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 TF073321)
(EC Contract No SRSS/S2019/038)

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

1. The International Bank for Reconstruction and Development (the “Bank”) acknowledges that the European Commission (the “Donor”, and together with the Bank, the “Parties” and each a “Party”) agrees to provide the two million and fifty thousand Euros (€2,050,000) (the “Contribution”) for the Part II Europe 2020 Programmatic Single-Donor Trust Fund, No. TF073321 (the “Trust Fund”) in accordance with the terms of this Administration Agreement.

The estimated total budget of the Trust Fund is two million and fifty thousand Euros (€2,050,000). The indicative budget set out in Annex 5 shall be used for monitoring purposes only and shall not be binding.

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

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

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

3. The Donor shall deposit the Contribution in accordance with the following schedule and in the currency specified in Section 1 above (“Contribution Currency”) into such bank account designated by the Bank (each amount deposited hereinafter referred to as an “Instalment”) upon submission of a payment request by the Bank:

(A) Promptly following countersignature - €1,025,000
(B) €512,500 - subject to the disbursement of 70% of the preceding instalment
(C) €512,500 - 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 TF073321 (The Part II Europe 2020 Programmatic Single-Donor Trust Fund), the Commission internal reference number and the date of the Administration Agreement, the name of the project for which the funds are intended, the name of the Commission department responsible for the Trust Fund and the date of the deposit (the “Deposit Instructions”). In addition, the Donor shall provide a copy of the Deposit Instructions to the Bank’s Accounting Trust Funds Division by e-mail sent to tfremitadvice@worldbank.org or by fax sent to +1 (202) 614-1315.

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

For the Bank (the “Bank Contact”):

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

For the Donor (the “Donor Contact”):

European Commission
Structural Reform Support Service
Maarten Verwey
CHAR 09/108
B-1049 Brussels
Belgium
Maarten.VERWEY@ec.europa.eu

Request for payments and reports must be sent to:

European Commission
Structural Reform Support Service
UMT 01 Budget & Finance
CHAR 10/056
B-1049 Brussels
Belgium
SRSS-Finance@ec.europa.eu

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

7. All annexes hereto and the Framework Agreement between the World Bank Group and the European Commission constitute an integral part of this Administration Agreement, whose terms taken together shall constitute the entire agreement and understanding between the Donor and the Bank. In the event of any inconsistency, the Framework Agreement prevails over the Administration Agreement.
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: Arup Banerji
Title: Regional Director
Date: June 25, 19

EUROPEAN UNION represented by the EUROPEAN COMMISSION
By: 
Name: Maarten Verwey
Title: Director-General
Date: 01/03/2013
ANNEX 1

Part II Europe 2020 Programmatic Single-Donor Trust Fund Description

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

1. 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

2.1 Background, specific objectives and description of activities are:

The mission of the Structural Reform Support Service ("SRSS") of the European Commission is to provide support for the preparation and implementation of growth-enhancing administrative and structural reforms by mobilising EU funds and technical expertise. To this end, Member States submit requests for support under Regulation (EU) 2017/825 on the establishment of the Structural Reform Support Programme ("SRSP Regulation" or the "Programme").

Following the submission of requests and their analysis by the European Commission in accordance with the criteria and principles referred to in Article 7(2) of the SRSP Regulation, the SRSS has agreed to support the projects laid down in this Annex I. To this end, the following project(s) will be carried out under this Agreement as follows:

ROMANIA: BUILDING INSTITUTIONAL CAPACITY OF THE ROMANIAN COURT OF ACCOUNTS (INDICATIVE DURATION 18 MONTHS; INDICATIVE BUDGET EUR 300,000 – EC REFERENCE 19RO16)

Project background:

The Court of Accounts ("CoA") is Romania’s Supreme Audit Institution ("SAI"), with a constitutional role of control over the formation, management and use of public finances. The CoA has an interest in aligning with standards and practices promulgated by the International Organisation of Supreme Audit Institutions ("INTOSAI") and playing a greater role in prevention rather than ex-post control, in line with Romania’s national anti-corruption strategy 2014-2020. Furthermore, the need to increase the effectiveness of audits has been identified in the context of the Country Strategy Report 2018 for Romania.
The SRSS has previously supported the CoA to assess the reform needs of the CoA and prepare the first schematic draft for future reforms. The assessment recommended three expected outcomes of: (i) aligning audit methodology and practices with international standards; (ii) improving communication with auditees and audit users; and (iii) adapting skills, aptitudes and attitudes.

