

Public Disclosure Authorized

OFFICIAL DOCUMENTS

LOAN NUMBER 8892-RO

Loan Agreement

(Strengthening Disaster Risk Management Project)

between

ROMANIA

and

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

Public Disclosure Authorized

LOAN AGREEMENT

AGREEMENT dated as of the Signature Date between ROMANIA (“Borrower”) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (“Bank”). The Borrower and the Bank hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

- 1.01. The General Conditions (as defined in the Appendix to this Agreement) apply to and form part of this Agreement.
- 1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions or in the Appendix to this Agreement.

ARTICLE II — LOAN

- 2.01. The Bank agrees to lend to the Borrower the amount of fifty million euro (€50,000,000), as such amount may be converted from time to time through a Currency Conversion (“Loan”), to assist in financing the project described in Schedule 1 to this Agreement (“Project”).
- 2.02. The Borrower may withdraw the proceeds of the Loan in accordance with Section III of Schedule 2 to this Agreement.
- 2.03. The Front-end Fee is one quarter of one percent (0.25%) of the Loan amount.
- 2.04. The Commitment Charge is one quarter of one percent (0.25%) per annum on the Unwithdrawn Loan Balance.
- 2.05. The interest rate is the Reference Rate plus the Fixed Spread or such rate as may apply following a Conversion; subject to Section 3.02(e) of the General Conditions.
- 2.06. The Payment Dates are May 1 and November 1 in each year.
- 2.07. The principal amount of the Loan shall be repaid in accordance with Schedule 3 to this Agreement.

ARTICLE III — PROJECT

- 3.01. The Borrower declares its commitment to the objectives of the Project. To this end, the Borrower shall carry out the Project, in accordance with the provisions of Article V of the General Conditions and Schedule 2 to this Agreement.

ARTICLE IV — EFFECTIVENESS

- 4.01. The Effectiveness Deadline is the date one hundred and fifty days (150) days after the Signature Date.

ARTICLE V — REPRESENTATIVE; ADDRESSES

- 5.01. The Borrower's Representative is the Minister of Public Finance or his/her successor thereof.

- 5.02. For purposes of Section 10.01 of the General Conditions the Borrower's address is:

Ministry of Public Finance
16 Libertatii Boulevard, district 5
Bucharest, 05 07 06
Romania

Facsimile:

40213126792

- 5.03. For purposes of Section 10.01 of the General Conditions the Bank's address is:

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

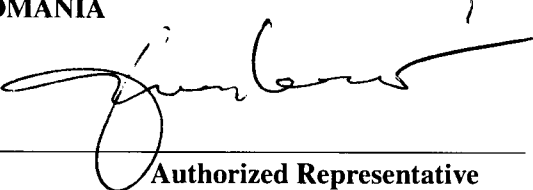
Facsimile:

1-202-477-6391

AGREED as of the Signature Date.

ROMANIA

By



Authorized Representative

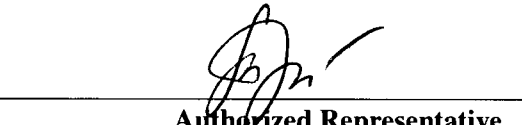
Name: EUGEN ORLANDO TEODOROVICI

Title: MINISTER OF PUBLIC FINANCE

Date: 01. 08. 2018 (August 1, 2018)

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

By



Authorized Representative

Name: TATIANA PROSKURYAKOVA

Title: COUNTRY MANAGER

Date: 01. 08. 2018 (August 1, 2018)

SCHEDULE 1

Project Description

The objective of the Project is to enhance the resilience of critical disaster and emergency response infrastructure and to strengthen the Borrower's institutional capacities in disaster risk reduction and climate change adaptation.

The Project consists of the following parts:

Part 1: Improving seismic resilience of disaster and emergency response infrastructure

1. Provision of support to improve the seismic safety and disaster resilience of prioritized critical disaster and emergency response facilities, through investments in structural strengthening and rehabilitation of existing building infrastructure, and/or construction of new buildings to ensure that these critical buildings are fully operational before, during and after disasters such as earthquakes, floods, storms, extreme weather events, by considering the resilience of the buildings and critical systems, such as back up energy, water and communications systems.

