tax.
- (7) By Article 4 of the Framework Agreement, the Republic of Croatia agreed that throughout the life of any financial operation concluded pursuant to the Framework Agreement it shall:
- (a) ensure (i) that Final Beneficiaries may convert into any fully convertible currency, at the prevailing market exchange rate on the due date, the amounts in the national currency of Croatia necessary for the timely payment of all sums due to the Bank in respect of loans and guarantees in connection with any project; and (ii) that such amounts shall be freely, immediately and effectively transferable;

- (b) ensure (i) that the Bank may convert into any fully convertible currency, at the prevailing market exchange rate, the amounts in the national currency of Croatia received by the Bank by way of payments arising in respect of loans and guarantees or any other activity and that the Bank may freely, immediately and effectively transfer the amounts so converted; or, at the Bank's option, (ii) that it may freely dispose of such amounts within the territory of Croatia; and (iii) that the Bank may convert into the national currency of Croatia, at the prevailing market exchange rate, any amounts in any fully convertible currency.
- (8) The Bank considering that the financing of the Project falls within the scope of its functions and it conforms to the aims of the Framework Agreement, 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 a credit in an amount of or equivalent to EUR 75,000,000.00 (seventy five million euros) under this Finance Contract (the "**Contract**"); provided that (i) the amount of the Bank loan shall not, in any case, exceed 50% (fifty per cent) of the total cost of the Project set out in Recital (2) and (ii) the amount of each drawdown in respect of a Sub-Project shall not exceed 50 per cent. of the eligible Sub-Project cost. In the event that any individual Sub-Project receives support under any European Union Instrument of Pre-Accession Assistance (IPA) or through other European Union support schemes, the combined financial contribution from the Bank and the European Union shall remain below 90% of such individual Sub-Project cost.
- (9) 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 (the "**Union**"); and, accordingly, the terms and conditions of the Bank's loan operations must be consistent with relevant Union policies.
- (10) The Borrower confirms the Bank's preferred creditor status as an international financial institution.
- (11) References in this Contract 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.
- (12) In this Contract:

"**Acceptance Deadline**" for a notice means:

- (i) 16h00 Luxembourg time on the day of delivery, if the notice is delivered by 14h00 Luxembourg time on a Business Day; or
- (ii) 11h00 Luxembourg time on the next following day which is a Business Day, if the notice is delivered after 14h00 Luxembourg time on any such day or is delivered on a day which is not a Business Day.

"**Accounting Date**" means 31 December 2011.

"**Affected Sub-Project**" has the meaning given to it in Article 4.03A(3).

"**Allocation**" has the meaning given to it in Article 1.09B.

"**Allocation Letter**" has the meaning given to it in Article 1.09B.

"**Allocation Period**" has the meaning given to it in Article 1.09A.

"**Allocation Request**" has the meaning given to it in Article 1.09A.

"**Birds Directive**" means Directive 79/409/CEE.

"**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.

"**Change-of-Law Event**" has the meaning given to it in Article 4.03A(4).

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

"**Credit**" has the meaning given to it in Article 1.01.

"**CW**" has the meaning given to it in Recital (5).

"**Disbursement Notice**" means a notice from the Bank to the Borrower pursuant to and in accordance with Article 1.02C.

"**Disbursement Request**" means a notice substantially in the form set out in Schedule C.1.

"**Disruption Event**" means either or both of:

- (a) 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
- (b) 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:
 - (i) from performing its payment obligations under this Contract; or
 - (ii) from communicating with other parties,

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.

"**EIA**" means the Environmental Impact Assessment in accordance with Directive 83/337/CEE as subsequently amended.

"**EIB Allocation Report**" has the meaning given to it in Article 1.11.

"**Environment**" means the following, in so far as they affect human well-being: (a) fauna and flora; (b) soil, water, air, climate and the landscape; and (c) cultural heritage and the built environment and includes occupational health and safety and the Project's social effects.

"**Environmental Law**" means EU law and the Croatian national laws and regulations save for any derogations agreed between Croatia and the EU, as well as applicable international treaties, of which a principal objective is the preservation, protection or improvement of the Environment.

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

"**External Debt Instrument**" has the meaning given to it in Article 7.01.

"**Final Availability Date**" means 15 October 2015.

"**Final Beneficiary/ies**" has the meaning given to it in Recital (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.

"**Fixed Rate Tranche**" means a Tranche disbursed on a Fixed Rate basis.

"**Floating Rate**" means a fixed-spread floating interest rate, that is to say an annual interest rate equal to EURIBOR plus or minus the Spread, determined by the Bank for each successive Floating Rate Reference Period.

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

"**Floating Rate Tranche**" means a Tranche disbursed on a Floating Rate basis.

"**Framework Agreement**" has the meaning given to it in Recital (4).

"**Habitat Directive**" means Directive 92/43/CEE.

"**Indemnifiable Prepayment Event**" means a prepayment event under Article 4.03A other than paragraphs 4.03A(1) and 4.03A(2).

"**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 a next Interest Revision/Conversion Date, if any.

"**Interest Revision/Conversion Date**" means the date, being a Payment Date, specified by the Bank pursuant to Article 1.02B in the Disbursement Notice or pursuant to Article 3 and Schedule D.

"**Interest Revision/Conversion Proposal**" means a proposal made by the Bank under Schedule D, for an amount which, at the proposed Interest Revision/Conversion Date, is not less than EUR 10.000.000 (ten million euros) or the equivalent thereof.

"**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:

- (i) Payment Dates chosen in accordance with the provisions of Article 3.01;
- (ii) the preferred repayment schedule chosen in accordance with Article 4.01; and
- (iii) any further Interest Revision/Conversion Date chosen in accordance with Article 3.01.

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

"**LSGU**" means the Local Self Government Units, represented by Utilities Companies, i.e. the Final Beneficiaries of this Loan.

"**Market Disruption Event**" means in relation to a specific Notified Tranche or to a Tranche in respect of which an Interest Revision/Conversion Proposal has been accepted by the Borrower in accordance with Schedule D:

- (a) there are, in the reasonable opinion of the Bank, exceptional circumstances adversely affecting the Bank's access to its sources of funding;
- (b) in the opinion of the Bank, funds are not available from its ordinary sources of funding to fund such Tranche in the relevant currency and/or for the relevant maturity and/or in relation to the reimbursement profile of such Tranche;
- (c) in relation to Tranche in respect of which interest is payable at Floating Rate:

(A) 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 a Tranche (i.e. in the money market) would be in excess of the applicable EURIBOR;

or

(B) the Bank determines that adequate and fair means do not exist for ascertaining the applicable EURIBOR for the relevant currency of such Tranche or it is not possible to determine the EURIBOR in accordance with the definition contained in Schedule B.

"Material Adverse Change" means, in relation to the Borrower, any event or change of condition, as compared with its condition at the date of this Contract, affecting the Borrower, which, in the opinion of the Bank: (1) materially impairs the ability of the Borrower to perform its financial or any of its other obligations under this Contract; (2) materially impairs the financial condition of the Borrower; or (3) adversely affects any security provided by the Borrower.

"Maturity Date" means the last repayment date of a Tranche specified pursuant to Article 4.01(b)(iii).

"MRDFWM" has the meaning given to it in Recital (5).

"Notified Tranche" means a Tranche in respect of which the Bank has issued a Disbursement Notice.

"Payment Date" means the annual, semi-annual or quarterly dates specified in the Disbursement Notice until 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:

- (i) for a Fixed Rate Tranche, the following Relevant Business Day, without adjustment to the interest due under Article 3.01; and
- (ii) for a Floating Rate Tranche, the next day, if any, of that calendar month that is a Relevant Business Day or, failing that, the nearest preceding day that is a Relevant Business Day, in all cases with corresponding adjustment to the interest due under Article 3.01.

"PIU" has the meaning given to it in Recital (5).

"Prepayment Amount" means the amount of a Tranche to be prepaid by the Borrower in accordance with Article 4.02A.

"Prepayment Date" means the date, which shall be a Payment Date, on which the Borrower proposes to effect prepayment of a Prepayment Amount.

"Prepayment Notice" means a written notice from the Borrower specifying, amongst other things, the Prepayment Amount and the Prepayment Date in accordance with Article 4.02A.

"Project" has the meaning given to it in Recital (1).

"Project Agreement" means the agreement to be entered into between CW, the MRDFWM and the Ministry of Finance, defining the tasks and role of the PIU within CW, as well as the role of the MRDFWM and the Ministry of Finance in respect of the Project, in form and substance satisfactory to the Bank.

"Redeployment Rate" means the Fixed Rate in effect on the day of the indemnity calculation for fixed-rate loans denominated in the same currency and which shall have 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 Prepayment Amount. For those cases where the period is shorter than the minimum intervals described under Article 3.01 the most closely corresponding money market rate equivalent will be used, that is EURIBOR minus 0.125% (12.5 basis points) for periods of up to 12 (twelve) months. For periods falling between 13 and 36/48 months respectively, the bid point on the swap rates as published by InterCapital In Reuters for the related currency and observed by the Bank at the time of calculation will apply.

"Relevant Business Day" means:

- (i) for EUR, a day which is a business day according to the TARGET operating days calendar; and
- (ii) for any other currency, a day on which banks are open for general business in the principal domestic financial centre of the relevant currency.

"Scheduled Disbursement Date" means the date on which a Tranche is scheduled to be disbursed in accordance with Article 1.02B.

"Security" and **"Security Interest"** means any mortgage, pledge, lien, charge, assignment, hypothecation or security interest or any other agreement or arrangement having the effect of conferring security.

"Sub-Projects" has the meaning given to it in Recital (1); and in particular means projects aimed at rehabilitation and up-grading of smaller water supply, waste water and storm water systems by LSGUs located in all Croatian counties, with the exception of the capital city.

"Spread" means the fixed spread to EURIBOR (being either plus or minus) determined by the Bank and notified to the Borrower in the relevant Disbursement Notice or Interest Revision/Conversion Proposal.

"TARGET" means Trans-European Automated Real-Time Gross Settlement Payment System (TARGET).

"Technical Description" has the meaning given to it in Recital (1).

