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. TF072372)
(EC Contract No 30-CE-0749429/00-44)

This Administration Agreement is concluded under Direct Management in the context of the Framework Agreement between the World Bank Group and the European Commission 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 seven hundred thousand Euro (€700,000) (the “Contribution”) for the Part II Europe 2020 Programmatic Single-Donor Trust Fund, No. TF072372 (the “Trust Fund”) in accordance with the terms of this Administration Agreement.

The estimated total budget of the Trust Fund is Euro seven hundred thousand Euro (€700,000). 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 “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 started on October 13, 2015 following the request for a prior approval by the Bank.

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 € 350,000
(B) € 275,000 subject to the disbursement of 70% of the preceding instalment.
(C) € 75,000 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 TF TF072372 (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
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”):

Mariam J. Sherman (or her successor)
Director Strategy and Operations
Europe and Central Asia Region
World Bank
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Tel: +1202 4735361
msherman@worldbank.org

For the Donor (the “Donor Contact”):

Adriana SUKOVA-TOSHEVA (or successor thereto)
DIRECTOR F
European Commission
DG Employment, Social Affairs and Inclusion
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E-mail: Andriana.SUKOVA-TOSHEVA@ec.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: Mariam J. Sherman
Title: Director
Date: 1 December 2015

EUROPEAN UNION represented by the EUROPEAN COMMISSION

By: 
Name: Adriana KOVA-TOSHEVA
Title: Director
Date: ____________________________
ANNEX 1

Part II Europe 2020 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. 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 objectives and description of the activities are:

2.1 The European Commission, particularly the Structural Reform Support Services (SRSS), has expressed an interest in ensuring that the Bank provides technical assistance with the specific objective of assisting and supporting the Government of Greece undertake a Social Welfare Review (SWR) to increase the effectiveness and efficiency of the social protection system in Greece. The ultimate objective of the Government of Greece being to undertake reforms that create a more comprehensive welfare system, with a guaranteed minimum income (GMI) scheme at its centre to improve social cohesion in Greece.

The SWR would contribute to the ongoing reform of the social assistance system in Greece to assist the Greek Government make the system more streamlined, and more effective in alleviating poverty. In this context, the Greek Government has agreed in the third Memorandum of Understanding with the European Commission that the Review will be targeted to generate savings of ½ percent of GDP annually from cash and in-kind benefits, tax benefits, the social security benefits and other welfare benefits across the general government which will serve as the basis for the redesign of a targeted welfare system, including the fiscally-neutral gradual national roll-out of the GMI. The SWR will build on the recent study developed by the Ministry of Labour, Social Security and Social Solidarity of Greece that lists the various non-contributory cash and in-kind transfer programs that exist in Greece; and the review of social welfare programmes by the OECD\(^1\). The Social Welfare Review will also provide initial implementation support to the Roll-Out of the Guaranteed Minimum Income (GMI) Program.

The SWR will examine in depth the effectiveness of the existing system of social assistance in alleviating poverty; identify segments of the population that are insufficiently covered by it; identify areas where resources may be more effectively used, e.g. because of possible duplications and

overlaps; and finally suggest appropriate remedies. In addition, the SWR will set up a detailed template, and serve as a prototype, of the information needed by the Government to improve the effectiveness of the social assistance system. It will support developing the capacity in the public administration in Greece so that such social welfare reviews can be conducted at regular time intervals in the future.

As part of the study, a comprehensive review will be undertaken of cash and in-kind social welfare (i.e. non-contributory) benefits and benefits provided through the tax system. The review will exclude retirement pensions. Specifically, the analysis in the SWR will focus on all non-contributory benefits that are financed from general government budget. Since some cash contributory benefits receive large transfers from the state budget in Greece, these will also be included in the study, though they are not the main focus. Specifically, the distributional impacts of unemployment insurance benefits; and of contributory disability pensions will be studied. The policy recommendations will retain a special focus on the non-contributory benefits as the prospective rationalization of benefits will focus mainly on such programs.

