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MINISTARSTVO FINANCIJA

**PRIJEDLOG**
**ZAKONA O POTVRĐIVANJU UGOVORA O DRUGOM ZAJMU ZA RAZVOJNU POLITIKU GOSPODARSKOG OPORAVKA IZMEĐU REPUBLIKE HRVATSKE I MEĐUNARODNE BANKE ZA OBNOVU I RAZVOJ, S KONAČNIM PRIJEDLOGOM ZAKONA**

**Zagreb, svibanj 2014. godine**

**PRIJEDLOG ZAKONA O POTVRĐIVANJU UGOVORA O DRUGOM ZAJMU ZA RAZVOJNU POLITIKU GOSPODARSKOG OPORAVKA IZMEĐU REPUBLIKE HRVATSKE I MEĐUNARODNE BANKE ZA OBNOVU I RAZVOJ**

# I. USTAVNA OSNOVA ZA DONOŠENJE ZAKONA

Ustavna osnova za donošenje Zakona o potvrđivanju Ugovora o drugom zajmu za razvojnu politiku gospodarskog oporavka između Republike Hrvatske i Međunarodne banke za obnovu i razvoj (u daljnjem tekstu: Ugovor o drugom zajmu) sadržana je u odredbi članka 140. stavka 1. Ustava Republike Hrvatske (Narodne novine, br. 85/2010 – pročišćeni tekst i 5/2014 – Odluka Ustavnog suda Republike Hrvatske).

# II. OCJENA STANJA I CILJ KOJI SE ZAKONOM ŽELI POSTIĆI

## 1. Ocjena stanja

Međunarodna banka za obnovu i razvoj (International Bank for Reconstruction and Development, u daljnjem tekstu: IBRD) jedna je od međunarodnih financijskih institucija u okviru Grupacije Svjetske banke utemeljena u srpnju 1945. godine u Bretton Woodsu, SAD. Cilj IBRD-a je smanjivanje siromaštva u nedovoljno razvijenim zemljama i poticanje održivog gospodarskog razvoja.

Republika Hrvatska punopravna je članica IBRD-a, od 25. veljače 1993. godine. IBRD je emitirala sveukupno 1.571.412 dionica, od čega Republika Hrvatska ima u njenom ukupnom kapitalu 2.293 dionice. Upisani kapital Republike Hrvatske iznosi 276,62 milijuna USD, od čega je uplaćeni kapital 17,29 milijuna USD, a kapital na poziv 259,33 milijuna USD. Temeljem Zakona o prihvaćanju članstva Republike Hrvatske u Međunarodnom monetarnom fondu i drugim međunarodnim financijskim organizacijama na temelju sukcesije (Narodne novine, broj 89/92), Ministarstvo financija Republike Hrvatske određeno je kao nadležno tijelo za suradnju s Grupacijom Svjetske banke, te je ovlašteno u ime Republike Hrvatske obavljati sve poslove i transakcije koje su dopuštene prema Statutu Svjetske banke. Guverner za Republiku Hrvatsku u Svjetskoj banci po funkciji je ministar financija, a zamjenik guvernera je zamjenik ministra financija.

Republika Hrvatska nalazi se u Konstituenci IBRD-a kojoj je na čelu Nizozemska. Konstituenca koju zastupa Nizozemska uključuje 13 zemalja: Armenija, Bosna i Hercegovina, Bugarska, Cipar, Gruzija, Izrael, Hrvatska, Makedonija, Moldova, Nizozemska, Rumunjska, Ukrajina i Crna Gora. Izvršni direktor nizozemske Konstituence u Svjetskoj banci je Frank Hemmskerk (od 1. travnja 2013. godine).

Redoviti sastanci Konstituence održavaju se dan prije godišnjeg i proljetnog zasjedanja Svjetske banke i Međunarodnog monearnog fonda (u daljnjem tekstu: MMF).

Predsjednik Svjetske banke Jim Yong Kim (Sjedinjene Američke Države) stupio je na dužnost 1. srpnja 2012. godine. Potpredsjednica Banke zadužena za Europu i Srednju Aziju je Laura Tuck (od 24. rujna 2013. godine).

Od 1. siječnja 1998. godine u Zagrebu djeluje i stalni Ured Svjetske banke, koji je 1. listopada 2001. godine prerastao u Regionalni ured Svjetske banke za Hrvatsku, Bugarsku i Rumunjsku. Krajem studenog 2006. godine, u sklopu svoje reorganizacije, Svjetska banka je preselila Regionalni ured u Washington, a u Zagrebu je ostao Ured za Hrvatsku. Od 1. listopada 2010. godine funkciju voditelja Ureda preuzeo je Hongjoo J. Hahm. Od rujna 2007. godine Banka je reorganizirala svoje odjele kako bi povećala svoju efikasnost u radu sa zemljama članicama. Republika Hrvatska je svrstana u Odjel za Srednju Europu i baltičke zemlje. Od 1. veljače 2013. godine direktorica za Srednju Europu i baltičke zemlje je Mamta Murthi.

IBRD je za Republiku Hrvatsku najvažnija međunarodna financijska institucija koja kontinuirano i svestrano podupire ekonomsko-socijalni razvitak i reforme na putu prema tržišnoj ekonomiji. Od ratnih vremena, kada su Republici Hrvatskoj drugi izvori financiranja bili zatvoreni, pa do danas ona je značajan izvor financiranja i katalizator reformskih prilagodbi. Financijska potpora i ukupna uloga IBRD-a prilagođava se potrebama obnove, izgradnje infrastrukture, strukturnih prilagodbi i razvitka Republike Hrvatske. Značajna financijska sredstva IBRD-a Republika Hrvatska koristi u vidu investicijskih i strukturnih zajmova pod najpovoljnijim financijskim uvjetima koje IBRD postiže na međunarodnom financijskom tržištu. Također, Republika Hrvatska koristi brojne darovnice, tehničku pomoć i savjetodavne usluge IBRD-a putem kojih se podupire ekonomski napredak i provedba strukturnih reformi na raznim područjima, od infrastrukture, poljoprivrede, zdravstva do bankarskog, mirovinskog i pravosudnog sustava. Suradnja Republike Hrvatske s IBRD-om ima veliko, ne samo financijsko, nego i šire značenje za održavanje makroekonomske stabilnosti, postizanje održivog i ubrzanog gospodarskog rasta i povećanje koristi od članstva u Europskoj uniji s ciljem provedbe usklađenih politika i povećanja kapaciteta Republike Hrvatske u povlačenju sredstava iz fondova Europske unije.

Otkako je Republika Hrvatska postala članicom Svjetske banke 25. veljače 1993. godine, Banka Republici Hrvatskoj aktivno pruža financijsku i tehničku pomoć, savjete i analitičke usluge. IBRD je Republici Hrvatskoj odobrio 53 zajma (od kojih je 36 izravnih i 17 zajmova uz državno jamstvo) vrijednosti 2,4 milijarde eura i 52 darovnice u vrijednosti od 52 milijuna eura. Prema iznosu odobrenih zajmova i pruženoj tehničkoj pomoći IBRD predstavlja najznačajniji izvor strane financijske potpore koja pridonosi ukupnom razvoju Republike Hrvatske.

Strategiju partnerstva Međunarodne banke za obnovu i razvoj i Međunarodne financijske korporacije i Multilateralne agencije za osiguranje investicija s Republikom Hrvatskom za razdoblje FG14-17 (eng. International Bank for Reconstruction and Development and International Finance Corporation and Multilateral Investment Guarantee Agency Country Partnership Strategy for the Republic of Croatia for the Period FY14 –17) (u daljnjem tekstu: Strategija partnerstva) Vlada Republike Hrvatske odobrila je na sjednici 29. svibnja 2013. godine. Odbor izvršnih direktora Svjetske banke u Washingtonu prihvatio je Strategiju partnerstva na sjednici 27. lipnja 2013. godine. Strategija partnerstva obuhvaća indikativni program kreditiranja IBRD-a u iznosu do 800 milijuna USD. Očekuje se da će tijekom sljedeće četiri godine Međunarodna financijska korporacija (u daljnjem tekstu: IFC) uložiti u Republiku Hrvatsku iznos do 600 milijuna USD. Sredstva IFC-a namijenjena su domaćim poduzećima orijentiranim na izvoz, te malim i srednjim poduzećima, kako bi se poboljšala konkurentnost domaćih poduzeća.

Strategija partnerstva bit će usredotočena na pružanje potpore Republici Hrvatskoj za postizanje cilja da se članstvo u Europskoj uniji utemelji na stabilnoj gospodarskoj poziciji. Suradnja sa Svjetskom bankom obuhvaća fiskalne godine 2014. - 2017., a odnosi se na programe i aktivnosti koji će se odvijati kroz tri odvojena, ali međusobno povezana stupa. Svaki stup sadrži tri zasebna strateška područja koja su međusobno povezana s devet ciljeva. Prvi stup se zasniva na javnim financijama, te je oblikovan na temelju potrebe da se putem kontinuirane fiskalne konsolidacije stavi naglasak na obnovljiv i održiv rast, zajedno s naglaskom na racionalizaciji rashoda kako bi se osigurala fiskalna održivost u srednjem roku. Kroz drugi stup će se nastojati ostvariti poboljšanja na području konkurentnosti, koja je potrebna za poticanje rasta. Treći stup će biti usredotočen na povećanje koristi od članstva u Europskoj uniji s ciljem provedbe usklađenih politika, povećanja kapaciteta Republike Hrvatske u povlačenju sredstava iz fondova Europske unije i pružanju pomoći kako bi se ta sredstava učinkovito iskoristila.