**Project specific objective:**

The specific objective of the Project is to support the CoA in: improving its institutional placement, supporting its organizational development and strengthening its professional audit capacity.

**Main project activities to be carried out by the Bank:**

- Provision of support to CoA to enhance its institutional placement by improving the communication and cooperation with counterparts through:
  - Providing support to CoA to update the communication strategy;
  - Identifying measures of better communication and supporting CoA in its development of communication tools with its counterparts.

- Improving the human resources policy of the CoA through:
  - Providing support to CoA to update the human resources strategy in order to improve the professionalism of external public auditors.
  - Provide support to CoA to develop a recruitment procedure for auditors, in line with the institutional requirements of the CoA.

**Final outputs:**

- New proposed communication and new HR draft strategy.
- Proposed guidelines on better communication and interaction between the CoA and its auditees.
- Recommendation on new HR strategy and recruitment procedure.

**ROMANIA: TECHNICAL ASSISTANCE ON BANK RESOLUTION – (INDICATIVE DURATION 12 MONTHS; INDICATIVE BUDGET EUR 350,000 -EC REFERENCE 19RO26)**

**Project background:**

The Bank Recovery and Resolution Directive ("BRRD") is a centre-piece of the EU regulatory framework for a safer and sounder financial sector. Romania transposed the BRRD by way of Law No. 312 of 2015, which came into effect in January 2016. However, according to the National Bank of Romania ("NBR") to date, none of these resolution tools and powers have been applied.

Against this background, the NBR requested support from the European Commission under the Structural Reform Support Programme ("SRSP") for the implementation of a Crisis Simulation Exercise. The exercise, developed by the World Bank, was delivered to the Romanian authorities in October 2018.

**Project specific objective:**

The specific objective of this project is to support the NBR in enhancing: (i) the implementation of recommendations emerging from the aforementioned resolution exercise; and (ii) NBR resolution capacity by understanding better the practical effects and possible impediments of applying resolution powers.
Main project activities to be carried out by the World Bank:

- Providing technical assistance to adjust the resolution planning through, inter alia, the development of more severe scenarios for triggering resolution, the assessment of different resolution strategies in more detail, as well as, the introduction of a section on communication with foreign authorities (both informal and formal).
- Assessing the legal techniques of bail-in and the need for additional information requirements of 'bail-inable' instruments.
- Providing an analytical note assessing the operational process and mechanics to execute bail-in as a basis for further discussion and potential legal amendments.
- Developing and delivering a new bank resolution simulation exercise, with a focus on the execution of specific resolution tools.
- Coordinating an ex-post event following the conclusion of the simulation.
- Drafting of an ex-post report, analyzing the actions taken during the exercise and including any recommendations.

Final outputs:

- Recommendations to improve resolution planning.
- Recommendations for the effective operationalization of the bail in tool.
- Simulation resolution exercise testing of the key stakeholders’ decisions and actions in the operationalizing of a resolution action.

CROATIA: STRENGTHENING CONSUMER PROTECTION THROUGH TECHNICAL ASSISTANCE BY IMPROVEMENTS OF STRUCTURED CREDITWORTHINESS (INDICATIVE DURATION 18 MONTHS; INDICATIVE BUDGET EUR 300,000 – EC REFERENCE 19HR32)

Project background:

Credit reporting systems form a critical component of credit infrastructure and are comprised of the institutions, rules, procedures, standards and technologies that enable the exchange of credit and other relevant information. Effective credit reporting systems can promote responsible access to credit to individuals and firms; support financial regulators in supervising regulated institutions to reduce systemic risk; and promote financial inclusion. As a result, Croatia desires to strengthen its policies, procedures and practices in respect of consumer protection through structured creditworthiness, as the existing credit reporting infrastructure does not fulfil this function. This also resonates well with Croatia’s efforts in joining the Euro area.

