This Administration Agreement is concluded under Indirect Management in the context of the Framework Agreement between the World Bank Group and the European Commission which sets the general conditions for this Administration Agreement. The Framework Agreement shall be applicable and form an integral part of this 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 eighteen million Euros (EUR 18,000,000) (the “Contribution”) for the Local and Regional Competitiveness Project Single-Donor Trust Fund No. TF072508 (the “EU Local and Regional Competitiveness Trust Fund”) in accordance with the terms of this Administration Agreement.

The estimated total budget of the EU Local and Regional Competitiveness Trust Fund is eighteen million Euros (EUR 18,000,000). The indicative budget set out in Annex 5 shall be used for monitoring purpose only and shall not be binding.

2. The Contribution shall be used to finance the activities set forth in the EU Local and Regional Competitiveness 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.

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: three hundred thousand Euros (EUR 300,000).
(B) Four million Euros (EUR 4,000,000) subject to the disbursement of 70% of the preceding instalment.
(C) Four million Euros (EUR 4,000,000) subject to the disbursement of 70% of the preceding instalments.
(D) Four million Euros (EUR 4,000,000) subject to the disbursement of 70% of the preceding instalments.
(E) Four million Euros (EUR 4,000,000) subject to the disbursement of 70% of the preceding instalments.
(F) One million seven hundred thousand Euros (EUR 1,700, 000) will be disbursed as a final payment:

The period for payment of further instalments shall be ninety (90) days.
The period for payment of the balance shall be ninety (90) 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 TF072508 (the EU Local and Regional Competitiveness 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 EU Local and Regional Competitiveness 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.

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”):

Gordana Popovikj Friedman
Private Sector Development Specialist
Trade and Competitiveness Global Practice
The World Bank Office in Skopje
Aminta Treti 34, Skopje 1000
Tel. (389 2) 55 15 230
E-mail: gpopovik@worldbank.org

For the Donor (the “Donor Contact”):

Martin Klaucke
Head of Cooperation
Delegation of the European Union
Sv. Kyril I Metodij 52B Skopje
Tel: (389 2) 3248501
E-mail: Martin.Klaucke@eeas.europa.eu

6. In the event 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:  
Name: Bojana Naceva  
Title: Senior Education Specialist  
Date: 28/12/2015

EUROPEAN COMMISSION on behalf of the EUROPEAN UNION

By:  
Name: Martin Klaucke  
Title: Head of Cooperation  
Date: 28/12/2015
EU Local and Regional Competitiveness 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. The activities described below shall be implemented in accordance with the Project Appraisal Document relating to this Project, and in line with the Action Document IPA 2014/037-706.

1. Objectives

The objective of the EU Local and Regional Competitiveness Trust Fund is to enhance the contribution of tourism to local economic development and improve the capacity of the government and public agencies to invest in tourism growth and facilitate destination management.

2. Activities

The activities to be financed by the EU Local and Regional Competitiveness Trust Fund are:

2.1 Bank-executed activities, for which the Bank has implementation responsibility:

Component 1: Technical assistance for tourism development.

Provision of technical assistance to (i) improve the capacity of public and private stakeholders in supporting tourism development at the national level in a number of areas, including, inter alia, institutional coordination, data usage, and business environment; and (ii) support the Recipient-executed activities under Part 2.2 of this Annex.

2.2 Recipient-executed activities, for which one or more Recipients (as defined in Annex 2) have implementation responsibility:

Component 2: Strengthening destination management and enabling environment.

Implementation of activities to enhance tourism development at the central government level and at the destination level:

Component 2.1: Support Recipient-executed activities (including, inter alia, carrying out of training in public-private dialogue and tourism development; and providing systems and equipment to implement improvements in data- and information-gathering) to implement recommendations under Component 1.

Component 2.2: Develop destination management capacity of key stakeholders (including, inter alia, tourism businesses and tour operators, municipalities, centers for regional development, NGOs, local service or skills development institutions) in the destinations selected for participation in the Project.

Component 3: Investment in tourism-related infrastructure and linkages at destinations.
Supporting infrastructure and non-infrastructure sub-projects (relating to, *inter alia*, marketing activities, capacity building and technological innovation in connection with tourism products and services) aimed to increase the attractiveness of selected destinations through upgraded offerings for tourists and business linkages with local economies.

