REIMBURSABLE ADVISORY SERVICES AGREEMENT

between

MINISTRY OF SCIENCE, EDUCATION AND SPORTS OF THE REPUBLIC OF CROATIA

and the

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Dated MAY 21, 2015
AGREEMENT FOR REIMBURSABLE ADVISORY SERVICES

AGREEMENT dated the 2.1 day of 2015, between the MINISTRY OF SCIENCE, EDUCATION AND SPORT OF THE REPUBLIC OF CROATIA (the “Client”) and the INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (the “Bank”) (jointly referred to as the “Parties”).

WHEREAS, the Client has requested the Bank to provide to the Client reimbursable advisory services (the “Reimbursable Advisory Services” or “RAS”) described in the Schedule to this Agreement to support the Client in implementing more efficient and adaptive higher education funding norms, in the form of performance-based contracting, in order to maximize the quality and accessibility of the higher education system in Croatia;

NOW, therefore, the Parties hereto agree as follows:

1. **Reimbursable Advisory Services.** The Bank shall provide to the Client the services (“Reimbursable Advisory Services” or “RAS”) described in the Schedule to this Agreement, on the terms and conditions set out in this Agreement, including the Annex hereto, which constitutes an integral part hereof.

2. **Client Contacts.** In carrying out the Reimbursable Advisory Services, the Bank will work closely with the designated officials of the Client. The Client will provide the Bank with the names and contact information for said designated officials.

3. **Timing.** While the Bank undertakes to mobilize all reasonable means available to it to carry out the Reimbursable Advisory Services in a timely manner, the work program and timetable set out in the Schedule to this Agreement have been prepared in good faith based in light of information currently available to the Bank, and are given on an indicative basis assuming that: (i) the Client and its personnel will carry out their respective duties in a satisfactory and timely manner; and (ii) the Client will at all times act in a timely manner in providing information, making decisions and providing necessary support as provided herein and as requested from time to time by the Bank.

4. **Payment.**

   (a) The Client shall pay the Bank a fixed fee of Two Hundred Fifty Thousand Euros (EUR250,000) in accordance with the following schedule of payment:
<table>
<thead>
<tr>
<th>Amount of Installment</th>
<th>Event upon which Payment is Due</th>
</tr>
</thead>
<tbody>
<tr>
<td>EUR125,000</td>
<td>Upon submission of an evaluation report on the readiness of selected higher education institutions for performance based contracting and the first progress report to the Client</td>
</tr>
<tr>
<td>EUR125,000</td>
<td>Upon submission of the final progress report to the Client</td>
</tr>
</tbody>
</table>

(b) All payments to the Bank hereunder shall be made in full when due, upon submission of an invoice by the Bank. Payment shall be made, in Euros, in immediately available funds, without any deductions whatsoever for taxes, duties, charges or other withholdings, and notwithstanding any pending dispute between the Parties, to such account as the Bank may from time to time designate in writing. The Bank shall invoice payments in Euros and the Client shall make the respective payments in Euros.

5. **Effectiveness.**

   (a) This Agreement shall become effective as of the day and year of the effectiveness of the agreement between the Client and the European Union that provides the Client with funding in support of these Reimbursable Advisory Services.

   (b) This Agreement and all obligations of the Parties under the Agreement shall terminate if the Agreement has not entered into effect by May 31, 2015, unless the Parties, after consideration of the reasons for the delay, mutually agree to establish a later date for the purposes of this Section.

6. **Expiration.** This Agreement shall expire on June 30, 2016, unless it shall earlier be renewed with the mutual agreement of the Client and the Bank.

7. **Termination.** Either the Client or the Bank may terminate this Agreement prior to its expiration upon ninety (90) days’ written notice to the other. Upon receipt of such notice, the Parties shall take all appropriate steps to terminate in an orderly manner, the activities then ongoing under the Reimbursable Advisory Services and to settle promptly all outstanding matters.

8. **Cooperation.**

   (a) The Client shall at all times provide the Bank in a timely manner with any and all information that may affect the performance of the Reimbursable Advisory Services, inform the Bank of any developments relating to the Reimbursable Advisory Services, and do all things necessary to enable Bank Personnel to carry out the Reimbursable Advisory Services hereunder. The Client shall, in particular, without limitation:
(i) provide the Bank with all information, including data, records and source materials, relevant to the Reimbursable Advisory Services, as may be necessary for the carrying out of the Reimbursable Advisory Services;

(ii) provide Bank Personnel access to individuals and organizations and any other sites and facilities, under the Client’s responsibilities, relevant to the carrying out of the Reimbursable Advisory Services;

