1. The European Union, represented by the EUROPEAN COMMISSION (the "Donor"), which is represented for the purposes of signing this amendment by Eric von Breska, Director, Directorate-General Regional and Urban Policy, Directorate Policy, of the one part, and

2. The INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (the "Bank"), represented for the purposes of the signature of this amendment by Arup Banerji, Regional Director, European Union Countries, on the other part.

Having regard to the above-mentioned Administration Agreement n° 2016.CE.16.BAT.010 signed on 29 February 2016 and last amended on 10 October 2018.

Whereas the Donor has informed the Bank of its intention to amend the above-mentioned Administration Agreement for the following reason: the need to include in the activities to be performed by the Bank up to five additional European Union Member States, revise the indicative outputs and timeline table and update accordingly the End Disbursement Date, increasing the amount of the EU contribution and thus revising budget.

HAVE AGREED AS FOLLOWS:

Article 1 Paragraph 1 of the Administration Agreement is replaced by the following paragraph:

"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 million seven hundred thousand and seventy five thousand Euro (€7,775,000) (the "Contribution") for the Part II Europe 2020 Programmatic Single-Donor Trust Fund, (No. TF072558) (the "Trust Fund") in accordance with the terms of this Administration Agreement.

The estimated total budget of the Trust Fund seven million seven hundred thousand and seventy five thousand Euro (€7,775,000). The indicative budget set out in Annex 5 shall be used for monitoring purpose only and shall not be binding."
Article 2 Paragraph 3 of the Administration Agreement is replaced by the following paragraph:

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

(A) Promptly following countersignature – € 850,000,
(B) € 850,000 subject to the disbursement of 70% of the preceding instalment,
(C) € 1,275,000 subject to the disbursement of 70% of the preceding instalment,
(D) € 935,000 subject to the disbursement of 70% of the preceding instalment,
(E) € 935,000 subject to the disbursement of 70% of the preceding instalment,
(F) € 935,000 subject to the disbursement of 70% of the preceding instalment,
(G) € 935,000 subject to the disbursement of 70% of the preceding instalment,
(H) € 1,060,000 subject to the disbursement of 70% of the preceding instalment.

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

Article 3

Section 2 of Annex 1 to the Administration Agreement is replaced by the following:

"2. Activities

The sub-objectives and description of activities are:

2.1 The European Commission and the Bank share a common objective of building competitive and sustainable economies and reducing poverty and social exclusion—goals of the Europe 2020 Agenda, which is built on the three pillars of smart, sustainable and inclusive growth. The European Commission and the Bank concur that creating an enabling environment for private sector development is an important part of the competitiveness and growth agenda. The Directorate General for Regional and Urban Policy (DG REGIO) has requested the Bank’s assistance in measuring the business environment for small and medium-size enterprises—the engines of job creation and economic development—at the regional level in the following 14 to 15 EU Member States: Bulgaria, Croatia, Czech Republic, Greece, Hungary, Ireland, Italy, Portugal, Romania and Slovakia and 4 to 5 EU member States selected following consultations with the European Commission and the Member State (the "Selected EU Member States"), highlighting differences in regulation, gaps in the implementation of national laws and the efficiency of local public administrations. By following the diagnostic methodology used in the cross-country Doing Business report and adapting it to the regional context, the activity’s overall objective is to advance regulatory reforms at the regional level in the benchmarked Selected EU Member States, promote peer-to-peer learning and convergence towards best regulatory practices, in order to foster the development of the private sector."
The activities (which may be described as “components” of activities) to be financed by the Trust Fund, in support of the sub-objectives cited in Section 2.1 above, are the following Bank-executed activities, for which the Bank has implementation responsibility:

(i) **Carry out micro-level data collection and indicator production (including rankings) on five (5) subnational Doing Business indicator datasets.** Specific activities include: (a) standardized data collection in cities representing NUTS-2 (Nomenclature of Territorial Units for Statistics) regional administrative divisions from the Selected EU Member States (in addition to 71 cities already benchmarked in Bulgaria, Croatia, Czech Republic, Greece, Hungary, Ireland, Italy, Portugal, Romania and Slovakia); (b) production of 5 indicator datasets for each location: starting a business, dealing with construction permits, getting electricity, registering property, and enforcing contracts; (c) identification of good practices and regulatory bottlenecks; (d) assessment of performance of each benchmarked location.