The rationale for this focus is as follows:

a) It would be appropriate for the social welfare system in Greece to increase coverage of the poorest people in Greece. It is also desirable to reduce any potential inefficiencies as fiscal savings achieved thereby can be directed towards the roll out of the poverty targeted guaranteed minimum income program. Contributory programs receive large transfers from the state budget in Greece. Therefore, studying inefficiencies in contributory programs could provide much needed fiscal room for expanding safety nets coverage to the poorest.

b) The design of unemployment benefits (both contributory and non-contributory) is very important. Contributory unemployment benefits serve as the first layer of the safety net for individuals who lose their jobs, thus mitigating adverse effects for their families. The next layer of protection is made up of unemployment assistance benefits; with the last resort social assistance program playing the role of the last layer in the safety net. For this reason, the Social Welfare Review will look into both contributory and non-contributory unemployment benefits.

c) Disability benefits (both contributory and non-contributory) are fairly complex in Greece. There are at least 35 categories of disability benefits, and most insurance funds provide both contributory and non-contributory disability benefits. There are 10 different social assistance schemes for blind persons; and 4 different schemes for the deaf and mute (OECD 2013a). The SWR will study both contributory and non-contributory disability benefits, but from the point of view of their distributional impacts. Benchmarking and cross-country comparisons of the level of benefits across other EU countries, mainly using ESSPROS data (where it is available), will be undertaken. The study will also assess the number of beneficiaries of various schemes and evaluate whether some schemes with similar purposes can be merged so as to reduce fragmentation. The reform of the disability benefit system (both contributory and non-contributory) is outside the scope of this SWR.

d) Contributory retirement pension benefits are excluded from the scope of this SWR.

e) Personal tax benefits are included in the scope of the SWR.
f) At the specific request of the Government of Greece, the scope of the Social Welfare Review will include study of in-kind benefits. This review will focus on in-kind benefits financed through the general budget. It could be difficult to distinguish (initially at least) what is financed from general budget and from social security funds. An initial inventory will seek to develop a comprehensive stocktaking of all in-kind benefits, to the extent that data permit, and the source of financing. Subsequently the study will focus more deeply on those financed through general revenues.

The World Bank activities under this Agreement will include evaluation of the effectiveness and efficiency of the social welfare system as follows:

**Effectiveness of benefits will be evaluated in terms of**

1. Coverage of the poor by cash benefits: The review will examine in detail the coverage of the poor by various main existing cash benefit programs, and anti-poverty effectiveness of the programs. This can be conducted using survey data. Administrative data, or the criteria of the programs, will be used to qualitatively classify the target population for in-kind benefits, where data are available.

2. Adequacy of cash benefits: This review will record the adequacy (or generosity) of the various main existing cash benefit programs. Adequacy will be measured in two ways: (a) the proportion of disposable incomes of the poor made up by the transfer; and (b) benchmarking the transfer amount against objective criteria such as the poverty line, minimum wage, average wage, and so on. Where administrative data are available, and imputing is possible, benchmarking of the imputed benefit amount will be done for in-kind benefits.

3. Duplication and / or fragmentation of benefits: Are there many benefits with nearly identical objectives? Do gaps exist due to fragmentation of benefits? What are the inter-linkages between various benefits?

4. Labor supply effects and interactions of the tax and benefits systems: An effective social protection system ensures that work always pays - and that incentives are provided for beneficiaries to accept job offers they may receive.

**Efficiency will be evaluated in terms of**

5. Targeting efficiency: What proportion of the budget spent on a particular program reaches the poor? How much leakage exists? What are the inclusion and exclusion errors? Once again, this can be more easily done for cash transfers where the value of the transfer is more easily recovered in household survey data. Qualitative data, and administrative data and rules will be used to identify if in-kind benefits accrue to the poor, where data are available.

6. Administrative efficiency: Institutional mapping of key players (Ministries that hold the budget, delivery channels, payment channels, and information systems) involved in the provision of social welfare programs.
**Indicative description of outputs**

The following outputs will be delivered by the Bank as part of the SWR².

**Component A: Comprehensive inventory of social welfare and tax benefits along with institutional mapping of the social welfare system.**

The Bank will prepare an inventory of all social welfare and tax benefits and an institutional mapping of the social welfare system through the delivery of following activities:

**A.1: Inventory of benefits:** The Bank will prepare a comprehensive inventory of all cash and in-kind social welfare benefits that are financed through general revenue, and of tax benefits. This inventory will include amounts spent, number of beneficiaries, intended target population, eligibility criteria, where administrative data are made available.

**A.2: Institutional Mapping:** The Bank will prepare a report providing an institutional mapping of the social welfare system, including examination of (1) delivery channels; (2) payment channels; and (3) management information systems.

