REIMBURSABLE ADVISORY SERVICES AGREEMENT

on

Constanta Urban Development Program

between

MUNICIPALITY OF CONSTANTA

and the

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Dated 9th October, 2017
AGREEMENT FOR REIMBURSABLE ADVISORY SERVICES

AGREEMENT dated the 9th day of October 2017, between MUNICIPALITY OF CONSTANTA (the “Recipient”) and the INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (the “Bank”) (jointly referred to as the “Parties”).

WHEREAS, the Recipient has requested the Bank to provide to the Recipient reimbursable advisory services (the “Reimbursable Advisory Services” or “RAS”) described in the Schedule to this Agreement to help the Government of Romania under the 2014-2020 period.

NOW, therefore, the Parties hereto agree as follows:

1. **Reimbursable Advisory Services.** The Bank shall provide to the Recipient 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. **Recipient Contacts.** In carrying out the Reimbursable Advisory Services, the Bank shall work closely with the designated officials of the Recipient. The Recipient shall 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 on information currently available to the Bank, and are given on an indicative basis assuming that: (i) the Recipient and its personnel shall carry out their respective duties in a timely manner; and (ii) the Recipient shall 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 Recipient shall pay the Bank a fee of nine hundred thousand Euro (EUR 900,000) in accordance with the following schedule of payment:

   (i) EUR 180,000 Upon the submission by the Bank of Output 1 set forth in the table in Section B of the Schedule to this Agreement

   (ii) EUR 350,000 Upon the submission by the Bank of Output 2 set forth in the table in Section B of the Schedule to this Agreement
(iii) EUR 350,000  Upon the submission by the Bank of Output 3 set forth in the table in Section B of the Schedule to this Agreement

(iv) EUR 20,000  Upon the submission by the Bank of Output 4 set forth in the table in Section B of the Schedule to this Agreement

(b) All payments to the Bank hereunder shall be made in full when due, upon submission of an invoice by the Bank. The Bank shall invoice payments in EUR after submission of the English version and Romanian translation of the corresponding output. Payment shall be made, in RON, in immediately available funds, without any deductions whatsoever for taxes, duties, charges or other withholdings, and notwithstanding any pending dispute between the Parties (other than those disputes related to the acceptance of the deliverables referred to in paragraph (c) below), to such account as the Bank may from time to time designate in writing.

(c) All outputs shall be subject to an approval process by the Recipient after the Bank submits the English and Romanian translation. The Romanian translation of the final outputs shall be submitted within a maximum of 21 calendar days following the English version as described in Section B Timetable of the Schedule to this Agreement. The Recipient will have 21 calendar days after the submission of the Romanian translation to review each output, after which time the output shall be considered accepted by the Recipient, unless the Recipient provides comments to the Bank within this period. If comments are communicated by the Recipient, the Bank will have 14 calendar days to submit a modified output in English version and its Romanian translation and/or provide comments and clarifications. The Recipient will then have 7 calendar additional days to review the revised output, and accept it.

5. Effectiveness. This Agreement shall become effective as of the day and year first above written, once it has been duly signed by both Parties.

6. Expiration. This Agreement shall expire thirty-eight (38) months from the date of effectiveness, unless it shall earlier be renewed with the mutual agreement of the Recipient and the Bank.

7. Termination. Either the Recipient 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. Language. This Agreement is drafted in English.


(a) The Recipient 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 Recipient shall, in particular, without limitation:

(i) provide to the Bank available information on the Recipient and the Reimbursable Advisory Services as may be necessary for the purpose;

(ii) permit Bank Personnel to visit the Recipient facilities, and to have access to books and records relevant to the Reimbursable Advisory Services and to Recipient staff working in relation to the Reimbursable Advisory Services to be provided by the Bank;

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

(iv) promptly provide to the Bank such other information as the Bank from time to time reasonably requests about the Reimbursable Advisory Services to be performed by the Bank.