(iii) coordinate the meeting of Bank Personnel and relevant individuals of universities and public research institutes to conduct evaluations and provide advisory services in relation to the Reimbursable Advisory Services;

(iv) promptly notify the Bank of any proposed change in the nature or scope of the Reimbursable Advisory Services or of any event or condition that has or could reasonably be expected to have a material effect on the performance of the Reimbursable Advisory Services;

(v) promptly provide to the Bank such other information as the Bank may from time to time reasonably request in relation to the Reimbursable Advisory Services; and

(vi) designate an official of the Client who will be responsible for coordinating the performance of activities set forth in this Section of the Agreement, and Section D of the Schedule to this Agreement, concerning the provision of facilities under the Client’s responsibilities, as well as receiving and evaluating the Bank’s deliverables.

(b) It is expressly agreed and understood that the Bank shall bear no responsibility for delay in performance occasioned by the Client’s failure to provide its contribution as set forth in Section D of the Schedule or otherwise cooperate as set forth in paragraph (a) above.


(a) All notices required or permitted to be given pursuant to this Agreement shall be in writing and shall be deemed to have been duly given or made when delivered by hand or by mail, or facsimile to the signatories to this Agreement at their addresses as set out below or such other addresses as may be notified by either party from time to time. Notices forwarded by registered mail shall be deemed to be delivered upon delivery.
made by facsimile transmission shall also be confirmed by mail, with their effective date being the date of initial transmission.

(b) The following addresses are specified for the purposes of this Agreement:

For the Client:

Ministry of Science, Education, and Sports
Donje Svetice 38
10000 Zagreb
Croatia
Phone: (385 1) 45 69 041
Fax: (385 1) 45 94 314

For the Bank:

The World Bank
1818 H Street, NW
Washington, DC 20433
USA
Phone: (202) 477-1234
Fax: (202) 477-6391

IN WITNESS WHEREOF, the Parties hereto, acting through their duly authorized representatives, have caused this Agreement to be signed in their respective names as of the day and year first above written.

MINISTRY OF SCIENCE, EDUCATION AND SPORTS OF THE REPUBLIC OF CROATIA

By: 
Authorized Representative
Name: RUŽICA BELJIC LUCIC
Title: ASSISTANT MINISTER

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By: 
Authorized Representative
Name: CARLOS PINERUA
Title: COUNTRY MANAGER
SCHEDULE

Description of the Reimbursable Advisory Services

A. **Reimbursable Advisory Services.** Except as the Client and the Bank may otherwise agree, the Reimbursable Advisory Services shall include the following activities:

1. Evaluation of seven selected universities and one selected public research institute that are considered for entrance into full performance-based funding agreements, and provision of recommendations for the critical improvement of the selected entities to meet the minimum criteria (established between the Client and a representative working group of higher education institutions prior to the commencement of this evaluation) for the selected entities’ entrance into such agreements;

2. Provision of support to four universities and one research institute (a selected subset of the entities referred to in Section A.2 of this Schedule) in advising them on how to implement recommendations and to assist them in negotiations with their constituent units through, among others, workshops and seminars as a preparation for entry into full performance-based funding agreements; and

3. Development of a proposal for changes in the Client country’s relevant legal regulations, with the purpose of promoting more effective financing and improving the Client’s capacity for supervising the implementation of full performance-based funding agreements.

It is expressly agreed and understood that the Bank shall not be responsible for: (a) the development of any performance-based funding models for tertiary education; (b) the methodology for the distribution of budgets based on performance-based funding agreements nor the related performance indicators; (c) the development of the baseline minimal criteria standards that will be used to evaluate institutional readiness to utilize performance-based funding; (d) the passage of any legislations, regulations or bylaws in connection with activities carried out under the Reimbursable Advisory Services; (e) the adoption of any recommendations by the Client or any higher education institutions; or (f) the signing of any agreements between the Client and any higher education institutions. Any change to the foregoing scope of work shall be set out in a writing signed by the Client and the Bank, setting out the additional work to be undertaken and the fees in respect thereof.