**Component B: Coverage, adequacy, and anti-poverty effectiveness**

The Bank will carry out an assessment of the coverage of the poor by various main benefits, the generosity/adequacy of various main benefits, and the anti-poverty effectiveness of these programs. This will also include an assessment of the extent of duplication / fragmentation of benefits. The Bank will deliver the following activities:

**B.1: Coverage and adequacy of benefits:** The Bank will prepare a report using household survey data³ from 2008/2009 and 2012 (or latest available year) to generate estimates of how many poor people are covered by various benefit programs. The impact on the poverty headcount and poverty gap of such programs will also be generated. The adequacy of benefits will be measured, both as a proportion of disposable income, as well as using other objective criteria such as minimum wage and so on. Micro simulation methods will be used to estimate the effect of the more recent changes in the social protection system (changes implemented in 2013 / 2014 / 2015). This analysis will be done for cash benefits listed in the household surveys. Where data are available, administrative data, or program criteria will be used to analyse in-kind benefits.

**B.2: Gaps in the social protection coverage:** The Bank will prepare a report on the characteristics of the poor who receive no support from the social protection system. The main demographic characteristics and income components of this population group will be examined using household survey data.

**B.3: Duplication/Fragmentation of benefits:** The Bank will prepare estimates on the number of individuals / families who receive more than one type of benefit; and, to the extent possible, why more than one type of benefit is received. Household survey data will be used for this analysis. In addition, the use of administrative data sources to attain further insights into duplication will be examined.

**Component C:** The Bank will carry out an analysis of benefits provided through the tax system and the associated fiscal cost. Report of the consequences of the interactions of the current tax system.

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² Separate deliverables within each component may potentially be combined if appropriate.

³ EU-SILC or Household Budget Survey will be chosen as the main data source as appropriate.
(income tax and payroll taxes) and the key social benefits and potential incentives or (dis)incentives to move from unemployment or inactivity to employment will be examined. The Bank will deliver the following activities:

C.1: **Study of Tax Benefits**: The Bank will prepare a report assessing fiscal costs and distributional impacts of the tax benefits as identified in the inventory in output A.1.

C.2: **Study of Incentives to Work**: The Bank will prepare a report computing Marginal Effective Tax Rates (METRs) implied by the current tax and benefit system. Proposals relating to income taxation and gradual benefit withdrawal to increase incentives to work and the use of back-to-work bonus and conditional in-work benefits will be examined.

**Component D: Policy Proposals.**

The Bank will prepare comprehensive evidence based policy proposals for rationalization of the Social Welfare System through the delivery of following activities:

D.1: **Proposals for consolidation of benefits**: The Bank will prepare a report that develops policy proposals for potential consolidation of benefit programs (including cash, in-kind and tax benefits) to reduce fragmentation, including simulation of the fiscal and redistributive impacts of proposed changes, where data are available.

D.2: **Proposals for achieving administrative efficiency**: The Bank will prepare a report developing policy proposals for achieving administrative efficiency by potential consolidation of institutional structures.

D.3: **Preliminary policy recommendations (first report)**: The Bank will prepare an initial report with initial recommendations for policy reforms by December 2015. This report will contain a synthesis of the work done up to that date, including any indicative fiscal savings.

D.4: **Preliminary policy recommendations (second report)**: The Bank will prepare a second report with preliminary recommendations for policy reforms by March 2016. This report will contain a synthesis of the work done up to that date, including any indicative fiscal savings.

D.5: **Comprehensive policy recommendations and action plan for reform**: The Bank will prepare a final report which will pull together the findings across various outputs, and will present overall proposals for rationalization; estimates of total fiscal cost savings that may be obtained through administrative reforms and through consolidation of benefits; and an action plan for the implementation of the SWR recommendations.

**Component E: Initial support to GMI Program Roll-Out.**

Based on the experience of the GMI pilot implementation, the Bank will support the Greek Government in the early phase of design of the GMI Program roll-Out. Specifically, activities will include:

E.1: **Support the Greek government in developing the GMI Program roll-out action plan.**

E.2: Support the Greek government in developing an error, fraud and control strategy overview for the GMI Program.
E.3: Support the Greek government in developing a strategy overview for inclusion of vulnerable groups as part of the GMI Program.

E.4 Support the early phases of the design of the national GMI program including the definition of key parameters and business processes. This would include supporting study tours for relevant Greek government officials to visit other GMI programs.