Većina zajmova Svjetske banke predviđena je za početak razdoblja Strategije partnerstva, a zajmovi za razvojnu politiku i dalje će imati važnu ulogu temeljenu na potrebi da se reformske aktivnosti kombiniraju s proračunskim sredstvima. Strategijom partnerstva je također predviđeno korištenje novih instrumenata Svjetske banke: (i) aktivnosti temeljene na rezultatima (Programi za rezultate, eng. Program for Results - PfR) koje se nadovezuju i upotpunjavaju zajmove za razvojnu politiku s ciljem potpore reformama određenih sektora; i (ii) savjetodavne usluge uz naknadu (RAS), uglavnom u obliku analitičkih i savjetodavnih aktivnosti (eng. Analytical and Advisory Activities - AAA) usredotočenih na tekuće strukturne i institucionalne izazove za Republiku Hrvatsku.

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U skladu s Odlukom Vlade Republike Hrvatske o pokretanju postupka za sklapanje Ugovora o drugom zajmu za razvojnu politiku gospodaskog oporavka između Republike Hrvatske i Međunarodne banke za obnovu i razvoj klase: 022-03/14-11/29, urbroja: 50301-05/16-14-2 od 27. ožujka 2014. godine ovlašteno hrvatsko izaslanstvo obavilo je 28. ožujka 2014. godine završne pregovore s IBRD-om o Ugovoru o zajmu.

Vlada Republike Hrvatske je Zaključkom klase: 022-03/14-11/29, urbroja: 50301-05/16-14-6 od 3. travnja 2014. godine prihvatila Izvješće o vođenim pregovorima, te ovlastila ministra financija da potpiše Ugovor o drugom zajmu za razvojnu politiku gospodarskog oporavka. Ugovor o drugom zajmu potpisan je 30. travnja 2014. godine. Za Republiku Hrvatsku potpisao ga je ministar financija, Slavko Linić, a za IBRD, Hongjoo Hahm, voditelj Ureda Svjetske banke za Hrvatsku.

## 2. Cilj koji se Zakonom želi postići

Zakonom se potvrđuje Ugovor o drugom zajmu za razvojnu politiku gospodarskog oporavka između Republike Hrvatske i Međunarodne banke za obnovu i razvoj.

Program reformi koje se podupiru Drugim zajmom za razvojnu politiku gospodarskog oporavka obuhvaća sljedeće aktivnosti/komponente:

1. Jačanje fiskalne održivosti konsolidacijom rashoda kroz: a) daljnje promicanje fiskalne održivosti i transparentnosti; b) jačanje učinkovitosti javne uprave; c) jačanje fiskalne discipline u zdravstvenom sustavu; d) jačanje učinkovitosti i djelotvornosti socijalnih naknada, usmjeravanje potrošnje na pomno odabrane programe i racionalizaciju mreže socijalne zaštite; e) jačanje pravednosti i financijske stabilnosti mirovinskog sustava.

2. Stvaranje poticajnog okruženja za rast privatnog sektora – obuhvaća program reformi koje će se usredotočiti na četiri skupine reformi: a) povećanje fleksibilnosti tržišta rada i poticanje na aktivno sudjelovanje na tržištu rada; b) smanjenje administrativnih i regulatornih prepreka za poslovanje; c) smanjenje udjela vlasništva u državnim poduzećima kroz privatizaciju ili likvidaciju poduzeća u državnom vlasništvu.; d) osnaživanje okvira za inovacije.

Ukupan iznos zajma za realizaciju Programa je 150 milijuna eura.

Prema uvjetima ponuđenim od IBRD-a Republici Hrvatskoj, zajam će biti odobren na 15 godina. Posljednji datum raspoloživosti zajma je 31. kolovoz 2014. godine.

Sredstva iz zajma moći će se povlačiti isključivo prema odredbama članka II. Općih uvjeta za zajmove Svjetske banke od 12. ožujka 2012. godine, te Odjeljka II. Priloga I. Ugovora o drugom zajmu, dodatnih uputa koje IBRD utvrdi u obavijesti Zajmoprimcu kao i Dodatku Ugovora o drugom zajmu, Odjeljak II. Izmjene Općih uvjeta.

**OPIS ZAJMA**

| | |
|---|---|
| zajmoprimac: | Republika Hrvatska; |
| zajmodavac: | Međunarodna banka za obnovu i razvoj; |
| iznos zajma: | 150.000.000,00 eura; |
| namjena: | Jačanje fiskalne održivosti kroz konsolidaciju javne potrošnje i stvaranja poticajnog okruženja za rast privatnog sektora; |
| rok otplate: | 15 godina; |
| kamata: | šestomjesečni EURIBOR za euro, uvećan za fiksnu kamatnu maržu; |
| dospijeća kamata: | polugodišnja (15. svibnja i 15. studenoga svake godine); |
| dospijeće glavnice u cijelosti: | 15. studenoga 2028. godine; |
| naknada: | početna naknada iznosi 0,25% iznosa glavnice zajma i isplaćuje se najkasnije 60 dana nakon stupanja Zajma na snagu; |
| rok korištenja: | posljednji datum raspoloživosti zajma/povlačenja je 31. kolovoza 2014. godine. |

## III. OSNOVNA PITANJA KOJA SE PREDLAŽU UREDITI ZAKONOM

Ovim Zakonom potvrđuje se Ugovor o drugom zajmu za razvojnu politiku gospodarskog oporavka između Republike Hrvatske i Međunarodne banke za obnovu i razvoj, kako bi njegove odredbe u smislu članka 141. Ustava Republike Hrvatske postale dio unutarnjeg pravnog poretka Republike Hrvatske. Ugovor o drugom zajmu propisuje način podmirivanja financijskih obveza te nadležnost za provedbu Ugovora o drugom zajmu.

## IV. OCJENA POTREBNIH SREDSTAVA ZA PROVOĐENJE ZAKONA

Republika Hrvatska, temeljem Ugovora o drugom zajmu za razvojnu politiku gospodarskog oporavka, obvezala se kao zajmoprimac redovito i u potpunosti izvršavati sve financijske obveze prema Međunarodnoj banci za obnovu i razvoj.

Izvršavanje Ugovora o drugom zajmu podrazumijeva financijske obveze otplate zajma za Republiku Hrvatsku u svojstvu zajmoprimca, u iznosu cjelokupnog zajma, kamata i drugih troškova koji nastaju na temelju Ugovora o drugom zajmu.

## V. RAZLOZI ZA DONOŠENJE ZAKONA PO HITNOM POSTUPKU

Temelj za donošenje ovoga Zakona po hitnom postupku nalazi se u članku 204. stavku 1. Poslovnika Hrvatskoga sabora (Narodne novine, broj 81/2013) i to u drugim osobito opravdanim razlozima, budući da je njegovo stupanje na snagu pretpostavka za povlačenje 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 može mijenjati ili dopunjavati tekst međunarodnog ugovora, predlaže se ovaj Prijedlog zakona raspraviti i prihvatiti po hitnom postupku, objedinjavajući prvo i drugo čitanje.

**KONAČNI PRIJEDLOG ZAKONA O POTVRĐIVANJU UGOVORA O DRUGOM ZAJMU ZA RAZVOJNU POLITIKU GOSPODARSKOG OPORAVKA IZMEĐU REPUBLIKE HRVATSKE I MEĐUNARODNE BANKE ZA OBNOVU I RAZVOJ**

**Članak 1.**

Potvrđuje se Ugovor o drugom zajmu za razvojnu politiku gospodarskog oporavka između Republike Hrvatske i Međunarodne banke za obnovu i razvoj, potpisan u Zagrebu 30. travnja 2014. 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:

ZAJAM BROJ 8364 - HR

# Ugovor o Zajmu

**(Drugi zajam za razvojnu politiku gospodarskog oporavka)**

**između**

**REPUBLIKE HRVATSKE**

**i**

**MEĐUNARODNE BANKE ZA OBNOVU I RAZVOJ**

**Datum: 30. travnja 2014.**

**ZAJAM BROJ 8364 – HR**

# UGOVOR O ZAJMU

Ugovor od 30. travnja 2014. godine, sklopljen između REPUBLIKE HRVATSKE ("Zajmoprimac") i MEĐUNARODNE BANKE ZA OBNOVU I RAZVOJ ("Banka") u svrhu osiguranja financiranja radi pružanja podrške Programu (koji je definiran u Dodatku ovog Ugovora). Banka je ovo financiranje odlučila osigurati, između ostalog, i temeljem: (a) aktivnosti koje je Zajmoprimac već proveo u okviru Programa i koje su opisane u Odjeljku I. Priloga 1 ovom Ugovoru; i (b) održavanja odgovarajućeg okvira makroekonomske politike od strane Zajmoprimca. Zajmoprimac i Banka su se ovim Ugovorom sporazumjeli kako slijedi:

## ČLANAK I. — OPĆI UVJETI, DEFINICIJE

1.01. Opći uvjeti (prema definiciji iz Dodatka ovog Ugovora) sastavni su dio ovoga Ugovora.

1.02. Ako kontekst ne nalaže drukčije, izrazi napisani velikim početnim slovom, a koji se upotrebljavaju u ovom Ugovoru, imaju značenja koja su im pripisana u Općim uvjetima ili u Dodatku ovog Ugovora.

