Re: Romania: IDF Grant for Monitoring and Evaluation for Policymaking Project
IDF Grant No. TF098645

Excellency:

I am pleased to inform you that the International Bank for Reconstruction and Development ("World Bank") proposes to extend to the Romania ("Recipient") a grant from the World Bank's Institutional Development Fund ("IDF") in an amount not to exceed four hundred thirty four thousand United States Dollars (U.S.$434,000) ("Grant") on the terms and conditions set forth or referred to in this letter agreement ("Agreement"), which includes the attached Annex, to assist in the financing of the project described in the Annex ("Project").

The Recipient represents, by confirming its agreement below, that it is authorized to enter into this Agreement and to carry out the Project in accordance with the terms and conditions set forth or referred to in this Agreement.

Please confirm the Recipient’s agreement to the foregoing by having an authorized official of the Recipient sign and date the enclosed copy of this Agreement, and returning it to the World Bank. Upon receipt by the World Bank of this countersigned copy, this Agreement shall become effective as of the date of the countersignature; provided, however, that the offer of this Agreement shall be deemed withdrawn if the World Bank has not received the countersigned copy of this Agreement within 90 days.
after the date of signature of this Agreement by the World Bank, unless the World Bank shall have established a later date for such purpose.

Very truly yours,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Peter Harrold
Regional Director

AGREED:
ROMANIA

By: The General Secretariat of the Government
Authorized Representative

Name: DÉSŐI ATTILA
Title: SECRETARY GENERAL
Date: March 14, 2012

Enclosures:

2. Disbursement Letter of the same date as this Agreement, together with World Bank Disbursement Guidelines for Projects, dated May 1, 2006
Article I
Standard Conditions; Definitions


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

Article II
Project Execution

2.01. Project Objectives and Description. The objective of the Project is to assist the Recipient’s General Secretariat of the Government (GSG) to build its institutional and human resources capacity for monitoring and evaluation of structural reforms. The Project consists of the following parts:

Component 1: Development of a logical framework for monitoring and evaluation (M&E) across public sector for major governmental strategic and programming documents

Provision of goods, consultants’ services and training to: (a) review of the current monitoring and evaluation system at the central level with regard to major strategic and programmatic documents; and (b) design and adopt a framework for results-based monitoring and evaluation in the form of an online database.

Component 2: Enhancing the capacity of line ministries to monitor the implementation of the Government action plans derived from the recommendations of the functional reviews

Provision of goods, consultants’ services and training to enhance the capacity of line ministries to monitor the implementation of the Recipient’s Government action plans derived from the recommendations of the functional reviews by: (a) developing outcome indicators for the objectives contained in the action plans; (b) developing a number of pilots in selected line ministries where an in-depth monitoring and evaluation (M&E) exercise based on the developed outcome indicators and existing output indicators will be conducted; and (c) monitoring of horizontal reform measures dealing with the improvement of EU funds absorption, included in the Recipient’s Government action plans pursuant to the functional reviews.

Component 3: Capacity building for M&E in Center of Government and line ministries

This refers to provision of goods, consultants’ services and training to develop modular training program for staff of the GSG and line ministries in various aspects of the monitoring and evaluation system.

Component 4: Project implementation

Provision of goods, consultants’ services, including audit, for the Project implementation activities carried out by the GSG.
2.02. **Project Execution Generally.** The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall carry out the Project through the General Secretariat of the Government, in accordance with the provisions of: (a) Article II of the Standard Conditions; and (b) the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006 and revised in January 2011 ("Anti-Corruption Guidelines").

2.03. **Institutional and Other Arrangements.**

(a) The Recipient shall carry out the Project through the GSG. To this effect, the GSG shall designate, by no later than a month from the effectiveness date, a Project Management Team within the Public Policy Department and Economic Department within GSG as the entity responsible for the day-to-day implementation of the project.

(b) At all times during implementation of the Project, the Recipient shall maintain the GSG, including the Public Policy Department and Economic Department with a composition and resources acceptable to the World Bank.

2.04. **Project Monitoring, Reporting and Evaluation.**

(a) The Recipient shall monitor and evaluate the progress of the Project and, prepare Project Reports every four (4) months, starting with the date the Grant Agreement is signed by both parties, in accordance with the provisions of Section 2.06 of the Standard Conditions and on the basis of the indicators agreed with the World Bank. Each Project Report shall cover such period as shall be indicated in the World Bank’s request and shall be furnished to the World Bank not later than one month after the date of such request.