The sub-projects under this Component will be selected based on the relevant criteria and procedures set forth in the Project's Operations Manual.

*Component 3.1*: Provision of technical assistance and financing of infrastructure sub-projects that are aimed to improve the physical condition and marketing of touristic local attractions and sites, with the purpose of improving the overall experience of visitors.

*Component 3.2*: Provision of financing of non-infrastructure sub-projects (relating to, *inter alia*, marketing activities, capacity building and technological innovation in connection with tourism products and services) aimed to enhance tourism service-delivery and benefit local economies by improving the ability of selected destinations to increase the productivity of the tourism industry, the quality of products and services available for visitors, the business linkages with local economies, innovation and employability.

*Component 4: Strengthening project management.*

Strengthening the capacity of the Project Implementation Unit (the “PIU”) by financing consultant services, training expenses, equipment, and operating costs associated with the implementation, monitoring and evaluation of the Recipient-executed activities under the Project (including the provision of training to municipalities and other public entities in connection with tourism development, cultural heritage, regional development, and related areas).

3. **Eligible Expenditures**

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

   (a) Consultant Fees Individuals and Firms – No indirect costs;
   (b) Contractual Services;
   (c) Equipment and Office Premises Lease Cost – No indirect costs;
   (d) Extended Term Consultants – No Indirect costs;
   (e) Media, Workshop, Conference and Meeting;
   (f) Staff Costs – No Indirect Costs;
   (g) Temporary staff Costs – No Indirect costs; and
   (h) Travel Expenses.

3.2 For Recipient-executed activities, the Trust Fund funds may be used to finance eligible expenditures in accordance with the Bank’s applicable policies and procedures.
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.
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, it being understood that any plural references in the annexes to Donors, Administration Agreements, Contributions and pro rata shares shall be read as singular references to the Donor, its Administration Agreement, its Contributions thereunder and the remaining uncommitted balance of the Trust Fund, respectively.

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 Donors, 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 Each Donor’s Contribution (collectively, the “Contributions”) 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 Charter of the United Nations. The Donors acknowledge 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 a 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 (EUR) (the “Holding Currency”).

2.3 Donors agree to deposit their Contributions in the Contribution Currency stated in their respective 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 point five percent (5.5%) per Instalment as an administrative fee for the Trust Fund.

3.2 Each 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 effectuated by amendments made to the Administration Agreements of all Donors and which would thereafter be applicable to all new Contributions that are provided either as amendments to supplement existing Administration Agreements or from new Donors under 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 Donors 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 Donor 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 Donors via the World Bank’s Trust Funds Donor Center secure website.

4.3 The Bank shall provide to the Donors via the World Bank’s Trust Fund Donor 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 a 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.

4.5 The Bank shall make available to the Donors copies of all financial statements and auditors’ reports received by the Bank from Recipients pursuant to any Grant Agreements (as defined below) in accordance with the Bank’s Access to Information Policy.
5. **Progress Reporting**

5.1 The Bank shall provide the Donors with semi-annual 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 Donors a final report on the activities financed by the Trust Fund.

5.2 Any 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 June 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 Donors) after such date to the extent such date is changed in accordance with amendments made to the Administration Agreements of all the Donors. Following the End Disbursement Date, the Bank shall return any remaining balance of the Trust Fund to each 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 all Donors, all calculated as Holding Currency amounts.

6.2 Any Donor may cancel all or part of such Donor's pro rata share, and the Bank may cancel all or any Donors' pro rata shares, 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 specified in the Administration Agreement; unless otherwise agreed between the Bank and each such 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 Donors consent to such disclosure of their respective Administration Agreements and such related information.

7.2 The Donors 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.
ANNEX 3

Governance

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.

The World Bank team, consisting of specialists in all aspects of the project (including legal, competitiveness, tourism, infrastructure/urban and rural planning, education and skills, environmental management, social development, financial management, and procurement) shall manage the implementation of the activities relating to the Bank-executed activity (Part 2.1 of Annex 1) and shall provide regular and timely implementation support and supervision of the activities relating to the Recipient-executed activities (Part 2.2 of Annex 1) to ensure that the entire process is in line with the Project objectives, World Bank operational guidelines and procedures.