"Term Loan" has the meaning given to it in Article 4.03A(2).

"Tranche" means each disbursement made or to be made under this Contract.

"UC" has the meaning given to it in Recital (1).

"Union" has the meaning given to it in Recital (9).

NOW THEREFORE it is hereby agreed as follows:

ARTICLE 1 Credit and disbursement

1.01 Amount of Credit

By this Contract the Bank establishes in favour of the Borrower, and the Borrower accepts, the credit in an amount of or equivalent to EUR 75,000,000.00 (seventy five million euros) for the financing of the Project (the "Credit").

1.02 Disbursement procedure**1.02A Tranches**

The Bank shall disburse the Credit in one or several Tranches. The amount of each Tranche, if not being the undrawn balance of the Credit, shall be in a minimum amount of or equivalent to EUR 10,000,000.00 (ten million euros) for any Tranche, provided that the amount of the first Tranche shall not exceed EUR 22,500,000.00 (twenty two million five hundred thousand euros).

1.02B Disbursement Request

- (a) From time to time up to 15 (fifteen) days before the Final Availability Date, the Borrower, through the Ministry of Finance, may present to the Bank a Disbursement Request for the disbursement of a Tranche. The Disbursement Request shall specify:
- (i) the amount of the Tranche;
 - (ii) the preferred disbursement date for the Tranche, which shall be a Relevant Business Day falling at least 15 (fifteen) days after the date of the Disbursement Request and on or before the Final Availability Date, it being understood that the Bank may disburse the Tranche up to 4 (four) calendar months from the date of the Disbursement Request;
 - (iii) whether the Tranche is a Fixed Rate Tranche or a Floating Rate Tranche, each pursuant to the relevant provisions of Article 3.01;
 - (iv) the preferred interest payment periodicity for the Tranche, chosen in accordance with Article 3.01;
 - (v) the preferred terms for repayment of principal for the Tranche, chosen in accordance with Article 4.01;
 - (vi) the preferred first and last dates for repayment of principal for the Tranche;
 - (vii) the Borrower's choice of Interest Revision/Conversion Date, if any, for the Tranche; and
 - (viii) the IBAN code (or appropriate format in line with local banking practice) and SWIFT BIC of the bank account to which disbursement of the Tranche should be made in accordance with Article 1.02D.
- (b) The Borrower may also at its discretion specify in the Disbursement Request the following respective elements, if any, as provided by the Bank on an indicative basis and without commitment, to be applicable to the Tranche, that is to say:
- (i) in the case of a Fixed Rate Tranche, the fixed interest rate; and
 - (ii) in the case of a Floating Rate Tranche, the Spread,
- applicable to the Tranche until the Maturity Date or until the Interest Revision/Conversion Date, if any.
- (c) Each Disbursement Request shall be accompanied by evidence of the authority of the person or persons authorised to sign it and the specimen signature of such person or persons.

- (d) Each Disbursement Request shall contain, or shall be accompanied by, a declaration, duly signed on behalf of the Borrower, confirming that the amount of the Tranche to be disbursed shall be used to fund the Sub-Projects in respect of which Allocation Letters have been issued and for the amounts specified therein.
- (e) Subject to Article 1.02C(b), each Disbursement Request is irrevocable.

1.02C Disbursement Notice

- (a) Not less than 10 (ten) days before the proposed Scheduled Disbursement Date of a Tranche the Bank shall, if the Disbursement Request conforms to this Article 1.02, deliver to the Borrower a Disbursement Notice which shall specify:
- (i) the currency and amount of the Tranche;
 - (ii) the Scheduled Disbursement Date;
 - (iii) the interest rate basis for the Tranche;
 - (iv) the first interest Payment Date and the periodicity for the payment of interest for the Tranche;
 - (v) the terms for repayment of principal for the Tranche;
 - (vi) the first and last dates for repayment of principal for the Tranche;
 - (vii) the applicable Payment Dates for the Tranche;
 - (viii) the Interest Revision/Conversion Date, if requested by the Borrower, for the Tranche; and
 - (ix) for a Fixed Rate Tranche the Fixed Rate and for a Floating Rate Tranche the Spread.
- (b) If one or more of the elements specified in the Disbursement Notice does not reflect the corresponding element, if any, in the Disbursement Request, the Borrower may following receipt of the Disbursement Notice revoke the Disbursement Request by written notice to the Bank to be received no later than 12h00 Luxembourg time on the next Business Day and thereupon the Disbursement Request and the Disbursement Notice shall be of no effect. If the Borrower has not revoked in writing the Disbursement Request within such period, the Borrower will be deemed to have accepted all elements specified in the Disbursement Notice.
- (c) If the Borrower has presented to the Bank a Disbursement Request in which the Borrower has not specified the elements referred to in Article 1.02B(b), the Borrower will be deemed to have agreed in advance to the corresponding element as subsequently specified in the Disbursement Notice.

1.02D Disbursement Account

Disbursement shall be made to the account of the Borrower as the Borrower shall notify in writing to the Bank not later than 15 (fifteen) days before the Scheduled Disbursement Date (with IBAN code or with the appropriate format in line with local banking practice).

Only one account may be specified for each Tranche.

1.03 Currency of disbursement

The Bank shall disburse each Tranche in EUR.

1.04 Conditions of disbursement**1.04A First Tranche**

The disbursement of the first Tranche under Article 1.02 is conditional upon receipt by the Bank in form and substance satisfactory to it, together with the Disbursement Request, of the following documents or evidence:

- (a) evidence satisfactory to the Bank that the execution of this Contract by the Borrower has been duly authorised and that the person or persons signing the Contract on behalf of the Borrower is/are duly authorised to do so together with the specimen signature of each such person or persons;
- (b) a legal opinion, in the English language, issued by or behalf of the Minister of Justice of Croatia on the due execution of this Contract by the Borrower, confirming (i) that its provisions are in full force and effect, (ii) that this Contract is valid, binding and enforceable in the Republic of Croatia in accordance with its terms, (iii) that the financing to be provided under this Contract falls within the scope of the Framework Agreement, and (iv) that no exchange control restrictions are in place or consents are required in order to permit the receipt of all amounts to be disbursed hereunder and to permit the repayment of the Loan and the payment of Interest and all other amounts due under this Contract;
- (c) evidence that the Borrower has obtained all necessary consents, authorisations, licences or approvals of governmental or public bodies or authorities required in connection with this Contract and the Project;
- (d) evidence that a properly staffed PIU, to the satisfaction of the Bank, has been established within CW to ensure the effective delivery of the Project, including start of operation. The terms of reference of such PIU shall include, inter alia, responsibility for:
 - (i) Sub-project identification and verification of compliance with the Bank's eligibility criteria;
 - (ii) compliance with EU procurement and Environmental Directives;
 - (iii) allocation and disbursement procedures, including information provided by the LSGUs, represented by the UCs, in a format acceptable to the Bank; and
 - (iv) regular monitoring and reporting requirements of the Bank; and
- (e) a certified copy of the Project Agreement, together with a notarised translation in English thereof.

1.04B All Tranches including the first

The disbursement of each Tranche under Article 1.02, including the first, is conditional upon:

- (a) receipt by the Bank in form and substance satisfactory to it, together with the Disbursement Request for the proposed Tranche, of the following documents or evidence:
 - (i) a certificate from the Borrower in the form of Schedule C.2; and
 - (ii) evidence demonstrating that, following drawdown of the relevant Tranche, the aggregate amount of the Loan or Loans will not exceed the aggregate expenditure incurred or contractually committed by the Borrower in respect of the Project up to the date of the relevant Disbursement Request; and

- (b) that on the Scheduled Disbursement Date for the proposed Tranche:
- (i) the representations and warranties which are repeated pursuant to Article 6.08 are correct in all material respects; and
 - (ii) no event or circumstance which constitutes or would with the passage of time or giving of notice under this Contract constitute an event of default under Article 10.01 or a prepayment event under Article 4.03 has occurred and is continuing unremedied or unwaived or would result from the proposed Tranche.

1.04C **All Tranches excluding the first**

The disbursement of each Tranche under Article 1.02, excluding the first, is subject to:

- a) the Bank having received from the Borrower, on or before the date of the relevant Disbursement Request, evidence satisfactory to the Bank to the effect that (i) at least 80 per cent of the aggregate amount of all the preceding Tranches has been fully allocated to Sub-Projects that are eligible under this Contract, or (ii) at least 50 per cent of the aggregate amount of all the preceding Tranches has been fully disbursed by the Borrower to Final Beneficiaries in each case within the limit of the portion of the Credit specified in the relevant Allocation Letter;
- b) the Bank having received from the Borrower, on or before the date of the relevant Disbursement Request, a list of the Sub-Projects financed by the Bank with previous Tranches under this Contract, indicating, for each Sub-Project:
 - (i) whether an EIA, according to the provisions of Directive 83/337/CEE as subsequently amended, was required or not,
 - (ii) whether an assessment on impact on nature, according to the provisions of the Habitat Directive and the Birds Directive, was required or not; and
 - (iii) evidence that the terms of the financing agreements with the relevant Final Beneficiaries include provisions aimed at ensuring operational sustainability and an appropriate level of cost recovery, as per the information requirements specified in Schedule A3; and
- (c) the Bank having sent to the Borrower, following receipt of the relevant Allocation Requests, the Allocation Letter confirming the eligibility of the Sub-Projects in relation to which the disbursement is requested by the Borrower.

1.05 **Deferment of disbursement**

1.05A **Grounds for deferment**

Upon the written request of the Borrower, the Bank shall defer the disbursement of any Notified Tranche in whole or in part to a date specified by the Borrower being a date falling not later than 6 (six) months from its Scheduled Disbursement Date. In such case, the Borrower shall pay the deferment indemnity as determined pursuant to Article 1.05B below.

Any request for deferment shall have effect in respect of a Tranche only if it is made at least 5 (five) Business Days before its Scheduled Disbursement Date.