(b) The Recipient shall, upon the World Bank’s request, prepare the Completion Report in accordance with the provisions of Section 2.06 of the Standard Conditions. The Completion Report shall be furnished to the World Bank not later than three (3) months after the Closing Date.

2.05. **Financial Management.**

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

(b) The Recipient shall ensure that interim unaudited financial reports for the Project are prepared and furnished to the World Bank as part of the Project Report not later than 45 days after the end of each calendar semester, covering the semester, in form and substance satisfactory to the World Bank.

(c) The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 2.07 (b) of the Standard Conditions. Each such audit of the Financial Statements shall cover the entire period during which withdrawals from the Grant Account were made. The audited Financial Statements for such period shall be furnished to the World Bank not later than six months after the end of such period.
2.06. **Procurement**

(a) **General.** All goods, non-consulting services and consultants’ services required for the Project and to be financed out of the proceeds of the Grant shall be procured in accordance with the requirements set forth or referred to in:

(i) Section I of the “Guidelines: Procurement of Goods, Works and Non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” dated January 2011 (“Procurement Guidelines”), in the case of goods and non-consulting services;

(ii) Sections I and IV of the “Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” dated January 2011 (“Consultant Guidelines”) in the case of consultants’ services; and

(iii) the provisions of this Section, as the same shall be elaborated in the procurement plan prepared and updated from time to time by the Recipient for the Project in accordance with paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines (“Procurement Plan”).

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

(c) **Particular Methods of Procurement of Goods and non-consulting Services.** Goods and non-consulting services shall be procured under contracts awarded on the basis of Shopping (for contracts estimated to cost less than US$ 100 000) and Direct Contracting.

(d) **Particular Methods of Procurement of Consultants’ Services**

(i) Except as otherwise provided in item (ii) below, consultants’ services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.

(ii) The following methods may be used for the procurement of consultants’ services for those assignments which are specified in the Procurement Plan: (A) Least Cost Selection; (B) Fixed Budget selection (C) Quality Based Selection (D) Selection based on Consultants’ Qualifications; (E) Single-source selection; and (F) Selection of Individual Consultants.

(e) **Review by the World Bank of Procurement Decisions.** Except as the World Bank shall otherwise determine by notice to the Recipient, the following contracts shall be subject to Prior Review by the World Bank: (a) the first contract to be awarded in accordance with each procurement method; (b) each contract for consultants’ services provided by a firm estimated to cost the equivalent of $100,000 or more; (c) each contract for consultant’s services provided by an individual estimated to cost the equivalent of $30,000 or more; and (d) all direct contracting and single source contracts irrespective of the contract amount. All other contracts shall be subject to Post Review by the World Bank.
Article III
Withdrawal of Grant Proceeds

3.01. Eligible Expenditures. The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (a) Article III of the Standard Conditions; (b) this Section; and (c) such additional instructions as the World Bank may specify by notice to the Recipient (including the “World Bank Disbursement Guidelines for Projects” dated May 2006, as revised from time to time by the World Bank and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the following table. The table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Grant (“Category”), the allocations of the amounts of the Grant to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Grant Allocated (expressed in USD)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, Consultants’ Services (including Audits), Training and Operating Costs</td>
<td>434,000</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>434,000</td>
<td></td>
</tr>
</tbody>
</table>

3.02. For the purposes of the above Schedule:

a) the term “Training” means the costs incurred on the account of training activities under the Project and comprises expenditures related to organizing, conducting or participating at training events such as workshops, seminars, conferences, including: rental costs of training adequate space and equipment, costs for training materials and supplies, costs for catering, costs for translation and interpretation services, but excluding travel, per diem and payments of fees for consultant services provided for such training events.

b) the term “Operating Costs” means the costs incurred on account of Project implementation, comprising: procurement related advertising costs, translation costs (other than those related to training events as mentioned above), office supplies, Project related travel and per diem allowances, banking charges, exchange rate differences.

3.03. Withdrawal Period. The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is three years after the date of countersignature of this Agreement by the Recipient.

Article IV
Recipient’s Representative; Addresses

4.01. Recipient’s Representative. The Recipient’s Representative referred to in Section 7.02 of the Standard Conditions is the Secretary General of the Romanian Government.
4.02. **Recipient’s Address.** The Recipient’s Address referred to in Section 7.01 of the Standard Conditions is:

General Secretariat of the Government  
Palatul Victoria, Piața Victoriei nr. 1,  
Bucharest, Romania

Facsimile:  
+40(0)21.319.15.08

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

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

Cable: INTBAFRAD  
Telex: 248423 (MCI) or 64145 (MCI)  
Facsimile: 1-202-477-6391