## ČLANAK II. — ZAJAM

2.01. Banka je Zajmoprimcu suglasna pozajmiti, pod uvjetima i propisima koji su utvrđeni u ovom Ugovoru ili na koje se ovaj Ugovor poziva, iznos od stopedeset milijuna eura (EUR 150.000.000) ("Zajam").

2.02. Zajmoprimac može povlačiti sredstva Zajma u svrhu podrške Programu u skladu s Odjeljkom II. Priloga 1. ovome Ugovoru.

2.03. Početna naknada koju plaća Zajmoprimac iznosi jednu četvrtinu od jedan posto (0,25%). Zajmoprimac će početnu naknadu platiti najkasnije šezdeset dana nakon datuma stupanja Zajma na snagu

2.04. Za svako kamatno razdoblje Zajmoprimac plaća kamatu po stopi jednakoj referentnoj stopi za valutu Zajma, uvećanu za nepromjenjivu kamatnu maržu; pod uvjetom da, nakon konverzije cijelog iznosa ili bilo kojeg dijela iznosa glavnice Zajma, Zajmoprimac tijekom razdoblja konverzije plaća kamatu na takav iznos koji će se odrediti sukladno relevantnim odredbama članka IV. Općih uvjeta. Bez obzira na navedeno, ako bilo koji povučeni iznos Zajma ostane neotplaćen pri dospijeću i takvo se neplaćanje nastavi u razdoblju od trideset dana, kamata koju plaća Zajmoprimac će umjesto toga biti izračunata kako je utvrđeno u Odjeljku 3.02 (e) Općih uvjeta.

2.05. Datumi plaćanja su 15. svibnja i 15. studenog svake godine.

2.06. Glavnica Zajma otplaćuje se u skladu s planom amortizacije utvrđenim u Prilogu 2. ovome Ugovoru.

2.07. (a) Zajmoprimac može u svako doba zatražiti bilo koju od sljedećih promjena uvjeta Zajma kako bi omogućio razborito upravljanje dugom: promjenu osnove za kamatnu stopu koja se primjenjuje: A) na cijeli iznos ili bilo koji dio iznosa glavnice Zajma, povučenog i neotplaćenog, i to iz promjenjive kamatne stope u nepromjenjivu kamatnu stopu ili obratno; ili (B) na cijeli iznos ili bilo koji dio iznosa glavnice Zajma, povučenog i neotplaćenog, i to iz promjenjive kamatne stope temeljene na referentnoj stopi i promjenjivoj kamatnoj marži promjenjivu kamatnu stopu temeljenu na fiksnoj referentnoj stopi i promjenjivoj kamatnoj marži ili obratno; ili (C) na cijeli iznos glavnice Zajma, povučenog i neotplaćenog, i to iz promjenjive kamatne stope temeljene napromjenjivoj kamatnoj marži u promjenjivu kamatnu stopu temeljenu na nepromjenjivoj kamatnoj marži.

(b) Svaka promjena koja je zatražena sukladno stavku (a) ovog Odjeljka i koju je Banka prihvatila smatra se "konverzijom," kako je definirano u Općim uvjetima, te stupa na snagu sukladno odredbama članka IV. Općih uvjeta i Smjernica o konverzijama.

## ČLANAK III. — PROGRAM

3.01. Zajmoprimac izražava svoju opredijeljenost za Program i njegovu provedbu. U tu svrhu, a sukladno Odjeljku 5.08. Općih uvjeta:

(a) Zajmoprimac i Banka će s vremena na vrijeme, na zahtjev bilo koje od stranaka, razmjenjivati mišljenja o okviru makroekonomske politike i napretku postignutom u provedbi Programa;

(b) prije svake takve razmjene mišljenja, Zajmoprimac će Banci predati izvješće o napretku ostvarenom u provedbi Programa, a radi pregleda i očitovanja te onoliko opsežno koliko to Banka razumno zatraži; i

(c) ne ograničavajući odredbe stavaka (a) i (b) ovog Odjeljka, Zajmoprimac će bez odlaganja obavijestiti Banku o bilo kojoj situaciji koja bi u znatnoj mjeri djelovala suprotno ciljevima Programa ili bilo koje aktivnosti u okviru Programa, uključujući bilo koju aktivnost navedenu u Odjeljku I. Priloga I ovom Ugovoru.

## ČLANAK IV. — PRAVNI LIJEKOVI BANKE

4.01. Dodatni događaj za obustavu sastoji se u sljedećem, a to je da je nastala situacija zbog koje nije vjerojatno da će se Program ili njegov bitni dio provesti.

## ČLANAK V. — STUPANJE NA SNAGU; PRESTANAK VAŽENJA

5.01. Dodatni uvjet za stupanje Zajma na snagu sastoji se u sljedećem, a to je da je Banka zadovoljna napretkom koji Zajmoprimac ostvaruje u provedbi Programa, kao i primjerenošću okvira makroekonomske politike Zajmoprimca.

5.02. Rok stupanja Zajma na snagu je devedeset (90) dana od datuma ovog Ugovora.

## ČLANAK VI. — PREDSTAVNIK; ADRESE

6.01. Predstavnik Zajmoprimca je ministar financija.

6.02. Adresa Zajmoprimca je:

Ministarstvo financija
Katančićeva 5
10000 Zagreb
Republika Hrvatska

| | Teleks: | Telefaks: |
|---|---|---|
| | 862-21215<br>862-21833 | (385-1) 4922-598 |

6.03. Adresa Banke je:

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

| Kabelogramska adresa: | Teleks: | Telefaks: |
|---|---|---|
| INTBAFRAD<br>Washington, D.C. | 248423(MCI) ili<br>64145(MCI) | 1-202-477-6391 |

USUGLAŠENO u Zagrebu, Republika Hrvatska, na prvi naprijed navedeni datum.

REPUBLIKA HRVATSKA

Ministar financija

Slavko Linić, v.r
ovlašteni predstavnik

MEĐUNARODNA BANKA ZA OBNOVU I RAZVOJ

Voditelj Ureda

Hongjoo Hahm, v.r.
ovlašteni predstavnik

## PRILOG 1.

### Aktivnosti iz Programa; Dostupnost sredstava zajma

**Odjeljak I.** **Aktivnosti u okviru Programa**

Aktivnosti koje je Zajmoprimac poduzeo u okviru Programa uključuju sljedeće:

1. Zajmoprimac je ulogu i neovisnost svojeg Fiskalnog odbora ojačao donošenjem Odluke o osnivanju Povjerenstva za fiskalnu politiku od strane Hrvatskog sabora dana 23. prosinca 2013. (Narodne novine 156/13).

2. Zajmoprimac je sustave plaća u vladinim agencijama, državnim i javnim službama uskladio donošenjem Uredbe o nazivima radnih mjesta i koeficijentima složenosti poslova u javnim službama od 28. veljače 2013. (Narodne novine 25/13, 72/13, 151/13 i 9/14).

3. Zajmoprimac je (a) racionalizirao rashode za zdravstvo kroz nacionalnu provedbu e-recepata donošenjem Pravilnika o mjerilima za stavljanje lijekova na osnovnu i dopunsku listu lijekova Hrvatskog zavoda za zdravstveno osiguranje od 1. srpnja 2013. (Narodne novine 83/13); (b) standardizirao medicinsku tehnologiju i ortopedska pomagala kroz donošenje Pravilnika o izmjenama Pravilnika o mjerilima za stavljanje ortopedskih i drugih pomagala na popis pomagala Hrvatskog zavoda za zdravstveno osiguranje od 12. travnja 2013. (Narodne novine 43/13); i (c) centralizirao nabavu za bolnice putem Odluka Ministarstva zdravlja o obveznoj provedbi zajedničke nabave putem središnjih tijela za javnu nabavu/javnih ustanova od 4. ožujka 2013.

4. Zajmoprimac je: (a) u sustav socijalne skrbi uveo Sustav upravljanja informacijama; i (b) primijenio imovinski cenzus radi usmjeravanja nekoliko programa socijalnih davanja kroz donošenje Zakona o socijalnoj skrbi od 24. prosinca 2013. (Narodne novine 157/13).

5. Zajmoprimac je (a) ukinuo povlaštene mirovine državnih dužnosnika donošenjem Zakona o izmjenama Zakona o pravima i dužnostima zastupnika u Hrvatskom saboru od 26. siječnja 2012. (Narodne novine 12/12); (b) racionalizirao vojne mirovine putem Zakona o izmjenama Zakona o pravima iz mirovinskog osiguranja djelatnih vojnih osoba, policijskih službenika i ovlaštenih službenih osoba od 26. listopada 2012. (Narodne novine 118/12); i (c) uveo desetpostotno (10%) smanjenje povlaštenih mirovina donošenjem Zakona o izmjeni i dopunama Zakona o smanjenju mirovina određenih odnosno ostvarenih prema posebnim propisima o mirovinskom osiguranju od 24. prosinca 2013. (Narodne novine 157/13).