Upgrades will also include: (a) improvements in energy efficiency and building functionality; (b) support universal access; and (c) facilitate equal access and use of these buildings both for men and women.

This component will cover all goods, works and consulting services associated with, among others, the technical surveys, energy efficiency audits, feasibility studies (including relevant documentation), design, authorizations and permits, designer consultant services during execution of works and site supervision needed to carry out this component.

2. Provision of support, through the provision of goods and consulting services, non-consulting services to develop and carry out of communication, awareness raising and dissemination activities associated with the renovation of buildings, including informational meetings to staff and volunteers using the building and surrounding communities.

Part 2: Enhancing institutional capacity for risk reduction investment planning

1. Provision of support, through the provision of goods, consulting services and non-consulting services to DES and GIES to enable risk-informed capital investment planning and support accelerated risk reduction interventions in emergency and disaster response buildings.

The activities will include:

- (a) Improving and updating the Ro-Risk platform through preparation and use of higher resolution data, improved vulnerability modeling and developing more robust data on the financial and economic impacts of disasters;

- (b) Develop a package of evidence-based priority investments to enhance the resilience of emergency and disaster response facilities under GIES; and
- (c) Conducting national workshops, trainings, and public awareness campaigns for disaster risk management in Romania.

Part 3: Project Management

1. Support to the PIU for the overall day-to-day implementation of the Project including procurement, financial management, monitoring, and evaluation, safeguards and technical oversight, through the provision of goods, consultants' services, Training and Operating Costs, including audit.
2. Support to the PCU for the overall monitoring, reporting and coordination of the Project through the provision of goods, consultants' services, Training and Operating Costs.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements.

1. Without limitation to the provisions of Article IV of the General Conditions, and except as the Borrower shall otherwise agree, the Borrower shall, through GIES, maintain at all times during the implementation of the Project, a PIU within GIES, with composition, resources, terms of reference and functions acceptable to the Bank. The PIU shall be responsible for the procurement, financial management, day to day monitoring and evaluation and safeguards compliance under the Project.
2. Without limitation to the provisions of Article IV of the General Conditions, and except as the Borrower shall otherwise agree, the Borrower shall, through MOIA, maintain at all times during the implementation of the Project, a PCU within DES with composition, resources, terms of reference and functions acceptable to the Bank. The PCU shall be responsible for overall monitoring, reporting to the Bank, and strategic coordination with the Bank and Ministry of Public Finance under the Project.

B. Project Operations Manual.

1. The Borrower, through MOIA and GIES, shall implement the Project in accordance with a Project Operations Manual ("POM"), in form and substance satisfactory to the Bank, that sets out the operational and administrative procedures and requirements for Project implementation.
2. The POM may not be assigned, amended, abrogated or waived, or permitted to be assigned, amended, abrogated or waived, or any provision thereof, in a manner which, in the opinion of the Bank, may materially and adversely affect the implementation of the Project. The POM may only be amended in consultation with, and after approval of, the Bank. In case of any conflict between the terms of the POM and those of this Agreement, the terms of this Agreement shall prevail.

C. Safeguards.

1. The Borrower through GIES shall, ensure that the Project is carried out with due regard to appropriate health, safety, social, and environmental standards and practices, and in accordance with the Safeguards Instruments.
2. The Borrower, through GIES shall ensure that the obligation to comply with the relevant Safeguards Instruments is incorporated: (a) in the contracts, through GIES, and the relevant contractor(s) and any entity (including any engineer) supervising the Project's civil works; and (b) in the contracts between the relevant contractor(s) and the contractors' subcontractors.