If any of the conditions referred to in Article 1.04 is not fulfilled as at the specified date and at the Scheduled Disbursement Date, and the Bank is of the opinion that it will not be satisfied, disbursement will be deferred to a date agreed between the Bank and the Borrower falling not earlier than 5 (five) Business Days following the fulfilment of all conditions of disbursement.

1.05B Deferment Indemnity

If the disbursement of any Notified Tranche is deferred, whether at the request of the Borrower or by reason of non-fulfilment of the conditions of disbursement, the Borrower shall, upon demand by the Bank, pay an indemnity on the amount of disbursement deferred. Such Indemnity shall accrue from the Scheduled Disbursement Date to the actual disbursement date or, as the case may be, until the date of cancellation of the Notified Tranche in accordance with this Contract at a rate equal to **R1** minus **R2**, where:

"**R1**" means the rate of interest that would have applied from time to time pursuant to Article 3.01 and, if the Tranche had been disbursed on the Scheduled Disbursement Date; and

"**R2**" means EURIBOR less 0.125% (12.5 basis points); provided that for the purpose of determining the EURIBOR in relation to this Article 1.05, the relevant periods provided for in Schedule B shall be successive periods of 1 (one) month commencing on the Scheduled Disbursement Date.

Furthermore, the indemnity:

- (a) if the deferment exceeds one (1) month in duration, shall accrue at the end of every month;
- (b) shall be calculated using the day count convention applicable to **R1**;
- (c) where **R2** exceeds **R1**, shall be set at zero; and
- (d) shall be payable in accordance with Article 1.08.

1.05C Cancellation of disbursement deferred by 6 (six) months

The Bank may, by notice in writing to the Borrower, cancel a disbursement which has been deferred under Article 1.05A by more than 6 (six) months in aggregate. The cancelled amount shall remain available for disbursement under Article 1.02.

1.06 Cancellation and suspension**1.06A Borrower's right to cancel**

The Borrower may at any time by notice in writing to the Bank cancel, in whole or in part and with immediate effect, the undisbursed portion of the Credit. However, the notice shall have no effect in respect of a Notified Tranche which has a Scheduled Disbursement Date falling within 5 (five) Business Days of the date of the notice.

1.06B Bank's right to suspend and cancel

- (a) The Bank may, by notice in writing to the Borrower, suspend and/or cancel the undisbursed portion of the Credit in whole or in part at any time and with immediate effect:
 - (i) upon the occurrence of an event or circumstance mentioned in Article 4.03A or Article 10.01 or an event or circumstance which would with the passage of time or giving of notice under this Contract constitute an event under Article 4.03A or an event of default under Article 10.01;
 - (ii) if a Material Adverse Change occurs.
- (b) Any suspension shall continue until the Bank ends the suspension or cancels the suspended amount.

e

M

1.06C Indemnity for suspension and cancellation of a Tranche**1.06C(1) SUSPENSION**

If the Bank suspends a Notified Tranche, whether upon an Indemnifiable Prepayment Event or an event mentioned in Article 10.01, the Borrower shall Indemnify the Bank under Article 1.05B.

1.06C(2) CANCELLATION

If pursuant to Article 1.06A, the Borrower cancels:

- (a) a Fixed Rate Notified Tranche, it shall indemnify the Bank under Article 4.02B;
- (b) a Floating Rate Notified Tranche or any part of the Credit other than a Notified Tranche, no indemnity is payable.

If the Bank cancels a Fixed Rate Notified Tranche upon an Indemnifiable Prepayment Event or pursuant to Article 1.05C, the Borrower shall indemnify the Bank under Article 4.02B. If the Bank cancels a Notified Tranche upon an event mentioned in Article 10.01, the Borrower shall indemnify the Bank under Article 10.03. Save in these cases, no indemnity is payable upon cancellation of a Tranche by the Bank.

An Indemnity shall be calculated on the basis that the cancelled amount is deemed to have been disbursed and repaid on the Scheduled Disbursement Date or, to the extent that the disbursement of the Tranche is currently deferred or suspended, on the date of the cancellation notice.

1.07 Cancellation after expiry of the Credit

Without prejudice to Article 1.09A, any time following the expiry of a period of 4 (four) months after the Final Availability Date, the Bank may by notice to the Borrower and without liability arising on the part of either party, cancel any part of the Credit in respect of which no Disbursement Request has been made in accordance with Article 1.02B.

1.08 Sums due under Article 1

Sums due under Articles 1.05 and 1.06 shall be payable in the currency of the Tranche concerned. They shall be payable within 7 (seven) days of the Borrower's receipt of the Bank's demand or within any longer period specified in the Bank's demand.

1.09 Allocation Procedure**1.09A Submission of Sub-Projects**

Between the present date and 15 April 2015 (such period being the "Allocation Period"), the Borrower through the MRDFWM shall submit for approval of the Bank one or more allocation requests (each one, an "Allocation Request"), one for each Sub-Project, in respect of which it seeks finance under this Contract indicating the amount of the Credit requested in respect of the Sub-Project, such within the limit of 50 per cent of the eligible Sub-Project cost. The Sub-Projects shall be eligible for financing from the Bank in accordance with Schedule A.

Each Allocation Request shall be supported by a fiche, containing the information in content and form which the Bank shall notify from time to time to the Borrower as specified in Schedule A.3.

Before submitting to the Bank an Allocation Request for approval:

re

M

- A) In relation to Sub-Projects with an investment cost exceeding EUR 3,000,000.00 or with a specific cost exceeding EUR 3,000 per capita, the Borrower shall:
- (i) when an EIA is required, submit to the Bank the Non-Technical Summary of the EIA; and
 - (ii) submit to the Bank Forms A or B from the assessment, according to the EU Habitats and Birds Directives;
- B) in relation to Sub-Projects with project cost up to EUR 3,000,000.00 and with a specific cost up to EUR 3,000 per capita, the Borrower shall:
- (i) deliver to the Bank a declaration issued by the competent authority based on a list of Sub-Projects as to whether an EIA is required or not;
 - (ii) for Sub-Projects with no effect, potential or likely, on a conservation site, deliver to the Bank a declaration issued by the competent authority based on a list of Sub-Projects to ensure that the Sub-Projects comply with the EU Habitats and Birds Directives; and
 - (iii) for Sub-Projects with an effect on conservation sites, submit Form B Individually for each Sub-Project, duly signed by the competent authority.

The Borrower shall procure that the MRDFWM:

- (i) shall not commit any part of the financing provided hereunder to Sub-Projects that require an EIA or biodiversity assessment according to EU and national law without, prior to such commitment, (i) receiving consent from the competent authority and (ii) the Non-Technical Summary of the EIA having been made available to the public;
- (ii) for each Sub-Project (or set thereof located in the same Municipality), submits to the Bank evidence satisfactory to the Bank showing that full coverage of operation maintenance costs will be achieved through tariffs or, where this is not affordable for the average household, through a combination of tariffs and reliable budget transfers defined *ex ante*, and provides information on full cost recovery (including capital and financial costs) through a combination of charges and national or local subsidies. To this end, the Borrower shall procure that the MRDFWM includes appropriate terms in its financing agreement with the Final Beneficiaries aimed at ensuring operational and financial sustainability.

If the Borrower has not delivered by 15 April 2015 an Allocation Request for any part of the Credit, the Bank may by one month's notice cancel that part of the Credit unless, within the one-month period, the Borrower delivers an Allocation Request in respect thereof.

1.09B Allocation

If an Allocation Request for a Sub-Project submitted to the Bank pursuant to Article 1.09A above is approved by the Bank, the Bank shall notify the Borrower, through the MRDFWM, by way of a letter of allocation (hereafter, each an "Allocation Letter") stating:

- (i) that the Sub-Projects are approved; and
- (ii) the portion of the Credit which the Bank allocates to the Sub-Projects (each such portion being hereafter called an "Allocation", which term shall include a re-employment of funds under Article 6.02).

1.10 Reallocation

The Borrower may at its discretion, at any time before the 15 April 2015, reallocate in accordance with Article 1.09 any part of the Credit already allocated but in respect of which no disbursement has been made by the Borrower to a Final Beneficiary.

1.11 EIB Allocation Report

- (a) The Borrower shall establish and maintain an internal reporting system for the monitoring of the Allocations (the "EIB Allocation Report") in the form agreed from time to time between the Bank and the Borrower.
- (b) The EIB Allocation Report shall contain the name of each Final Beneficiary, the dates and amounts of allocations and disbursements by the Borrower to the respective Final Beneficiary (as further outlined in Schedule A.4);
- (c) the Borrower shall provide the Bank with the EIB Allocation Report including information on all Sub-Projects to which allocations have been made under this Contract at the Bank's request and in any case not later than three months from the end of the allocation Period or attached to the Disbursement Request for the last Tranche.

**ARTICLE 2
The Loan****2.01 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 2.03.

2.02 Currency of repayment, interest and other charges

Interest, repayments and other charges payable in respect of each Tranche shall be made by the Borrower in the currency of the Tranche.

Any other payment 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.

2.03 Confirmation by the Bank

Within 10 (ten) days after disbursement of each Tranche, the Bank shall deliver to the Borrower the amortisation table referred to in Article 4.01, if appropriate, showing the disbursement date, currency, the amount disbursed, the repayment terms and the interest rate of and for that Tranche.

ARTICLE 3
Interest**3.01 Rate of interest**

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.

3.01A 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 arrears on the relevant Payment Dates as specified in the Disbursement Notice, commencing on the first such Payment Date following the date on which the disbursement of the Tranche was made.

If the period from the date on which disbursement was made 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 5.01(a) at an annual rate that is the Fixed Rate.

3.01B Floating Rate Tranches

The Borrower shall pay interest on the outstanding balance of each Floating Rate Tranche at the Floating Rate quarterly, semi-annually or annually in arrears on the relevant Payment Dates, as specified in the Disbursement Notice commencing on the first such Payment Date following the date of disbursement of the Tranche.

If the period from the date of disbursement to the first Payment Date 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 Floating Rate to the Borrower within 10 (ten) days following the commencement of each Floating Rate Reference Period.

If pursuant to Articles 1.05 and 1.06 disbursement of any Floating Rate Tranche takes place after the Scheduled Disbursement Date the interest rate applicable to the first Floating Rate Reference Period shall be determined as though disbursement had taken place on the Scheduled Disbursement Date.