The implementing agency shall be the Cabinet of the Deputy Prime Minister for Economic Affairs (CDPMEA). The PIU shall be established within CDPMEA, through a Government Decision. CDPMEA, through the PIU, shall oversee and coordinate all of the implementation, results monitoring, reporting, fiduciary functions, and safeguards of the Recipient-executed activities, in close collaboration with the line ministries and public agencies. Large infrastructure projects and selected non-infrastructure sub-projects, shall be subject to review and no-objection by the World Bank, considering factors such as amount, complexity of activities, and capacity of the recipient.

A Project Steering Committee (the Committee) will be established with participation of official representatives of the CDPMEA and each of the line ministries participating in the project. The Committee shall have responsibility for, inter alia, monitoring project implementation; recommending decisions on destination selection to CDPMEA (for no-objection by the Bank); and recommending measures to enhance results and sustainability, if applicable. The composition of the Committee shall be similar to the Working Group during Project preparation, with a representative of each of CDPMEA and the relevant line Ministries. Also the EU Delegation shall have a representation, with an advisory role, within the Committee.

The specific arrangements relating to the: (i) frequency of the Committee’s meetings; (ii) frequency of the progress reports to be provided by the Committee; and (iii) monitoring by the EU Delegation shall be set forth in the Project’s Operations Manual

Representatives of the World Bank and EU Delegation will meet in Skopje on semi-annual basis (unless a different location and/or schedule has been agreed upon by both parties) to review the progress of actual and planned activities (to be presented by the World Bank).

The content, revisions (if any) of the Projects Operational Manual, and the selection of sub-projects to be financed under the EU Local and Regional Competitiveness Trust Fund shall be part of these discussions. The minutes of such meetings will record the conclusions of the discussions, including any selected sub-projects, and will be adopted by consensus.

The Donor may carry out monitoring missions independently at its own cost. Said missions will be planned and carried out in a collaborative manner between the World Bank, the PIU and the Donor’s representatives.
**Indicative Logical Framework**

The log-frame below is subject to adjustments.

<table>
<thead>
<tr>
<th>Overall objective</th>
<th>Objectively verifiable indicators</th>
<th>Sources of Verification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enhance the contribution of tourism to local economic development and improve the capacity of the government and public entities to foster tourism growth and facilitate destination management.</td>
<td>Described below under indicators of specific objectives.</td>
<td>Results framework below, which draws from the Project M&amp;E system, municipalities and regional development centers, and WBG team with inputs from Technical Committee. Specified below.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Specific objectives</th>
<th>Objectively verifiable indicators</th>
<th>Baseline</th>
<th>End-of-Project Target</th>
<th>Sources of Verification</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>(i) To generate additional private investment in tourism activities at beneficiary destinations</td>
<td>Per Trade and Competitiveness “investment generated” methodology, US$, cumulative</td>
<td>0</td>
<td>10,000,000</td>
<td>Project M&amp;E system, with primary data to be gathered through an annual survey.</td>
<td>Project implementation is on track and activities in all 4 components are</td>
</tr>
<tr>
<td>Expected Results</td>
<td>Objectively verifiable indicators</td>
<td>Baseline</td>
<td>End-of-Project Target</td>
<td>Sources of Verification</td>
<td>Assumptions</td>
</tr>
<tr>
<td>---------------------------------------------------------------------------------</td>
<td>-------------------------------------------------------------------------------------------------</td>
<td>----------</td>
<td>----------------------</td>
<td>----------------------------------------------------------------------------------------</td>
<td>-------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Public and private stakeholders trained in destination management and development</td>
<td>Cumulative number, as reported through the PIU’s monitoring of destination management activities.</td>
<td>0</td>
<td>200</td>
<td>Project M&amp;E system. Frequency: Semi-annual</td>
<td>PIU is established, M&amp;E specialist hired in PIU and M&amp;E system are operational.</td>
</tr>
<tr>
<td>Reforms are implemented that were identified through a consultative PPD process.</td>
<td>Number cumulative - sets of legal and administrative reforms and measures originated through the destination management or other PPD platform and implemented, as evidenced and reported by PIU.</td>
<td>0</td>
<td>4</td>
<td>Project M&amp;E system. Frequency: Semi-annual</td>
<td>PIU is established, destination management or other PPD platform is functional.</td>
</tr>
</tbody>
</table>

(ii) To create tourism-related jobs in beneficiary destinations

Number of jobs includes part-time, temporary and full-time. The baselines will be established in the first annual survey, and the targets will be set based on the surveys. TBD TBD

Project M&E system, municipalities and regional development centers, through an annual survey. completed successfully.

