REIMBURSABLE ADVISORY SERVICES AGREEMENT

between

MINISTRY OF EDUCATION AND SCIENCE OF THE REPUBLIC OF LATVIA

and the

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Dated 23 May 2016
AGREEMENT FOR REIMBURSABLE ADVISORY SERVICES

AGREEMENT dated the ________ of ________ 2016, between MINISTRY OF EDUCATION AND SCIENCE OF THE REPUBLIC OF LATVIA (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 Latvian universities in strengthening their governance, university-internal funding mechanisms and academic recruitment and remuneration schemes.

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 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 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 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 Three Hundred and Twenty Thousand US Dollars (USD 320,000) with the support from the European Social Fund (Operational Programme “Growth and Employment” 8.3.6. Specific Objective “To introduce education quality monitoring system” 8.3.6.1. Activity “Participation in international research”, project applications’ first call) in accordance with the following schedule of payment:
<table>
<thead>
<tr>
<th>Amount</th>
<th>Event upon which Payment is Due</th>
</tr>
</thead>
<tbody>
<tr>
<td>USD 150,000</td>
<td>Within 14 working days after the delivery of R1-2: Assessment of university-internal funding and governance (including governance of promotion councils) at Latvian case-study universities</td>
</tr>
<tr>
<td>USD 150,000</td>
<td>Within 14 working days after the delivery of R 2-2: Assessment of doctorate and HR policies (academic selection, promotion, remuneration) at Latvian case-study universities</td>
</tr>
<tr>
<td>USD 20,000</td>
<td>Within 14 working days after the delivery of R2-3: Doctorate and HR policies (academic selection, promotion, remuneration) - proposals for future policy planning and investments</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.

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 on June 30, 2018 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 (presented in the table 2 of the Schedule) 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 to the Bank all information on the Client and the Reimbursable Advisory Services as may be necessary for the purpose;

(ii) permit Bank Personnel to visit the Client facilities and to have access to books and records relevant to the Reimbursable Advisory Services
and to Client 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 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. 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 Client:

Ministry of Education and Science
Valju iela 2, Riga,
LV – 1050- Latvia
Phone +371 67226209, Fax +371 67223905
E-mail pasts@izm.gov.lv    www.izm.gov.lv

For the Bank:

World Bank Group
1818 H Street, N.W.
Washington, D.C. 20433
U.S.A.
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 indicated below.

MINISTRY OF EDUCATION AND SCIENCE OF THE REPUBLIC OF LATVIA

By: 
Authorized Representative
Name: 
Title: 
Date: 23 MAY 2016

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By: 
Authorized Representative
Name: 
Title: 
Date: 23 May 2016
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 and outputs.

The Bank will support Latvian universities in strengthening their governance, university-internal funding mechanisms and academic recruitment and remuneration schemes.

The following activities will be carried out by the Bank:

**Phase I: University-internal governance and performance-based financing in Latvian HEIs. Outputs: 3 reports**

- The Bank will conduct an analysis of international trends and best practice in institutional governance and internal performance-based financing of universities; key learnings and recommended models for Latvian Higher Education Institutions (HEIs) that strengthen universities' managerial and financial autonomy and strategic specialization, financial stability and co-operation with industry.

- The Bank will assess internal governance (including governance of promotion councils) and financing in selected Latvian HEIs and prepare an analysis of related strengths and weaknesses (case-study universities will be selected jointly with the sector) based on defined and agreed criteria for good university-internal as well as good governance. This will include aspects of: i) institutional governance – institutional decision-making bodies, the division of rights and competences, including involvement of external partners (employers, industry experts), governance councils of study directions, collaboration with research institutions on matters of governance of higher education institutions; ii) aspects of structural governance – involvement of sub-units / departments in the decision-making process and budget planning, etc.-iii) as well as aspects of - results management – cascading of goals, tasks and results to subdivisions and individual performers, etc. The internal higher education financing assessment will cover questions of strategic and incentive orientation, sustainability, practical feasibility, link to the overall three-pillar funding system, etc. as well as the link to governance and management of the institution.

- The Bank will provide input into policy planning and further investments for the development of Latvian university-internal governance and performance-based financing based on international best practice examples; identifying the factors which restrict the system's effectiveness and areas for future policy interventions, including proposals for improving the effectiveness of governance councils of study directions.
**Phase II: Doctorate, Selection, Promotion and Remuneration of Academic Staff.**

**Outputs: 3 reports**

- The Bank will conduct an analysis of international trends and best practice in the implementation of human resource policies, including implementation of doctoral programs; key learnings and recommended models for Latvian HEIs that enhance the development of innovation skills, strengthen renewal, motivation and mobility of academic staff, ensure integration of teaching and research.

