OFFICIAL DOCUMENTS

Administration Agreement between the European Commission and the International Bank for Reconstruction and Development concerning the Part II Europe 2020 Programmatic Single-Donor Trust Fund

Trust Fund (No TF072987) - (EC Contract No SRSS/S2018/007)

This Administration Agreement is concluded under Direct Management in the context of the Framework Agreement between the World Bank Group and the European Commission dated April 15, 2016 (the Framework Agreement), which sets the general conditions for this Agreement. The Framework Agreement shall be applicable and form an integral part of the Administration Agreement for the Trust Fund.

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 seventy thousand euros (€70,000) (the "Contribution") for the Part II Europe 2020 Programmatic Single-Donor Trust Fund, No. TF072987 (the "Trust Fund") in accordance with the terms of this Administration Agreement.

The estimated total budget of the Trust Fund is seventy thousand euros (€70,000). The indicative budget set out in Annex 5 shall be used for monitoring purposes only and shall not be binding.

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.

3. The Donor shall deposit the Contribution in accordance with the following schedule and in the currency specified in Section 1 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 €35,000.
(B) €35,000 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 60 days.

4. When making any deposit, the Donor shall instruct its bank to include in its deposit details information (remittance advice) field of its SWIFT deposit message, information indicating: the amount deposited, that the deposit is made by the Donor for TF072987 (The Part II Europe 2020 Programmatic Single-Donor Trust Fund), the Commission internal reference number and the date of the Administration Agreement, the name of the project for which the funds are intended, the name of the Commission department responsible for the Trust Fund and the date of the deposit (the "Deposit Instructions"). In addition, the Donor shall provide a copy of the Deposit Instructions to the Bank’s Accounting Trust Funds Division by e-mail sent to tfremitadvice@worldbank.org or by fax sent to +1 (202) 614-1315.

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5. Except with respect to the Deposit Instructions, any notice, request or other communication to be given or made under this Administration Agreement shall be in writing and delivered by mail, fax or e-mail to the respective Party's address specified below or at such other address as such Party notifies in writing to the other Party from time to time:

For the Bank (the “Bank Contact”):

Arup Banerji  
*Regional Director*  
Europe and Central Asia Region  
World Bank Group  
Tel: +32-2-504-0994  
Abanerji@worldbank.org

For the Donor (the “Donor Contact”):

Mary McCarthy,  
Director,  
Structural Reform Support Service,  
CHAR 10/104, 1049 Brussels  
Tel: +32 229-93493  
Mary.Mccarthy@ec.europa.eu

6. In the event that any amounts are to be returned to the Donor under this Administration Agreement, the Bank shall transfer such amounts to the Donor, unless otherwise agreed with the Bank.

7. All annexes hereto and the Framework Agreement between the World Bank Group and the European Commission constitute an integral part of this Administration Agreement, whose terms taken together shall constitute the entire agreement and understanding between the Donor and the Bank. In the event of any inconsistency, the Framework Agreement prevails over the Administration Agreement and the Administration Agreement prevails over its Annexes. Unless otherwise specified in an annex hereto, this Administration Agreement may be amended only by written amendment between the Bank and the Donor.

8. The measures taken to identify the EU as a source of financing shall be in accordance with Attachment 4 of the Framework Agreement.

9. Each of the Parties represents, by confirming its agreement below, that it is authorized to enter into this Administration Agreement and act in accordance with these terms and conditions. The Parties are requested to sign and date this Administration Agreement, and upon possession by the Bank of this fully signed Administration Agreement, this Administration Agreement shall become effective as of the date of the last signature.
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By: [Signature]
Name: Arak Bakkerji
Title: Regional Director
Date: February 6, 2018

EUROPEAN UNION represented by the EUROPEAN COMMISSION

By: [Signature]
Name: Mary McCarthy
Title: Director
Date: 14 Feb. 2018

[European Commission Logo]
ANNEX 1

Part II Europe 2020 Programmatic Single-Donor Trust Fund Description

This Annex shall be applicable to and form an integral part of the Administration Agreement for the Trust Fund between the Bank and the Donor.