(b) It is expressly agreed and understood that the Bank shall bear no responsibility for delay in performance occasioned by the Recipient's failure to provide its contribution as set forth in Section D of the Schedule to this Agreement 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, e-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. Notices 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 Recipient:
Municipality of Constanta
Administrative Territorial Unit
51 Tomis Blvd
Constanta, Romania
Phone: +40241/488143
e-mail: programe@primaria-constanta.ro

For the Bank:
The World Bank
1818 H Street, NW, Washington, DC 20433 USA
Phone: +1 202 477-1234
Fax: +1 202 477-6391
e-mail: mionescuheroiu@worldbank.org

- 3 -
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 indicated below.

MUNICIPALITY OF CONSTANTA

By: [Signature]
Authorized Representative
Name: Decebal Făgădău
Title: Mayor
Date: 09/10/2017

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By: [Signature]
Authorized Representative
Name: Tatiana Proskuryakova
Title: Country Manager
Date: 9/10/17
A. **Reimbursable Advisory Services.**

The aim of the Reimbursable Advisory Services is to help the Municipality of Constanța: (a) strengthen its capacity for capital investment planning and management; (b) improve municipal asset management and the framework for urban regeneration; and (c) increase its capacity to implement its economic competitiveness and development strategy for the municipality and the larger metropolitan area.

Except as the Recipient and the Bank may otherwise agree, the Reimbursable Advisory Services shall include the following activities:

**Description of Activities**

The scope of work is organized around the following components and activities:

**Component 1: Capital Investment Planning and Management**

A critical challenge in Constanța is effective planning, prioritization, design and execution of capital investment aimed to improve quality of life and boost economic growth and performance. This component will seek to support the establishment by the municipality of Constanța of institutional arrangements and capacity to better deliver on investment and develop tools for screening, prioritization and delivery of development projects. This component will include:

(a) **Delivery Unit Proposal.** Facilitate the establishment an institutional set-up for a results-oriented delivery unit capable of overseeing the preparation and delivery of a multi-annual urban development investment program. Some of the key elements of supporting the design by the Municipality of Constanța of such an entity will be to help identify the number of required staff, the needed expertise, the development of performance metrics, the design of statutory responsibilities, and the design of coordination mechanisms required to make such a Delivery Unit functional and efficient.

(b) **Investment Program Management.** Support the Municipality of Constanța in its elaboration of a comprehensive multi-annual investment program, with a distinct list of priority projects, a monitoring mechanism, prioritization and screening criteria. The list of priority projects will take into consideration existing strategic and programmatic documents (e.g. the integrated urban development strategy and the mobility plan) and will involve relevant stakeholders at the local, regional, and national level.

(c) **Financial Sustainability.** Provide capacity building to the Municipality of Constanța in improving its overall financial health (looking at both revenues and expenditure as well as exploring opportunities to expand its budget frontier). Assistance will also be provided to help the Municipality of Constanța ensure that committed, implemented, and planned projects do not...
exceed its capacity to cover present and future operational and maintenance costs for these projects.

Component 2: Municipal Asset Management and Urban Regeneration

To realize its potential, the Municipality of Constanța has an opportunity to take greater advantage of its existing asset base and make catalytic investments in urban regeneration as a way of unlocking development opportunities. The component will include:

(a) **Development of Smart Cities Asset Management Strategy.** The Bank will provide support for the elaboration of an inventory of underutilized assets, with a focus on land and real assets in the Municipality of Constanța and/or the larger Metropolitan area that are unused or underused. This activity will be complemented by an action plan proposal on how to bring these assets into more productive use and maximize their long term economic value. Support will also include facilitation of participatory processes for reimagining and redeveloping the most important public spaces in the Municipality of Constanța. A key element of this component will be to undertake a rapid assessment of information and communication technology (ICT) and Internet of things (IoT) technology to manage the city's assets.

(b) **Assistance with Elaboration of an Integrated Spatial Plan for the Metropolitan Area.** A sound spatial plan is critical for ensuring a sound management and development of municipal assets (e.g. by helping to establish the conditions for the redevelopment of brownfield sites and by discouraging greenfield development). The Municipality of Constanța is in the process of finalizing its General Urban Plan. Ideally, this process should be coordinated with the surrounding localities, to ensure that metropolitan dynamics are properly captured. The Bank will provide technical support to the stakeholder engagement process around the Integrated Spatial Plan to help develop a coherent vision for the metropolitan area as a whole.

