ANEXA LA
HOTĂRÂREA Nr. 244
din 29.06.2021

(ENGLEZĂ)

Project Number P176373

REIMBURSABLE ADVISORY SERVICES AGREEMENT

Sustainable Heating and Energy Efficiency Support
for the City of Timişoara

between the

MUNICIPALITY OF TIMIŞOARA

and the

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

AGREEMENT FOR REIMBURSABLE ADVISORY SERVICES

AGREEMENT dated the ____ day of __________ 2021, between the MUNICIPALITY OF TIMIŞOARA (the "Recipient") and the INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (the "Bank") (jointly referred to as the "Parties").

WHEREAS, the Government of Romania and the Bank have entered into a Memorandum of Understanding on Partnership for the Modernization of the Public Administration and Support to Structural Reforms dated January 11, 2016.

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 eight hundred ninety thousand eight hundred thirty-two Romanian Lei (RON 890,832) in accordance with the following schedule of payment:

(1)	RON 484,736	Upon the submission by the Bank and approval by the Recipient of Output 1 set forth in the Timetable under Section B of the Schedule to this Agreement
(2)	RON 406,096	Upon the submission by the Bank and approval by the Recipient of Output 2 set forth in the Timetable under Section B of the Schedule to this Agreement

(b) All payments to the Bank hereunder shall be made in full within fifteen (15) business days upon submission of an invoice by the Bank. The Bank shall invoice payments in RON after approval of the corresponding output. The 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 Output shall be submitted within a maximum of twenty-one (21) calendar days following the English version as described in Section B Timetable of the Schedule to this Agreement. The Recipient will have twenty-one (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 fourteen (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 seven (7) additional calendar 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 ("Effectiveness Date"), once it has been duly signed by both Parties.

6. ***Expiration.*** This Agreement shall expire on the date falling thirteen months (13) months after the Effectiveness Date of this Agreement, 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.

9. ***Cooperation.*** (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 relevant information in relation 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.

10. *Notices and Addresses.*

(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 Timişoara
Bd. C.D. Loga nr. 1
Timişoara, Romania
Phone: + 40 256 408-300
e-mail: <cabinetprimar@primariatm.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: <mberlengiero@worldbank.org>

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 TIMIŞOARA	**INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT**
By: ____________________ Authorized Representative	By: ____________________ Authorized Representative
Name: ____________________	Name: ____________________
Title: ____________________	Title: ____________________
Date: ______________	Date: ______________

SCHEDULE

Description of the Reimbursable Advisory Services

A. *Reimbursable Advisory Services.*

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

Objective

The objective of this RAS is to support the Municipality of Timişoara in improving its planning capacity for the sustainable development of its district heating (DH) system and energy efficiency (EE) in buildings within its territory.

Activities

1. **Part 1 – Draft roadmap with actionable options for DH in Timişoara**

   (a) *Review of current situation.*

      (i) The Bank will carry out a rapid assessment of current technical and operational features of: (A) residential heating solutions in Timişoara, their cost factors, type of fuels used, and environmental aspects, particularly particulate matter (PM) and carbon dioxide (CO2) emissions, and provide a baseline against which alternatives can be assessed; and (B) district heating, from generation and distribution to demand patterns.

      (ii) The Bank will provide support in: (A) identifying incentives and barriers resulting from the national policy and regulatory framework for residential heating; (B) mapping out key stakeholders (e.g. ministries, municipalities, utility companies, financial institutions, private sector and academia); and (C) forecasting the demand for both DH and electricity among key stakeholders identified in (B).

   (b) *Assessment of sustainable district heating alternatives.*

      (i) The Bank will propose a set of concrete short- and medium-term technical options for the Recipient to attain sustainable DH services based on: (A) fuels available (e.g., gas, geothermal, waste-to-energy, etc.) for the DH system to meet the actual demand for DH; (B) actual prospects on the electricity market.

      (ii) The Bank will also provide a detailed description of appropriate technologies and/or alternative space heating solutions, focusing on those which would improve the environmental impact, cost efficiency, yet at the same time meet the existing and anticipated demand for DH, as well as preferred options based on international best practices.

(c) *EE rapid assessment.*

The Bank will provide support to the Recipient in: (i) assessing the EE situation in multi-apartment buildings (MABs) connected to the DH system; and (ii) collecting existing data from the Recipient and Colterm, or estimated values in the LTRS, about MABs' standard characteristics, energy consumption, and vulnerable users that need support, to assist the Recipient in developing criteria for prioritizing MABs that should be targeted as part of an EE program.

(d) *Financial analysis.*

(i) The Bank will carry out a project financial analysis taking into account priority investments in EE in buildings connected to the DH as identified by the Recipient under (c)(i) above, as well as the most cost effective alternatives among the DH solutions proposed in (b) above.

(ii) The Bank will develop a model (in Microsoft Excel format, or other easily manageable software) to undertake the financial analysis in (d)(i) above.

(e) *Governance and Financial Advisory Support.*

Based on the Recipient's review of Colterm's financial and operational performance and restructuring plan, the Bank will provide recommendations on measures that could be carried out by the Recipient to help Colterm: (i) address its current financial and governance issues; (ii) improve its institutional setup for the DH sector; (iii) develop needed reforms based on best practices concerning personnel appointments; and (iv) identify corporate governance requirements that need to be followed under the Law 111/2016 on corporate governance of state-owned enterprises (SOEs).