6. Zajmoprimac je (a) smanjio administrativne troškove kapitalno financiranih mirovinskih stupova donošenjem Zakona o obveznim mirovinskim fondovima od 12. veljače 2014. (Narodne novine 19/14); i (b) povećao dob za odlazak u mirovinu Zakonom o mirovinskom osiguranju od 24. prosinca 2013. (Narodne novine 157/13).

7. Zajmoprimac je povećao fleksibilnost kod kolektivnog pregovaranja te fleksibilnost zapošljavanja donošenjem: (a) Zakona o kriterijima za sudjelovanje u tripartitnim tijelima i reprezentativnosti za kolektivno pregovaranje od 20. srpnja 2012. (Narodne novine 82/12); (b) Zakona o poticanju zapošljavanja od 23. svibnja 2012. (Narodne novine 57/12); i (c) Zakona o izmjenama i dopunama Zakona o radu od 18. lipnja 2013. (Narodne novine 73/13).

8. Zajmoprimac je (a) smanjio troškove osnivanja poduzeća donošenjem Zakona o izmjenama i dopunama Zakona o trgovačkim društvima od 12. listopada 2012. (Narodne novine 111/12); i (b) uveo jedinstvenu elektronsku dozvolu za gradnju donošenjem Zakona o gradnji i Zakona o prostornom uređenju od 18. prosinca 2013. (Narodne novine 153/13).

9. Zajmoprimac je likvidirao ili prodao dionice i udjele u dvjesto (200) poduzeća u državnom vlasništvu kako bi smanjio uključenost države u sektor poduzetništva.

10. Zajmoprimac je uveo financiranje temeljeno na učinku u visoko obrazovanje i znanost donošenjem Zakona o izmjenama i dopunama Zakona o znanstvenoj djelatnosti i visokom obrazovanju od 22. srpnja 2012. (Narodne novine 94/13).

## Odjeljak II. Dostupnost sredstava zajma

**A. Općenito.** Zajmoprimac sredstva Zajma može povlačiti sukladno odredbama ovog Odjeljka i dodatnim uputama o kojima će Banka obavijestiti Zajmoprimca.

**B. Raspodjela iznosa Zajma.** Zajam se raspoređuje na način da se povlači u jednoj tranši iz koje Zajmoprimac može povlačiti sredstva zajma. Raspodjela iznosa zajma u tu svrhu prikazana je u tablici u nastavku:

| Alokacije | Iznos Zajma Raspoređeno (izraženo u EUR) |
|---|---|
| Povlačenje u jednoj tranši | 150.000.000 |
| **UKUPNI IZNOS** | 150.000.000 |

**C. Plaćanje početne naknade.** S računa zajma se neće povlačiti nikakva sredstva dok Banka ne primi cjelokupni iznos početne naknade.

**D. Uvjeti za povlačenje tranše.**

Nikakva sredstva iz jedinstvene tranše Zajma neće se povlačiti ako Banka nije zadovoljna: (i) Programom koji provodi Zajmoprimac; i (ii) primjerenošću okvira makroekonomske politike Zajmoprimca.

E. **Deponiranje iznosa Zajma.** Osim ako Banka ne pristane na drugo:

1. sve iznose povučene s računa zajma Banka će deponirati na račun koji odredi Zajmoprimac i koji Banka smatra prihvatljivim; i

2. Zajmoprimac će se pobrinuti da po svakom deponiranju iznosa Zajma na taj račun istovjetan iznos bude računovodstveno proveden u sustavu proračunskog upravljanja Zajmoprimca, i to na način koji Banka smatra prihvatljivim.

F. **Isključeni izdaci.** Zajmoprimac će se pobrinuti da se sredstva Zajma ne koriste za financiranje isključenih izdataka. Ukoliko Banka u bilo kojem trenutku ustanovi da je neki iznos Zajma korišten za plaćanje nekog isključenog izdatka, Zajmoprimac će odmah po obavijesti Banke u korist iste obaviti povrat iznosa jednakog iznosu tog plaćanja. Iznosi vraćeni Banci po takvom zahtjevu bit će otkazani.

G. **Datum zatvaranja.** Datum zatvaranja je 31. kolovoza 2014.

**PRILOG 2.**

**Plan amortizacije**

Zajmoprimac će iznos glavnice Zajma u cijelosti otplatiti dana 15. studenog 2028.

# DODATAK

## Odjeljak I. Definicije

1. "Isključeni izdaci" su svi izdaci:

(a) za robu ili usluge koji se nabavljaju prema ugovoru koji financira ili ga je pristala financirati bilo koja domaća ili međunarodna financijska institucija ili agencija osim Banke ili Udruženja, odnosno koji Banka ili Udruženje financira ili ga se je pristalo financirati u okviru nekog drugog zajma, kredita ili darovnice;

(b) za robu iz sljedećih skupina ili podskupina Standardne međunarodne trgovinske klasifikacije, Revizija 3 (SMTK, Rev.3), koju su Ujedinjeni narodi objavili u Statističkim dokumentima (Statistical Papers), Serija M, br. 34/Rev. 3 (1986.) (SMTK), ili iz bilo koje od naknadnih skupina ili podskupina prema budućim revizijama SMTK-a, a o kojima će Banka obavijestiti Zajmoprimca:

| Skupina | Podskupina | Opis stavke |
|---|---|---|
| 112 | | Alkoholna pića |
| 121 | | Duhan, neprerađeni, duhanski otpaci |
| 122 | | Duhan, prerađeni (bez obzira sadrži li ili ne sadrži nadomjestke duhana) |
| 525 | | Radioaktivni i s njima povezani materijali |
| 667 | | Biseri, drago i poludrago kamenje, neobrađeno ili obrađeno |
| 718 | 718.7 | Nuklearni reaktori i njihovi dijelovi; gorivi elementi (patrone) neozračeni, za nuklearne reaktore |
| 728 | 728.43 | Strojevi za preradu duhana |
| 897 | 897.3 | Nakit od zlata, srebra ili platinske skupine metala (osim satova i kutija za satove) te zlatarski ili filigranski proizvodi (uključujući ugrađene dragulje) |
| 971 | | Zlato, nemonetarno (isključujući zlatnu rudu i koncentrate) |

(c) za robu namijenjenu za vojne ili paravojne svrhe ili za luksuznu potrošnju;

(d) za ekološki opasnu robu čija je proizvodnja, upotreba ili uvoz zabranjen prema zakonima Zajmoprimca ili međunarodnim ugovorima u kojima je Zajmoprimac stranka);

(e) na ime svakog plaćanja zabranjenog odlukom Vijeća sigurnosti Ujedinjenih naroda, donesenom na temelju Poglavlja VII. Povelje Ujedinjenih naroda; i

(f) u vezi s kojima Banka utvrdi da su predstavnici Zajmoprimca ili nekog drugog korisnika Zajma sudjelovali u djelima korupcije, prijevare, dosluha ili prisile, a da Zajmoprimac (ili taj drugi korisnik) pritom nisu poduzeli pravodobne, odgovarajuće i za Banku zadovoljavajuće mjere radi ispravljanja nastalog stanja.

2. "Fiskalni odbor" je fiskalni odbor Zajmoprimca temeljem Vladine Odluke o osnivanju Odbora za fiskalnu politiku od 25. ožujka 2011.

3. "Opći uvjeti" su "Opći uvjeti zajmova Međunarodne banke za obnovu i razvoj" od 12. ožujka 2012. godine, uz izmjene navedene u Odjeljku II. ovog Dodatka.

4. "Državni dužnosnici" su dužnosnici na položajima pobliže određenim u Zakonu o pravima i dužnostima državnih dužnosnika od 28. srpnja 1998. (Narodne novine 101/98 i kasnije izmjene i dopune) te suci Ustavnog suda Zajmoprimca.

5. „Mirovine državnih dužnosnika" su mirovine određene Zakonom o pravima i dužnostima zastupnika u Hrvatskom saboru (Narodne novine 55/00 i kasnije izmjene i dopune).

6. "Povlaštene mirovine" su posebne mirovine pobliže određene Zakonom o izmjeni i dopunama Zakona o smanjenju mirovina određenih, odnosno ostvarenih prema posebnim propisima o mirovinskom osiguranju od 24. prosinca 2013. (Narodne novine 157/13).

7. "Program" je program aktivnosti, ciljeva i politika koje su zamišljene radi promicanja rasta i ostvarivanja održivog smanjenja siromaštva, a navode se u pismu od 28. ožujka 2014., koje je Zajmoprimac uputio Banci i u kojem Zajmoprimac iskazuje svoju opredijeljenost za provedbu Programa te od Banke traži pomoć radi potpore Programu tijekom njegove provedbe.

8. "Povlačenje u jednoj tranši" je iznos Zajma raspoređen u kategoriju pod nazivom "Povlačenje u jednoj tranši" u tablici koja se nalazi u Dijelu B Odjeljka II. Priloga 1 ovom Ugovoru.

**Odjeljak II. <u>Izmjene Općih uvjeta</u>**

Izmjene Općih uvjeta su sljedeće:

1. Zadnja rečenica u stavku (a) odjeljka 2.03. (koja se odnosi na zahtjeve za povlačenje) briše se u cijelosti.

2. Odjeljci 2.04. (Određeni računi) i 2.05. (Prihvatljivi izdaci) brišu se u cijelosti, a preostali odjeljci u članku II. se u skladu s time renumeriraju na odgovarajući način.