(iii) To enable instruments and mechanisms for effective destination management

Implementation of a destination management approach consistent with international good practices in the project destinations of focus.

No uniform destination management plans adopted. Annual assessment by WBG team, with inputs from tourism experts on the Technical Committee.
<table>
<thead>
<tr>
<th>Indicator</th>
<th>Description</th>
<th>Baseline</th>
<th>Change</th>
<th>PIU/Project M&amp;E System</th>
<th>Frequency</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase in number of overnights by tourists in beneficiary destinations.</td>
<td>Percentage increase as reported by municipalities for registered/licensed accommodation facilities. This includes hotels, motels, campsites, private residences registered as accommodation facilities, etc., and is monitored by municipalities for collection of the local tourist tax. The target is set at a conservative level due to the heterogeneity of trends in overnights among regions.</td>
<td>0</td>
<td>12%</td>
<td>PIU/Project M&amp;E System</td>
<td>Annual</td>
<td>M&amp;E staff and system are in place; municipalities monitor and report the information to the PIU and SSO.</td>
</tr>
<tr>
<td>New tour packages offered by tour operators (local and foreign) that include the project-supported destinations as a new offering</td>
<td>Cumulative number, as reported through interviews with tourist service providers at the destinations, verified by the PIU and supported by an annual survey.</td>
<td>0</td>
<td>30</td>
<td>Project M&amp;E System</td>
<td>Semi-annual</td>
<td>M&amp;E staff and system are in place; tourist service providers at the destinations respond to surveys.</td>
</tr>
<tr>
<td>Private enterprises in the tourism area participate in project-supported capacity-building activities (e.g. training, supplier development, others).</td>
<td>Number of private enterprises that participate in such activities funded by Project grants, as reported in grant progress reports from the beneficiaries, reviewed and approved by the PIU.</td>
<td>0</td>
<td>300</td>
<td>Project M&amp;E System</td>
<td>Semi-annual</td>
<td>PIU organizes training programs and beneficiary private enterprises provide grant progress reports.</td>
</tr>
<tr>
<td>Private enterprises that benefit from activities funded through the project’s grants (Number, cumulative)</td>
<td>Number of enterprises as reported in grant progress reports from the beneficiaries, reviewed and approved by the PIU.</td>
<td>0</td>
<td>100</td>
<td>Project M&amp;E System</td>
<td>Semi-annual</td>
<td>PIU is operational, grant mechanisms are implemented and private enterprises which benefited from grants send grant reports.</td>
</tr>
<tr>
<td>Private enterprises that benefit from activities funded through the project’s grants, owned or managed by a woman.</td>
<td>Percentage of enterprises as reported in grant progress reports from the beneficiaries, reviewed and approved by the PIU</td>
<td>N/A</td>
<td>20%</td>
<td>Project M&amp;E system, Frequency: Semi-annual</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grant beneficiaries who consider that project-supported activities are subjected to consultation and reflect their views.</td>
<td>Percentage of grant recipients, as reported through an annual survey of grant beneficiaries</td>
<td>N/A</td>
<td>80%</td>
<td>Project M&amp;E system, annual survey, Project supported activities are subject to consultation and grant beneficiaries respond to annual survey.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Share of local residents that are satisfied with tourism development in the destinations which benefit from the activities in the project.</td>
<td>Percentage of local residents in the destinations supported by the project that are satisfied with tourism development in the destination, as reported through an annual survey</td>
<td>N/A</td>
<td>70%</td>
<td>Project M&amp;E system, annual survey, Project activities are successfully implemented and local residents respond to annual survey.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Activities</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technical assistance for tourism development to improve the capacity of public and private stakeholders in supporting tourism development at the national level. Implementation and advisory support provided by the World Bank team to</td>
<td>The project is approved and effective and activities under Component 1 are successfully implemented by WBG.</td>
</tr>
<tr>
<td>the recipient executed activities under the Project.</td>
<td>PIU is operational, activities envisioned under Component 2 and stakeholders at central, local and regional (destination) level are cooperating in project activities.</td>
</tr>
<tr>
<td>Implementation of activities to enhance tourism development at the central government level and at the local and regional (destination) level.</td>
<td>PIU is fully staffed, calls for sub-project proposals under Component 3 are implemented and sub-project proposals are approved.</td>
</tr>
<tr>
<td>Investment in tourism-related infrastructure and linkages at destinations.</td>
<td></td>
</tr>
<tr>
<td>Supporting infrastructure and non-infrastructure investments (relating to, inter alia, marketing activities, capacity building and technological innovation in connection with tourism products and services)</td>
<td>PIU is fully operational and successfully implemented activities under Component 4.</td>
</tr>
<tr>
<td>Strengthening the capacity of the Project Implementation Unit by financing consultant services, training expenses, equipment, and operating costs associated with the implementation, monitoring and evaluation of the Recipient-executed activities under the Project.</td>
<td></td>
</tr>
<tr>
<td>Activity</td>
<td>Indicative Amount (EUR)</td>
</tr>
<tr>
<td>-------------------------------------------------------------------------</td>
<td>-------------------------</td>
</tr>
<tr>
<td>A. Direct costs</td>
<td></td>
</tr>
<tr>
<td>1. Technical assistance for tourism development</td>
<td>1,250,000</td>
</tr>
<tr>
<td>2. Strengthening destination management and enabling environment.</td>
<td>1,051,493</td>
</tr>
<tr>
<td>2.1 Central level capacity, coordination, and policy</td>
<td>431,493</td>
</tr>
<tr>
<td>2.2 Destination Management</td>
<td>620,000</td>
</tr>
<tr>
<td>3. Investment in tourism-related infrastructure and linkages at destinations</td>
<td>13,260,000</td>
</tr>
<tr>
<td>3.1 Infrastructure Investments²</td>
<td>8,884,200</td>
</tr>
<tr>
<td>3.2 Grants for enhanced tourism service-delivery and local economic impact</td>
<td>4,375,800</td>
</tr>
<tr>
<td>4. Strengthening project management</td>
<td>1,448,507</td>
</tr>
<tr>
<td>B. Indirect costs</td>
<td></td>
</tr>
<tr>
<td>Administration fees (5.5%)</td>
<td>990,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>18,000,000</strong></td>
</tr>
</tbody>
</table>