1. TF Objectives

The objectives of the Trust Fund are:

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 three pillars of smart, sustainable and inclusive growth. The European Commission and the Bank concur that direct interaction is beneficial to both institutions and through them to the beneficiary countries. This applies particularly to the provision of analytical, advisory and knowledge services and technical assistance.

The European Commission has expressed an interest in ensuring that the Bank continues to provide technical assistance in the framework of the Trust Fund in furtherance of the common objective set forth above.

2. Activities:

The Czech Ministry of Finance (MoF) is leading efforts to develop a domestic capital market based on a strong and independent analytical framework. In a first stage, the MoF requested funding from the European Commission to finance a Bank assessment of the country’s capital market, including recommendations for the short, medium and long term. The assessment was delivered by the Bank to the MoF in July 2017.

Capital markets cut across all segments of the financial sector (banks, pension funds, insurance companies, investment funds, investment firms, investment advisors, leasing companies, factoring companies, investment crowdfunding, business angels, venture capital funds, private equity funds, etc.). These investment actors are engaged in complementary and connected activities and markets. Thus, developing domestic capital markets requires taking a deeper dive into the current activities at the early stage, especially those of the business angels active in the Czech Republic, and identifying gaps and potentials in the local risk finance environment.

The MoF is aiming at improving access to risk financing, namely angel investing and venture capital (VC), as part of a larger strategy to strengthen domestic capital markets and stimulate economic growth. Innovative and high-growth ventures face difficulties in accessing early stage and growth capital from traditional sources, such as banks, because they lack collateral and historical financial statements, and therefore present higher risk than regular enterprises. Additionally, the official stock market is not an option for raising finances (their shares/bonds would be illiquid because of the size of issuance). Consequently, private equity, venture capital, angel investments, and investment crowdfunding platforms constitute important financing alternatives especially during the growth stages of a venture. The lack of alternative and risk financing activities in any given market could be explained by (i) the absence or low capacity of angels, VCs, and crowdfunding platforms; (ii) weak incentive structures and/or regulatory conditions for equity investment activities; (iii) lack of exit
markets; (iv) or most importantly, the lack of deal flow of investable ventures that demonstrate capacity to growth and capture markets.

The Bank will carry out a diagnostic analysis to review these factors and provide relevant policy recommendations based on European and international good practices.

The diagnosis will capture the current state of angel investment activities in the wider context of the local entrepreneurial ecosystem, identify gaps and potentials, and offer relevant policy recommendations for increasing risk and equity investment activity in the Czech Republic. The finding of the study will feed into and complement other national and European efforts in this regards, such as the Czech Republic National Strategy (Koncepce), which may address issues related to angel investment in the country. The findings will also inform the disbursements of funds from The National Innovative Fund in 2017 before the 2020 close date, through leveraging the mapped angel investment activities to potentially access early stage investment opportunities. Finally, the report will contribute to the ongoing discussion led by European Commission on an appropriate tax incentives scheme for business angels and venture capital.

The Czech Republic has requested support from the European Commission under Regulation 2017/825 on the establishment of the Structural Reform Support Programme ("SRSP Regulation"). The request has been analysed by the European Commission in accordance with the criteria and principles referred to in Article 7(2) of the SRSP Regulation. As a follow up, the European Commission has agreed to support the provision of technical assistance to be provided by the Bank to the Czech Republic to assess the business angel activities in the country with the objective of activating the risk finance sector and help the Czech government in its efforts to develop the local capital markets.

Accordingly, the Bank will prepare a business angel activity diagnostic report which will include the following components:

1. **Current state assessment and mapping of the existing angel activity.** The assessment will provide a comprehensive overview of the key actors, networks, and activities in the angel, venture capital (VC), and investment crowdfunding areas based on desk research and existing data, benchmarking analysis, and qualitative interviews. The mapping exercise will include local and international angels, VCs, and crowdfunding platforms active in the local market. The assessment will then cover the “demand side” for risk capital financing include specific focus on firms’ dynamism and innovative capacity, business research and development (R&D) performance, R&D intensity of small and medium enterprises (SMEs), and entrepreneurial infrastructure support. This data will help benchmark the Czech capital market vis-à-vis the relevant European countries. This component will also provide a logical framework for analysis based on the available literature and present the economic justification for public intervention in the area of early stage risk financing.