(c) **Facilitate Urban Regeneration Activities.** The Bank will provide support to the Municipality of Constanța to develop best-practice approaches to urban regeneration projects in Constanta. A particular focus will be on Mamaia, the most important tourist resort in Romania. While Mamaia has benefited from many good urban development interventions in the previous years, no integrated urban regeneration plan has been prepared for this area. The Bank will provide, inter alia, assistance with the elaboration of a Terms of Reference for the elaboration of an Urban Regeneration of Mamaia plan and guidance on strategic urban regeneration broadly.

(d) **Facilitate the Development of a Strategy for Rehabilitation of Apartment Block Neighborhoods.** The Municipality of Constanța, as most cities in Romania, needs support in developing a sustainable approach to upgrading, modernizing, and improving apartment blocks in the city (e.g. improving their resilience to disasters, improving their energy efficiency, rehabilitation of common spaces, upgrading of roofs and basements) as well as of the spaces around the apartment blocks (e.g. green spaces, playgrounds, bike and pedestrian paths). The Bank
will provide assistance to the Municipality of Constanta in its elaboration of such a strategy.

Component 3: Enhancing the Competitiveness of the Metropolitan Area

The objective of this component is to support the Municipality of Constanta’s efforts to become a more competitive municipality. The key activities in the component will include:

(a) Competitiveness Profile of Constanta Metropolitan Area (CMA). The Bank will provide support to the Municipality of Constanta in carrying out a quantitative analysis that will identify factors that shape the economic development of the CMA, compared to other cities/regions in Romania and the European Union. The methodology identifies economic performance, and its evolution over time. The impact of these factors on development will be assessed not only at the local level, but also from a geographical dimension perspective, taking into account how conditions in neighboring regions may impinge on the economic dynamism of Constanta metropolitan area.

(b) Assessment of Trade Performance, to Build Export Potential. The Bank will support the Municipality of Constanta carry out an assessment on trade performance using aggregate and firm level trade data. Aggregate analysis will draw on data from UN COMTRADE, International Monetary Fund (IMF), United Nations Conference on Trade and Development (UNCTAD), International Trade Center (ITC) and the analytical tools of the World Bank’s Trade Competitiveness Diagnostic. Firm level analysis will be based on merged data from Customs transactions and Industry Census and Balance Sheet information to assess firm level export dynamics. The assessment will evaluate patterns of entry, expansion, diversification, upgrading, and exit from exports based on firm characteristics, sectors, and markets. These findings could be used by the Municipality of Constanta to support Constanța’s firms explore new export markets.

(c) Investment Promotion, Facilitation, and Aftercare. The Bank will support the Municipality of Constanta in the design of its investment promotion, facilitation, and aftercare strategies and programs to allow Constanta to effectively compete for Foreign Direct Investment (FDI). Assistance will include providing support to the Municipality of Constanta’s efforts in investment promotion, strengthening its ability to adequately service and facilitate investors, and encouraging expansion and reinvestment by existing investors. Assistance will include recommendations for the institutional set-up needed for attracting investment and for developing the competencies of the staff.

Any change to the foregoing scope of work shall be set out in writing by the Recipient and the Bank.
B. **Timetable.**

Except as the Recipient and the Bank may otherwise agree, the Bank shall endeavor to perform the Reimbursable Advisory Services in accordance with the following indicative timetable:

<table>
<thead>
<tr>
<th>Indicative Output</th>
<th>Expected delivery time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Output 1. Inception report</td>
<td>1 month after the effectiveness of the Agreement</td>
</tr>
<tr>
<td>Output 2. First implementation report.</td>
<td>12 months after effectiveness of the Agreement</td>
</tr>
<tr>
<td>Output 3. Second implementation report</td>
<td>24 months after effectiveness of the Agreement</td>
</tr>
<tr>
<td>Output 4. Final implementation report</td>
<td>36 months after effectiveness of the Agreement</td>
</tr>
</tbody>
</table>

Any changes in the expected time of completion set forth in the above table will be agreed upon between the Parties through an exchange of letters.