3. Odjeljci 5.01. (Izvršenje projekta općenito), i 5.09. (Financijsko upravljanje; Financijska izvješća; Revizije) brišu se u cijelosti, a preostali odjeljci u članku V. se u skladu s time renumeriraju na odgovarajući način.

4. Stavak (a) u Odjeljku 5.05. (koji je kao takav renumeriran sukladno gore navedenom stavku 3., a odnosi se na Korištenje roba, radova i usluga), briše se u cijelosti.

5. Stavak (c) u Odjeljku 5.06. (koji je kao takav renumeriran sukladno gore navedenom stavku 3.) mijenja se i glasi:

   "Odjeljak 5.06. Planovi; dokumenti; evidencija

   ... (c) Zajmoprimac je svu evidenciju (ugovore, narudžbe, fakture, račune, priznanice i inu dokumentaciju) kojom se dokazuju izdaci u okviru Zajma dužan čuvati do isteka razdoblja od dvije godine od datuma zatvaranja. Zajmoprimac je predstavnicima Banke dužan omogućiti uvid u tu evidenciju."

6. Stavak (c) u Odjeljku 5.07. (koji je kao takav renumeriran sukladno gore navedenom stavku 3.) mijenja se i glasi:

   "Odjeljak 5.07. Praćenje i ocjena Programa

   ... (c) Zajmoprimac je najkasnije šest mjeseci nakon datuma zatvaranja dužan izraditi i Banci dostaviti ili se pobrinuti da se izradi i Banci dostavi izvješće o izvršenju Programa i ispunjenju obveza stranaka Zajma i Banke prema pravnim ugovorima i ostvarenju ciljeva Zajma, i to onoliko opsežno i iscrpno koliko to Banka opravdano zatraži."

7. Sljedeći izrazi i definicije navedeni u Dodatku mijenjaju se ili brišu kako slijedi, dok su sljedeći novi izrazi i definicije u Dodatak uvršteni abecednim redom, kako slijedi, pri čemu se izrazi sukladno tome renumeriraju na odgovarajući način:

   (a) Definicija izraza „Prihvatljivi izdaci" mijenja se i glasi:

"Prihvatljivi izdaci" označava svako korištenje Zajma radi potpore Programu, osim financiranja izdataka koji su isključeni sukladno Ugovoru o zajmu."

(b) Izraz "Financijska izvješća" i njegova definicija u cijelosti se brišu.

(c) Izraz "Projekt" mijenja se i glasi "Program", a njegova definicija mijenja se i glasi (a sva pozivanja na "Projekt" u ovim Općim uvjetima smatraju se pozivanjima na "Program"):

""Program" znači program naveden u Ugovoru o zajmu, a u potporu kojeg se Zajam odobrava."

LOAN NUMBER 8364 - HR

# Loan Agreement

**(Second Economic Recovery Development Policy Loan)**

**between**

**REPUBLIC OF CROATIA**

**and**

**INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT**

**Dated April 30, 2014**

# LOAN AGREEMENT

Agreement dated April 30, 2014, entered into between REPUBLIC OF CROATIA ("Borrower") and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("Bank") for the purpose of providing financing in support of the Program (as defined in the Appendix to this Agreement). The Bank has decided to provide this financing on the basis, inter alia, of (a) the actions which the Borrower has already taken under the Program and which are described in Section I of Schedule 1 to this Agreement, and (b) the Borrower's maintenance of an adequate macroeconomic policy framework. The Borrower and the Bank therefore hereby agree as follows:

## ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

1.01. The General Conditions (as defined in the Appendix to this Agreement) constitute an integral part of this Agreement.

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

## ARTICLE II — LOAN

2.01. The Bank agrees to lend to the Borrower, on the terms and conditions set forth or referred to in this Agreement, the amount of one hundred and fifty million Euro (EUR 150,000,000)("Loan").

2.02. The Borrower may withdraw the proceeds of the Loan in support of the Program in accordance with Section II of Schedule 1 to this Agreement.

2.03. The Front-end Fee payable by the Borrower shall be equal to one quarter of one percent (0.25%). The Borrower shall pay the Front-end Fee not later than sixty days after the Effective Date

2.04. The interest payable by the Borrower for each Interest Period shall be at a rate equal to the Reference Rate for the Loan Currency plus the Fixed Spread; provided, that upon a Conversion of all or any portion of the principal amount of the Loan, the interest payable by the Borrower during the Conversion Period on such amount shall be determined in accordance with the relevant provisions of Article IV of the General Conditions. Notwithstanding the foregoing, if any amount of the Withdrawn Loan Balance remains unpaid when due and such non-payment continues for a period of thirty days, then the interest payable by the Borrower shall instead be calculated as provided in Section 3.02 (e) of the General Conditions.

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

2.06. The principal amount of the Loan shall be repaid in accordance with the amortization schedule set forth in Schedule 2 to this Agreement.

2.07. (a) The Borrower may at any time request any of the following Conversions of the terms of the Loan in order to facilitate prudent debt management: a change of the interest rate basis applicable to: (A) all or any portion of the principal amount of the Loan withdrawn and outstanding from a Variable Rate to a Fixed Rate, or vice versa; or (B) all or any portion of the principal amount of the Loan withdrawn and outstanding from a Variable Rate based on a Reference Rate and the Variable Spread to a Variable Rate based on a Fixed Reference Rate and the Variable Spread, or vice versa; or (C) all of the principal amount of the Loan withdrawn and outstanding from a Variable Rate based on a Variable Spread to a Variable Rate based on a Fixed Spread.

(b) Any conversion requested pursuant to paragraph (a) of this Section that is accepted by the Bank shall be considered a "Conversion", as defined in the General Conditions, and shall be effected in accordance with the provisions of Article IV of the General Conditions and of the Conversion Guidelines.

## ARTICLE III — PROGRAM

3.01. The Borrower declares its commitment to the Program and its implementation. To this end, and further to Section 5.08 of the General Conditions:

(a) the Borrower and the Bank shall from time to time, at the request of either party, exchange views on the Borrower's macroeconomic policy framework and the progress achieved in carrying out the Program;

(b) prior to each such exchange of views, the Borrower shall furnish to the Bank for its review and comment a report on the progress achieved in carrying out the Program, in such detail as the Bank shall reasonably request; and

(c) without limitation upon the provisions of paragraphs (a) and (b) of this Section, the Borrower shall promptly inform the Bank of any situation that would have the effect of materially reversing the objectives of the Program or any action taken under the Program including any action specified in Section I of Schedule 1 to this Agreement.

## ARTICLE IV — REMEDIES OF THE BANK

4.01. The Additional Event of Suspension consists of the following, namely that a situation has arisen which shall make it improbable that the Program, or a significant part of it, will be carried out.

## ARTICLE V — EFFECTIVENESS; TERMINATION

5.01. The Additional Condition of Effectiveness consists of the following, namely that the Bank is satisfied with the progress achieved by the Borrower in carrying out the Program and with the adequacy of the Borrower's macroeconomic policy framework.

5.02. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.

## ARTICLE VI — REPRESENTATIVE; ADDRESSES

6.01. The Borrower's Representative is its Minister of Finance.

6.02. The Borrower's Address is:

Ministry of Finance
Katančićeva 5
10000 Zagreb
Republic of Croatia

| | Telex: | Facsimile: |
|---|---|---|
| | 862-21215<br>862-21833 | (385-1) 4922-598 |

6.03. The Bank's Address is:

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

| Cable address: | Telex: | Facsimile: |
|---|---|---|
| INTBAFRAD<br>Washington, D.C. | 248423(MCI) or<br>64145(MCI) | 1-202-477-6391 |

AGREED at Zagreb, Republic of Croatia, as of the day and year first above written.

REPUBLIC OF CROATIA

Minister of Finance

By Slavko Linić
Authorized Representative

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

Country Manager

By Hongjoo Hahm
Authorized Representative

## SCHEDULE 1

### Program Actions; Availability of Loan Proceeds

**Section I.** **Actions under the Program**

The actions taken by the Borrower under the Program include the following:

1. The Borrower has strengthened the role and independence of the Fiscal Board through adoption of the Decision on the Establishment of the Fiscal Policy Committee by the Parliament of December 23, 2013 (Official Gazette 156/13).

2. The Borrower has harmonized wage systems of government agencies, civil and public services through adoption of the Decree on Job Classifications and Coefficients in Public Service of February 28, 2013 (Official Gazette 25/13, 72/13, 151/13 and 9/14).

3. The Borrower has (a) rationalized health expenditures through the national implementation of e-prescriptions by adopting the Bylaw on Criteria for Distribution of Pharmaceuticals and Prescription Issuance of July 1, 2013 (Official Gazette 83/13); (b) standardized medical technology and orthopedic devices through enactment of the Bylaw on Amendments to the Bylaw on Criteria for Inclusion of Orthopedic and Other Medical Devices on the List of Supplies of the Croatian Health Insurance Fund, of April 12, 2013 (Official Gazette 43/13); and (c) centralized procurement for hospitals through the Ministry of Health's Decisions on the Mandatory Implementation of Central Procurement by Public Institutions of March 4, 2013.

4. The Borrower has: (a) introduced the Management Information System in social welfare; and (b) applied the means-tested targeting to several social benefit programs, through enactment of the Social Welfare Act of December 24, 2013 (Official Gazette 157/13).