Interest shall be calculated in respect of each Floating Rate Reference Period on the basis of Article 5.01(b).

3.01C 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.

3.02 Interest on overdue suma

Without prejudice to Article 10 and by way of exception to Article 3.01, Interest shall accrue on any overdue sum payable under the terms of this Contract from the due date to the date of payment at an annual rate equal to EURIBOR plus 2% (200 basis points) and shall be payable in accordance with the demand of the Bank. For the purpose of determining EURIBOR in relation to this Article 3.02, the relevant periods within the meaning of Schedule B shall be successive periods of one month commencing on the due date.

However, interest on a Fixed Rate Tranche shall be charged at the annual rate that is the sum of the rate defined in Article 3.01A plus 0.25% (25 basis points) if that annual rate exceeds, for any given relevant period, the rate specified in the preceding paragraph.

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.

3.03 Market Disruption Event

If at any time between the date of issuance by the Bank of a Disbursement Notice in respect of a Tranche or the date that an Interest Revision/Conversion Proposal is accepted by the Borrower in accordance with Schedule D, and the date falling two Business Days prior to the Scheduled Disbursement Date or the relevant Interest Revision/Conversion Date, a Market Disruption Event occurs, the Bank may notify to the Borrower that this clause has come into effect. In such case, the following rules shall apply: the rate of interest applicable to such Notified Tranche or Tranche subject to Interest Revision/Conversion 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 notification and shall bear charges incurred as a result, if any, in which case the Bank shall not effect the disbursement and the corresponding Credit shall remain available for disbursement under Article 1.02B. If the Borrower does not refuse the disbursement in time, the parties agree that the disbursement and the conditions thereof shall be fully binding for both parties.

In each case the Spread or Fixed Rate previously notified by the Bank in the Disbursement Notice or in an Interest Revision/Conversion Proposal shall be no longer applicable.

**ARTICLE 4
Repayment****4.01 Normal repayment**

- (a) The Borrower shall repay each Tranche by instalments on the Payment Dates specified in the relevant Disbursement Notice in accordance with the terms of the amortisation table delivered pursuant to Article 2.03.

- (b) Each amortisation table shall be drawn up on the basis that:
- (i) in the case of a Fixed Rate Tranche without an Interest Revision/Conversion Date, repayment shall be made on a constant annuity basis or by equal annual, semi-annual or quarterly instalments of principal;
 - (ii) 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 annual, semi-annual or quarterly instalments of principal; and
 - (iii) the first repayment date of each Tranche shall be a Payment Date falling not earlier than 60 days from the Scheduled Disbursement Date (or, in case of deferment, the actual disbursement date) and not later than the first Payment Date immediately following the fifth (5) anniversary of the Scheduled Disbursement Date of the Tranche and the last repayment date shall be a Payment Date falling not earlier than 4 (four) years and not later than 20 (twenty) years from the Scheduled Disbursement Date.

4.02 Voluntary prepayment

4.02A Prepayment option

Subject to Articles 4.02B, 4.02C and 4.04, the Borrower may prepay all or part of any Tranche, together with accrued interest and indemnities if any, upon giving a Prepayment Notice with at least 1 (one) month's prior notice specifying the Prepayment Amount and the Prepayment Date.

Subject to Article 4.02C the Prepayment Notice shall be binding and irrevocable.

4.02B Prepayment indemnity

4.02B(1) FIXED RATE TRANCHE

- (a) Subject to paragraph (b) below, if the Borrower prepays a Fixed Rate Tranche the Borrower shall pay to the Bank on the Prepayment Date an Indemnity equal to the present value (as of the Prepayment Date) of the excess, if any, of:
- (i) 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
 - (ii) the interest that would so accrue over that period, if it were calculated at the Redeployment Rate, less 0.15% (fifteen 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.

- (b) The Borrower may prepay a Fixed Rate Tranche without indemnity on the Interest Revision/Conversion Date in the event of the non-fulfilment of an Interest Revision/Conversion pursuant to Schedule D.

4.02B(2) FLOATING RATE TRANCHE

The Borrower may prepay a Floating Rate Tranche without Indemnity on any relevant Payment Date. If the Borrower has accepted an Interest Revision/Conversion Proposal to convert a Floating Rate Tranche to a Fixed Rate Tranche pursuant to Schedule D, Article 4.02B(1) applies.

4.02C Prepayment mechanics

The Bank shall notify the Borrower, not later than 15 (fifteen) days prior to the Prepayment Date, of the Prepayment Amount, of the accrued interest due thereon and of the indemnity payable under Article 4.02B or, as the case may be, that no indemnity is due.

Not later than the Acceptance Deadline, the Borrower shall notify the Bank either:

- (a) that it confirms the Prepayment Notice on the terms specified by the Bank; or
- (b) that it withdraws the Prepayment Notice.

If the Borrower gives the confirmation under paragraph (a) above, it shall effect the prepayment. If the Borrower withdraws the Prepayment Notice or fails to confirm it in due time, it may not effect the prepayment. Save as aforesaid, the Prepayment Notice shall be binding and irrevocable.

The Borrower shall accompany the prepayment by the payment of accrued interest and indemnity, if any, due on the Prepayment Amount.

4.03 Compulsory prepayment

4.03A Grounds for prepayment

4.03A(1) PROJECT COST REDUCTION

If the total cost of the Project should be reduced from the figure stated in Recital (2) to a level at which the amount of the Credit exceeds 50% (fifty per cent) of such cost, the Bank may in proportion to the reduction forthwith, by notice to the Borrower, cancel the undisbursed portion of the Credit and/or demand prepayment of the Loan.

4.03A(2) PARI PASSU TO ANOTHER TERM LOAN

If the Borrower voluntarily prepays a part or the whole of any other loan originally granted to it for a term of more than five (5) years (a "Term Loan") otherwise than under revolving credit facilities which remain open for drawing after such prepayment on the same terms as such prepayment, the Bank may, by notice to the Borrower, cancel the Credit and demand prepayment of the Loan, in such proportion as the prepaid amount of the Term Loan bears to the aggregate outstanding amount of all Term Loans.

The Bank shall address its notice to the Borrower within 30 (thirty) days of receipt of notice under Article 8.02(ii).

For the purposes of this Article, "loan" includes any loan, bond or other form of financial indebtedness or any obligation for the payment or repayment of money. Such term shall exclude indebtedness in the form of publicly-issued bonds.

4.03A(3) ENVIRONMENTAL LAW

If the Bank becomes aware that the Final Beneficiary has failed to comply with Environmental Laws or with the information obligation referred to in Article 6.06 (e) and (f) in respect of a Sub-Project (hereinafter an "Affected Sub-Project"), it may notify the Borrower. Within a period of 30 (thirty) days following the giving of that notice, the Borrower shall either (i) reallocate the relevant portion of the Loan to another Sub-Project in accordance with Article 1.02, or (ii) give 30 (thirty) days' notice of prepayment of a fraction of the Loan corresponding to the ratio of the value of the Affected Sub-Project to the aggregate value of all Sub-Projects.

4.03A(4) CHANGE OF LAW

The Borrower shall promptly inform the Bank if a Change-of-Law Event has occurred or is likely to occur in respect to the Borrower. 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 earlier of (a) the lapse of 30 (thirty) days from the date of such request for consultation or (b) the occurrence of the anticipated Change-of-Law Event, the Bank may, by notice to the Borrower, cancel the Credit and demand prepayment of the Loan, 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) that occurs after the date of this Contract which results or is reasonably likely to result in a Material Adverse Change.

4.03A(5) EXCEEDING OF SUMS

If, on or after 15 March 2014, the Bank, having approved or declined Allocation Requests, shall establish that the sum of the original amounts of all Tranches disbursed hereunder exceeds the sum of all Allocations made hereunder, the Borrower shall prepay the excess amount on first demand of the Bank.

Such prepayment shall be made on a date determined by the Bank falling not earlier than 15 (fifteen) days from the Borrower's receipt of the Bank's demand for prepayment.

4.03B Prepayment mechanics

Any sum demanded by the Bank pursuant to Article 4.03A, together with any interest or other amounts accrued and outstanding and any indemnity due under Article 4.03C, shall be paid on the date indicated by the Bank which date shall fall not less than 30 (thirty) days from the date of the Bank's notice of demand and shall be applied in accordance with Article 10.05.

4.03C Prepayment Indemnity

In the case of an Indemnifiable Prepayment Event, the indemnity, if any, shall be determined in accordance with Article 4.02B for a Fixed Rate Tranche.

If, moreover, pursuant to any provision of Article 4.03A the Borrower prepays a Tranche on a date other than a relevant Payment Date, the Borrower shall indemnify the Bank in such amount as the Bank shall certify is required to compensate it for receipt of funds otherwise than on a relevant Payment Date.

4.04 Application of partial prepayments

If the Borrower partially prepays a Tranche, the Prepayment Amount shall be applied pro rata to each outstanding instalment.

A prepaid amount may not be reborrowed. This Article 4 shall not prejudice Article 10.

ARTICLE 5 Payments

5.01 Day count convention

Any amount due by way of interest, indemnity or 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:

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

5.02 Time and place of payment

Unless otherwise specified, all sums other than sums of interest, indemnity and principal are payable within 7 (seven) days of the Borrower's receipt of the Bank's demand.

Each sum payable by the Borrower under this Contract shall be paid to the respective account notified by the Bank to the Borrower. The Bank shall indicate 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.

A sum due from the Borrower shall be deemed paid when the Bank receives it.

5.03 Set-off

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.

5.04 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:

- (a) 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 the Contract as the Bank may deem necessary in the circumstances;
- (b) 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

- (c) 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 5.04.

ARTICLE 6
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

6.01 Use of Loan and availability of other funds

The Borrower shall and shall cause the Final Beneficiaries to use the proceeds of the Loan exclusively for the financing of up to fifty per cent of the relevant Sub-Project's costs.

The Borrower shall ensure that it has available to it the other funds listed in Recital (2) and that such funds are expended, to the extent required, on the financing of the Sub-Projects.