C. **Bank Personnel.**

The Bank will be responsible for determining the appropriate composition of teams needed to fulfill the Reimbursable Advisory Services. The Bank Personnel will include experts specialized in the areas of social protection and labor, education, health, social development, governance and public sector management, poverty, macroeconomics and fiscal affairs, and geospatial information technology.

D. **Counterparts and Facilities.**

The Recipient shall provide the following facilities in support of the Reimbursable Advisory Services:

1. The Recipient shall provide facilities for conducting workshops as described in this Agreement. For all workshops and training activities to be conducted pursuant to this Agreement, the Recipient may provide reasonable expenditures necessary for successful completion of each workshop including, cost of photocopying, refreshments, snacks or other food for the attendees.

2. The Recipient may provide office space for the Bank Personnel to ensure maximum interaction with the counterpart and effectiveness of its capacity building activities.

3. In carrying out the Reimbursable Advisory Services, the Recipient shall facilitate contact between the Bank and the staff of the Recipient and other relevant stakeholders.
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 Recipient such information regarding the Reimbursable Advisory Services as the Recipient shall reasonably request. As such, the Bank shall maintain appropriate records for a period of seven years after the end of the Bank’s fiscal year to which the record pertains.
ATTACHMENT TO THE SCHEDULE

INDICATIVE FORMAT OF IMPLEMENTATION REPORT

I. Time Period Covered: ____________________

II. Summary
   ･ Overall Status of Work
   ･ Findings and Issues

III. Progress by Component

   1. Component I
      a. Activities and Analysis Completed
      b. Next steps

   2. Component II
      a. Activities and Analysis Completed
      b. Next steps

   3. Component III
      a. Activities and Analysis Completed
      b. Next steps

IV. Conclusions
ANNEX

STANDARD TERMS AND CONDITIONS

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 Recipient hereunder is non-exclusive and shall not restrict the Recipient 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 Schedule to this Agreement contains an indicative list of categories of Bank Personnel likely to be involved in carrying out the Reimbursable Advisory Services; provided, however, that the Bank retains at all times the right to assign such other person or persons in addition to, or substitution for, any of the persons appearing on that list as the Bank may deem necessary or appropriate in the performance of its duties hereunder. The Recipient 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 Recipient and Bank Personnel.

3. **Recipient Contributions.** The Recipient 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 Recipient has given its written consent to such disclosure. For this purpose, the Recipient hereby authorizes the Bank to publicly disclose the outputs set out in the Schedule to this Agreement only in their final form. With respect to underlying information provided by the Parties in support of the Reimbursable Advisory Services, each providing Party reserves the right to designate said information as confidential. The Parties may publicly disclose such information only after the providing Party has given its prior consent.

6. **Intellectual Property.** The intellectual property rights of each Party 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 Recipient; provided, however, that the Bank 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 Recipient, subject to the limitations on disclosure of confidential information and any third party rights, as indicated in Section 5, **Confidentiality**, of this Annex.
7. **Representation of the Bank’s Views and Use of the Bank’s Name, Marks and Logo.** (a) The Recipient 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 Recipient 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 shall 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 Recipient or other third party for any loss, cost, damage or liability that the Recipient shall incur as a result of the Reimbursable Advisory Services, except for those resulting from the gross negligence or willful misconduct of the Bank or Bank Personnel. Notwithstanding anything herein, the Bank’s liability, if any, to the Recipient hereunder shall not extend to any indirect, punitive or consequential damage, loss of profit or loss of opportunity, nor shall it exceed the amount of the professional fees received by the Bank for its account under this Agreement.

(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 Recipient in respect of a project or otherwise.

9. **Governing Law.** This Agreement is governed by, and shall be construed in accordance with, the laws of England.

10. **Settlement of Disputes.** (a) The Parties hereto shall 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 Recipient 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 Recipient 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. In the case of an amendment, it has to be 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 assigns 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 and Annex, 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.

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 Recipient 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 Recipient, shall continue in full force and effect.