3. The Borrower, through GIES, shall ensure that prior to the carrying out of works under the Project:
 - (a) carry out site-specific EIA and ESMP, under terms of reference acceptable to the Bank, for the relevant works;
 - (b) prepare, consult and disclose respective site-specific ESMPs in a manner acceptable to the Bank and as set forth in the ESMF; and
 - (c) before issuing bidding documents for any works contract, prepare and submit to the Bank for its approval the relevant ESMPs in form and substance satisfactory to the Bank.
4. The Borrower, through GIES, shall ensure that: (a) all consultancies related to technical assistance, design and capacity building under the Project, the application of whose results could have environmental, social and health and safety implications, shall only be undertaken pursuant to terms of reference reviewed and found satisfactory by the Bank; and (b) such terms of reference shall require the technical assistance, design and capacity building activities to take into account the requirements of the applicable Bank Safeguards Policies and EHS Guidelines.
5. Except as the Bank shall otherwise agree, the Borrower, through GIES, shall ensure, and cause to ensure, that none of the provisions of the Safeguard Instruments is abrogated, amended, repealed, suspended or waived. In case of any inconsistencies between the provisions of any of the Safeguard Instruments and the provisions of this Agreement, the provisions of this Agreement shall prevail.
6. The Borrower, through GIES, shall maintain, throughout Project implementation, and publicize the availability of a grievance redress mechanism, in form and substance satisfactory to the Bank, to hear and determine fairly and in good faith all complaints raised in relation to the Project, and take all measures necessary to implement the determinations made by such mechanism in a manner satisfactory to the Bank.

Section II. Project Monitoring Reporting and Evaluation

1. The Borrower, through MOIA, shall furnish to the Bank each Project Report not later than one month after the end of each calendar semester, covering the calendar semester.
2. Without limitation upon its other reporting obligations under this Agreement, the Borrower, through MOIA and GIES, shall:
 - (a) take all measures necessary on its part to regularly collect, compile, and submit to the Bank, as part of the Project Reports, and promptly in a separate report whenever the Bank may require, information on the status of compliance with the Safeguards Instruments. Such information shall include: (i) measures taken in furtherance of the Safeguards Instruments; (ii) conditions, if any, which interfere or threaten to interfere with the smooth implementation of the Safeguards Instruments; and (iii) remedial measures taken or required to be taken to address such conditions;

- (b) promptly furnish to the Bank a copy of each progress report prepared and submitted by any entity (including any engineer) supervising the Project's civil works, the Project's contractors and/or subcontractors; and
- (c) promptly upon receipt, shall furnish to the Bank any notification received from any entity (including any engineer) supervising the Project's civil works, the Project's contractors and/or subcontractors regarding any incident that have might occurred during Project implementation.

Section III. Withdrawal of Loan Proceeds

A. General.

Without limitation upon the provisions of Article II of the General Conditions and in accordance with the Disbursement and Financial Information Letter, the Borrower may withdraw the proceeds of the Loan to finance Eligible Expenditures; in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table:

Category	Amount of the Loan Allocated (expressed in Euro)	Percentage of Expenditures to be financed (inclusive of Taxes)
(1) Goods, works, non-consulting services, consulting services (including audits), Training and Operating Costs	50,000,000	100%
TOTAL AMOUNT	50,000,000	

B. Withdrawal Conditions; Withdrawal Period.

1. Notwithstanding the provisions of Part A above, no withdrawal shall be made for payments made prior to the Signature Date.
2. The Closing Date is December 31, 2024.

SCHEDULE 3

The following table sets forth the Principal Payment Dates of the Loan and the percentage of the total principal amount of the Loan payable on each Principal Payment Date (“Installment Share”).

Level Principal Repayments

Principal Payment Date	Installment Share
On each May 1 and November 1 Beginning November 1, 2024 through May 1, 2026	25%

APPENDIX

Definitions

1. “Anti-Corruption Guidelines” means, for purposes of paragraph 5 of the Appendix to the General Conditions, 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 and as of July 1, 2016.
2. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
3. “DES” means Department for Emergency Situations established under the Borrower’s Ministry of Internal Affairs pursuant to the Borrower’s Emergency Ordinance 1/2014 regarding measures in emergency situation management and amending the Emergency Ordinance No. 21/2004 regarding the National System for emergency situations management, or its successor thereof.
4. “EHS Guidelines” means the World Bank Group Environmental, Health and Safety Guidelines published on www.ifc.org/ehsguidelines, as said guidelines are updated from time to time.
5. “Environmental Impact Assessment” or “EIA” means the document to be prepared and adopted by the Borrower, through GIES, disclosed in-country prior to the initiation of works setting out details of potential environmental risks, and adverse impacts associated with any Project activities, together with an environmental management plan defining measures to manage such risks and impacts, and including any schedules to such assessment, and as such assessment may be amended by the Borrower from time to time, with the prior written approval of Bank.
6. “Environmental and Social Management Framework” or “ESMF” means the plan prepared and adopted by the Borrower, through GIES dated May 22, 2018, disclosed in-country, and the Bank’s website on May 29, 2018, setting out the modalities to be followed in assessing the potential adverse environmental and social impacts of Project activities including impacts and the measures to be taken to offset, reduce or mitigate such adverse impacts, as well as for the preparation of environmental and social management plans, as such framework may be amended by the Borrower, from time to time, with the prior written agreement of the Bank.
7. “Environmental and Social Management Plans” or “ESMPs” means the site-specific plans prepared by the Borrower during the implementation of the Project, all in a manner acceptable to the Bank adopted by the Borrower, and disclosed in-country, setting out details of the specific actions and environmental and social protection measures in respect of the Project, including for chance finding of cultural property and potential direct and indirect environmental and social impacts from the carrying out of the Project, recommendation of mitigation measures for each negative impact identified, as well as measures for enhancing each identified positive impact, along with the procedural and institutional measures needed to implement such actions, measures and policies, including