B. **Timetable.** Except as the Client and the Bank may otherwise agree, the Bank shall endeavor to perform the Reimbursable Advisory Services in accordance with the following tentative timetable:
<table>
<thead>
<tr>
<th>Outputs</th>
<th>Expected Date of Delivery</th>
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</thead>
<tbody>
<tr>
<td>Evaluation of the readiness of selected higher education institutions (i.e., universities and public research institutes) to enter into performance-based funding agreements and provision of recommendations for the selected entities' improvement with the goal of fulfilling the agreed criteria for entrance into such agreements</td>
<td>End of the 7th month from the date of countersignature of this Agreement</td>
</tr>
<tr>
<td>Evaluation report on the readiness of selected higher education institutions for performance based contracting and the first progress report</td>
<td></td>
</tr>
<tr>
<td>(a) Conduct of a diagnostic assessment of the selected higher education institutions to consider the institutional impediments in meeting the minimal criteria for entrance into performance-based funding agreements; (b) Development of roadmaps for implementing necessary institution-level reforms to meet the minimal criteria, and (c) Preparation of a summary of activities undertaken during the course of the project to achieve entrance into full performance-based funding agreements</td>
<td>End of the 8th month from the date of countersignature of this Agreement</td>
</tr>
<tr>
<td>Provision of recommendations for new/revised legislation related to more effective financing and monitoring and evaluation of performance-based funding agreements</td>
<td>End of the 10th month from the date of countersignature of this Agreement</td>
</tr>
<tr>
<td>Final summary report</td>
<td></td>
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</tbody>
</table>
C. **Bank Personnel.** The following is indicative of the persons likely to be involved in carrying out the Reimbursable Advisory Services: personnel from the Bank’s Education Global Practice Group.

D. **Counterparts and Facilities.** The Client shall carry out the following activities and provide the following facilities in support of the Reimbursable Advisory Services:

1. Development of the minimal criteria that the higher education institutions must meet to be considered for entrance into full performance-based funding agreements, as described in Section A.2 of this Schedule; and

2. Provision of Client facilities for the purpose of enabling the meetings of Bank Personnel carrying activities under the Reimbursable Advisory Services.

E. **Records.** The Bank shall keep appropriate records of the Reimbursable Advisory Services in accordance with its normal record-keeping practices and shall furnish to the Client such information regarding the Reimbursable Advisory Services as the Client shall reasonably request.
1. **Performance Standard; Non-Exclusivity.** The Bank hereby shall carry out the Reimbursable Advisory Services with the same care and diligence as it uses in its other analytical and advisory activities. The engagement of the Bank as adviser to the Client hereunder is non-exclusive and shall not restrict the Client from engaging other advisers on the same or related issues.

2. **Bank Personnel.** The Bank shall, in its sole discretion, determine the composition of the staff (including staff holding consultant appointments) ("Bank Personnel") assigned to perform the Reimbursable Advisory Services. The Client may, if it has reasonable cause for dissatisfaction with the performance of any of the Bank Personnel, request the Bank to replace such person(s). For avoidance of doubt, it is agreed and understood that this Agreement does not create any employment or other contractual relationship between the Client and Bank Personnel.

3. **Client Contributions.** The Client shall carry out the activities and provide the facilities and other arrangements set out in the Schedule to this Agreement.

4. **Bank Operational Policies.** The Bank shall provide its advice in a manner consistent with its relevant environmental and social safeguards policies.

5. **Confidentiality.** The Parties agree that this Agreement and the outputs set out in the Schedule to this Agreement shall only be made available to the public after the Client has given its written consent to such disclosure. For this purpose, the Client hereby authorizes the Bank to publicly disclose this Agreement, and will provide, on a case-by-case basis, written consent to the Bank to disclose the outputs set out in the Schedule to this Agreement in their final form. With respect to underlying information provided by the Client in support of the Reimbursable Advisory Services, the Client reserves the right to designate said information as confidential. The Bank may publicly disclose such information only after the Client has given its prior consent. With respect to underlying information (other than the final outputs) provided by the Bank in support of the Reimbursable Advisory Services, the Bank reserves the right to designate said information as confidential. The Client may publicly disclose such information only after the Bank has given its prior consent.

6. **Intellectual Property.** The intellectual property rights of the Parties in any of its pre-existing data or documents used by the Bank in connection with the Reimbursable Advisory Services shall remain with that Party. The intellectual property rights in new materials prepared by the Bank in connection with the Reimbursable Advisory Services shall belong to the Bank; provided, however, that the Client shall have the global, non-exclusive, perpetual (for the duration of the copyright), fully sub-licensable and royalty-free right to use, copy, display, distribute, publish and create derivative works of all or part of these materials and incorporate the information therein in its research, papers,
publications, web sites, and other media without the consent of the Bank, subject to the limitations on disclosure of confidential information and any third party rights, as indicated in paragraph 5, Confidentiality, of this Annex 1.

7. **Representation of the Bank's views and use of the Bank's name, marks and logo.**

   (a) The Client agrees that it shall not represent, or permit the representation of, the Bank's views without the prior written consent of the Bank.

