AMENDMENT N° 3

2018.CE.16.BAT.080

to the Administration Agreement
for Part II Europe 2020 Programmatic
Single-Donor Trust Fund (No. TF072558)
(EC Contract No 2016.CE.16.BAT.010)

1. The European Union, represented by the EUROPEAN COMMISSION (the “Donor”), which is represented for the purposes of signing this amendment by Eric von Breska, Director, Directorate-General Regional and Urban Policy, Directorate Policy, of the one part, and

2. The INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (the “Bank”), represented for the purposes of the signature of this amendment by Arup Banerji, Regional Director, European Union Countries, on the other part.

Having regard to the above-mentioned Administration Agreement n° 2016CE16BAT010 signed on 29 February 2016 and last amended on 13/10/2017.

Whereas the Donor has informed the Bank of its intention to amend the above-mentioned Administration Agreement for the following reason: the need to include in the activities to be performed by the Bank three additional European Union Member States: Greece, Ireland and Italy, increasing the amount of the EU contribution and thus revising budget.

HAVE AGREED AS FOLLOWS:

Article 1 Paragraph 1 of the Administration Agreement is replaced by the following paragraph:

“1. The International Bank for Reconstruction and Development (the “Bank”) acknowledges that the European Commission (the “Donor”, and together with the Bank, the “Parties” and each a “Party”) agrees to provide the sum of four million and eight hundred and forty-five thousand Euro (€4,845,000) (the “Contribution”) for the Part II Europe 2020 Programmatic Single-Donor Trust Fund, (No. 072558) (the “Trust Fund”) in accordance with the terms of this Administration Agreement.

The estimated total budget of the Trust Fund is four million and eight hundred and forty-five thousand Euro (€4,845,000). The indicative budget set out in Annex 5 shall be used for monitoring purpose only and shall not be binding.
Article 2 Paragraph 2 of the Administration Agreement is replaced by the following Paragraph:

"2. The Contribution shall be used to finance the activities set forth in the “Part II Europe 2020 Programmatic Single-Donor Trust Fund Description” attached hereto as Annex 1, and shall be administered by the Bank on behalf of the Donor in accordance with the terms of this Administration Agreement, including the “Standard Provisions” attached hereto as Annex 2 and “Governance” attached hereto as Annex 3.

Expected results of the Trust Fund and corresponding indicators (including baselines, result goals and sources of data) are set out in Annex 4.

The Implementation period shall start on the date following that on which the last of the two parties signs.

Article 3 Paragraph 3 of the Administration Agreement is replaced by the following Paragraph:

"3. The Donor shall deposit the Contribution in accordance with the following schedule and in the currency specified in Section I above (“Contribution Currency”) into such bank account designated by the Bank (each amount deposited hereinafter referred to as an “Instalment”) upon submission of a payment request by the Bank:

(A) Promptly following countersignature – € 850,000,
(B) € 850,000 subject to the disbursement of 70% of the preceding instalment,
(C) € 1,275,000 subject to the disbursement of 70% of the preceding instalment,
(D) € 935,000 subject to the disbursement of 70% of the preceding instalment,
(E) € 935,000 subject to the disbursement of 70% of the preceding instalment.

The period for payment of further instalments shall be 60 days.
The period for payment of the balance shall be 90 days.”

Article 4

Section 2 of Annex 1 to the Administration Agreement is replaced by the following:

2. Activities

The sub-objectives and description of activities are:

2.1 The European Commission and the Bank share a common objective of building competitive and sustainable economies and reducing poverty and social exclusion—goals of the Europe 2020 Agenda, which is built on the three pillars of smart, sustainable and inclusive growth. The European Commission and the Bank concur that creating an enabling environment for private sector development is an important part of the competitiveness and growth agenda. The Directorate General for Regional and Urban Policy (DG REGIO) has requested the Bank's assistance in measuring the business environment for small and medium-size enterprises—the engines of job creation and economic development—at the regional level in 10 EU Member States, highlighting differences in regulation, gaps in the implementation of national laws and the efficiency of local public administrations. By following the diagnostic methodology used in the
cross-country Doing Business report and adapting it to the regional context, the activity's overall objective is to advance regulatory reforms at the regional level in the benchmarked EU Member States, promote peer to peer learning and convergence towards best regulatory practices, in order to foster the development of the private sector.

The activities (which may be described as "components" of activities) to be financed by the Trust Fund, in support of the sub-objectives cited in Section 2.1 above, are the following Bank-executed activities, for which the Bank has implementation responsibility:

(i) **Carry out micro-level data collection and indicator production (including rankings) on five (5) subnational Doing Business indicator datasets.** Specific activities include:
   (a) standardized data collection in 71 cities representing all NUTS-2 (Nomenclature of Territorial Units for Statistics) regional administrative divisions from 10 EU Member States: Bulgaria, Croatia, Czech Republic, Greece, Hungary, Ireland, Italy, Portugal, Romania and Slovakia; (b) production of 5 indicator datasets for each location: starting a business, dealing with construction permits, getting electricity, registering property, and enforcing contracts; (c) identification of good practices and regulatory bottlenecks; (d) assessment of performance of each benchmarked location.