5. The Borrower has (a) abolished Government Officials' Pensions, through the enactment of the Act on Amendment to the Law on Rights and Duties of the Members of the Croatian Parliament of January 26, 2012 (Official Gazette 12/12); (b) rationalized military pensions, through the Act on the Amendment to the Law on the Pension Insurance Rights of Military, Police and Other Authorized Persons of October 26, 2012, (Official Gazette 118/12); and (c) introduced a ten (10) percent cut in Privileged Pensions, through enactment of the Act on the Amendment to the Law on Reduction of Special Pensions of December 24, 2013 (Official Gazette 157/13).

6. The Borrower has (a) reduced administrative costs in funded pension pillars through enactment of the Act on Obligatory Pension Funds of February 12, 2014 (Official Gazette 19/14); and (b) increased the retirement age through enactment of the Law on Obligatory Pension Insurance Act of December 24, 2013 (Official Gazette 157/13).

7. The Borrower has increased the flexibility of collective agreement negotiations and hiring flexibility through the enactment of: (a) the Law on Criteria of Participation in tripartite Bodies and Representativeness for Collective Bargaining of July 20, 2012

(Official Gazette 82/12); (b) the Law on Employment Incentives of May 23, 2012 (Official Gazette 57/12); and (c) the Law on Amendments to the Labor Law of June 18, 2013 (Official Gazette 73/13).

8. The Borrower has (a) reduced business registration costs through enactment of the Law on Amendments to the Company Act of October 12, 2012 (Official Gazette 111/12); and (b) introduced a single electronic permit for construction through enactment of the Law on Construction and Law on Spatial Planning of December 18, 2013 (Official Gazette 153/13).

9. The Borrower has liquidated or sold government shares and stakes in two hundred (200) state-owned companies to reduce state involvement in the enterprise sector.

10. The Borrower has introduced performance-based financing in higher education and science through enactment of the Law on Amendments to the Higher Education and Science Act of July 22, 2012 (Official Gazette 94/13).

## Section II. Availability of Loan Proceeds

A. **General.** The Borrower may withdraw the proceeds of the Loan in accordance with the provisions of this Section and such additional instructions as the Bank may specify by notice to the Borrower.

B. **Allocation of Loan Amounts.** The Loan is allocated in a single withdrawal tranche, from which the Borrower may make withdrawals of the Loan proceeds. The allocation of the amounts of the Loan to this end is set out in the table below:

| **Allocations** | **Amount of the Loan Allocated (expressed in Euro)** |
|---|---|
| Single Withdrawal Tranche | 150.000.000 |
| **TOTAL AMOUNT** | 150.000.000 |

C. **Payment of Front-end Fee.** No withdrawal shall be made from the Loan Account until the Bank has received payment in full of the Front-end Fee.

D. **Withdrawal Tranche Release Conditions.**

No withdrawal shall be made of the Single Withdrawal Tranche unless the Bank is satisfied (a) with the Program being carried out by the Borrower, and (b) with the adequacy of the Borrower's macroeconomic policy framework.

**E.** **Deposits of Loan Amounts.** Except as the Bank may otherwise agree:

1. all withdrawals from the Loan Account shall be deposited by the Bank into an account designated by the Borrower and acceptable to the Bank; and

2. the Borrower shall ensure that upon each deposit of an amount of the Loan into this account, an equivalent amount is accounted for in the Borrower's budget management system, in a manner acceptable to the Bank.

**F.** **Excluded Expenditures.** The Borrower undertakes that the proceeds of the Loan shall not be used to finance Excluded Expenditures. If the Bank determines at any time that an amount of the Loan was used to make a payment for an Excluded Expenditure, the Borrower shall, promptly upon notice from the Bank, refund an amount equal to the amount of such payment to the Bank. Amounts refunded to the Bank upon such request shall be cancelled.

**G.** **Closing Date.** The Closing Date is August 31, 2014.

## SCHEDULE 2

### Amortization Schedule

The Borrower shall repay the principal amount of the Loan in full on November 15, 2028.

## APPENDIX

### Section I. Definitions

1. "Excluded Expenditure" means any expenditure:

(a) for goods or services supplied under a contract which any national or international financing institution or agency other than the Bank or the Association has financed or agreed to finance, or which the Bank or the Association has financed or agreed to finance under another loan, credit, or grant;

(b) for goods included in the following groups or sub-groups of the Standard International Trade Classification, Revision 3 (SITC, Rev.3), published by the United Nations in Statistical Papers, Series M, No. 34/Rev.3 (1986) (the SITC), or any successor groups or subgroups under future revisions to the SITC, as designated by the Bank by notice to the Borrower:

| Group | Sub-group | Description of Item |
|---|---|---|
| 112 | | Alcoholic beverages |
| 121 | | Tobacco, un-manufactured, tobacco refuse |
| 122 | | Tobacco, manufactured (whether or not containing tobacco substitutes) |
| 525 | | Radioactive and associated materials |
| 667 | | Pearls, precious and semiprecious stones, unworked or worked |
| 718 | 718.7 | Nuclear reactors, and parts thereof; fuel elements (cartridges), non-irradiated, for nuclear reactors |
| 728 | 728.43 | Tobacco processing machinery |
| 897 | 897.3 | Jewelry of gold, silver or platinum group metals (except watches and watch cases) and goldsmiths' or silversmiths' wares (including set gems) |
| 971 | | Gold, non-monetary (excluding gold ores and concentrates) |

(c) for goods intended for a military or paramilitary purpose or for luxury consumption;

(d) for environmentally hazardous goods, the manufacture, use or import of which is prohibited under the laws of the Borrower or international agreements to which the Borrower is a party);

(e) on account of any payment prohibited by a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations; and

(f) with respect to which the Bank determines that corrupt, fraudulent, collusive or coercive practices were engaged in by representatives of the Borrower or other recipient of the Loan proceeds, without the Borrower (or other such recipient) having taken timely and appropriate action satisfactory to the Bank to address such practices when they occur.

2. "Fiscal Board" means the Borrower's fiscal board established through government Decision on the Establishment of the Fiscal Policy Board of March 25, 2011.

3. "General Conditions" means the "International Bank for Reconstruction and Development General Conditions for Loans", dated March 12, 2012 with the modifications set forth in Section II of this Appendix.

4. "Government Officials" means officials in positions defined under the Law on State Officials of July 28, 1998 (Official Gazette 101/98) and judges of the Borrower's constitutional court.

5. "Government Officials' Pensions" means pensions as set forth in the Law on Rights and Duties of the Members of the Croatian Parliament (Official Gazette 55/00), as amended.

6. "Privileged Pensions" means the special pensions defined under the Act on the Amendment to the Law on Reduction of Special Pensions of December 24, 2013, (Official Gazette 157/13).

7. "Program" means the program of actions, objectives and policies designed to promote growth and achieve sustainable reductions in poverty and set forth or referred to in the letter dated March 28, 2014 from the Borrower to the Bank declaring the Borrower's commitment to the execution of the Program, and requesting assistance from the Bank in support of the Program during its execution.

8. "Single Withdrawal Tranche" means the amount of the Loan allocated to the category entitled "Single Withdrawal Tranche" in the table set forth in Part B of Section II of Schedule 1 to this Agreement.

**Section II. Modifications to the General Conditions**

The modifications to the General Conditions are as follows:

1. The last sentence of paragraph (a) of Section 2.03 (relating to Applications for Withdrawal) is deleted in its entirety.

2. Sections 2.04 (Designated Accounts) and 2.05 (Eligible Expenditures) are deleted in their entirety, and the remaining Sections in Article II are renumbered accordingly.

3. Sections 5.01 (Project Execution Generally), and 5.09 (Financial Management; Financial Statements; Audits) are deleted in their entirety, and the remaining Sections in Article V are renumbered accordingly.

4. Paragraph (a) of Section 5.05 (renumbered as such pursuant to paragraph 3 above and relating to Use of Goods, Works and Services) is deleted in its entirety.

5. Paragraph (c) of Section 5.06 (renumbered as such pursuant to paragraph 3 above) is modified to read as follows:

   "Section 5.06. Plans; Documents; Records

   ... (c) The Borrower shall retain all records (contracts, orders, invoices, bills, receipts and other documents) evidencing expenditures under the Loan until two years after the Closing Date. The Borrower shall enable the Bank's representatives to examine such records."

6. Paragraph (c) of Section 5.07 (renumbered as such pursuant to paragraph 3 above) is modified to read as follows:

   Section 5.07. Program Monitoring and Evaluation

   ... (c) The Borrower shall prepare, or cause to be prepared, and furnish to the Bank not later than six months after the Closing Date, a report of such scope and in such detail as the Bank shall reasonably request, on the execution of the Program, the performance by the Loan Parties and the Bank of their respective obligations under the Legal Agreements and the accomplishment of the purposes of the Loan.

7. The following terms and definitions set forth in the Appendix are modified or deleted as follows, and the following new terms and definitions are added in alphabetical order to the Appendix as follows, with the terms being renumbered accordingly:

   (a) The definition of the term "Eligible Expenditure" is modified to read as follows:

"'Eligible Expenditure' means any use to which the Loan is put in support of the Program, other than to finance expenditures excluded pursuant to the Loan Agreement."

(b) The term "Financial Statements" and its definition are deleted in their entirety.