E.5 Support the initial phases of the development of the IT platform for national roll-out of the GMI program

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**Indicative Outputs and Timeline**

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<th><strong>Social Welfare Review</strong></th>
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<td>A.1: Inventory of Benefits</td>
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<td>A.2: Institutional Mapping</td>
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<td>B.1: Coverage and Adequacy of Benefits</td>
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<td>B.2: Gaps in Social Protection Coverage</td>
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<td>B.3: Duplication/Fragmentation of Benefits</td>
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<td>C.1: Study of Tax Benefits</td>
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<td>C.2: Study of Incentives to Work</td>
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<td>D.1: Proposals for consolidation of benefits</td>
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<td>D.2: Proposals for achieving administrative efficiency</td>
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<td>D.3: Preliminary policy recommendations (first report)</td>
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<td>D.4: Preliminary policy recommendations (second report)</td>
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<td>D.5: Comprehensive policy recommendations and action plan for reform</td>
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<td>E.1: Preliminary recommendations on proposal for the GMI Roll-Out action plan</td>
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<td>E.2: Preliminary recommendations on error, fraud and control strategy overview</td>
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<td>E.3: Preliminary recommendations on strategy overview for inclusion of vulnerable groups</td>
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<td>E.4: Preliminary recommendations on critical design parameters and implementation arrangements of the national GMI program</td>
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<td>E.5: Preliminary recommendations on the development of the IT platform for national roll-out</td>
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**Data Requirements:**

In order to conduct the SWR, the Bank will require timely access to various data sources.

a) Non-homogenized survey data from the Greek national statistics office, ELSTAT
b) Access to Eurostat's homogenized EU-SILC data for 2013
c) Access to line item expenditure data at the most disaggregated level from the State, the Social Security Funds, the Local Governments, and Extra-Budgetary Funds.
d) Access to detailed administrative data (including number of beneficiaries, average level of benefit, total expenditure on the benefit and so on) on social welfare programs from various line Ministries, local governments, and other state bodies that manage social welfare programs.
e) Access to the tax code for (a) Income taxation; (b) Capital taxation (c) Vehicle registration; and (d) Enfia (property) taxation for tax benefits analysis.
f) If need for additional data are identified during the course of the Social Welfare Review, appropriate requests will be sent to the point persons.

In addition, to develop the institutional assessment, the Bank will need access to data from the various entities that deliver and pay benefits, and manage the various information systems.

3. Eligible Expenditures

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

(a) Staff and individual 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.

6. Retroactive Financing

6.1 The Trust Fund funds may be used to retroactively finance payments for eligible expenditures made as of October 13, 2015 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 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 Each Donor 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 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 its 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 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 effectuated 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 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 Donor via the World Bank’s Trust Funds Donor Center secure website.

4.3 The Bank shall provide to the Donor 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 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 April 30, 2017 (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 will be in charge of the implementation of the activities and shall consult with the SRSS regularly.

SRSS will take all appropriate measures to facilitate the Bank work in the performance of the activities, including, facilitating contacts with Greek authorities and facilitating the creation of an inter-ministerial coordination mechanism.

The activities will be undertaken in close collaboration with the SRSS, and the Greek correspondent (the Vice Ministers or General Secretaries for Labor and Finance) from the Ministry of Labor, Social Security, and Social Solidarity and Ministry of Finance.

In order to facilitate the implementation of the project, the SRSS will be responsible for involving other EU Commission services, where appropriate. SRSS will also provide support to ensuring the appropriate involvement of the Government of Greece for the smooth execution of the activities by the Bank. The SRSS will provide the Bank with relevant documents, reports and findings, resulting from other technical assistance work streams the SRSS is or has been involved in. It will also inform the Bank team of relevant developments under the economic adjustment programme.

The World Bank Group entity shall report to the Commission on the implementation of the Action in accordance with the Framework Agreement. In particular, the World Bank will deliver quarterly progress reports in accordance with Article 5.3 of the Framework Agreement.

The Bank and SRSS will have regular exchanges on the progress of the project, on the work plan or schedule of project activities for the following month(s) including missions, and raise any issues as they arise concerning difficulties encountered. A Representative of the SRSS will be invited to attend all pertinent events or activities.

Priorities and choices to be made in the planning of the activities will be discussed and consulted between the Bank and SRSS. To facilitate the organization and efficiency of missions the Bank will share with the SRSS in a timely manner the relevant documents.