(ii) **Carry out consultations with government authorities at the local and national level in the Selected EU Member States to invite them to participate in key stages of the project implementation.** The Bank will reach out to national and local government authorities to invite them to participate to workshops where the methodology will be presented. The authorities will also be invited by the Bank to review and comment on the preliminary data. Consultations will be held subject to authorities agreeing to participate.

(iii) **Preparation and publication of report/s** based on the data collected, verified and finalized, outlining the performance of each location on the five areas of regulation utilizing the subnational Doing Business indicators and providing local and international good practice examples and recommendations for reform on each said area of regulation.

(iv) **Dissemination of results.** In order to bring the benchmarking exercise into the public realm and start the reform dialogue, the findings will be presented in a high-level conference with participation of national and local policy makers, development partners, academia, private sector stakeholders and the media. In order to increase impact and reach, the main findings will be translated in the languages of the Selected EU Member States (with Ireland using the English version). A media strategy will be developed and the report/s and detailed indicator data will be made available on the World Bank Group Doing Business website.

**Methodology: Five rounds of measurement** will be undertaken, each covering locations from 2 to 4 of the Selected EU Member States. The sequencing will be determined at the start of the activities and there will be a round of measurement per calendar year.
Indicative outputs and timeline (for each round of measurement)

<table>
<thead>
<tr>
<th>Activity</th>
<th>Timeline for each round</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project preparation &amp; kick of meetings</td>
<td>Months 1-3 <em>(from the kickoff date in each EU member state)</em></td>
</tr>
<tr>
<td>Data collection &amp; analysis</td>
<td>Months 4-8 <em>(from the kickoff date in each EU member state)</em></td>
</tr>
<tr>
<td>Preliminary data shared with stakeholders</td>
<td>Months 9-10 <em>(from the kickoff date in each EU member state)</em></td>
</tr>
<tr>
<td>Preparation of the report</td>
<td>Months 11-14 <em>(from the kickoff date in each EU member state)</em></td>
</tr>
<tr>
<td>Report launch event &amp; results dissemination</td>
<td>Months 15-17 <em>(from the kickoff date in each EU member state)</em></td>
</tr>
</tbody>
</table>

**Article 4**

Section 6.1 of the Annex 2 to the Administration Agreement is replaced by the following:

"It is expected that the funds deposited in the Trust Fund will be fully disbursed by the Bank by April 30, 2022 (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.

**Article 5**

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

**Article 6**

All other terms and conditions of the Agreement, except as amended herein, remain unchanged.
Article 7

The present amendment shall form an integral part of the Administration Agreement. It shall enter into force on the date on which it is signed by the last party.

SIGNATURES

For the Bank,

**Arup Banerji**
Regional Director
European Union

Signature:

Date: **18/07/2019**

In duplicate in English.

For the Donor,

**Eric von Breska**
Director
DG REGIO

**Acting Director Jonathan Denny**

Signature:

Date: **22/07/2019**

deputising for

Mr. Von Breska
ANNEX 5

INDICATIVE BUDGET
FOR THE ACTIVITIES SET FORTH IN ANNEX 1 TO THIS ADMINISTRATION AGREEMENT

<table>
<thead>
<tr>
<th>Expenditure Category</th>
<th>Amount in Euro</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staff and individual consultant services</td>
<td>4,690,000</td>
</tr>
<tr>
<td>Cost of travel</td>
<td>766,000</td>
</tr>
<tr>
<td>Cost of training and workshop</td>
<td>680,000</td>
</tr>
<tr>
<td>Other services including translation</td>
<td>1,250,250</td>
</tr>
<tr>
<td><strong>Sub-total</strong></td>
<td><strong>7,386,250</strong></td>
</tr>
<tr>
<td>Administration fee (5%)</td>
<td>388,750</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>7,775,000</strong></td>
</tr>
</tbody>
</table>

The amount estimated for personnel is calculated taking into account different levels of expertise estimated to be required for carrying out the activities described in Annex 1. The World Bank Group entity may transfer amounts between categories of the indicative budget. This does not require an amendment of the Administration Agreement if the Action is carried out as described in the Annex 1.