AMENDMENT N° 2 (No 2017.CE.16.BAT.077)

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,
on the one part, and

2. The World Bank Group
   H Street 1818
   20433 - Washington DC
   United States of America

   (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 No 2016.CE.16.BAT.010 signed on 29 February 2016 and last amended on 23/03/2017,

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 an additional city, i.e. Presov in the Slovak Republic and thus revising budget.
HAVE AGREED AS FOLLOWS:

Article 1

1.1 Article 1 of the Administration Agreement is replaced by the following Article:

"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 two million nine hundred seventy-five thousand Euro (€2,975,000) (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 Euro two million nine hundred seventy-five thousand (€2,975,000). The indicative budget set out in Annex 5 shall be used for monitoring purpose only and shall not be binding.

1.2. Article 3 of the Administration Agreement is replaced by the following Article

"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 – € 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.

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

Article 2

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 7 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 47 cities representing all NUTS-2 (Nomenclature of Territorial Units for Statistics) regional administrative divisions from 7 EU Member States: Bulgaria, Croatia, Czech Republic, Hungary, 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 7 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 in 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 seven national languages. 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: Two 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 Agreement)</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 3

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

Article 4

All other terms and provisions of the Administration Agreement remain unchanged.

Article 5

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, For the Donor,

Arup Banerji Eric von Breska
Regional Director Director
European Union Countries

Signature: Signature:

Done at [place], [insert date] [insert date]

In duplicate in English.
**ANNEX**

**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>1,810,000</td>
</tr>
<tr>
<td>Cost of travel</td>
<td>340,000</td>
</tr>
<tr>
<td>Cost of training and workshop</td>
<td>215,000</td>
</tr>
<tr>
<td>Other services including translation</td>
<td>461,250</td>
</tr>
<tr>
<td><strong>Sub-total</strong></td>
<td><strong>2,826,250</strong></td>
</tr>
<tr>
<td>Administration fee (5%)</td>
<td>148,750</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,975,000</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.