¹ The World Bank has made available funds amounting to approximately US$ 100,000 during project preparation, the output of which is reflected in the Project Appraisal Document.

² The Government of Former Yugoslav Republic of Macedonia will provide a contribution of EUR 3,176,471 to project activities, focused on sub-component 3.1.
Visibility Note

This Trust Fund is funded by the European Union

EU Local and Regional Competitiveness Trust Fund

This Trust Fund is administered by the World Bank

Introduction

The European Union contributed to the financing of the Local and Regional Competitiveness Project through the Trust Fund to enhance the contribution of tourism to local economic development and improve the capacity of the government and public entities to foster tourism growth and facilitate destination management. The purpose of this note is to provide guidance on measures to ensure that the contribution of the European Union in supporting the Project is widely recognized. This Visibility Note will be revised and finalized by the World Bank Group and Delegation of the European Union as needed within a month upon signing of the Administrative Agreement.

This Visibility Note will be revised and finalized by the World Bank Group and the Delegation of the European Union as needed to take into account all the specific aspects of the Project within 2 months upon signing of this Administrative Agreement.

The World Bank will launch the kick-off event and related visibility activities after May 2016.

Statement on Visibility

In identifying appropriate communication for the visibility of the Project’s activities, the World Bank will take into account the size and proportion of the EU’s financing.