6.02 Re-employment of funds

if:

- (a) monies made available to a Final Beneficiary are paid or repaid to the Borrower; or
- (b) a Final Beneficiary is not in compliance with the provisions of the financing agreement in relation to the relevant Sub-Project implementing this Contract,

a corresponding part of the Loan shall be used by the Borrower for the purpose of financing other Sub-Projects which satisfy the criteria set out in Schedule A referred to in the Recitals, in accordance with Article 1.09 save to the extent that the Borrower voluntarily prepays the sum in question under Article 4.02.

6.03 Implementation and Completion of Project

The Borrower shall and ensure that the Final Beneficiary will carry out the Sub-Projects, in accordance with the Technical Description as may be modified from time to time with the approval of the Bank, and complete them by the final date specified therein.

6.04 Increased cost of Project

If the total cost of the Project exceeds the estimated figure set out in Recital (2), the Borrower shall obtain the finance to fund the excess cost without recourse to the Bank, so as to enable the Sub-Projects, to be completed in accordance with the Technical Description.

The plans for funding the excess cost shall be communicated to the Bank without delay.

6.05 Procurement procedure

The Borrower shall procure that each Final Beneficiary undertakes to purchase equipment, secure services and order works for the relevant Sub-Projects by open international tender or other acceptable procurement procedure complying, to the Bank's satisfaction, with its policy as described in its *Procurement Guide* in force at the date of starting of the procurement procedure.

As EU procurement directives have been transposed into national Croatian legislation by the Public Procurement Act that entered into force as of January 2008, contracts shall be procured in accordance with public procurement legislation in force in the Republic of Croatia.

However, in those cases where the relevant EU thresholds are reached, contracts will be tendered internationally according to Directives 2004/17/EC and 2004/18/EC, therefore requiring publication in the Official Journal of the EU.

6.06 Continuing Project undertakings

The Borrower shall cause the Final Beneficiary to:

- (a) **Maintenance:** maintain, repair, overhaul and renew all property forming part of the relevant Sub-Project as required to keep it in good working order.

In case of Sub-Projects generating significant additional operation and maintenance cost, CW shall include terms in its financing agreement with the Final Beneficiary aimed at ensuring operational sustainability and an appropriate level of cost recovery.
- (b) **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 relevant Sub-Project or, as appropriate, replace and renew such assets and maintain the relevant Sub-Project in substantially continuous operation in accordance with its original purpose; provided that 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;
- (c) **Insurance:** insure all works and property forming part of the relevant Sub-Project to the satisfaction of the Bank in accordance with normal practice for similar works of public interest in Croatia;
- (d) **Rights and Permits:** maintain in force all rights of way or use and all permits necessary for the execution and operation of the relevant Sub-Project;
- (e) **Environment:** implement and operate the relevant Sub-Project in conformity with Environmental Law;
- (f) **EU law:** execute and operate the relevant Sub-Project in accordance with the relevant standards of EU law, save for any general derogation made by the European Union, as well as the relevant laws of Croatia.
- (g) **Allocation Procedure:** ensure that CW allocates the Credit to the Sub-Projects with procedures modulated according to Sub-Project size and in line with the following procedures:

The Borrower shall procure that CW provides the Bank, *ex ante*, with the appropriate Project information fiche and completed questionnaire in accordance with Schedule A.3 for each Sub-Project with an investment cost exceeding EUR 3,000,000.00 or with a specific cost exceeding EUR 3,000 per capita. The review by the Bank will be based upon such information and questionnaire, with an option for an individual appraisal to be carried out by the Bank's services.

The Borrower shall procure that CW provides the Bank, *ex post*, the appropriate Project information in accordance with Schedule A.3 in relation to each Sub-Project (but in any event prior to any further disbursements), with project cost up to EUR 3,000,000.00 and with a specific cost up to EUR 3,000 per capita.

- (h) **Other:** The Borrower shall procure that CW:
- (i) adequately staffs and maintains a PIU within its organisation until Project completion, to the Bank's satisfaction;
 - (ii) informs the Bank of any Sub-Project being financed in parallel with another operation with the Bank or other International financial institution and ensures that any double financing is avoided;
 - (iii) ensures compliance with the Bank's general eligibility criteria concerning sectors and costs criteria; and
 - (iv) verifies compliance of the Final Beneficiaries with the relevant and applicable rules of the European Union legislation, in particular in the fields of environment, State aid and public procurement.

The Bank reserves the right to review the mid-term implementation of the Project and to unilaterally revise the allocation procedures set forth hereunder.

The Borrower shall procure that, in the event that any individual Sub-Project receives support under any European Union Instrument of Pre-Accession Assistance (IPA) or through other European Union support schemes, the combined financial contribution from the Bank and the European Union remains below 90% of such individual Sub-Project cost.

B. General undertakings

6.07 Compliance with laws

The Borrower shall comply in all respects with all laws to which it or the Project is subject where failure to do so results or is reasonably likely to result in a Material Adverse Change.

6.08 General Representations and Warranties

The Borrower represents and warrants to the Bank that:

- (a) It has the power to execute, deliver and perform its obligations under this Contract and all necessary corporate, shareholder and other action has been taken to authorise the execution, delivery and performance of the same by it;
- (b) this Contract constitutes its legally valid, binding and enforceable obligations;
- (c) the execution and delivery of, the performance of its obligations under and compliance with the provisions of this Contract do not and will not:

- (i) contravene or conflict with any applicable law, statute, rule or regulation, or any judgement, decree or permit to which it is subject;
 - (ii) contravene or conflict with 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;
- (d) there has been no Material Adverse Change since the Accounting Date;
 - (e) no event or circumstance which constitutes an event of default under Article 10.01 has occurred and is continuing unremedied or unwaived;
 - (f) it has obtained all necessary consents, authorisations, licences or approvals of governmental or public bodies or authorities in connection with this Contract and the Project and all such consents, authorisations, licences or approvals are in full force and effect and admissible in evidence; and
 - (g) its payment obligations under this Contract rank not less than *pari passu* in right of payment in right of payment with all other present and future unsecured obligations under any of its External Debt Instruments except for obligations mandatorily preferred by law applying to companies generally.

The representations and warranties set out above shall survive the execution of this Contract and are, except paragraph (d) above, deemed repeated on each Scheduled Disbursement Date and each Payment Date.

6.09 Integrity Commitment

The Borrower represents and warrants that it has not committed, and no person to its present knowledge has committed, any of the following acts and that it will not commit, and no person, with its consent or prior knowledge, will commit any such act, that is to say:

- (a) the offering, giving, receiving or soliciting of any improper advantage to influence the action of a person holding a public office or function or a director or employee of a public authority or public enterprise or a director or official of a public international organisation in connection with any procurement process or in the execution of any contract in connection with Sub-Projects; or
- (b) any act which improperly influences or aims improperly to influence the procurement process or the implementation of a Sub-Project to the detriment of the Borrower, including collusion between tenderers.

The Borrower undertakes to inform the Bank if it should become aware of any fact or information suggestive of the commission of any such act.

ARTICLE 7 Security

The undertakings in this Article 7 remain in force from the date of signature of this Contract for so long as any amount under this Contract has been irrevocably and unconditionally paid, repaid or prepaid to the Bank or the Credit is in force.

7.01 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 obligations under any of its External Debt Instruments except for obligations mandatorily preferred by law applying to companies generally.

In particular, if the Bank makes a demand under Article 10.01 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 authorize) 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 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 of an obligation arising under an External Debt Instrument from another lender; 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.

7.02 Security

Should 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.

7.03 Clauses by Inclusion

If the Borrower concludes with any other medium or long term financial creditor a financing agreement that includes a loss-of-rating clause or a covenant or other provision regarding *pari passu* ranking or cross default, if applicable, that is stricter than any equivalent provision of this Contract, the Borrower shall so inform the Bank and shall, at the request of the Bank, execute an agreement to amend this Contract so as to provide for an equivalent provision in favour of the Bank.

be

M

ARTICLE 8
Information and visits

8.01 Information concerning the Project

The Borrower shall:

(a) deliver to the Bank:

- (i) 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 to this Contract; and
- (ii) any such information or further document concerning the financing, procurement, implementation, operation and environmental impact of or for the Project 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 and the Borrower shall provide such persons with all assistance necessary for the purpose;

(b) through the PIU submit for the approval of the Bank without delay any material change to the Project, including, *inter alia*, in respect of the price, design, plans, timetable or to the expenditure programme or financing plan for the Project, in relation to the disclosures made to the Bank prior to the signing of this Contract;

(c) promptly inform the Bank of:

- (i) any action or protest initiated or any objection raised by any third party or any genuine complaint received by the Borrower or any material litigation that is commenced or threatened against it with regard to environmental or other matters affecting the Project; and
- (ii) any fact or event known to the Borrower, which may substantially prejudice or affect the conditions of execution or operation of the Project; and

(d) store and keep the relevant documents updated (including environmental studies related to the EIA, the Non-Technical Summaries of EIAs, and nature/biodiversity assessments or equivalent documents supporting compliance with the EU Habitats and Birds Directives), and promptly provide them to the Bank upon request (within 10 working days with reference to the commitment in the Bank's public disclosure policy on responses to external inquiries).

8.02 Information concerning the Borrower

The Borrower shall deliver to the Bank from time to time, such information on its general financial situation as the Bank may reasonably require.

The Borrower shall inform the Bank immediately of:

- (i) any fact which obliges it to prepay any financial indebtedness or any EU funding;
- (ii) any event or decision that constitutes or may result in the events described in Article 4.03A;
- (iii) any intention on its part to grant any security over any of its assets in favour of a third party;
- (iv) any fact or event that is reasonably likely to prevent the substantial fulfilment of any obligation of the Borrower under this Contract; or
- (v) any event listed in Article 10.01 having occurred or being threatened or anticipated.

8.03 Visits by the Bank

The Borrower shall and shall cause the Final Beneficiaries to allow persons designated by the Bank to visit the sites, installations and works comprising the Sub-Projects and to conduct such checks as they may wish, and shall and shall cause the Final Beneficiaries to provide them, or ensure that they are provided, with all necessary assistance for this purpose.