   (b) The Client further agrees that it shall not use, or permit the use of the Bank's name, marks or logos in any advertisements, promotional literature or information without the prior written consent of the Bank, and that if such consent is provided that it shall use the name, marks and logos strictly in accordance with the permission provided and with the insertion of the Bank's usual disclaimers.

   (c) Both Parties shall include the appropriate attribution and disclaimers in new materials prepared in connection with the Reimbursable Advisory Services.

8. **Disclaimers and Liabilities.**

   (a) While the Bank will make diligent efforts in its performance of the Reimbursable Advisory Services, the Bank makes no express or implied representation or warranty as to the extent of success that may be achieved in the implementation of any recommendation contained in any work product prepared by or with the assistance of the Bank or Bank Personnel.

   (b) Without limitation to the immunities and privileges of the Bank under its Articles of Agreement and other applicable rules of law, the Bank shall not be liable to the Client, or other third party for any loss, cost, damage or liability that the Client shall incur as a result of the Reimbursable Advisory Services.

   (c) The Parties acknowledge and agree that it is not the purpose of this Agreement to create a partnership, joint venture or similar arrangement whereby the Parties could be held jointly liable vis-a-vis third Parties or for any other purposes. Nothing herein shall constitute a commitment by the Bank to provide financing to the Client in respect of the Project or otherwise.

9. **Enforceability.** The rights and obligations of the Bank and the Client under this Agreement shall be valid and enforceable in accordance with their terms notwithstanding the law of any state or political subdivision thereof to the contrary.
10. **Settlement of Disputes.**

(a) The parties hereto will endeavor in good faith to resolve any differences and disputes under, or in connection with, this Agreement by amicable settlement. Any dispute arising out of or in connection with this Agreement which is not settled by agreement of the Parties shall be finally settled by arbitration in accordance with the UNCITRAL Arbitration Rules in force on the date of this Agreement. In the event of a conflict between the UNCITRAL Arbitration Rules and the terms of this Agreement, the terms of this Agreement shall govern.

(b) Neither the Client nor the Bank shall be entitled in any proceeding under paragraph (a) of this Section to assert any claim that any provision of these Standard Conditions or of the RAS Agreement is invalid or unenforceable because of any provision of the Bank’s Articles of Agreement.

11. **Privileges and Immunities; Tax Immunity.** The Client recognizes and shall take all reasonable steps to give effect to the status, immunities and privileges of the Bank and its Personnel set forth in the Bank’s Articles of Agreement and other applicable rules of law. The Parties acknowledge and agree that no provision of this Agreement, nor the submission to arbitration by the Bank, in any way constitutes or implies a waiver, renunciation, termination, or modification by the Bank of any privilege, immunity or exemption of the Bank granted in the Bank’s Articles of Agreement and other applicable rules of law. This includes, *inter alia*, the immunity of the Bank, its assets, income and its operations and transactions, from all taxation and customs duties.

12. **Amendments.** Any amendment or waiver of, or any consent given under, any provision of this Agreement shall be in writing and, in the case of an amendment, signed by the Parties.

13. **Saving of Rights.** No course of dealing and no failure or delay by any party hereto in exercising any power, remedy, discretion, authority or other right under this Agreement shall impair, or be construed to be a waiver of or an acquiescence in, that or any other power, remedy, discretion, authority or right under this Agreement, or in any manner preclude its additional or future exercise.

14. **Successors and Assignees; No Assignment without Consent.** This Agreement binds and benefits the respective successors and assignees of the Parties, provided that none of them may assign this Agreement in whole or in part without the prior consent of the other.

15. **Entire Agreement and Counterparts.**

(a) This Agreement, together with its Schedule, constitutes the entire agreement among the Parties hereto and supersedes any and all prior
agreements, understandings and arrangements, oral or written, between the Parties with respect to the subject matter hereof.

(b) This Agreement may be executed in several counterparts, each of which is an original, but all of which constitute the same agreement.

(c) This Agreement has also been prepared in the Croatian language at the request of the Client; however, only the English version of the Agreement shall be legally binding.

16. **Termination.** Notwithstanding termination or expiration of this Agreement, the provisions of this Agreement relating to (i) obligation of confidentiality under Section 5 of this Annex, (ii) the obligations spelled out in Sections 6 on Intellectual Property and 11 on Privileges and Immunities of this Annex; and (iii) the obligation of the Client to pay to the Bank remuneration for the Reimbursable Advisory Services performed prior to the date of termination or expiration of the Agreement, as well as reimbursement of any reasonable costs related to the termination of the Agreement by the Client, shall continue in full force and effect.