(f) *Draft Roadmap.*

Based on the findings in (a), (b), (c), (d) and (e) above, the Bank will prepare a draft roadmap that outlines recommended measures and a timeline to improve DH supply quality and security in the Recipient.

2. **Part 2 - Development of a draft integrated DH and EE strategic plan.**

(a) ***Development of a draft EE program framework for MABs connected to the DH system.***

Based on priorities identified by the Recipient under Part 1, the following key features of an EE and seismic rehabilitation program for Timişoara will be mapped out:

(i) *Program Scope*: The Bank will carry out:

(A) a combined cost-benefit analysis of the proposed EE investments in targeted buildings;

(B) based on (A), relevant funding needs, energy savings potential, and other benefits will be determined by category of buildings and type(s) of users; and

(C) based on (B), a detailed EE program will be presented, outlining the proposed size of investments, targeted buildings by energy savings potential, and users by social groups.

(ii) *Assessment of key institutional options:* The Bank will provide to the Recipient a description of: (A) a select number of proposed scenarios for institutional arrangements based on lessons learned from local and international experiences, including advantages and disadvantages of each scenario; and (B) regulatory aspects that would need to be considered.

(ii) *Identification and assessment of financing and delivery models and implementing intermediaries for an EE and seismic rehabilitation program*: The Bank will support the Recipient: (A) in identifying financing and delivery models that could serve residential customers who have no access to commercial financing, with special consideration to vulnerable groups for which different decentralized heating/EE options should be made available; and (B) in identifying design options with respect to the inclusion of subsidies for EE investments.

The Bank will also support the Recipient in aligning the draft EE program framework with Romania's LTRS.

(b) ***Draft integrated DH and EE strategic plan.***

The Bank will provide recommendations on a draft integrated strategic plan for sustainable DH and EE in buildings, outlining steps to achieve long-term development goals, including proposed Recipient actions (with corresponding timeline) on: (i) instituting governance mechanisms; (ii) development of program and operational procedures; (iii) mobilization of financing and implementation; (iv) selection of implementing entities; (v) setting out a communication plan/campaign to relevant stakeholders; (vi) identification of training needs and enabling trainings for key actors; and (vii) development a plan to help Colterm transition to more environmental and climate friendly co-generation options.

(c) *Capacity Building for Key Stakeholders.*

The Bank will provide support to the Recipient in: (i) incorporating capacity building programs for key stakeholders into the draft integrated DH and EE strategic plan; and (ii) identifying training opportunities, programs and/or relevant case studies in other EU member states that could provide interesting lessons learned on the design and implementation of sustainable DH systems and EE programs.

Any change to the foregoing scope of work shall be set out in writing in a letter signed 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 timetable:

Indicative Output	Expected time of completion	Cost in RON
(1) Draft roadmap with actionable options for sustainable heating in Timisoara	Five (5) months after the Effectiveness Date of this Agreement	484,736
(2) Draft integrated district heating and energy efficiency strategic plan	Eleven (11) months after the Effectiveness Date of this Agreement	406,096

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.

Following the Effectiveness Date of this Agreement, a semi-annual progress report in English shall be submitted within twenty-one (21) calendar days from the end of each period. The progress reports shall include a description of activities completed or in progress in the reporting period, next steps planned for the following reporting period and the outputs. The progress reports shall be in the format provided as Attachment to this Schedule. A Romanian translation of the progress reports will be provided within fourteen (14) calendar days after the submission of the English version. The Recipient will have twenty-one (21) calendar days after the submission of the Romanian translation to review the progress report. If comments are communicated to the Bank on the progress report, the Bank will have seven (7) calendar days to submit a modified progress report and/or provide comments and clarifications.

For the purposes of the delivery of Outputs described in the table above, the Bank shall submit the English version of said documents along the timeline indicated in this Agreement.

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 district heating, energy efficiency, financial analysis of energy sector investments and renewable energy.

D. ***Counterparts and Facilities.***

The Recipient shall carry out the following activities and 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.

4. Provide to the Bank, in a timely manner, any necessary reports, data or access to databases related to the sectors covered by the RAS, and other information necessary to enable the Bank to carry out the RAS activities.

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 9 of the Agreement and Section D of the Schedule to this Agreement.

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 SCHEDULE

INDICATIVE FORMAT OF PROGRESS REPORT

I. Time Period Covered: ____________________

II. Summary

- Overall Status of Work
- Findings and Issues

III. Progress by Output

1. Output

a. Activities and Analysis Completed

b. Next steps

2. Output

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 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 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.

17. ***Definitions.*** (a) "Colterm" means Colterm S.A., an SOE established in 2004 that manages the DH system in the Municipality of Timisoara. <https://www.colterm.ro>.

(b) "LTRS" means "Long-term Renovation Strategies", a requirement under an Energy Performance of Buildings Directive 2018/844 for EU Member States that are meant to act as roadmaps to a highly energy-efficient and healthy building stock, providing guidance for municipalities on specific policies to stimulate deep renovation, target energy-poor communities, and prioritize public buildings as role models.