ARTICLE 9 Charges and expenses

9.01 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, indemnity and other amounts due under this Contract gross without deduction of any national or local impositions whatsoever; provided that, if the Borrower is obliged to make any such deduction, it will gross up the payment to the Bank so that after deduction, the net amount received by the Bank is equivalent to the sum due.

9.02 Other charges

The Borrower shall bear all charges and expenses, including professional, banking or exchange charges incurred in connection with the preparation, execution, implementation, 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 and realisation of any security for the Loan.

**ARTICLE 10
Events of default****10.01 Right to demand repayment**

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

10.01A Immediate demand

The Bank may make such demand immediately:

- (a) if the Borrower falls on the due date to repay any part of the Loan, to pay interest thereon or to make any other payment to the Bank as provided in this Contract;
- (b) if any information or document given to the Bank by or on behalf of the Borrower or any representation or statement made or deemed to be made by the Borrower in this Contract or in connection with the negotiation of this Contract is or proves to have been incorrect or misleading in any material respect;
- (c) 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:
 - (i) 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
 - (ii) any financial commitment for such other loan or obligation is cancelled or suspended;
- (d) if the Borrower defaults in the performance of any obligation in respect of any other financing granted by the Bank from the resources of the Bank or of the European Union or otherwise to the Bank;
- (e) if a Material Adverse Change occurs, as compared with the Borrower's condition at the date of this Contract; or
- (f) 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.

10.01B Demand after notice to remedy

The Bank may also make such demand:

- (a) if the Borrower fails to comply with any obligation under this Contract not being an obligation mentioned in Article 10.01A; or



(b) if any fact 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.

10.02 Other rights at law

Article 10.01 shall not restrict any other right of the Bank at law to require prepayment of the Loan.

10.03 Indemnity

10.03A Fixed Rate Tranches

In case of demand under Article 10.01 in respect of any Fixed Rate Tranche, the Borrower shall pay to the Bank the amount demanded together with a sum calculated in accordance with Article 4.02B on any amount that has become due and payable. Such sum shall 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.

10.03B Floating Rate Tranches

In case of demand under Article 10.01 in respect of a Floating Rate Tranche, the Borrower shall pay to the Bank the sum demanded together with a sum equal to the present value of 0.15% (fifteen basis points) per annum calculated and accruing on the amount 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 original 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.

10.03C General

Amounts due by the Borrower pursuant to this Article 10.03 shall be payable on the date of prepayment specified in the Bank's demand.

10.04 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.

10.06 Application of sums received

Sums received by the Bank following a demand under Article 10.01 shall be applied first in payment of expenses, interest and indemnities and secondly in reduction of the outstanding instalments in inverse order of maturity. The Bank may apply sums received between Tranches at its discretion.

ke

MT

ARTICLE 11
Law and jurisdiction

11.01 **Governing Law**

This Contract shall be governed by the laws of Austria.

11.02 **Jurisdiction**

The parties hereby submit to the jurisdiction of the Court of Justice of the European Union.

The parties to this Contract hereby waive any immunity from or right to object to the jurisdiction of these courts. A decision of the courts given pursuant to this Article shall be conclusive and binding on each party without restriction or reservation.

11.03 **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.

ARTICLE 12
Final clauses

12.01 **Notices to either party**

Notices and other communications given under this Contract addressed to either party to this Contract shall be made to the address or facsimile number as set out below, or to such other address or facsimile number as a party previously notifies to the other in writing:

For the Bank

Attention:
100 boulevard Konrad Adenauer
L-2950 Luxembourg
Facsimile no.: +352 437962897

For the Borrower

Attention:
Ministry of Finance
Katanciceva, 5
10000 Zagreb
Croatia
Facsimile no.: +385 14922598

12.02 **Form of notice**

Any notice or other communication given under this Contract must be in writing.

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 facsimile. The date of delivery, registration or, as the case may be, the stated date of receipt of transmission shall be conclusive for the determination of a period.

011

Other notices and communications may be made by hand delivery, registered letter or facsimile or, to the extent agreed by the parties by written agreement, by email or other electronic communication.

Without affecting the validity of any notice delivered by facsimile according to the paragraphs above, a copy of each notice delivered by facsimile shall also be sent by letter to the relevant party on the next following Business Day at the latest.

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.

12.03 Changes to parties

The Borrower may not assign or transfer any of its rights or obligations under this Contract without the prior written consent of the Bank.

The Bank may assign all or part of its rights and benefits or transfer (by way of novation, sub-participation or otherwise) all or part of its rights, benefits and obligations under this Contract.

12.04 Recitals and Schedules

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 the Borrower
Schedule D	Interest Rate Revision and Conversion

12.05 Entry into force

This Contract shall enter into force on the date of entry into force of the law of its ratification.


IN WITNESS WHEREOF the parties hereto have caused this Contract to be executed in four (4) originals in the English language and have respectively caused to initial each page of this Contract on their behalf.

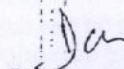
Zagreb, 18 October 2011.

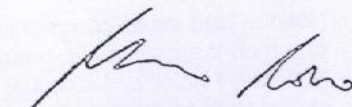
Luxembourg, 18 October 2011

Signed for and on behalf of
THE REPUBLIC OF CROATIA
The Minister of Finance

Signed for and on behalf of
EUROPEAN INVESTMENT BANK
The Head of Division The Head of Division


Martina DALIC


Dominique COURBIN


Massimo NOVO

MT

Schedule A

Project Specification and ReportingA.1 Technical Description (Article 6.02)**Purpose, Location**

The programme concerns improvements in water supply systems, waste water collection and treatment as well as storm water disposal in municipalities located in all Croatian counties, with the exception of the capital city. It comprises smaller scale projects to be implemented between 2009 and 2014 and will mainly benefit smaller communities. The projects will improve water supply of approximately 390 000 inhabitants whereas about 350 000 inhabitants will benefit from improved waste water collection and treatment.

Description

The programme comprises the upgrading of basic water, waste water and storm water infrastructure by UCs (LSGUs) and public entities in all Croatian counties except the capital city. The loan is directed at the financing of the following components:

Component I – Institutional set up:

- I.a Strengthening of the utility companies for water and waste water;
- I.b Management of the Project.

Component II – Investments in watersupply infrastructure

- II.a Preparation of studies and technical documentation;
- II.b Investments in watersupply infrastructure;
- II.c Supervision of construction works.

Component III – Investments in wastewater infrastructure:

- III.a Preparation of studies and technical documentation;
- III.b Investments in wastewater infrastructure (network and WWTP, sludge treatment);
- III.c Supervision of construction works.

Projects will be allocated based on eligibility criteria detailed in Schedule A.3. As an example, all projects will have to comply with the applicable legislation, all relevant EU Directives, implementation plan for water Utility Directives, regulations, sector policies and priorities (i.e. SCF for 2007-2013, Regional Operational Programmes, Environment Protection Operational Programme, National Waste and Water Management Strategies). The part of the Loan used for Component I will be capped at an amount equal to 5% of the Credit and must directly relate to the proposed Sub-Projects.

Tourism projects (including any new development of area) will not be eligible for EIB funding under this facility. In the absence of a national flood management strategy coordinated with all neighbouring countries, flood defence projects are not eligible under this facility, neither.

Should individual Sub-Projects receive support under EU IPA or through other EU support schemes then the combined financial contribution from EIB and EU should remain below 90% of Sub-Project cost.

Calendar

The Sub-Projects under this Framework Loan will be implemented in the period 2011-2014.

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:

Company	MINISTRY OF REGIONAL DEVELOPMENT, FORESTRY AND WATER MANAGEMENT
Contact person	Mr. Zdravko Krmek
Title	State Secretary
Function / Department	Directorate of Water Policy and International Projects
Address	Ulica grada Vukovara 220, 10 000 Zagreb, Croatia
Phone	+385 1 63 07 411
Fax	+385 1 63 07 426
Email	zdravko.krmek@voda.hr

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

2. Information on specific subjects

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

Document / Information	Deadline
Project Agreement	Prior to the 1 st allocation request.
Statement from the Promoter that projects submitted for the Bank's financing comply with the applicable legislation, regulations, sector policies and priorities (i.e. SCF for 2007-2013, Environmental Operational programme, Regional Operational Programmes, National Water Management Strategies). List of projects in accordance with sectorial priorities and adjusted financing calendar.	Prior to the 1 st allocation request.
Chart of the Programme Implementation Unit (PIU) within CW and its terms of reference including, inter alia, responsibility for compliance with EU procurement and environmental Directives.	Prior to the 1 st disbursement.
Template application forms (see Schedule A.3 for larger projects and A.4 for smaller projects) for project selection reflecting the Bank's water sector eligibility criteria together with appropriate consideration for cost recovery, affordability and operational sustainability.	Together with each allocation request.
Terms of reference for the development of a database for project costs, performance indicators and operation and maintenance costs among the utilities concerned by this investment programme.	Prior to the 2 nd disbursement.
The promoter will be requested to regularly publish on a website and update a list of public award notices at the most convenient level (Ministry, County or LSGUs level) and to be agreed with the Bank for all works above EUR 130 000.	One month after each tender's award

e

M

3. Information on the project's Implementation

The Borrower 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
<p>Project Progress Report</p> <ul style="list-style-type: none"> - 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 each project and the whole programme, explaining reasons for any possible cost increases vs. initial budgeted cost; - A description of any major issue with impact on the environment; - Update on procurement procedures and tendering (tenders launched, awarded, etc.); - 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 ongoing. - The Promoter will provide a regular update of cash-flow projections for municipal service providers along with the annual submission of a list of performance indicators, for each municipality, to be agreed with the Bank; - Update on the PIU (changes in organisation, staff, etc.) - Any relevant changes in the sectors covered by the Facility such as in laws, in sector organisation, institutional capacity building, etc. 	3 months after signature	Yearly

e

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

The Borrower 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
<p>Project Completion Report, including:</p> <ul style="list-style-type: none"> - A brief description of the technical characteristics of the project as completed, explaining the reasons for any significant change; - 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 increases vs. initial budgeted cost; report on the project cost indicators (unit costs, O&M costs) for the relevant utilities, based on the data base which had been developed - Summary report on the utilities' performance indicators based on the data base which had been developed; - The number of new jobs created by the project: both jobs during implementation and permanent new jobs created; - A description of any major issue with impact on the environment; - Summary report on procurement procedures (number and types of tenders launched, award statistics, etc); - 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 ongoing. 	<p>15 months after project completion</p>
<p>Language of reports</p>	<p>English</p>

be

MT

A.3. PROJECT INFORMATION FICHE AND QUESTIONNAIRE

The Promoter endorsed by the PIU is required to complete the following questionnaire.