It is expected that the General Secretary or Vice Minister in the Ministry of Labor, Social Security and Social Solidarity and the General Secretary or Vice Minister in the Ministry of Finance will be the national contact points for the activities, in collaboration with the Secretariat General for Coordination, and will coordinate the necessary inter-ministerial coordination mechanisms along with support from the Prime Minister’s Office in order to ensure ownership of the reforms.

It is expected that a Greek project team, composed of technical experts, including members from the Ministry of Finance, Ministry of Health, Ministry of Interior, ELSTAT, and other relevant Ministries, will be developed to steer the Social Welfare Review. This team of technical experts will assist the
study by providing administrative data and information for the analysis; comment on the Terms of Reference and the work plan at the outset of the study; review draft outputs and comment on relevance of policy recommendations developed.

**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 at least 10 years of relevant experience, drawing on the expertise of the World Bank Group staff including personnel and consultants/experts contributing to specific segments of the activities in, among others, the following areas: economy; social protection; business processes; poverty; and design and implementation of social policy, including interpretation and translation services.

A local project coordinator will facilitate and support the activities to be implemented under Annex 1 to this Agreement.

The Bank team will include the following core competencies:

- Ability to provide welfare policy analysis in the Greek and EU contexts.
- Ability to share knowledge on economic environment and the framework of social protection in Greece.
- Ability to carry analysis and draw recommendations taking into account the Greek socio-economic reality and institutional setting.
- Combination of economic, project management, business administration and other skills that will be considered necessary for the execution of the activities.
INDICATIVE RESULTS INDICATORS FOR THE ACTIVITIES SET FORTH IN SECTION 2 OF ANNEX 1 TO THIS ADMINISTRATION AGREEMENT

<table>
<thead>
<tr>
<th>Expected Results</th>
<th>Indicators</th>
<th>Baselines</th>
<th>Result goals</th>
<th>Sources of data (verification)</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>(logic of intervention)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Allow for evidence based policy design, for an effective targeted mechanism aiming at increasing the efficiency of the fight against extreme deprivation.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Political support at Vice Ministers of Ministry of Labor and Ministry of Finance.

Data availability as specified in the Data Requirements paragraph above.

Creation of the project team as identified in Annex 3.A; and availability of project team for needed discussions.
<table>
<thead>
<tr>
<th><strong>Outcome A:</strong></th>
<th><strong>Input</strong></th>
<th><strong>Output</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Understanding of number of programs, and types of programs, at exist in Greece; understanding of the institutions that deliver the benefits, pay benefits, and the IT systems for various benefits.</td>
<td><em>Total number of benefits, including size of recipient population by benefit.</em></td>
<td>Political support at Vice Ministers of Ministry of Labor and Ministry of Finance.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Data availability as specified in the Data Requirements paragraph above.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Creation of the project team as identified in Annex 3.A; and availability of project team for needed discussions.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Access to have discussions and obtain data from the various entities that deliver and pay various benefits, and manage the various information systems.</td>
</tr>
<tr>
<td><strong>Output A.1</strong></td>
<td><strong>Inventory of Benefits</strong></td>
<td><strong>Political support at Vice Ministers of Ministry of Labor and Ministry of Finance.</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Data availability as specified in the Data Requirements paragraph above.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Creation of the project team as identified in Annex 3.A; access to administrative data and facilitation to government officials at various levels of government to develop a comprehensive inventory.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Access to have discussions and obtain data from the various entities that deliver and pay various benefits, and manage the various information systems.</td>
</tr>
<tr>
<td>Output A.2</td>
<td>Institutional mapping</td>
<td>*Following the criteria of effectiveness and efficiency set out in the ToR, identify the providers of welfare benefits.</td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>Outcome B</td>
<td>Assessment for correct understanding of the existent coverage of the poor by current benefits and the anti-poverty effectiveness of these programs</td>
<td>* Criteria of effectiveness and efficiency respected. ** Scrutiny of the whole benefits’ system in place.</td>
</tr>
<tr>
<td>Output B.1</td>
<td>Report on poverty coverage, adequacy, and impact of current social welfare programs</td>
<td>* Estimations of the population (delivered as %) affected by poverty and extreme deprivation pre-transfer and post-transfer. Estimation of these percentages for subgroups of the population</td>
</tr>
</tbody>
</table>
### Output B.2

**Report and analysis on characteristics of people not covered (or with very limited coverage) of social welfare programs**

* Following the criteria of effectiveness and efficiency set out in the ToR identification of the demographic and socioeconomic characteristics of people affected by poverty or extreme deprivation that that receives no or very limited benefits. Identification of possible causes for this under coverage.

