TERMS OF REFERENCE

LEGAL ASSESSMENT SERVICES FOR
THE REGIONAL ENVIRONMENTAL CENTER
FOR CENTRAL AND EASTERN EUROPE (REC)

Location: REC Headquarters, Szentendre, Hungary
Contract type: Short-term
Notice type: Invitation of offers
Issue date: 11 October 2019
Application deadline: 25 October 2019 at 17:00 CET

Background

On 15 March 2019, the Signatory Countries of the Charter of the REC (hereinafter: Signatories) decided by a two-thirds majority to dissolve the organisation. This implies the closure of the REC as an international body with headquarters in Hungary and 17 offices throughout its beneficiary region. It also implies the cancellation or transfer of all donor-financed programmes and projects, the balancing of the REC’s liabilities against assets, the termination of employment and other contracts, and the return of headquarter premises to the Hungarian state.

The various background documents concerning the REC and the dissolution process include:
- REC Charter and Bylaws;
- Agreement on Property Transfer and Use of 19 December 1995;
- Agreement on the Legal Status of the REC of 13 July 2011;
- Headquarters Agreement of 3 February 2014;
- Minutes of Meetings of the REC Board of Directors, held in 2017 and 2018;
- Minutes of Annual meetings of the REC General Assembly, held in 2017 and 2018;
- Minutes of Meetings of the Signatories, held in 2018 and 2019;
- Decision on the REC dissolution of March 2019 and related documents; and
- REC Dissolution Roadmap of July 2019.

As part of the dissolution process, a financial audit for both 2018 and 2019 (until the end date of the dissolution process) will be conducted. Relevant financial information pertaining to the period to be audited, as well as audit reports for previous years and other REC documents, will also be made available upon the appointment of the service provider and upon request.

Assignment Description

The assignment shall comprise the provision of the necessary legal services to support the orderly dissolution of the REC, in particular the categorisation and assessment of claims against the REC, the termination of any employee, supplier and donor contracts, as well as the termination of the 1995 Agreement on Property Transfer and Use, concerning the Headquarter premises in Szentendre.
Primarily, all such issues shall be considered in the light of, and managed in conformity with Hungarian law, unless other principles prevail, e.g. those provided in the 2014 Headquarters Agreement or the 2011 Agreement on the Legal Status of the REC.

The required legal services include a variety of tasks, primarily the formulation of recommendations for decisions or actions to be undertaken by the REC, any other entities, and/or its Signatories. The tasks include, but are not limited to:

Task 1. Review of the current status
- Assessing and reporting on whether all liabilities/claims against the REC and whether all REC’s assets have been considered and fully addressed by the dissolution process;
- Analysing the legitimacy and prioritisation of claims against the REC, including wage arrears, supplier arrears, debts to the bank, debts to foreign donors, etc.;
- Identifying and assessing any lack of compliance with contractual obligations or need for follow-up in agreement with donor entities;

Task 2. Provision of legal assistance to the REC in undertaking dissolution-related actions
- Assisting the REC in its negotiations concerning the return of the Szentendre-based Headquarters and compensation to the REC for value added to the property (in accordance with Article 9 of the 1995 Agreement on Property Transfer and Use);
- Giving recommendations on how the REC country offices can effectively be closed or transferred into/succeeded by new and independent legal entities, and how the debts within the REC network (i.e. between the headquarters and country offices) can be settled before each office’s closure or before its transfer into/succession by a new and independent legal entity;
- Analysing the legacy and copyright issues related to REC products and providing related recommendations;
- Assisting in the closure of REC’s bank accounts.

Deliverables

The Consultant is expected to prepare a Report detailing results of the activities performed, including recommendations for further actions, related to the tasks specified above. The Report shall include all relevant information supporting the recommendations and shall be composed of key findings from the current state assessed, the information and knowledge used, the results of the legal assessment, and the recommendations.

The Report shall be prepared in two steps:
- Task 1 Report (covering the activities pertaining to Task 1 only, as well as related recommendations), the draft of which shall be submitted before the end of Week 4 of the assignment;
- Full Report (covering all activities performed within the framework of the assignment and including all recommendations), the draft of which shall be submitted before the end of Week 6 of the assignment.

The following reporting requirements apply:
- The language of all documents is English;
- The Report shall be a narrative document that can be read in isolation and responds to the reporting requirements. All related tables and graphs can be presented as appendixes to the narrative Report;
- As part of the Task 1 Report, a short summary of the activities performed under this task, as well as related recommendations, shall be prepared;

- As part of the full Report, a 2-3 pages executive summary, including all recommendations, shall be prepared;

- The Consultant shall provide a bound hardcopy and a digital copy of the Report.

**Timelines for Review and Revision**

The REC Task Group, composed of REC's employees, experts nominated by Signatories and other experts as deemed necessary by the Task Group, shall review the draft Report, and submit observations to the Consultant within one (1) week of receipt.

The Consultant shall review the comments submitted by the REC Task Group and submit back the amended version of the Report that adequately addresses the observations within one (1) week of receipt of the observations from the REC Task Group. In the event that the REC Task Group considers that all observations have been appropriately addressed, the Report will be submitted to Signatories for their consideration and acceptance within two (2) weeks of receipt.

The sequence of steps described above, applies to both the Task 1 Report and the full Report.

**Handover of Data and Information**

The Consultant shall supply to the REC Task Group the documents, data, files and other relevant material with the reports (in both draft and final versions). Provision of the deliverables is a prerequisite for payment against relevant milestones, i.e. the acceptance of the Task 1 Report and the full Report, respectively.

All reports and deliverables, both draft and final, shall be supplied in editable digital format compatible with the Microsoft Office suite and also in Adobe Acrobat ‘pdf’ format.

**Timeframe**

Timewise, following the selection of the service provider, the assignment is expected to start immediately after the signing of the contract. The expected duration of the assignment is ten (10) weeks.

**Application**

The assignment will be accorded to a renowned Hungarian or international law firm with the necessary competence, experience, independence and capacity to professionally provide the requested services. The assignment shall be carried out in accordance with relevant Hungarian and international legal and ethical standards.

The assignment will be based on a fixed fee (EUR) contract, containing the most economically advantageous offer based on the best price/quality ratio.

Interested firms should submit their applications via e-mail to dbiro@rec.org until the closing date indicated at the beginning of this document.
The application should include:

- References of a comparable nature and scope from the last 5 years;
- The information about the applicant, provided by filling out the form given in the annex;
- The information on the number of experts foreseen to be engaged on the assignment;
- Financial offer.