2. **Identification of funding gaps along the early stage of the venture lifecycle with particular focus on angel investment activities.** The analysis will cover venture capital, investment crowdfunding, and consider traditional and alternative investing structures, in particular, non-equity structures.
3. **Identification of potentials and impediments to the development of an active risk finance environment.** The analysis will consider both supply and demand factors such as the realities of investment deal flows (quality and investment readiness of firms), exit market opportunities, capacity of existing angels, and local regulatory/legal framework conditions.

4. **Policy recommendations** related to improving the investment readiness of growth potential firms, tax incentives and non-financial (indirect) support instruments for risk and equity investors, and promotional activities relevant to local market conditions and in line with European Commission efforts to promote risk financing activities. The policy recommendations will be accompanied with a proposed action plan to suggest appropriate sequencing of interventions and reforms.

Subsequent to the components above, the diagnosis will take into account some key considerations, such as (but not limited to):

- **Making Angels visible.** Angel investment activities are generally hidden and not published publicly. Efforts to form a roster of angel investors active in the Czech Republic will be inherently challenging. A number of developed countries have regulations requiring angel investors to have minimum criterion, which does not include registration on a database, per se. As a result, even where data is available this relates to the "visible" angel market which is generally considered to be only a portion of the total angel market. The analysis will consider the potential contribution of tax incentives and/or co-investment funds to making a higher proportion of angel investors active in the Czech Republic visible.

- **Facilitating connectivity between angel investors and entrepreneurs.** Business angels, as private individuals, usually, do not wish to be inundated by inappropriate and unwanted requests for funding. Business angel networks can act as an initial filter, so that the angels themselves are largely protected from direct contact by founders. There is also a need to build capacity at the entrepreneurs' and support intermediary organizations (including Universities, technology transfer officers, accelerators, and incubator managers) to improve the investment readiness of ventures. This is crucial to improve the deal flow or else it will be perceived to be poor, simply because the wrong deals are being presented. High net worth individuals whose interest has been stimulated in angel investing will either invest overseas or cease investing altogether.

- **Co-investment funds and tax incentives.** The policy recommendations of the report will consider design issues to ensure that the incentive schemes recommended are appropriate for the local environment. Several countries attempted to copy inappropriate co-investment models, in particular adapting models from highly-developed and active markets with varying degrees of success. Co-investment funds may be ineffective if the local investors community lacks the skills or knowledge as to how to source and conduct angel investment deals. Angel co-investment funds may not function solely as a form of financial support, but may serve to address weaknesses in the entrepreneurial ecosystem by developing the technical ability of local angels and, or increasing public awareness of angels. Additionally, tax incentives can, in certain markets, produce unanticipated market distortions. It is necessary to ensure that policies do not inadvertently discourage cooperation between the different funding sources, for example between angel investors and venture capital funds, and support the formation of a funding ladder of follow on funding for growing and scaling of ventures.

- **Promoting Angel investing.** Angel investing is usually carried out by individuals who not only have the ability to add value to the investments through their personal knowledge
experience and networks, but are financially capable of absorbing a total loss. Recent data from the Angel Resource Institute in the US (2016) suggests that 70% of all angel investments fail to return any capital to the investors and 85% of all financial returns come from just 10% of all exits. Therefore, promotional activities and effort to recruit new angel investors should target appropriate population segment. It is also important that those high net worth individuals and soon-to-be-angels receive the appropriate training and guidance as to how to invest in a structured and effective way (through networks and syndicates) to minimize their losses, and maximize the success chances of the entrepreneurs.