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

European Union Visibility: The World Bank intends to help promote the visibility and local awareness of the EU Local and Regional Competitiveness Trust Fund in the Former Yugoslav Republic of Macedonia through the following types of activities:

a. Publications, training programs, seminars, and workshops financed by EU Local and Regional Competitiveness Trust Fund grants should clearly indicate that the activities in question have received funding from the European Union.
b. The logo (usually the European Union flag) should be used in publications financed by the EU Local and Regional Competitiveness Trust Fund, and in banners and any other materials used in seminars and training programs financed by the EU Local and Regional Competitiveness Trust Fund.

c. Whenever possible and appropriate, joint press releases and joint media activities should be undertaken to promote the partnership and to highlight common achievements. The World Bank and the EU shall invite each other to participate at press conferences, donor conferences and possible debates on the trust fund.

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

e. All press releases issued by the Bank with respect to the EU Local and Regional Competitiveness Trust Fund grants should refer to the financial contribution from the European Union.

f. Recipients should be encouraged to ensure that the EU Local and Regional Competitiveness Trust Fund activities are covered by local print and electronic media, and that all related publicity materials, official notices, reports, and publications explicitly acknowledge the European Union as the source of funding received.

g. The display panels, with proposed logo of the Project, should be clearly visible so that those passing are able to read and understand the nature of the action. The display panels should be erected beside access routes to the site where the action is taking place and should remain in place from the start of the action until six months after its completion.

h. Press conferences organized in the context of the communication and visibility plan for the EU Local and Regional Competitiveness Trust Fund always be organized in cooperation with the European Union. The EU flag should be displayed at all times.

i. Group visits by journalists to project sites may offer additional visibility opportunities and groups of visiting journalists should be accompanied by representatives from the EU Delegation.

j. Publications, such as leaflets, brochures, and newsletters, will be prepared in order to communicate the results of the actions under the project to specific audiences.

k. Photographs showing the progress of all actions, taken where appropriate to document the progress of actions and events related to the EU Local and Regional Competitiveness Trust Fund activities, be used in communication material.

l. In cases in which grant signing ceremonies take place, the Recipients be directed to include officials from the European Union, and to invite local and international press to these ceremonies.

In addition, the World Bank will promote the visibility of the EU Local and Regional Competitiveness Trust Fund by: (i) informing Country Managers/Directors of the importance of signing ceremonies and the public to ensure recognition and support for EU funding; (ii) continuing widespread distribution and inclusion of the EU Local and Regional Competitiveness Trust Fund in relevant Bank documents, and (iii) information sessions for EU-related organizations.

**The Program Logo**

The proposed logo – EU logo, the World Bank IBRD logo and the name of the Project, as presented in the header of the Visibility Note – will be used for all communication activities related to the financing. The logo will be displayed on documentation related to activities, including publications, training
programs, seminars, and workshops financed by the EU Local and Regional Competitiveness Trust Fund, clearly indicating that the activities in question have received funding from the European Union. In addition, all press releases issued by the Bank with regard to the EU Local and Regional Competitiveness Trust Fund grants shall refer to the financial contribution of the European Union.

**Local Publicity Opportunities**

In addition to the use of the logo, Bank field offices will take all appropriate measures to ensure that EU Local and Regional Competitiveness Trust Fund activities are well-covered by local print press and electronic media, and that all related publicity materials, official notes, reports, and publications explicitly acknowledge the European Union as the source of funding received. Before initiating any information, communication, or visibility activity, the Bank should contact the Press and Information Officer at the accredited EU Delegation in the country, responsible for coordinating the overall EU communication strategy in the country.

**Ceremonial events**

At grant signing ceremonies and other publicity events, the Bank’s country-based staff will foster the attendance and participation of country-based officials of the European Union in a manner that provides due recognition of their donor status. Grant recipients should take the lead in organizing such ceremonies, and recipients will be required to issue the formal invitation to attend. Such ceremonial events should also be alerted to the media and publicity outlets referred to above.

**Visibility from Headquarters**

Locally-based staff will forward copies of all visibility materials, such as press releases, newspaper and magazine articles, and photographs (including descriptive captions) to the following address:

The World Bank  
Europe and Central Asia Region  
1818 H Street, NW  
Washington, DC 20433  
USA

All the visibility materials will also be forwarded to the EU Delegation in Skopje.