Improving credit reporting, and its impact on consumer protection, justice and finance, affects a significant number of individual consumers and corporates. Simple data exchange between a limited subset of financial institutions does not provide adequate consumer protection. In line with the Organisation for Economic Cooperation and Development (“OECD”) and other EU countries, creditworthiness and its proper assessment may be improved by increasing the coverage, scale and scope of data input and sources, with an objective of fair treatment of consumers and effective protection. As a result, strengthening credit reporting is expected to improve the quality of credit and loans, foster the existing and attract new services and prevent future build-up of indebtedness.

Project specific objective:

The specific objective of the project is to support the Government of Croatia in enhancing consumer creditworthiness through a more effective credit reporting infrastructure.
Main project activities to be carried out by the World Bank:

- Assessing Croatia’s existing consumer creditworthiness model based on the relevant practices from OECD countries and other EU member states;
- Providing training on both policy and operational level on functional aspects of effective credit reporting infrastructure; and
- Providing recommendations on credit reporting approach in Croatia with the objective to strengthen consumer protection and designing a proposed roadmap for implementation.

Final outputs:

- An analytical Report on functional aspects of Croatia’s credit reporting infrastructure with policy recommendations and a proposed roadmap for implementation.
- Capacity building on both policy and operational level of effective credit reporting infrastructure aimed at improved creditworthiness.

CROATIA: BUSINESS ENVIRONMENT REFORM II (INDICATIVE DURATION 18 MONTHS; INDICATIVE BUDGET EUR 500,000 – EC REFERENCE: 19HR03)

Project background:

According to the Government of Croatia (“GoHR”), Croatia’s business environment is underperforming compared with its peers in the European Union (“EU”), as entrepreneurs face several obstacles in their daily business operations due to the lack of integration in government to business service delivery, the high regulatory burden and the lack of predictability in the regulatory environment. The 11th thematic objective of the Partnership Agreement between Croatia and the EU highlighted Croatia’s burdensome regulatory framework and complex administrative procedures, and envisaged strengthening of institutional capacities and enhancing efficiency in public administration. In particular, business entry involves disparate technology platforms and some of the licensing and other ex-ante authorizations required before engaging in a business activity or practicing a selected profession are complex.

Project specific objective:

The specific objective of the project is to support the Government of Croatia in developing simplified entry procedures (beyond business registration) for business activities in selected priority sectors.

Main project activities to be carried out by the World Bank:

Preparing a mapping of ex-ante authorizations required to start and operate a business activity or practice a regulated profession, before a business can engage in a specific activity such as register, use premises, hire personnel or sell products and services. This will entail among others:

- Conducting a mapping exercise of licenses/ex-ante authorizations required to start a business activity/regulated professions, which will include consultations with the private sector to validate the mapping.
- Conducting an analysis and preparing recommendations for streamlining of ex-ante authorizations for business activities and professions in priority sectors, selected in consultation with the GoHR (Ministry of Economy, Entrepreneurship and Crafts).
- Conducting an assessment of Information and Communications Technology (“ICT”) readiness (design) for integrating the ex-ante authorizations with the business registration platform, including, inter alia, overview of technology solutions currently implemented in Croatia for automation of the selected authorization processes; identifying registries of such authorizations
maintained by the issuing agencies; and potential for application of innovative technologies (such as artificial intelligence) in the processes of issuing ex-ante authorizations.

Final output(s):

- Mapping Report on licenses and ex-ante authorizations;
- Analysis and Recommendations Report for elimination and/or simplification and streamlining of ex-ante approvals in priority sectors;
- ICT Readiness Assessment Report for automation of ex-ante authorizations in select priority sectors and their integration into an online platform.

SLOVAKIA: DRIVERS AND HEALTH IMPACTS OF AMBIENT AIR POLLUTION (INDICATIVE DURATION 18 MONTHS; INDICATIVE BUDGET EUR 200,000 – EC REFERENCE 19SK05)

Project background:

Slovakia is among the EU Member States with poor air quality. The pollution in the ambient air has negative impacts on public health and the environment. According to the European Environment Agency, Slovakia has one of the highest levels of exposure to PM$_{2.5}$ among the population. These particles contribute to the incidence of asthma, cardiovascular problems, lung disease and consequently to premature death. Despite some improvements over the past years, the situation remains unsatisfactory. On several occasions in the past, Slovakia has been questioned for an insufficient transposition of EU laws regarding air quality and high pollutant levels. The analysis of air pollution at the regional level and further modelling of specific policies and measures will be used as a key input for decision-making relating to measures that reduce emissions of key pollutants.