1. BASIC INFORMATION

- Project Name:
- Project number:
- Municipality:
- Location:
- Contact person:
 - Can contact person communicate in English (yes/no):
 - Address:
 - Telephone no:
 - Fax:
 - E-mail:
- Form filled in by:
- Date:
- Signatures:

The Head of the Communal Enterprise	The Mayor (duly authorised by Municipal Council decision n°)	The Head of PIU
Name:	Name:	Name:

2. PROJECT DESCRIPTION

2.1 Background

- Description of existing situation and reasons for wanting to undertake the project, including a description of current deficiencies/risks in water supply/wastewater/environment. In particular, highlight any known health issue to be addressed by the project or known potential impact on/risk to water supplies
- Institutional and legal framework (administration, ownership and operation of water infrastructure, existing facilities). In particular, are water services a dedicated utility or are they part of a multi-utility?
- Is there any existing or potential inter-municipal cooperation for water or wastewater services, such as a regional water supply system or cooperation with other towns? In particular, are there ideas, possibilities for connection to water/wastewater systems in other municipalities?
- Description of ongoing water and waste water projects (see also separate investment questionnaire in Schedule A.4)
- Phasing and link to sector plans/programmes or to urban or regional Master Plans. Is the project part of a succession of interventions?
- Current/envisioned involvement with other donors/agencies/international financing institutions.

- State the primary source of drinking water. If wells, please state the depth of wells
- State the river-basin/sub/river/basin to which the project area belongs and the name of the receiving water body. Also state if the area is karstic
- Please provide an overview map of the project area and a simplified schematic of the supply system and the waste water collection system (if existing), showing
 - key existing and foreseen installations
 - drinking water, recipients water bodies and the direction of groundwater (if known)

2.2 Service and Project Area

(to the extent that the information is available, otherwise provide estimate and indicate with *)

Total population of the administrative area (municipality)	
Physical area of administrative area (municipality)	
Population of largest town included in the project	
Average household size in municipality	
Average household income per month	
Number of towns/villages included in the project	
Number of people affected by the project	
Number of people supplied with piped water supply from the central system	
Number of people supplied with pipe water supply in the administrative area (municipality), including decentralised systems	
Is supply discontinuous to any area for any part of the year? If so, when and how many hours of supply are provided?	
Length of central system water supply network (excluding service pipes)	
Number of water supply connections	
Number of water supply connections that are metered	
Number of people with piped waste water collection	
Number of households with piped waste water collection	
Number of people using septic tanks	
Number of households using septic tanks	

2.3. Average Water Balance

To be given for 2009 (for 2010 after April 1, 2011), to the extent that the information is available, otherwise provide estimate and indicate with *)

Groundwater Abstraction (m ³ /day)			
Spring/Source Abstraction (m ³ /day)			
Surface Water Abstraction from River/Lake (m ³ /day)			
Produced amount of drinking water (m ³ /day)			
Type/level of drinking water treatment			
Amount of water pumped into the distribution network (m ³ /day)			
Amount of water gravity fed into the distribution network (m ³ /day)			
	Domestic	Commercial	Other
Metered legal consumption (m ³ /day)			
Un-metered legal consumption, approximately (m ³ /day)			
Total billed consumption (m ³ /day)			
Wastewater collected (m ³ /day)			
Wastewater treated (m ³ /day)			
Type/level of current wastewater treatment			
Mention types of industrial waste water discharged into system and level of pre-treatment			
Per capita domestic consumption (liters / person / day)			
Night time flow into distribution network (m ³ /hour) measured approx between 4 and 5 AM in the early morning)			
Estimated leakage from network of water pumped into network (m ³ /day)			

e

M



Estimated infiltration into sewers from groundwater/surface (m ³ /day)	
Number of network bursts per year	

2.4 Trends for last 5 years

	Drinking Water Supply					Waste Water Disposal	
	Total Water Production (m ³ /year)	Domestic Consumption (m ³ /year)	Other Consumption (m ³ /year)	Pipe bursts (nbr.)	Network leakage (m ³ /year)	Connected Population (Inhab.)	Waste Water treated (m ³ /year)
2006							
2007							
2008							
2009							
2010							

he

MA

2.5 Technical Description

The description shall include:

- Brief justification of the chosen solution and mention of the alternatives considered (if any) and reasons for discarding
- relevant key dimensions, capacities and materials,
- design criteria (such as water demand per inhabitant, pollution load, etc.) used for design of mains and plants
- statement of amount of new construction/extension/ rehabilitation,
- a map showing the location of the project,
- a plan showing the layout, indicating existing and proposed key water and waste water infrastructure such as water mains, pumping stations, treatment plants, trunk sewers,

2.6 Level of preparation of the project and responsibilities for preparation/implementation

- Briefly describe previous experience of municipality or PCE with tendering and supervision of works
- List of studies and plans carried out recently
- Level and stage of planning and design for each of the project components
- Planning and Construction approvals obtained, dates of approvals
- Have the future sites of major installations (such as pumping station, reservoir, WWTP) already been chosen?
- Has the land required for the project been acquired?
- Agencies/organisations/consultants responsible for project preparation (design/tender documents), contract management, supervision of works, operation and maintenance

2.7 Environmental and hydrological impacts

- Please explain briefly any potential negative effects that the project may have on the environment (during construction phase and during operation phase).
- Is an Environmental Impact Assessment (EIA) required under law? Have the EIAs been performed? If so, provide non-technical summary. Describe manner of public participation.
- Where the project area is adjacent to a river/stream, what is the approximate low flow of the receiving river/stream (m³/hr)?
- Is there any flooding experience/risk of flooding at important installations?
- Are there any areas of nature conservation interest in the vicinity or downstream (nature reserves, area with special wildlife/natural features)? Will they be affected?
- Are there any industrial enterprises operating in the area? What industries have operated in the past?
- What type of sewage sludge management/facility is in use (if any)?

2.8 Planned implementation period

- Start date:
- Completion date:

hc

MT

2.9 Investment cost estimate (2009 price levels), see also separate Investment questionnaire in Point 3.

	HRK	EUR ⁽¹⁾
Engineering and Supervision		
Civil works - Item 1 - Item 2 - etc.		
Equipment - Item 1 - Item 2 - etc.		
Land Acquisition		
Miscellaneous		
Technical contingencies		
Price contingencies (... % escalation p.a.), if applicable ⁽²⁾		
VAT ⁽³⁾		

⁽¹⁾ 1 EUR = xxx HRK (to be updated accordingly)

⁽²⁾ Please make clear what kind and amount of contingencies have been applied

⁽³⁾ Note (Please explain the VAT procedures and percentage)

2.10 Expected expenditure schedule and origin of funds (in HRK excluding VAT)

Origin of Funds	Total	Breakdown by Year					
		2010	2011	2012	2013	2014	2015
Government							
Municipality							
Other own/ national contribution							
Co-financing International Financing Institution(s)							
TOTAL							

2.11 Procurement Plan

Describe the value and type of contract (Design-Build/Works/Supply) and manner of tendering envisaged for each component (local, international) tendering procedure(s)

l

MA

2.12 Operation and maintenance cost elements of the facilities:

Cost element	Unit	Present			After project implementation		
		Water	Waste water	Total	Water	Waste water	Total
Total operating & maintenance cost	HRK per year						
Of which for energy	HRK per year						
Of which for staff	HRK per year						
Specific power consumption	kWh per m ³	(per m ³ of treated water)	(per m ³ of produced water)	n.a.	(per m ³ of treated water)	(per m ³ of produced water)	n.a.
Specific operating and maintenance cost	HRK per m ³	(per m ³ of treated water)	(per m ³ of produced water)	n.a.	(per m ³ of treated water)	(per m ³ of produced water)	n.a.
Staff	N°						

2.13 Water Tariffs

2.13.1 Fixed component 2010

- Indicate component that is billed independently of the volume consumed, such as charge per meter, per connection, per capita, per property, etc.
- Where relevant distinguish for water and waste water and further to categories, such as user groups (domestic, commercial, etc.), meter diameter, property size, etc.
- Indicate the relevant amount(s) with the frequency of billing (monthly, quarterly, yearly, etc.)

2.13.2 Volume related component 2010

Water component	
Wastewater component	
Tax 1 (such as abstraction tax,)	
Tax 2 (such as pollution tax)	
...	
VAT	
TOTAL TARIFF	

- Where relevant distinguish further to categories, such as user groups (domestic, commercial, etc.), volume related tariff groups; etc.
- Indicate the relevant amount(s) and or percentages with the frequency of billing (monthly, quarterly, yearly, etc.)

e

VAT

2.13.3 Tariff evolution

Describe planned evolution of tariffs over the next few years.

2.14 Investment Cost Indicators

	Water Supply	Wastewater
Population affected by new construction or extension		
Population affected by reconstruction or renewal of existing infrastructure		
Cost per inhabitant of project in areas of new construction (HRK/inhabitant)		
Cost per inhabitant of project in areas of reconstruction (HRK/inhabitant)		

2.15 Affordability and cost coverage

- Provide an analysis of the impact on affordability (% of net disposable income) of the increase in tariffs that would be needed to cover (i) 100% O&M costs of the new Sub-Project, (ii) the full cost of the Sub-Project. Please provide this both for the average households and for low-income households¹ (lowest quintile? Lowest decile? 40% of median income?) in the area.
- Provide proof that the price of water services covers at least 100% of operation and maintenance costs.
- If prices do not cover O&M costs, provide (i) evidence that full O&M cost recovery would be unaffordable for the average household in the project area and (ii) evidence that full O&M cost recovery will be achieved through a combination of tariff revenues and reliable budget transfers defined ex-ante.
- If prices cover more than O&M costs, indicate the % of full costs that the price of water services.
- Provide evidence that full cost recovery (including capital and financial costs) will be achieved through a combination of tariffs, charges and national or local subsidies.