Methodology

The Bank will collect information through background and desk research, existing and public data, benchmarking, and qualitative interviews with the main public and private stakeholders in the entrepreneurial ecosystem. Due to the nature of BA activities, the Bank will not be able to capture a representative sample of the population of angel investors, but rather collect qualitative data that could help identify market failures in the risk finance ecosystem. The Bank will work with the counterpart and the ecosystem stakeholders, especially entrepreneurs/firms, intermediaries and active investors on identifying (potential) angels and expanding the sample through snowballing. Some of the key stakeholders to be consulted and interviewed include business angels and venture funds active in the Czech Republic, Czech entrepreneurs and innovative firms, the Czech Ministry of Industry, Czech National Innovative Fund, Czech Invest, Czech-Moravian Development Bank as well as networks, business associations, universities and technology transfer offices, intermediaries and entrepreneurship support organizations (accelerators, incubators, etc.). The Bank will develop a standard interview protocol for collecting data consistently from the different stakeholders.

The findings from the analysis and the subsequent policy recommendations will be captured in a final report that will be delivered to the MoF. In addition to the report, the Bank will deliver a summary of the findings and the proposed policies and programs in a presentation to the MoF and other stakeholders.

4. Indicative Timeline

<table>
<thead>
<tr>
<th>Milestones and Deliverables</th>
<th>Delivered by</th>
</tr>
</thead>
<tbody>
<tr>
<td>First Bank mission to Prague: Kick off meetings with counterpart and key stakeholders</td>
<td>March 2018</td>
</tr>
<tr>
<td>Second Bank mission to Prague: additional meetings with ecosystem stakeholders for data collection and validation</td>
<td>April 2018</td>
</tr>
<tr>
<td>Delivery of first draft of report to MoF</td>
<td>May 2018</td>
</tr>
<tr>
<td>Final delivery of report to MoF</td>
<td>June 2018</td>
</tr>
</tbody>
</table>

3. **Eligible Expenditures**

3.1 For Bank-executed activities, the Trust Fund funds may be used to finance:

(a) Staff and consultant services;
(b) Cost of travel;
(c) Cost of training and workshop; and
(d) Other services including translation.

4. **Taxes**

4.1 The foregoing activities and categories of expenditures may include the financing of taxes in accordance with the Bank’s applicable policies and procedures.

5. **Program Criteria**

5.1 Activities are to be financed in accordance with the following program criteria:

The Trust Fund is established to enable the European Commission and the Bank to continue to collaborate and exchange experience and expertise on a number of themes under all three pillars of the Europe 2020 Agenda – of smart, sustainable and inclusive growth. The express purpose of this Trust Fund is to allow the European Commission to avail itself of the Bank’s technical assistance and analytical and policy capacity for the purpose of pursuing the goals of Europe 2020. The three pillars of Europe 2020 are broadly in line with the objectives and strategies adopted in the Europe and Central Asia Region of the World Bank Group. All activities that are in pursuance of these three pillars are eligible to be financed and implemented under this Trust Fund.
ANNEX 2

STANDARD PROVISIONS

This Annex shall be applicable to and form an integral part of the Administration Agreement for the Trust Fund between the Bank and the Donor.

1. **Administration of the Contributions**

1.1 The Bank shall be responsible only for performing those functions specifically set forth in this Administration Agreement and shall not be subject to any other duties or responsibilities to the Donor, including, without limitation, any duties or obligations that might otherwise apply to a fiduciary or trustee under general principles of trust or fiduciary law. Nothing in this Administration Agreement shall be considered a waiver of any privileges or immunities of the Bank under its Articles of Agreement or any applicable law, all of which are expressly reserved.

1.2 The Donor’s Contribution shall be administered in accordance with the Bank’s applicable policies and procedures, as the same may be amended from time to time, including its procurement, financial management, disbursement and safeguard policies, its framework to prevent and combat fraud and corruption and its screening procedures to prevent the use of Bank resources to finance terrorist activity, in line with the Bank’s obligations to give effect to the relevant decisions of the Security Council taken under Chapter VII of the of Charter of the United Nations. The Donor acknowledges that this provision does not create any obligations of the Bank under the anti-terrorist financing and asset control laws, regulations, rules and executive orders of an individual member country that may apply to the Donor.