In order to design cost-effective policies, it is important to express impacts of air pollution in monetary terms. Among the scenarios to be considered will be interventions in urban areas and the phasing out coal subsidies, which the European Commission considers to be one of the main challenges in environmental implementation in Slovakia.

Project specific objective:

The specific objective of the project is to support the Government of Slovakia in improving the ambient air quality in the country, by enhancing the understanding of the health impacts of air pollution and their economic costs, and by improving the capacity of the Slovak Ministry of Environment to perform cost-efficient interventions to address ambient air pollution.

Main project activities to be carried out by the World Bank:

- Guidance to the IEP on the most appropriate and relevant data collection on air quality and health required for the analysis.
- Calculation of health impacts of air pollution in physical and in monetary terms.
- Model evaluation of selected policies and measures, including sensitivity analysis regarding input parameters, such as health care costs, and technology shifts.
- Assessment of ambient air quality and health impact improvement potential in selected vulnerable regions through specific policies measures (e.g. addressing heavy stationary and mobile pollution resulting from solid fuels’ use e.g. coal, wood).

Final outputs:

- Report on the economic costs of ambient air pollution in Slovakia under a baseline scenario and under selected policies and measures.
Toolbox (report) to assist with identification of cost-effective policies and measures that improve air quality and thus reduce the human health impact of ambient air pollution, including a manual for the use of the toolbox.

Presentation of Project Results in a Workshop and finalisation of outputs.

ITALY: INNOVATION OF THE PUBLIC ADMINISTRATION RECRUITMENT IN CIVIL SERVICE PROCEDURES (INDICATIVE DURATION 12 MONTHS; INDICATIVE BUDGET EUR 400,000 – EC REFERENCE 191T07/191T08:)

Project background:

The ability, motivation, and productivity of the personnel in public administrations are key determinants of government performance. Recruiting “the right” type of public employee — those with not only the technical skills required for the job, but also with the motivation to serve the public first and foremost — is particularly important in public administrations given that structural constraints limit the potential of monetary and career rewards to influence incentives and performance of individuals. The importance of selection of civil servants for the productivity and performance of government is also increasingly backed by empirical evidence from academic studies to complement what has been tacit knowledge among policy circles for a long time. Furthermore, the selection of the right staff and the career development of staff needs to be underpinned by a clearer description of roles, procedures, positions, processes, and job-profiles in public organizations; and a clearer identification of required competencies.

The Department of Public Administration of the Government of Italy (“GoI”) and the National School of Administration (“SNA”) are seeking analytical and advisory support to strengthen: (i) the definition of required competencies and of roles and positions in various organizations and units of the public administration; and (ii) recruitment procedures for the public administration. This support would include advice on competencies and of assessment methods, including the content of tests, to identify both technical skills related to specific competencies and selection of individuals with the appropriate attitudes and public service motivation to be effective civil servants; institutional arrangements for these assessments; and monitoring mechanisms to measure whether recruitment and selection are improving.

Project specific objective:

The specific objective of this project is to support the Department of Public Administration of the GoI and the SNA in: (i) developing guidance and hands-on assistance for clearer descriptions of roles, positions, and related competencies; and (ii) proposing options for a recruitment model able to select staff with excellent knowledge, skills and attitudes, as one avenue for strengthening the public administration (including advice on options for the development of an assessment center).

The proposed approaches should be able to evaluate knowledge as well as skills and (existing) attitudes, in line with Article 97 of the Italian Constitution and other relevant legal obligations.

Main project activities to be carried out by the World Bank:

- Advising and providing support for the implementation of pilots by the GoI and NSA for the identification of roles, positions, job profiles, and competencies for a targeted selected subset of jobs in priority parts of the public administration; and provide guidance on how this can be replicated for other ministries and agencies; including a discussion of options with regards to advantages and disadvantages (e.g. regarding a broader or narrower definition of job profiles). These target jobs will be selected with the agreement of the Ministry of Public Administration.
• Support the mapping of staff skills and skill needs in selected priority sections of the administrations: the World Bank will provide hands-on advice (including drafting, commenting, facilitation as needed) on how to assess knowledge, skills and attitudes for different sectors and job families, and support selected national-level administrations on the analysis of findings from such assessments.