2.16 Financial Balance

- Provide summary breakdown of Municipal Budget
- Describe types and amounts of existing significant loans/debt at CE level.

2.17 Cash Flow of Utility

Provide summary breakdown of budget for the operator (typically the CE), showing different sources of income and operational and capital expenditure, including for the non water and sanitation sectors and transfers from/to the municipality. A business plan can also serve for the above purpose. The data should cover ideally the 3 past years plus the 5 coming years (i.e. including the effects of the project).

2.18 Project viability

¹ Please provide definition as appropriate

hl

MT

For capital investment projects in excess of EUR 3 m, the financial viability of the project should be demonstrated through a cost-benefit analysis including cash flow projections over a period of 20 years. The cash flow projections should reflect data provided in previous sections. Figures should be in constant (e.g. 2010) prices, and should include details of the various revenue sources and operational and capital (including replacement) expenditures.

All assumptions should be clearly stated and justified.

3. PROJECT INVESTMENT QUESTIONNAIRE

(To be filled in directly in the EXCEL file submitted to the Promoter)

Name of project:

Overall summary budget:

Currency (HRK or EUR, please indicate):

Financing Plan:

Investment Cost	0
Land purchase	
Works and Equipment	
Design	
Supervision	
Contingencies total	
- of which financing contingencies (if estimated separately)	
- of which price contingencies (if estimated separately)	
TOTAL	

Source	0	%
Promoter's own funds		
Donor		
Other 1 (other 3rd party)		
Other etc. (other 3rd party)		
...		
...		
Other IFI loans		
Requested EIB loan		
TOTAL	0	



Detailed expenditure and financing schedule for project proposed for EIB financing

All amounts are given in 0.

Description of component	Source of funds for component (*)	2010	2011	2012	2013	2014	2015
Component 1							
Component 2							
Component ...							
Component ...							

(*) EIB, other IFI, donor, municipality, utility's own cash resources - where a component is financed from more than one source, please state all sources

Other water supply, sanitation and environmental investments, not included in the proposed project

All amounts are given in: 0.

This includes other externally or own-funded projects, including replacements/upgrades/major refurbishment works (e.g. pipe replacements or replacement of pumping gear).

← Carried out/on-Budgeted, going planned →
(**)

Description of Component	Source of funds (*)	2010	2011	2012	2013	2014	2015
Component 1							
Component 2							
Component ...							
Component ...							

be

mt

--	--	--	--	--	--	--	--	--	--

(*) EIB, other IFI, donor, municipality, utility's own cash resources - where a component is financed from more than one source, please state all sources

(**) If another international IFI/donor programme has commenced prior to 2009 but been completed after 2009 or is still ongoing, please describe investments made going back to the start of such a programme.

he

VA

A.4 Allocation and Monitoring tables for all Sub-Projects- provided to the Bank regularly (or upon request)

Identification code	County	Location (municipality or commune)	Final Beneficiary (name and type)	Project description	Environmental compliance		Implementation phase	Start/end dates		Total Eligible Cost		Cost per inhabitant (actual)
					EIA	Nature conservation (Natura 2000)		start	end	planned	actual	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Total:												

Explanatory notes:

- (4) Name and type of final beneficiary: state, municipality, private, NGO, etc.
- (6) Please indicate: NO: no EIA required; S-O: Annex II project screened out; Yes: Annex I project or Annex II screened in. If YES, provide copy of NTS at allocation or as soon as available
- (7) it refers to Natura 2000 or other habitats areas of international or national importance. Please indicate: NO: Assessment not required; NSI: Assessment performed; no significant impact; SI: Assessment performed, significant impact - please attach Form B at allocation or when available but before allocation of any EIB funds to the project
- (8) Please indicate the implementation phase of the project at the date of submission (FS, preliminary design, implementation, completedetc.)
- (9),(10) Please indicate the latest estimated dates for commencement and completion of the project
- (11) Estimated initial total eligible cost of the project (as reported to the EC, fixed at time of allocation request), this amount should remain unchanged until end of the programme)
- (12) Latest estimate: to be updated at each allocation request

re

MS



Schedule B

Definitions of EURIBOR

A. EURIBOR

"EURIBOR" means:

- (a) in respect of a relevant period of less than one month, the rate of interest for deposits in EUR for a term of one month;
- (b) in respect of a relevant period of one or more whole months, the rate of interest for deposits in EUR for a term for the corresponding number of whole months; and
- (c) in respect of a relevant period of more than one month (but not whole months), the rate resulting from a linear interpolation by reference to two rates for deposits in EUR, one of which is applicable for a period of whole months next shorter and the other for a period of whole months 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"),

as published at 11h00 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 rate is not so published, the Bank shall request the principal euro-zone 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 11h00, 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 fewer than 2 (two) 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 11h00 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.

B. General

For the purposes of the foregoing definitions:

- (a) All percentages resulting from any calculations referred to in this Schedule will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with halves being rounded up.
- (b) The Bank shall inform the Borrower without delay of the quotations received by the Bank.
- (c) If any of the foregoing provisions becomes inconsistent with provisions adopted under the aegis of EURIBOR FBE and EURIBOR ACI in respect of EURIBOR, the Bank may by notice to the Borrower amend the provision to bring it into line with such other provisions.

be

1/10

Schedule C

Forms for the Borrowers

C.1 Form of Disbursement Request (Article 1.02B)

Disbursement Request
Croatia - MUNICIPAL WATER FINANCING FACILITY

Date:

Please proceed with the following disbursement:

Loan Name (*):
Signature Date (*): Contract FI number:

Currency & amount requested	
Currency	Amount

Proposed disbursement date:

INTEREST	Int. rate basis (Art. 3.01)	<input type="text"/>
	Rate (% or Spread) ²	<input type="text"/>
	Frequency (Art. 3.01)	Annual <input type="checkbox"/> Semi-annual <input type="checkbox"/> Quarterly <input type="checkbox"/>
	Payment Dates (Art. 5)	<input type="text"/>
	Interest Revision/Conversion date (if any)	<input type="text"/>
CAPITAL	Repayment frequency	Annual <input type="checkbox"/> Semi-annual <input type="checkbox"/> Quarterly <input type="checkbox"/>
	Repayment methodology (Art. 4.01)	Equal Instalments <input type="checkbox"/> Constant annuities <input type="checkbox"/> Single instalment <input type="checkbox"/>
	First repayment date	<input type="text"/>
	Maturity Date:	<input type="text"/>

Reserved for the EIB (contract currency)	
Total Credit Amount:	<input type="text"/>
Disbursed to date:	<input type="text"/>
Balance for disbursement:	<input type="text"/>
Current disbursement:	<input type="text"/>
Balance after disbursement:	<input type="text"/>
Disbursement deadline:	<input type="text"/>
Max. number of disbursements:	<input type="text"/>
Minimum Tranche size:	<input type="text"/>
Total allocations to date:	<input type="text"/>
Conditions precedent:	Yes / No

² NOTE: If the Borrower does not specify an interest rate or Spread here, the Borrower will be deemed to have agreed to the interest rate or Spread subsequently provided by the Bank in the Disbursement Notice, in accordance with Article 1.02C(c).

re

WT

Schedule C

Borrower's account to be credited:

Acc. N°:

(please, provide IBAN format in case of disbursements in EUR, or appropriate format for the relevant currency)

Bank name, address:

Please transmit information relevant to:

Borrower's authorised name(s) and signature(s):

he

ht

Schedule C

C.2 Form of Certificate from the Borrower (Article 1.04B)

To: European Investment Bank

From: [Borrower]

Date:

Subject: **"MUNICIPAL WATER FINANCING FACILITY"**
Finance Contract between European Investment Bank and Republic of Croatia dated 14 October 2011 (the "**Finance Contract**"),
FI number 31.176 Serapis number 2009-0032.....

Dear Sirs,

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

For the purposes of Article 1.04 of the Finance Contract we hereby certify to you as follows:

- (a) no security of the type prohibited under Article 7 has been created or is in existence;
- (b) there has been no material change to any aspect of the Project or in respect of which we are obliged to report under Article 8.01, save as previously communicated by us;
- (c) we have sufficient funds available to ensure the timely completion and implementation of the Project in accordance with Schedule A.1;
- (d) no event or circumstance which constitutes or would with the passage of time or giving of notice under the Finance Contract constitute an event of default under Article 10.01 has occurred and is continuing unremedied or unwaived;
- (e) 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 or any of our subsidiaries any unsatisfied judgement or award;
- (f) the representations and warranties to be made or repeated by us under Article 6.08 are true in all material respects; and
- (g) no Material Adverse Change has occurred, as compared with our condition at the date of the Finance Contract.

Yours faithfully,

For and on behalf of [Borrower]

Date:

he

M

Schedule D

Interest Rate Revision and Conversion

If an Interest Revision/Conversion Date has been included in the Disbursement Notice 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:

- (a) the interest rate and/or Spread that would apply to the Tranche, or the part thereof indicated in the Interest Revision/Conversion Request pursuant to Article 3.01; and
- (b) 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 arrears on designated Payment Dates.

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

Any amendment to the 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.

B. 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 the Contract and Disbursement Notice shall apply to the entire Tranche. From and including the Interest Revision/Conversion Date onwards, the provisions contained in the Interest Revision/Conversion Proposal relating to the new interest rate or Spread shall apply to the Tranche (or part thereof) until the new Interest Revision/Conversion Date, if any, or until the Maturity Date.

C. Non-fulfillment of 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 (or part thereof) on the Interest Revision/Conversion Date, without indemnity. The Borrower will repay on the Interest Revision/Conversion Date any part of a Tranche which is unaffected by the Interest Revision/Conversion.

ie

MT