(c) The term "Project" is modified to read "Program" and its definition is modified to read as follows (and all references to "Project" throughout these General Conditions are deemed to be references to "Program"):

"'Program' means the program referred to in the Loan Agreement in support of which the Loan is made."

## Članak 3.

Financijske obveze koje će nastati za Republiku Hrvatsku kao zajmoprimca temeljem Ugovora iz članka 1. ovoga Zakona planirat će se i podmirivati u skladu s odredbama propisa o izvršavanju državnog proračuna Republike Hrvatske za godine 2014. do 2028. prema planovima otplate do konačne otplate zajma.

## Članak 4.

Provedba ovoga Zakona u djelokrugu je središnjeg tijela državne uprave nadležnog za poslove financija.

## Članak 5.

Na dan stupanja na snagu ovog Zakona, Ugovor iz članka 1. ovoga Zakona nije na snazi te će se podaci o njegovom stupanju na snagu objaviti naknadno, sukladno odredbi članka 30. stavka 3. Zakona o sklapanju i izvršavanju međunarodnih ugovora.

## Članak 6.

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

OBRAZLOŽENJE

**Člankom 1.** utvrđuje se da Hrvatski sabor potvrđuje Ugovor o drugom zajmu za razvojnu politiku gospodarskog oporavka između Republike Hrvatske i Međunarodne bake za obnovu i razvoj, čime se iskazuje formalni pristanak Republike Hrvatske da bude vezana ovim Ugovorom.

**Članak 2.** sadrži tekst Ugovora u izvorniku na engleskom jeziku i u prijevodu na hrvatski jezik.

**Člankom 3.** propisuje se način planiranja i podmirivanja financijskih obveza koje nastaju za Republiku Hrvatsku kao zajmoprimca na temelju Ugovora.

**Člankom 4.** utvrđuje se da je provedba Zakona u djelokrugu središnjeg tijela državne uprave nadležnog za poslove financija.

**Člankom 5.** utvrđuje se da na dan stupanja na snagu Zakona, Ugovor nije na snazi, te će se podaci o njegovom stupanju na snagu objaviti sukladno odredbi članka 30. stavka 3. Zakona o sklapanju i izvršavanju međunarodnih ugovora.

**Člankom 6.** uređuje se stupanje Zakona na snagu.

LOAN NUMBER 8364-HR

# Loan Agreement

(Second Economic Recovery Development Policy Loan)

between

REPUBLIC OF CROATIA

and

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

Dated April 30, 2014

**LOAN NUMBER 8364-HR**

# LOAN AGREEMENT

Agreement dated April 30, 2014, entered into between the REPUBLIC OF CROATIA ("Borrower") and the INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("Bank") for the purpose of providing financing in support of the Program (as defined in the Appendix to this Agreement). The Bank has decided to provide this financing on the basis, *inter alia*, of (a) the actions which the Borrower has already taken under the Program and which are described in Section I of Schedule 1 to this Agreement, and (b) the Borrower's maintenance of an adequate macroeconomic policy framework. The Borrower and the Bank therefore hereby agree as follows:

## ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

1.01. The General Conditions (as defined in the Appendix to this Agreement) constitute an integral part of this Agreement.

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

## ARTICLE II — LOAN

2.01. The Bank agrees to lend to the Borrower, on the terms and conditions set forth or referred to in this Agreement, the amount of one hundred and fifty million Euro (EUR 150,000,000) ("Loan").

2.02. The Borrower may withdraw the proceeds of the Loan in support of the Program in accordance with Section II of Schedule 1 to this Agreement.

2.03. The Front-end Fee payable by the Borrower shall be equal to one quarter of one percent (0.25%). The Borrower shall pay the Front-end Fee not later than sixty days after the Effective Date

2.04. The interest payable by the Borrower for each Interest Period shall be at a rate equal to the Reference Rate for the Loan Currency plus the Fixed Spread; provided, that upon a Conversion of all or any portion of the principal amount of the Loan, the interest payable by the Borrower during the Conversion Period on such amount shall be determined in accordance with the relevant provisions of Article IV of the General Conditions. Notwithstanding the foregoing, if any amount of the Withdrawn Loan Balance remains unpaid when due and such non-payment continues for a period of thirty days, then the interest payable by the

Borrower shall instead be calculated as provided in Section 3.02 (e) of the General Conditions.

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

2.06. The principal amount of the Loan shall be repaid in accordance with the amortization schedule set forth in Schedule 2 to this Agreement.

2.07. (a) The Borrower may at any time request any of the following Conversions of the terms of the Loan in order to facilitate prudent debt management: a change of the interest rate basis applicable to: (A) all or any portion of the principal amount of the Loan withdrawn and outstanding from a Variable Rate to a Fixed Rate, or vice versa; or (B) all or any portion of the principal amount of the Loan withdrawn and outstanding from a Variable Rate based on a Reference Rate and the Variable Spread to a Variable Rate based on a Fixed Reference Rate and the Variable Spread, or vice versa; or (C) all of the principal amount of the Loan withdrawn and outstanding from a Variable Rate based on a Variable Spread to a Variable Rate based on a Fixed Spread.

(b) Any conversion requested pursuant to paragraph (a) of this Section that is accepted by the Bank shall be considered a "Conversion", as defined in the General Conditions, and shall be effected in accordance with the provisions of Article IV of the General Conditions and of the Conversion Guidelines.

## ARTICLE III — PROGRAM

3.01. The Borrower declares its commitment to the Program and its implementation. To this end, and further to Section 5.08 of the General Conditions:

(a) the Borrower and the Bank shall from time to time, at the request of either party, exchange views on the Borrower's macroeconomic policy framework and the progress achieved in carrying out the Program;

(b) prior to each such exchange of views, the Borrower shall furnish to the Bank for its review and comment a report on the progress achieved in carrying out the Program, in such detail as the Bank shall reasonably request; and

(c) without limitation upon the provisions of paragraphs (a) and (b) of this Section, the Borrower shall promptly inform the Bank of any situation that would have the effect of materially reversing the objectives of the Program or any action taken under the Program including any action specified in Section I of Schedule 1 to this Agreement.

## ARTICLE IV — REMEDIES OF THE BANK

4.01. The Additional Event of Suspension consists of the following, namely that a situation has arisen which shall make it improbable that the Program, or a significant part of it, will be carried out.

## ARTICLE V — EFFECTIVENESS; TERMINATION

5.01. The Additional Condition of Effectiveness consists of the following, namely that the Bank is satisfied with the progress achieved by the Borrower in carrying out the Program and with the adequacy of the Borrower's macroeconomic policy framework.

5.02. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.

## ARTICLE VI — REPRESENTATIVE; ADDRESSES

6.01. The Borrower's Representative is its Minister of Finance.

6.02. The Borrower's Address is:

Ministry of Finance
Katančićeva 5
10000 Zagreb
Republic of Croatia

| Telex: | Facsimile: |
|---|---|
| 862-21215<br>862-21833 | (385-1) 4922-598 |

6.03. The Bank's Address is:

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

| Cable address: | Telex: | Facsimile: |
|---|---|---|
| INTBAFRAD<br>Washington, D.C. | 248423(MCI) or<br>64145(MCI) | 1-202-477-6391 |

AGREED at Zagreb, Republic of Croatia, as of the day and year first above written.

REPUBLIC OF CROATIA

By ______________________
Authorized Representative

Name: SLAVKO LINIĆ

Title: MINISTER OF FINANCE

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

By ______________________
Authorized Representative

Name: HONGJOO HAHM

Title: COUNTRY MANAGER

## SCHEDULE 1

### Program Actions; Availability of Loan Proceeds

**Section I. <u>Actions under the Program</u>**

The actions taken by the Borrower under the Program include the following:

1. The Borrower has strengthened the role and independence of the Fiscal Board through adoption of the Decision on the Establishment of the Fiscal Policy Committee by the Parliament of December 23, 2013 (Official Gazette 156/13).

2. The Borrower has harmonized wage systems of government agencies, civil and public services through adoption of the Decree on Job Classifications and Coefficients in Public Service of February 28, 2013 (Official Gazette 25/13, 72/13, 151/13 and 9/14).

3. The Borrower has (a) rationalized health expenditures through the national implementation of e-prescriptions by adopting the Bylaw on Criteria for Distribution of Pharmaceuticals and Prescription Issuance of July 1, 2013 (Official Gazette 83/13); (b) standardized medical technology and orthopedic devices through enactment of the Bylaw on Amendments to the Bylaw on Criteria for Inclusion of Orthopedic and Other Medical Devices on the List of Supplies of the Croatian Health Insurance Fund, of April 12, 2013 (Official Gazette 43/13); and (c) centralized procurement for hospitals through the Ministry of Health's Decisions on the Mandatory Implementation of Central Procurement by Public Institutions of March 4, 2013.

4. The Borrower has: (a) introduced the Management Information System in social welfare; and (b) applied the means-tested targeting to several social benefit programs, through enactment of the Social Welfare Act of December 24, 2013 (Official Gazette 157/13).