• **Set out options for a redesigned selection model for staff**, drawing on theoretical insights (such as behavioral sciences and others), as well as real life experiences in other countries and large public organizations. The proposed options will include discussion of advantages, disadvantages, and risks (e.g. of unintended consequences) of each model proposed. This should include specific sets of options for the recruitment of managers, including considerations about the fast stream programmes organized by the SNA.

**Final outputs:**

• Analysis of the current situation and its strengths and weaknesses regarding: (i) the identification of job profiles and competencies; and (ii) the recruitment processes in use.

• Guidance note on options for identifying roles, positions, job profiles, and competencies, including concrete examples drawn from the targeted subset of jobs in pilot administrations and for the development of an assessment centre.

• Clear and accessible menu of options for recruitment procedures, including underlying explanations about options and their advantages/disadvantage, and a discussion of the duration of various options taking into account existing experience (number of applicants, etc.).

• Completion of workshops and trainings with/for relevant counterparts.

• Draft guidelines for implementation of the recruitment model (likely to be) selected.

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.
ANNEX 2

STANDARD PROVISIONS

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

1. Administration of the Contributions

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

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

2. Management of the Contributions

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

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

2.3 The Donor agrees to deposit its Contributions in the Contribution Currency stated in the Administration Agreement. 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 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 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 August 31, 2021 (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.
ANNEX 3

GOVERNANCE OF 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 the Administration Agreement for the Trust Fund between the Bank and the Donor.

Working Modalities

1. The Bank shall be in charge of the implementation of the activities and shall consult with the Structural Reform Support Service (SRSS) regularly. The SRSS shall take all appropriate measures to facilitate the Bank work in the performance of the activities, including, as needed, facilitating contacts with local authorities.

2. Based on the project outlines described under the activities in Annex 1 to this Agreement, the Bank shall prepare and furnish to the SRSS promptly following signature of this Agreement, a detailed description of the activities to be carried out under each individual project described in Annex 1 of this Agreement. Each detailed project description shall contain, inter alia:
   - The detailed list of expected outcome(s), output(s) and activities;
   - In line with Bank Team composition described below, the composition and expertise of the Bank team for the specific activities to be carried out under the specific project, and, where appropriate, the resources (such as translations, facilities) to be made available by the relevant Member State Authority;
   - Where appropriate, the modalities for the regular consultations with the SRSS and key stakeholders involved in the activities to be carried out under the project;
   - The detailed indicative timeline of all the outputs;
   - Based on the Indicative Results Indicators contained in Annex 4, a detailed Indicative Results Indicators for the activities to be carried out under the project, including indicators, baselines, expected result goals, target groups and assumptions;
   - Based on the indicative budget of the action indicated in Article 3 of the Administrative Agreement and Annex V of the Agreement, a detailed indicative budget per project.

3. A Steering Committee, composed of the two representatives referenced to in Article 5 of the Administrative Agreement is established for the purposes of, among others, endorsing the detailed project descriptions described under the activities in Annex 1 of this Agreement.

4. No activities for individual project(s) shall start until the Steering Committee has endorsed the respective detailed project description through an exchange of letters communicated by email. Only the projects described under the activities in Annex 1 and their detailed descriptions as endorsed by the Steering Committee shall be eligible for financing out of the proceeds of the Trust Fund.

5. The Bank shall inform the SRSS of any subsequent changes in the approved detailed project descriptions. Subsequent significant changes of the outputs and/or budgetary reallocations between projects shall be submitted to the Steering Committee for approval.

6. The detailed descriptions of each project, once agreed upon by the Steering committee, shall serve as a basis for the follow up of each project's implementation. The level of detail in the
progress reporting prepared under Section 5.1 of the Annex 2 to this Agreement will reflect the detailed descriptions.

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

8. The Bank and the SRSS shall have regular exchanges on the progress of the projects, on the Annual Work Plans or schedule of 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 missions and all pertinent events or activities.

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

10. It is expected that the Bank shall consult and cooperate with the relevant Member State Authority at all major stages of the activities to be implemented under this Agreement. It is expected that the relevant Member State Authority shall provide input where necessary, comment on the work plan of the project, review draft outputs and provide detailed comments.