2. **Management of the Contributions**

2.1 The funds deposited in the Trust Fund shall be accounted for as a single trust fund and shall be kept separate and apart from the funds of the Bank. The funds deposited in the Trust Fund may be commingled with other trust fund assets maintained by the Bank. The Bank, in its capacity as trustee, has legal title to the funds deposited in the Trust Fund.

2.2 The currency in which the funds in the Trust Fund shall be held is Euro (the “Holding Currency”).

2.3 The Donor agrees to deposit its Contributions in the Contribution Currency stated in the Administration Agreements. In the case of deposits received in a Contribution Currency other than the Holding Currency, promptly upon the receipt of such amounts and the accompanying Deposit Instructions, the Bank shall convert such amounts into the Holding Currency at the exchange rate obtained by the Bank on the date of the conversion. Where deposits prove to be insufficient to complete activities as a result of exchange rate fluctuations, neither the Bank nor the Donor shall bear any responsibility for providing any additional financing.

2.4 The funds deposited in the Trust Fund may be freely exchanged by the Bank into other currencies as may facilitate their disbursement at the exchange rate obtained by the Bank on the date of the conversion.

2.5 The Bank shall invest and reinvest the funds deposited in the Trust Fund pending their disbursement in accordance with the Bank’s applicable policies and procedures for the investment of trust funds administered by the Bank. The Bank shall transfer all income from such investment to the Donor’s applicable donor balance account with the Bank.
3. **Trust Fund Fees and Costs**

3.1 The Bank shall deduct and retain for its own account, as a deduction from each Instalment, an amount equal to five percent (5%) per Instalment as an administrative fee for the Trust Fund.

3.2 The Donor acknowledges and agrees that the percentage deductions for fees in this Trust Fund Fees and Costs section are estimated on the basis of anticipated Contributions. If actual Contributions significantly differ from what was originally anticipated at the time of signature of the first Administration Agreement, or if other circumstances affecting Trust Fund fees or costs change, the Bank reserves the right to request a change to the terms of this Trust Fund Fees and Costs section, which would be effected by amendments made to the Administration Agreements of the Donor and which would thereafter be applicable to all new Contributions that are provided either as amendments to supplement existing Administration Agreements or from new Administration Agreements.

4. **Accounting and Financial Reporting**

4.1 The Bank shall maintain separate records and ledger accounts in respect of the funds deposited in the Trust Fund and disbursements made therefrom.

4.2 The Bank shall furnish to the Donor current financial information relating to receipts, disbursements and fund balance in the Holding Currency with respect to the Contributions via the World Bank’s Trust Funds Development Partner Center secure website. Within six (6) months after all commitments and liabilities under the Trust Fund have been satisfied and the Trust Fund has been closed, the final financial information relating to receipts, disbursements and fund balance in the Holding Currency with respect to the Contributions shall be made available to the Donor via the World Bank’s Trust Funds Development Partner Center secure website.

4.3 The Bank shall provide to the Donor via the World Bank’s Trust Fund Development Partner Center secure website, within six (6) months following the end of each Bank fiscal year, an annual single audit report, comprising (i) a management assertion together with an attestation from the Bank’s external auditors concerning the adequacy of internal control over cash-based financial reporting for all cash-based trust funds as a whole; and (ii) a combined financial statement for all cash-based trust funds together with the Bank’s external auditor’s opinion thereon. The cost of the single audit shall be borne by the Bank.

4.4 If the Donor wishes to request, on an exceptional basis, a financial statement audit by the Bank’s external auditors of the Trust Fund, the Donor and the Bank shall first consult as to whether such an external audit is necessary. The Bank and the Donor shall agree on the appropriate scope and terms of reference of such audit. Following agreement on the scope and terms of reference, the Bank shall arrange for such external audit. The costs of any such audit, including the internal costs of the Bank with respect to such audit, shall be borne by the requesting Donor.

5. **Progress Reporting**

5.1 The Bank shall provide the Donor with quarterly reports on the progress of activities financed by the Contributions. Within six (6) months of the End Disbursement Date (as defined below), the Bank shall furnish to the Donor a final report on the activities financed by the Trust Fund.