5. The Borrower: has (a) abolished Government Officials' Pensions, through the enactment of the Act on Amendment to the Law on Rights and Duties of the Members of the Croatian Parliament of January 26, 2012 (Official Gazette 12/12); (b) rationalized military pensions, through the Act on the Amendment to the Law on the Pension Insurance Rights of Military, Police and Other Authorized Persons of October 26, 2012, (Official Gazette 118/12); and (c) introduced a ten (10) percent cut in Privileged Pensions, through enactment of the Act on the Amendment to the Law on Reduction of Special Pensions of December 24, 2013 (Official Gazette 157/13).

6. The Borrower has: (a) reduced administrative costs in funded pension pillars through enactment of the Act on Obligatory Pension Funds of February 12, 2014

(Official Gazette 19/14); and (b) increased the retirement age through enactment of the Law on Obligatory Pension Insurance Act of December 24, 2013 (Official Gazette 157/13).

7. The Borrower has increased the flexibility of collective agreement negotiations and hiring flexibility through the enactment of: (a) the Law on Criteria of Participation in tripartite Bodies and Representativeness for Collective Bargaining of July 20, 2012 (Official Gazette 82/12); (b) the Law on Employment Incentives of May 23, 2012 (Official Gazette 57/12); and (c) the Law on Amendments to the Labor Law of June 18, 2013 (Official Gazette 73/13).

8. The Borrower has: (a) reduced business registration costs through enactment of the Law on Amendments to the Company Act of October 12, 2012 (Official Gazette 111/12); and (b) introduced a single electronic permit for construction through enactment of the Law on Construction and Law on Spatial Planning of December 18, 2013 (Official Gazette 153/13).

9. The Borrower has liquidated or sold government shares and stakes in two hundred (200) state-owned companies to reduce state involvement in the enterprise sector.

10. The Borrower has introduced performance-based financing in higher education and science through enactment of the Law on Amendments to the Higher Education and Science Act of July 22, 2012 (Official Gazette 94/13).

**Section II. <u>Availability of Loan Proceeds</u>**

A. **General.** The Borrower may withdraw the proceeds of the Loan in accordance with the provisions of this Section and such additional instructions as the Bank may specify by notice to the Borrower.

B. **Allocation of Loan Amounts.** The Loan is allocated in a single withdrawal tranche, from which the Borrower may make withdrawals of the Loan proceeds. The allocation of the amounts of the Loan to this end is set out in the table below:

| **Allocations** | **Amount of the Loan Allocated (expressed in Euro)** |
|---|---|
| Single Withdrawal Tranche | 150,000,000 |
| **TOTAL AMOUNT** | <u>150,000,000</u> |

C. **Payment of Front-end Fee.** No withdrawal shall be made from the Loan Account until the Bank has received payment in full of the Front-end Fee.

D. **Withdrawal Tranche Release Conditions.**

No withdrawal shall be made of the Single Withdrawal Tranche unless the Bank is satisfied: (a) with the Program being carried out by the Borrower; and (b) with the adequacy of the Borrower's macroeconomic policy framework.

E. **Deposits of Loan Amounts.** Except as the Bank may otherwise agree:

1. all withdrawals from the Loan Account shall be deposited by the Bank into an account designated by the Borrower and acceptable to the Bank; and

2. the Borrower shall ensure that upon each deposit of an amount of the Loan into this account, an equivalent amount is accounted for in the Borrower's budget management system, in a manner acceptable to the Bank.

F. **Excluded Expenditures**. The Borrower undertakes that the proceeds of the Loan shall not be used to finance Excluded Expenditures. If the Bank determines at any time that an amount of the Loan was used to make a payment for an Excluded Expenditure, the Borrower shall, promptly upon notice from the Bank, refund an amount equal to the amount of such payment to the Bank. Amounts refunded to the Bank upon such request shall be cancelled.

G. **Closing Date.** The Closing Date is August 31, 2014.

## SCHEDULE 2

### Amortization Schedule

The Borrower shall repay the principal amount of the Loan in full on November 15, 2028.

**APPENDIX**

**Section I. Definitions**

1. "Excluded Expenditure" means any expenditure:

(a) for goods or services supplied under a contract which any national or international financing institution or agency other than the Bank or the Association has financed or agreed to finance, or which the Bank or the Association has financed or agreed to finance under another loan, credit, or grant;

(b) for goods included in the following groups or sub-groups of the Standard International Trade Classification, Revision 3 (SITC, Rev.3), published by the United Nations in Statistical Papers, Series M, No. 34/Rev.3 (1986) (the SITC), or any successor groups or subgroups under future revisions to the SITC, as designated by the Bank by notice to the Borrower:

| Group | Sub-group | Description of Item |
|---|---|---|
| 112 | | Alcoholic beverages |
| 121 | | Tobacco, un-manufactured, tobacco refuse |
| 122 | | Tobacco, manufactured (whether or not containing tobacco substitutes) |
| 525 | | Radioactive and associated materials |
| 667 | | Pearls, precious and semiprecious stones, unworked or worked |
| 718 | 718.7 | Nuclear reactors, and parts thereof; fuel elements (cartridges), non-irradiated, for nuclear reactors |
| 728 | 728.43 | Tobacco processing machinery |
| 897 | 897.3 | Jewelry of gold, silver or platinum group metals (except watches and watch cases) and goldsmiths' or silversmiths' wares (including set gems) |
| 971 | | Gold, non-monetary (excluding gold ores and concentrates) |

(c) for goods intended for a military or paramilitary purpose or for luxury consumption;

(d) for environmentally hazardous goods, the manufacture, use or import of which is prohibited under the laws of the Borrower or international agreements to which the Borrower is a party);

(e) on account of any payment prohibited by a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations; and

(f) with respect to which the Bank determines that corrupt, fraudulent, collusive or coercive practices were engaged in by representatives of the Borrower or other recipient of the Loan proceeds, without the Borrower (or other such recipient) having taken timely and appropriate action satisfactory to the Bank to address such practices when they occur.

2. "Fiscal Board" means the Borrower's fiscal board established through government Decision on the Establishment of the Fiscal Policy Board of March 25, 2011.

3. "General Conditions" means the "International Bank for Reconstruction and Development General Conditions for Loans", dated March 12, 2012 with the modifications set forth in Section II of this Appendix.

4. "Government Officials" means officials in positions defined under the Law on State Officials of July 28, 1998 (Official Gazette 101/98) and judges of the Borrower's constitutional court.

5. "Government Officials' Pensions" means pensions as set forth in the Law on Rights and Duties of the Members of the Croatian Parliament (Official Gazette 55/00), as amended.

6. "Privileged Pensions" means the special pensions defined under the Act on the Amendment to the Law on Reduction of Special Pensions of December 24, 2013, (Official Gazette 157/13).

7. "Program" means the program of actions, objectives and policies designed to promote growth and achieve sustainable reductions in poverty and set forth or referred to in the letter dated March 28, 2014 from the Borrower to the Bank declaring the Borrower's commitment to the execution of the Program, and requesting assistance from the Bank in support of the Program during its execution.

8. "Single Withdrawal Tranche" means the amount of the Loan allocated to the category entitled "Single Withdrawal Tranche" in the table set forth in Part B of Section II of Schedule 1 to this Agreement.

**Section II. <u>Modifications to the General Conditions</u>**

The modifications to the General Conditions are as follows:

1. The last sentence of paragraph (a) of Section 2.03 (relating to Applications for Withdrawal) is deleted in its entirety.

2. Sections 2.04 (*Designated Accounts*) and 2.05 (*Eligible Expenditures*) are deleted in their entirety, and the remaining Sections in Article II are renumbered accordingly.

3. Sections 5.01 (*Project Execution Generally*), and 5.09 (*Financial Management; Financial Statements; Audits*) are deleted in their entirety, and the remaining Sections in Article V are renumbered accordingly.

4. Paragraph (a) of Section 5.05 (renumbered as such pursuant to paragraph 3 above and relating to *Use of Goods, Works and Services*) is deleted in its entirety.

5. Paragraph (c) of Section 5.06 (renumbered as such pursuant to paragraph 3 above) is modified to read as follows:

   "Section 5.06. *Plans; Documents; Records*

   ... (c) The Borrower shall retain all records (contracts, orders, invoices, bills, receipts and other documents) evidencing expenditures under the Loan until two years after the Closing Date. The Borrower shall enable the Bank's representatives to examine such records."

6. Paragraph (c) of Section 5.07 (renumbered as such pursuant to paragraph 3 above) is modified to read as follows:

   Section 5.07. *Program Monitoring and Evaluation*

   ... (c) The Borrower shall prepare, or cause to be prepared, and furnish to the Bank not later than six months after the Closing Date, a report of such scope and in such detail as the Bank shall reasonably request, on the execution of the Program, the performance by the Loan Parties and the Bank of their respective obligations under the Legal Agreements and the accomplishment of the purposes of the Loan.

7. The following terms and definitions set forth in the Appendix are modified or deleted as follows, and the following new terms and definitions are added in alphabetical order to the Appendix as follows, with the terms being renumbered accordingly:

(a) The definition of the term "Eligible Expenditure" is modified to read as follows:

"'Eligible Expenditure' means any use to which the Loan is put in support of the Program, other than to finance expenditures excluded pursuant to the Loan Agreement."

(b) The term "Financial Statements" and its definition are deleted in their entirety.

(c) The term "Project" is modified to read "Program" and its definition is modified to read as follows (and all references to "Project" throughout these General Conditions are deemed to be references to "Program"):

"'Program' means the program referred to in the Loan Agreement in support of which the Loan is made."