11. It is expected that the outputs resulting from the project’s activities shall be delivered by the Bank to the relevant Member State Authority and the SRSS directly. The Bank shall share with the SRSS draft outputs. The SRSS may provide comments that the Bank may take into account. The Bank shall inform the SRSS of those cases where the SRSS feedback was not taken into consideration.

12. The Bank shall notify the SRSS without delay on any circumstances likely to adversely affect the implementation and management of this Agreement or to significantly delay or jeopardize the performance of the activities or the expected outputs and outcomes.

13. The Bank will carry out the visibility activities agreed between the Bank and the SRSS in the Visibility Note dated April 23, 2019, as may be updated from time to time by the parties, in line with Article 9 and Attachment 4 of the Framework Agreement.

Bank team composition:

The Bank shall, in its sole discretion, determine the composition of the staff (including staff holding consultant appointments) assigned to perform the activities under this Agreement. The Bank teams will be managed by a Bank Task Team Leaders with relevant experience, drawing on the expertise of the World Bank Group staff with extensive experience on areas identified in the detailed project descriptions agreed with the SRSS and endorsed by the Steering Committee. The details of the Bank teams’ competencies will be outlined in the detailed project descriptions and will include in-depth knowledge of EU and country-specific expertise and ability to produce high-quality outputs.
## INDICATIVE RESULTS INDICATORS FOR THE ANNEX 1 ACTIVITIES

<table>
<thead>
<tr>
<th>Expected Results (logic of intervention)</th>
<th>Indicators</th>
<th>Baseline</th>
<th>Result goals</th>
<th>Target groups</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Impact</strong></td>
<td>Over the long term, the activities, outputs and associated outcomes are expected to contribute towards supporting conditions for smart, sustainable and inclusive growth in selected European Union Member States.</td>
<td></td>
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<tr>
<td><strong>Outcome(s)</strong></td>
<td>The overall expected outcome of the project is increased capacity of public administrations in the areas of financial regulation, business regulation, environmental management, and management and use of public resources.</td>
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<tr>
<td>Increased effectiveness of audits in Romania</td>
<td>Romanian Court of Accounts has a rather narrow and professional perspective to management of public finances, not closely aligned with international (INTOSAI) standards</td>
<td>Improved organizational development and professional audit capacity of the Romanian Court of Accounts, more closely aligned with international (INTOSAI) standards</td>
<td>Romanian Court of Accounts</td>
<td>Adoption and implementation of the outputs by Government authorities and subsequent enforcement</td>
<td></td>
</tr>
<tr>
<td>Stronger resolution capacity of the National Bank of Romania</td>
<td>Romanian public administration has some understanding of the practical effects and possible impediments of applying resolution powers while existing resolution procedures have weaknesses.</td>
<td>Romanian public administration has: i) a sound analytical understanding of the practical effects and possible impediments of applying resolution powers and ii) enhanced resolution procedures</td>
<td>National Bank of Romania (NBR)</td>
<td>Adoption and implementation of the outputs by Government authorities and subsequent enforcement</td>
<td></td>
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<tr>
<td>Increased consumer creditworthiness in Croatia</td>
<td>Croatian credit reporting infrastructure does not fulfil key functions, including effective consumer protection</td>
<td>Policy informed on more effective credit reporting infrastructure</td>
<td>Government of Croatia</td>
<td>Adoption and implementation of the outputs by Government authorities and subsequent enforcement</td>
<td></td>
</tr>
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<td>Expected Results (logic of intervention)</td>
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<tr>
<td>Improved business environment in Croatia</td>
<td>Croatian public administration applies complex entry procedures for business activities in selected priority sectors</td>
<td>Croatian public administration applies simplified entry procedures for business activities in selected priority sectors</td>
<td>Government of Croatia</td>
<td>Adoption and implementation of the outputs by Government authorities and subsequent enforcement</td>
<td></td>
</tr>
<tr>
<td>Improved public administration capacity to address air pollution and reduce its health impacts</td>
<td>Slovak public administration lacks analytical basis to perform cost-efficient interventions to address ambient air pollution</td>
<td>Slovak public administration has analytical basis (understanding of the health impacts of air pollution and their economic costs) to perform cost-efficient interventions to address ambient air pollution</td>
<td>Slovak Ministry of Environment</td>
<td>Adoption and implementation of the outputs by Government authorities and subsequent enforcement</td>
<td></td>
</tr>
<tr>
<td>Improved effectiveness and service delivery of Italian civil service</td>
<td>The Italian public administration's recruitment system is based more on assessing knowledge than skills and attitudes necessary to cover specific professional positions.</td>
<td>Italian Government has analytical basis to decide on improving recruitment and assessment procedures, with the aim of selecting staff not only on the basis of knowledge, but also skills (know-how) and attitude.</td>
<td>Government of Italy</td>
<td>Adoption and implementation of the outputs by Government authorities and subsequent enforcement</td>
<td></td>
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</tbody>
</table>