5.2 The Donor may review or evaluate activities financed by the Trust Fund at any time up to six (6) months following the End Disbursement Date. The Donor and the Bank shall agree on the scope and conduct of such review or evaluation, and the Bank shall provide all relevant information within the limits of the Bank’s applicable policies and procedures. All associated costs, including any costs incurred by the Bank, shall be borne by the Donor. It is understood that any such review or evaluation will not constitute a financial, compliance or other audit of the Trust Fund.
6. **Disbursement; Cancellation; Refund**

6.1 It is expected that the funds deposited in the Trust Fund will be fully disbursed by the Bank by December 31, 2018 (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.

6.2 The Donor may cancel all or part of such Donor’s pro rata share/contribution, and the Bank may cancel all or any Donor’s pro rata share/contribution, upon three (3) months’ prior written notice, of any Contributions (paid and not yet paid) that are not committed pursuant to any agreements entered into between the Bank and any consultants and/or other third parties for the purposes of this Administration Agreement, including any Grant Agreements, prior to the receipt of such notice. In the event of a cancellation, the Bank shall return to the Donor its pro rata share in the Holding Currency as specified in the Administration Agreement unless otherwise agreed between the Bank and the Donor.

7. **Disclosure; Dispute Resolution**

7.1 The Bank shall disclose the Administration Agreements and related information on this Trust Fund in accordance with the Bank’s Policy on Access to Information. By entering into Administration Agreements, the Donor consents to such disclosure of their respective Administration Agreements and such related information.

7.2 The Donor and the Bank shall use their best efforts to amicably settle any dispute, controversy, or claim arising out of or relating to the Administration Agreements.
GOVERNANCE FOR THE ACTIVITIES SET FORTH IN SECTION 2 OF ANNEX 1 TO THIS ADMINISTRATION AGREEMENT

This Annex shall be applicable to and form an integral part of all Administration Agreements between the Bank and the Donor.

Working Modalities

The Bank shall be in charge of the implementation of the activities and shall consult with the Structural Reform Support Service (SRSS) regularly.

The SRSS shall take all appropriate measures to facilitate the Bank work in the performance of the activities, including, as needed, facilitating contacts with Czech authorities.

The activities shall be undertaken in close collaboration with the SRSS and the Ministry of Finance of the Czech Republic.

In order to facilitate the implementation of the project, the SRSS shall be responsible for involving other EU Commission services, where appropriate. The SRSS shall also provide support to ensuring the appropriate involvement of the Czech authorities for the smooth execution of the activities by the Bank. The SRSS, when legally possible, shall provide the Bank with relevant documents, reports and findings, resulting from other technical assistance work streams the SRSS is or has been involved in.

The Bank and SRSS shall have regular exchanges on the progress of the project, at least on the quarterly basis, on the work plan or schedule of project activities for the following month(s) including missions. A Representative of the SRSS shall be invited to attend all missions and all pertinent events or activities. To facilitate the organization and efficiency of such missions, events and activities, the Bank shall share with the SRSS in a timely manner the relevant documents.

Priorities and choices to be made in the planning of the activities shall be discussed and consulted between the Bank and the SRSS.

It is expected that the Head of the Capital Market Unit, under the Financial Markets II Department of the MoF of the Czech Republic shall be the national contact point for the activities, and shall coordinate the necessary mechanisms within the MoF, the risk investment sector, and other national stakeholders. To this end, the MoF will establish a Project Management Team, composed of relevant MoF staff.

It is expected that the Bank shall consult and cooperate with the Project Management Team at all major stages of the activities to be implemented. It is expected that the MoF shall provide input for the analysis of the Bank, comment on the work plan of the project, review draft outputs and provide detailed comments.

It is expected that the material output produced under the activity shall be delivered by the Bank to the MoF and the SRSS directly. The Bank shall share with the SRSS draft outputs. The SRSS may provide comments that the Bank may take into account. The Bank shall inform the SRSS of those cases where the SRSS feedback was not taking into consideration. The MoF will be solely responsible for the implementation of the recommendations in the report. It is expected that MoF, SRSS and Bank will consult each other prior to the publication of the final report endorsed by the MoF.