<table>
<thead>
<tr>
<th>0</th>
<th>1</th>
<th>ToR</th>
<th>Academic material, such as research papers.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Survey data made available by ELSTAT within 15 days of contract signing. Any needed administrative data also made available. Political support at Vice Ministers of Ministry of Labor and Ministry of Finance.</td>
</tr>
</tbody>
</table>

### Output B.3

**Report on the coverage by multiple benefits and analysis of possible duplications.**

* Proper identification (following the criteria of effectiveness and efficiency set out in the ToR) of the population that receives multiple benefits.

** Proper identification (following the criteria of effectiveness and efficiency set out in the ToR) of the possible causes for the granting of multiple benefits.

<table>
<thead>
<tr>
<th>0</th>
<th>1</th>
<th>Academic material, such as research papers.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Political support at Vice Ministers of Ministry of Labor and Ministry of Finance. Data availability as specified in the Data Requirements paragraph above. Creation of the project team as identified in Annex 3.A; and availability of project team for needed discussions</td>
</tr>
</tbody>
</table>

### Outcome C

**Understanding types of tax**

* Criteria of effectiveness and efficiency respected.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th>Reports and Terms</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Engagement at political and technical levels across Ministries of Labour, Finance, Health, Interior and with</td>
</tr>
<tr>
<td>Output C.1</td>
<td>Report assessing tax benefits</td>
<td><strong>Assess the effect on individual incentives of the benefits</strong></td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td><strong>Output C.2</strong></td>
<td>Report on how social welfare benefits affect marginal effective tax rates</td>
<td>* Criteria of effectiveness and efficiency respected *Assess the distributional and fiscal impact of tax benefits</td>
</tr>
</tbody>
</table>
| **Outcome D** | Evidence based policy proposals on potential consolidation of programs, and to increase administrative efficiency | * Criteria of effectiveness and efficiency respected. **Outline the contours of a reformed welfare system *** Present an implementation | 0 | 1 | Reports and Terms of Reference Direct Verification Joint participation in developing effective proposals by the political and technical levels across Ministries of Labour and Finance. Outputs under components A, B and C completed Broad Engagement of civil society, think tanks and universities.
<p>| action plan for reform of social welfare system | roadmap for the reforms | universities by Government of Greece |
| Output D.1 | Report on Proposals for potential consolidation of benefits taking into account the fiscal and redistributive impacts | Following the criteria of effectiveness and efficiency set out in the ToR, identify concrete proposals to consolidate benefits. Estimate the fiscal impact of achieving such a consolidation as a percentage of GDP. Assess the redistributive impact of such consolidation | 0 | 1 | Academic material, such as research papers. | Data availability as specified in the Data Requirements paragraph above. Outputs under components A, B and C completed. Political support continues at Vice Minister level at Ministry of Labour and Ministry of Finance. Engagement with political and technical counterparts in Ministry of Labour, Ministry of Finance, and other needed ministries for development of practical policy proposals for consolidation of programs; and discussions on the impact of such consolidation. |
| Output D.2 | Report on proposals to improve administrative efficiency | Following the criteria of effectiveness and efficiency set out in the ToR, identify areas where there is scope for efficiency enhancing rationalisation. | 0 | 1 | Academic material, such as research papers. | Data availability as specified in the Data Requirements paragraph above. Engagement at the political and technical levels of Ministry of Labour, Finance, Health, Interior, and other relevant Ministries to discuss and develop practical proposals to improve administrative efficiency. |</p>
<table>
<thead>
<tr>
<th>Output D.3</th>
<th>Initial report based on findings until early December 2015, and initial recommendations</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Criteria</strong></td>
<td>Following the criteria of effectiveness and efficiency set out in the ToR, present a set of initial findings and potential fiscal savings</td>
</tr>
<tr>
<td><strong>Type</strong></td>
<td>Academic material, such as research papers.</td>
</tr>
<tr>
<td><strong>Timeframe</strong></td>