any schedules to such plans, and as such plan may be amended by the Borrower from time to time, with the prior written approval of the Bank.

8. "General Conditions" means the "International Bank for Reconstruction and Development General Conditions for IBRD Financing, Investment Project Financing", dated July 14, 2017.
9. "GIES" means General Inspectorate for Emergency Situations, established under the Borrower's Ministry of Internal Affairs pursuant to the Borrower's Ordinance No. 88/2001 regarding the establishment, organization and functioning of the community public services for emergency situations, as subsequently amended, or its successor thereof.
10. "MOIA" means the Borrower's Ministry of Internal Affairs or its successor thereof.
11. "MOPF" means the Borrower's Ministry of Public Finance or its successor thereof.
12. "Operating Costs" means expenditures incurred by PIU and PCU on the account of the Project implementation, such as: office supplies, utilities, bank charges, communication tools, advertisement fees translation and interpretation services, transportation, travel costs, car rental and fuel costs, office rental and maintenance, moving expenses, equipment maintenance and repair, printing and publications, and per diem allowances and accommodation costs for PIU and PCU staff, insurance for goods and salaries for PIU and PCU staff, including qualified social charges, but excluding salaries for the Borrower's civil servants.
13. "Performance Indicators" means the indicators to be used for purposes of monitoring the progress of the Project agreed between the Borrower and the Bank on May 29, 2018.
14. "Procurement Regulations" means, for purposes of paragraph 85 of the Appendix to the General Conditions, the "World Bank Procurement Regulations for IPF Borrowers", dated July 2016, revised November 2017.
15. "PIU" means the Borrower's Project Implementation Unit, established and maintained by the Borrower, through GIES in accordance with Section I.A.1 of Schedule 2 to this Agreement pursuant to General Inspector Order No. 1512/IG dated May 29, 2018.
16. "PCU" means the Borrower's Project Coordination Unit, established and maintained by the Borrower, through MOIA in accordance with Section I.A.2 of Schedule 2 to this Agreement pursuant to Disposition of State Secretary Number 530 dated May 29, 2018.
17. "Project Operational Manual" or "POM" means the Project Operational Manual prepared by the Borrower, through MOIA and GIES in accordance with Section I.B.1 of Schedule 2 to this Agreement and satisfactory to the Bank, setting forth the operational and administrative responsibilities, procedures and rules for the implementation of the Project and including the Environmental and Social Management Framework, the Performance Indicators and the financial management arrangements for the Project, as the same may be amended and supplemented from time to time with the Bank's prior written approval.

18. “Safeguard Instruments” means collectively, the EIA, ESMF, and ESMP, and “Safeguard Instrument” means any of such Safeguards Instruments.
19. “Safeguard Policies” means, the Operational Policies (OPs) and Bank Procedures (BPs) of the Bank, namely OP/BP 4.01 (Environmental Assessment), and OP/BP 4.11 (Physical Cultural Resources), found on <https://policies.worldbank.org>.
20. “Training” means Project related study tours, training courses, seminars, workshops and other training activities, including costs of training materials, space and equipment rental, travel, accommodation and per diem costs of trainees and trainers, trainers' fees, and other training related miscellaneous costs.
21. “Signature Date” means the later of the two dates on which the Borrower and the Bank signed this Agreement and such definition applies to all references to “the date of the Loan Agreement” in the General Conditions.