The Bank shall notify the SRSS without delay on any circumstances likely to adversely affect the implementation and management of the activities or to significantly delay or jeopardize the performance of the activities or the expected outputs and outcomes.
The Bank shall carry out the visibility activities agreed between the Bank and the SRSS in the Visibility Note, as may be updated from time to time by the parties, in line with Article 9 and Attachment 4 of the Framework Agreement.

Bank team composition:

The Bank shall, in its sole discretion, determine the composition of the staff (including staff holding consultant appointments) assigned to perform the activities under this Agreement. The Bank team will be managed by a Bank Task Team Leader with relevant experience, drawing on the expertise of the World Bank Group staff with extensive experience on risk investment market development in EU Member States and other advanced jurisdictions. The Bank team will include the following competencies:

- In-depth knowledge of Europe's risk investment markets and the EU regulatory framework for risk financial services.
- Ability to assess the status of angel and other risk investment activities and propose recommendations for further development in the EU context.
- Ability to produce high-quality written outputs
- Project management, economic, and other skills that will be considered necessary for the execution of the activities.
## INDICATIVE RESULTS INDICATORS FOR THE ANNEX 1 ACTIVITIES

<table>
<thead>
<tr>
<th>Expected Results (logic of intervention)</th>
<th>Indicators</th>
<th>Baseline</th>
<th>Result goals</th>
<th>Sources of Data</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Impact</strong></td>
<td>Improved understanding of the current state of the angel and risk investment in the Czech Republic and impediments for further development</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Outcome (s)</strong></td>
<td>Assessment of the current state of the angel and risk investment activities and identification of obstacles and challenges for its development.</td>
<td>MoF does not currently have an independent assessment of the angel and risk investment activities.</td>
<td>Assessment is completed and delivered.</td>
<td>MoF, risk investors, entrepreneurial ecosystem stakeholders, related EU regulations.</td>
<td>Active engagement of MoF in providing information and feedback.</td>
</tr>
<tr>
<td>Identification of obstacles and challenges for further development of the Czech risk investment market</td>
<td>Based on the outcome outlined above, elaboration of recommendations for further development of the angel and risk investment market.</td>
<td>MoF does not currently have recommendations for further development of the Czech angel and risk investment based on an independent assessment</td>
<td>Recommendations for the short, medium and long term are completed and delivered</td>
<td>MoF, risk investors, entrepreneurial ecosystem stakeholders, related EU regulation.</td>
<td>Active engagement of MoF in providing information and feedback</td>
</tr>
<tr>
<td><strong>Output (s)</strong></td>
<td>Draft report on the status of the angel and risk investment identification of obstacles/challenges and proposed recommendations for its further development is prepared.</td>
<td>MoF does not currently have an independent diagnostic report.</td>
<td>Draft diagnostic report, including proposed recommendations, is delivered to MoF.</td>
<td>MoF, risk investors, entrepreneurial ecosystem stakeholders, related EU regulation</td>
<td>Active engagement of MoF and other stakeholders in providing information required for preparing the report.</td>
</tr>
<tr>
<td>Expected Results (logic of intervention)</td>
<td>Indicators</td>
<td>Baseline</td>
<td>Result goals</td>
<td>Sources of Data</td>
<td>Assumptions</td>
</tr>
<tr>
<td>-----------------------------------------</td>
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</tr>
<tr>
<td>Final draft of the diagnostic report of the angel and risk investment market in the Czech Republic and recommendations for further development</td>
<td>Final report on the status of the angel and risk investment market, identification of obstacles/challenges and final recommendations for its further development is prepared, incorporating comments and feedback from MoF and other stakeholders.</td>
<td>MoF does not currently have an independent diagnostic report.</td>
<td>Final diagnostic report, including final recommendations, is delivered to MoF.</td>
<td>MoF, risk investors, entrepreneurial ecosystem stakeholders, related EU regulation.</td>
<td>Active engagement of MoF and other stakeholders in providing information required for preparing the report.</td>
</tr>
</tbody>
</table>
ANNEX 5