- The Bank will conduct an assessment of human resource policies in selected Latvian HEIs and an analysis of the strengths and weaknesses. This will include aspects of: i) doctorate as renewal of human capital - implementation of doctoral programs tailored for further career paths, quality management of the doctoral process, development of innovation skills in accordance with the Smart Specialization Strategy goals and priorities, development of innovation competence and methods of its assessment, involvement of industry in designing doctoral programs, mobility and networking of doctoral students, joint doctoral programs, the principle of academic integrity; ii) selection and promotion of academic staff - criteria for the assessment of academic qualification, including the criterion of internationalization/mobility, transparency of the recruitment and qualification assessment process and iii) remuneration of academic staff - academic career planning, motivation and remuneration for results in teaching and research, incentives for engagement of young teachers and researchers, etc.

- The Bank will provide input into policy planning and future investments for the development of human capital/academic staff in higher education institutions in Latvia, according to Smart Specialization Strategy goals and priorities, identifying the factors which restrict the system's effectiveness and areas for future policy interventions, including proposals for the improvement of doctoral Programmes.
B. **Timetable.** Except as the Client and the Bank may otherwise agree, the Bank shall endeavour to perform the Reimbursable Advisory Services in accordance with the following tentative indicative timetable:

<table>
<thead>
<tr>
<th>Expected Outputs</th>
<th>Expected Timeline</th>
</tr>
</thead>
<tbody>
<tr>
<td>R1-1 University-internal funding and governance – international trends</td>
<td>7 months after signing of this Agreement</td>
</tr>
<tr>
<td>R1-2 Assessment of university-internal funding and governance (including governance of promotion councils) at Latvian case-study universities and recommendations for Latvia.</td>
<td>7 months after signing of this Agreement</td>
</tr>
<tr>
<td>R1-3 University-internal funding and governance – proposals for future policy planning and investments</td>
<td>11 months after signing of this Agreement</td>
</tr>
<tr>
<td>R2-1 Doctorate and HR policies (academic selection, promotion, remuneration) – international trends</td>
<td>19 months after signing of this Agreement</td>
</tr>
<tr>
<td>R2-2 Assessment of doctorate and HR policies (academic selection, promotion, remuneration) at Latvian case-study universities and recommendations for Latvia.</td>
<td>19 months after signing of this Agreement</td>
</tr>
<tr>
<td>R2-3 Doctorate and HR policies (academic selection, promotion, remuneration) - proposals for future policy planning and investments</td>
<td>23 months after signing of this Agreement</td>
</tr>
</tbody>
</table>

C. **Bank Personnel.** The Bank will be responsible for determining the appropriate composition of teams needed to fulfill the Advisory Services. The following is an indicative list of categories of Bank Personnel likely to be involved in carrying out the Reimbursable Advisory Services: Senior Education Specialist/s, Senior Higher Education Consultants (at least three international experts as part of the core team), Junior Higher Education Consultant/s.

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

   (a) The Client shall provide the Bank Personnel with necessary administrative and organizational support for the Reimbursable Advisory Services. In particular, the Client will support the activities under this Agreement through the provision of i) one local staff or consultant providing the Bank with information on the areas covered by the Legal Agreement within agreed
deadlines; and ii) logistics and communications support staff who will support the team with the preparation of in-country visits and events.

(b) All outputs will include consultations between the Client, stakeholders and the Bank. Each phase should be accompanied by workshops and concluded by dissemination of the results in accordance with Table 2 below.

Table 2. Indicative Schedule of Planned Activities in Latvia

<table>
<thead>
<tr>
<th>Project phase</th>
<th>Event</th>
<th>Expected timeline</th>
</tr>
</thead>
<tbody>
<tr>
<td>I. University-internal governance and performance-based financing in Latvian HEIs</td>
<td>Extended visit I</td>
<td>June 2016</td>
</tr>
<tr>
<td></td>
<td>Technical visit I</td>
<td>September/October 2016</td>
</tr>
<tr>
<td></td>
<td>Dissemination event I</td>
<td>December 2016</td>
</tr>
<tr>
<td>II. Doctorate, Selection, Promotion and Remuneration of Academic Staff</td>
<td>Extended visit II</td>
<td>May/June 2017</td>
</tr>
<tr>
<td></td>
<td>Technical visit II</td>
<td>September/October 2017</td>
</tr>
<tr>
<td></td>
<td>Dissemination event II</td>
<td>TBD.</td>
</tr>
</tbody>
</table>

(c) The Client will provide the Bank with all needed information on higher education governance arrangements and university-internal funding regulations in Latvia, as well as the other areas covered by the Legal Agreement and information on universities participating in the project. Details of the information needs concerning specific universities will be agreed two weeks upon signing of the Legal Agreement and provided by the Client in an agreed format at least three weeks ahead of extended visit I of the Bank to Latvia in accordance with Table 2 under the Legal 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 Client such information regarding the Reimbursable Advisory Services as the Client 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.
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 Schedule to this Agreement contains an indicative list 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 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 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 Client; 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 Client, subject to the limitations on disclosure of confidential information and any third party rights, as indicated in paragraph 5, Confidentiality, of this Annex.

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 any third party for any loss, cost, damage or liability that the Client shall incur as a result of the Reimbursable Advisory Services, unless 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 Client 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-à-vis third parties or for any other purposes. Nothing herein shall constitute a commitment by the Bank to provide financing to the Client.

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 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 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 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.