**Output (s)**

<p>| Recommendation on new HR strategy and recruitment procedure for the Court of Accounts (Romania) | 0 | 1 | Romanian Court of Accounts |
| i) Simulation bank resolution exercise testing key stakeholders' decisions and actions in the execution of a resolution action and ex-post report with recommendations, ii) Note on the operational process for the bail-in tool, iii) assessment and recommendations to improve | 0 | 3 | National Bank of Romania (NBR) |</p>
<table>
<thead>
<tr>
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</tr>
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<tbody>
<tr>
<td>resolution planning</td>
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<tr>
<td>i) Report on functional aspects of Croatia's credit reporting infrastructure with policy recommendations and a proposed roadmap for implementation, and ii) Capacity building on both policy and operational level of effective credit reporting infrastructure aimed at improved creditworthiness</td>
<td>0</td>
<td>2</td>
<td>Government of Croatia</td>
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<tr>
<td>In-depth review of ex-ante authorizations and administrative formalities in select priority sectors and reform recommendations based on a risk-based approach. (Croatia)</td>
<td>0</td>
<td>1</td>
<td>Government of Croatia</td>
<td></td>
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<tr>
<td>Toolbox provided to assist with identification of policies to improve air quality (Slovakia)</td>
<td>0</td>
<td>1</td>
<td>Slovak Ministry of Environment</td>
<td></td>
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<tr>
<td>Proposed recruitment procedure options and methodology for developing job profiles (Italy)</td>
<td>0</td>
<td>1</td>
<td>Government of Italy</td>
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</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 I.
Brussels, April 23rd 2019

Subject: Visibility note applicable to the TF073320, TF073321, TF073323 Trust Fund

I-Titles of the Administration Agreements

TF073320 - Part II - EU2020 - Structural Reform Support Service (SRSS) Umbrella Trust Fund for Social Protection
TF073323 - Part II - EU2020 - Structural Reform Support Service (SRSS) Umbrella Trust Fund for Governance
TF073321 - Part II - EU2020 - Structural Reform Support Service (SRSS) Umbrella Trust Fund for Finance, Competitiveness and Innovation

II- Objective

In accordance with article 9 and Attachment 4 of the Framework Agreement between the European Commission (the Commission) and the World Bank (the Bank), this note defines the visibility activities to be financed by the Bank in order to identify and explain the European Union's support for the activities of the Trust Fund (No TF073320, TF073321, TF073323) (EC Contract No SRSS/S2019/037, SRSS/S2019/038 and SRSS/S2019/039) fully funded by the Commission.

III-Activities

- All press releases, publications, social media channels (inter alia Facebook, Twitter, Instagram), training programs, seminars or symposia or other public information materials issued shall prominently displaying the EU logo and clearly indicate that the activities have been carried out with funding by the European Union via the Structural Reform Support Programme and in cooperation with the European Commission's Structural Reform Support Service.

- The Bank should ensure that every deliverable (periodic or final), acknowledges that it was carried out with funding by the European Union via the Structural Reform Support Programme and in cooperation with the European Commission's Structural Reform Support Service. This acknowledgment should include prominently displaying the EU logo (on the front cover page of the deliverable and every time the logo of the Bank is displayed).

- Publications and deliverables pertaining to the Action, in whatever form and whatever medium, including the internet, shall carry the following disclaimer: "This document was produced with the

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1. In the case of social media channels, the text can be reduced to “implemented with EU via #SRSP”.
financial assistance of the European Union. The views expressed herein can in no way be taken to reflect the official opinion of the European Union.”.

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

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

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

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