INDICATIVE BUDGET
FOR THE ANNEX 1 ACTIVITIES

<table>
<thead>
<tr>
<th>Expenditure Category</th>
<th>Average Number</th>
<th>Amount in Euro</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staff and consultant services</td>
<td>3</td>
<td>46,500</td>
</tr>
<tr>
<td>Cost of travel</td>
<td>2</td>
<td>20,000</td>
</tr>
<tr>
<td>Training and workshops</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Other services including translation</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td><strong>Sub-total</strong></td>
<td></td>
<td><strong>66,500</strong></td>
</tr>
<tr>
<td>Administration fee (5%)</td>
<td></td>
<td><strong>3,500</strong></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>70,000</strong></td>
</tr>
</tbody>
</table>

The WBG Team will consist of WB staff members and consultants with different levels of seniority and expertise. WBG staff assigned to this project is part of Eastern Europe’s private sector development team, and has worked in comparable countries including Serbia, Romania, Ukraine, and Poland. Estimated staff costs amount to EUR 46,500, which include staff time allocated for project management, dialogue with the beneficiary and technical delivery of the outputs. 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.

In addition, the WBG Team plans to hire a senior consultant with extensive experience in the field of business angel investment to assist in the delivery of the activity. The consultant will be hired for a total number of 25 days at an estimated daily rate of EUR 800 a day. An additional mid-level consultant will be hired locally to help in data collection, analysis, and mission preparation for a total number of 30 days at an estimated daily rate of EUR 300 a day.

The WBG team will travel to Prague on two different occasions to meet with the government counterpart and the ecosystem stakeholders for data collection and validation. Composition of each mission team will be discussed at a later stage. The staff member will travel from the United States at an estimated airfare of EUR 3,000 per ticket. The other senior consultant team members will travel from Europe at an estimated airfare of EUR 500. Estimated total number of days spent in Czech Republic is 15 days per team member, at a daily rate of EUR 200 (including hotel and expenses).

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 Annex I – Trust Fund description.

The number of units and amounts indicated in the budget are not binding and reflect the means envisaged for the implementation of the Action. The number of units indicated in the estimated initial budget may not be used to question the actual number of units reported during and at the end of action.
Visibility note applicable to the Analysis of Business Angels active in the Czech Republic (Trust Fund)

I- Title of the Administrative Agreement

Administration Agreement between the European Commission and the International Bank for Reconstruction and Development concerning the Part II Europe 2020 Programmatic Single-Donor Trust Fund

II- Objective

In accordance with article 9 and Attachment 4 of the Framework Agreement between the European Commission (the Commission) and the World Bank (the Bank), this note defines the visibility activities to be financed by the Bank in order to identify and explain the European Union's support for the activities of the Trust Fund (No TF072987) (EC Contract No EC Contract No SRSS/S2018/007) fully funded by the Commission.

III- Activities

- All press releases, publications, social media channels (inter alia Facebook, Twitter, Instagram), training programs, seminars or symposia or other public information materials issued shall clearly indicate that the activities have been funded by 'the European Union via the Structural Reform Support Service of the Commission'.

- Periodic and final reporting as per Article 5 of the Framework Agreement will identify the European Union as the source of financing of the Action.

- The Bank should ensure appropriate acknowledgment on any deliverable (periodic or final), funded by the European Union funds. This acknowledgment should include prominently displaying the EU logo.

- Whenever possible and appropriate, joint press releases and joint media activities should be undertaken to promote the partnership and to highlight common achievements. The Bank and the Commission shall invite each other to participate at press conferences, donor conferences and public debates on trust funds where the European Union is a significant contributor.

- Where high level visits are planned concerning joint funded activities, the Parties will inform each other and consider co-ordinating these visits and agreeing on joint messages.

- In all their common actions, the Commission and the Bank will use a common visual identity to put emphasis on their partnership.