<td>Data as specified in the Data Requirements paragraph above made available promptly; in particular survey data from ELSTAT made available within 15 days of request; and administrative data from line ministries made available 15 days following request. Discussions of initial report at the political and technical levels of Ministry of Labour, Ministry of Finance, and other concerned Ministries.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Output D.4</th>
<th>Initial report based on findings until early March 2016, and initial recommendations</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Criteria</strong></td>
<td>Following the criteria of effectiveness and efficiency set out in the ToR, present a set of initial findings and potential fiscal savings</td>
</tr>
<tr>
<td><strong>Type</strong></td>
<td>Academic material, such as research papers</td>
</tr>
<tr>
<td><strong>Timeframe</strong></td>
<td>Any remaining data requests not made available within first month of requests are made available; and any additional data requests identified are promptly addressed. Discussions of initial report at the political and technical levels of Ministry of Labour, Ministry of Finance, and other concerned Ministries.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Output D.5</th>
<th>Synthesis report based on outputs A to C, and D.1 to D.4, and proposed action plan for reform of social welfare system</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Criteria</strong></td>
<td>Following the criteria of effectiveness and efficiency set out in the ToR, present an implementation strategy</td>
</tr>
<tr>
<td><strong>Type</strong></td>
<td>Direct Verification</td>
</tr>
<tr>
<td><strong>Timeframe</strong></td>
<td>Outputs under components A to C, and D.1 to D.4 are completed. Comments on earlier outputs received from project team, and political levels of all concerned Ministries, and from external stakeholders. Joint participation in developing action plan at the political and technical levels of Ministry of Labour, Ministry of Finance, and other concerned Ministries.</td>
</tr>
<tr>
<td>Outcome E</td>
<td>Evidence based policy proposals on design parameters of GMI Roll Out</td>
</tr>
<tr>
<td>-------------------------------------------------------------------------</td>
<td>---------------------------------------------------------------------</td>
</tr>
<tr>
<td>* International Good Practice and inputs from GMI Pilot Process evaluation followed. ** Present inputs towards the development of IT System</td>
<td>0 1 Reports</td>
</tr>
<tr>
<td>* International Good Practice and inputs from GMI Pilot Process evaluation followed. ** Present recommendations towards the preparation of the GMI Roll-Out action plan</td>
<td>0 1 Report</td>
</tr>
<tr>
<td>* International Good Practice and inputs from GMI Pilot Process evaluation followed. ** Present recommendations towards the preparation of the error, fraud and control strategy overview</td>
<td>0 1 Report</td>
</tr>
<tr>
<td>Output E.3: Report with preliminary recommendations on strategy overview for inclusion of vulnerable groups</td>
<td>* International Good Practice and inputs from GMI Pilot Process evaluation followed. ** Present recommendations towards the preparation of the strategy overview for inclusion of vulnerable groups</td>
</tr>
<tr>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>Output E.4 Report with preliminary recommendations on critical design parameters and business processes of the national GMI program</td>
<td>* Learn from International Good Practice ** Inputs from GMI Pilot Process evaluation followed. *** Present recommendations towards the definition of the critical design parameters and implementation arrangements of the national GMI program</td>
</tr>
<tr>
<td>Output E.5 Report with preliminary recommendations on the development of the IT platform for national roll-out</td>
<td>* International Good Practice and inputs from GMI Pilot Process evaluation followed. ** Present inputs towards the development of IT System</td>
</tr>
</tbody>
</table>
**Annex 5**

**INDICATIVE BUDGET**

**FOR THE ACTIVITIES SET FORTH IN SECTION 2 OF ANNEX 1 TO THIS ADMINISTRATION AGREEMENT**

<table>
<thead>
<tr>
<th>Expenditure Category</th>
<th>Average Number</th>
<th>Amount in Euro</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staff and individual consultant services</td>
<td>4</td>
<td>500,000</td>
</tr>
<tr>
<td>Cost of travel</td>
<td>12</td>
<td>120,000</td>
</tr>
<tr>
<td>Cost of training and workshop</td>
<td></td>
<td>0</td>
</tr>
<tr>
<td>Other services including translation</td>
<td></td>
<td>45,000</td>
</tr>
<tr>
<td><strong>Sub-total</strong></td>
<td></td>
<td><strong>665,000</strong></td>
</tr>
<tr>
<td>Administration fee (5%)</td>
<td></td>
<td>35,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>700,000</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 Annex 1 – 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.