(ii) **Carry out consultations with government authorities at the local and national level in the 10 EU Member States to invite them to participate in key stages of the project implementation.** The Bank will reach out to national and local government authorities to invite them to participate to workshops where the methodology will be presented. The authorities will also be invited by the Bank to review and comment on the preliminary data. Consultations will be held subject to authorities agreeing to participate.

(iii) **Preparation and publication of report/s based on the data collected, verified and finalized, outlining the performance of each location on the five areas of regulation utilizing the subnational Doing Business indicators and providing local and international good practice examples and recommendations for reform on each said area of regulation.**

(iv) **Dissemination of results.** In order to bring the benchmarking exercise into the public realm and start the reform dialogue, the findings will be presented in a high-level conference with participation of national and local policy makers, development partners, academia, private sector stakeholders and the media. In order to increase impact and reach, the main findings will be translated in the languages of 10 EU Member States (with Ireland using the English version). A media strategy will be developed and the report/s and detailed indicator data will be made available on the World Bank Group Doing Business website.

**Methodology:** Three rounds of measurement will be undertaken, each covering locations from 3 or 4 EU Member States. The sequencing will be determined at the start of the activities and there will be a round of measurement per [calendar] year.
Indicative outputs and timeline (for each round of measurement)

<table>
<thead>
<tr>
<th>Activity</th>
<th>Timeline for each round</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project preparation &amp; kick of meetings</td>
<td>Months 1-3 (from the date of signature of this Administration Agreement for the 1st round)</td>
</tr>
<tr>
<td>Data collection &amp; analysis</td>
<td>Months 4-8 following signing of this Agreement</td>
</tr>
<tr>
<td>Preliminary data shared with stakeholders</td>
<td>Months 9-10 following signing of this Agreement</td>
</tr>
<tr>
<td>Preparation of the report</td>
<td>Months 11-14 following signing of this Agreement</td>
</tr>
<tr>
<td>Report launch event &amp; results dissemination</td>
<td>Months 15-17 following signing of this Agreement</td>
</tr>
</tbody>
</table>

**Article 5**

Section 6.1 of the Annex 2 to the Administration Agreement is replaced by the following:

"It is expected that the funds deposited in the Trust Fund will be fully disbursed by the Bank by April 30, 2020 (the “End Disbursement Date”). The Bank shall only disburse funds deposited in the Trust Fund for the purposes of this Administration Agreement (other than returns to Donor) after such date to the extent such date is changed in accordance with amendments made to the Administration Agreement(s) of the Donor. Following the End Disbursement Date, the Bank shall return any remaining balance of the Trust Fund to the Donor in the Holding Currency in the manner specified in its respective Administration Agreement on a pro rata basis with regard to the total funds deposited in the Trust Fund by such Donor relative to the total funds deposited in the Trust Fund by the Donor, all calculated as Holding Currency amounts.

**Article 6**

Annex 5 'Indicative Budget' to the Administration Agreement is replaced by the Annex attached to this amendment.

**Article 7**

All other terms and conditions of the Agreement, except as amended herein, remain unchanged.
Article 8

The present amendment shall form an integral part of the Administration Agreement. It shall enter into force on the date on which it is signed by the last party.

SIGNATURES

For the Bank,
Arup Banerji
Regional Director
European Union

Signature:

Date: Oct 04, 2018

In duplicate in English.

For the Donor,
Eric von Breska
Director
DG REGIO

Signature:

Date: 10.10.2018
## ANNEX 5

### INDICATIVE BUDGET

**FOR THE ACTIVITIES SET FORTH IN ANNEX 1 TO THIS ADMINISTRATION AGREEMENT**

<table>
<thead>
<tr>
<th>Expenditure Category</th>
<th>Amount in Euro</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staff and individual consultant services</td>
<td>2,920,000</td>
</tr>
<tr>
<td>Cost of travel</td>
<td>520,000</td>
</tr>
<tr>
<td>Cost of training and workshop</td>
<td>421,500</td>
</tr>
<tr>
<td>Other services including translation</td>
<td>741,250</td>
</tr>
<tr>
<td><strong>Sub-total including translation</strong></td>
<td><strong>4,602,750</strong></td>
</tr>
<tr>
<td>Administration fee (5%)</td>
<td>242,250</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>4,845,000</strong></td>
</tr>
</tbody>
</table>

The amount estimated for personnel is calculated taking into account different levels of expertise estimated to be required for carrying out the activities described in Annex 1. The World Bank Group entity may transfer amounts between categories of the indicative budget. This does not require an amendment of the Administration Agreement if the Action is carried out as described in the Annex 1.