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 which sets the general conditions for this Agreement (the “Framework 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 four hundred thousand euros (€400,000) (the “Contribution”) for the Part II Europe 2020 Programmatic Single-Donor Trust Fund (the “Trust Fund”) in accordance with the terms of this Administration Agreement.

The estimated total budget of the Trust Fund is Euro four hundred thousand euros (€400 000). 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 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 “Installment”) upon submission of a payment request by the Bank:

(A) Promptly following countersignature – € 280,000
(B) € 120,000 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.

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 TF073124 (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  
17 av Marnix, 1000 Brussels - Belgium  
Tel: +32 2 504 0994  
E-mail: abanerji@worldbank.org

For the Donor (the “Donor Contact”),

Mary McCarthy  
Director  
Structural Reform Support Service  
CHAR 10/104, 1049 Brussels  
Tel: +32 229-93493  
Mary.McCarthy@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: Arup Banerji
Name: Arup Banerji
Title: Country Director
Date: 26/07/2018

EUROPEAN UNION represented by the EUROPEAN COMMISSION

By: Mary McCarthy
Name: Mary McCarthy
Title: Director
Date: 30.7.2018
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

The Romanian Competition Council (RCC) has expressed interest in receiving technical assistance from the Bank, in the framework of this Trust Fund, to: (i) conduct ex-post state aid impact evaluation of selected state aid schemes, (ii) use lessons learned from these evaluations to improve the ex-ante design of new state aid, (iii) update the state aid assessment guide elaborated under the previous Reimbursable Advisory Agreement between the World Bank and the RCC dated June 4, 2012, and (iv) receive capacity building to improve the RCC’s and line ministries (Grantors’) capacity to assess state aid impact in the markets so as to evaluate the competition distortions and to help designing better aid schemes in the future.

Overall, despite recent sustained income growth, there is a perception that Romania’s competitiveness lags behind, as indicated by the overall ranking of the country in the World Economic Forum (WEF)’s Global Competitiveness Ranking 2017-2018. To speed up convergence with the rest of the EU, Romania needs to more rapidly increase productivity to catch up with other countries in Eastern and Central Europe. Effective implementation of competition policies can help boost productivity and private investment. RCC is charged with guaranteeing market competition and effectively implementing competition policy to level the playing field for all market players and to tackle market distortions resulting from anticompetitive behaviour of firms and/or Government interventions and regulations. It enforces competition law,

1 https://www.weforum.org/reports/the-global-competitiveness-report-2017-2018

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ensures that state aid meets rigorous EU criteria without creating significant market distortions, and promotes a broader understanding of competition rules and benefits. RCC has made good progress toward its goal of meeting EU competition standards and compares favourably with other EU competition agencies. RCC is also the national point of contact between the European Commission and the national authorities and public institutions, other suppliers of state aid and the beneficiaries of state aid. In addition, it assists the authorities, the suppliers and beneficiaries of state aid with specialized advice including in the process of elaborating administrative acts which establish measures for state aid or de minimis aid.

RCC developed the Register of State Aid in Romania (RegAS), a database which allows the monitoring of granting state aid to better ensure the compliance of norms and regulation regarding the implementation of state aid. The activities carried out under this Trust Fund will support RCC strengthen further its strategic focus and prioritization capacities to enhance its effectiveness in deterring the most harmful anticompetitive practices, tackle regulations that stifle competition and minimizing the distortive effects of state aid and improve its capacity by promoting evidence-based decisions in a transparent manner.

In the EU, ex-post evaluation has been relatively recently introduced as a requirement for selected state aid schemes in the context of state aid modernization process and, as explained in the EC working paper on the common methodology for the evaluation of state aid (2014), it is essential for decision makers both at the Member State and EU level to consider the measurable results of State aid granted in the past, and the lessons learnt. This would help ensure that schemes financed by State aid are more effective and create less distortion in markets, and would also improve the efficiency of future schemes and, possibly, of future rules for granting State aid.

In this context, the Bank will provide hands-on support to RCC in conducting ex-post state aid impact evaluation to understand state aid effects, to better inform the national decision makers on the results of State aid granted in the past, the lessons learnt, to optimise the design of future state aid schemes and to update the existing state aid assessment methodological guide in line with the methodology and requirements of the EC for state aid evaluation.

Additionally, the Bank will provide capacity building activities to improve the RCC’s and Grantors’ capacity to conduct ex-ante assessment and ex-post state aid evaluations in line with the EC methodology and requirements for state aid evaluation.

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4 “Methodological guide for assessing the impact of granted state aid under current state aid legislation” was prepared in 2014 as part of a project for the General Secretariat of the Romanian Government, and in partnership with the RCC, and financed through the Social European Fund.
The Bank will carry out the following activities:

**COMPONENT A – Support to evaluate State aid effectiveness in spurring competitiveness and growth, while minimizing competition distortions**

A1. a. Evaluation of selected state aid schemes
The Bank will carry out an ex-post evaluation into the direct effects of three state aid schemes on the performance of (beneficiary) firms and competition outcomes, eventually compared to that of a control group. This analysis will use both quantitative (firm level data will be required and firm beneficiaries would need to be identified) and qualitative methods. This analysis will build evidence about potential distortions of selected state aid scheme on specific markets.

The proposed schemes for such an evaluation are: (i) a state aid scheme to support investment for regional development by using new technologies and aiming at supporting job creation (Government Decree 1680/2008); (ii) a state aid scheme aiming to upgrade and modernize R&D&I (Order no.3388/November 17, 2008) and (iii) de minimis scheme to incentivize access to finance for SMEs (Romanian Counter-Guarantee Fund, Implementing measure no. 2/2012). The proposed aid schemes involve some of the largest grantors in Romania, notably the Ministry of Public Finances, the Ministry for European Funds and the Romanian Counter-Guarantee Fund. Depending on data availability, these schemes may be changed to ensure alignment with the EU methodological requirements for an ex-post impact evaluation.

On the quantitative front, the analysis will aim at estimating the causal impact of an aid program on certain outcome which constitute the objectives pursued by those aid measures (e.g. employment, investment, competition outcomes, such as prices/output/market shares, etc). The exact econometric technique to be applied by the analysis (e.g. difference in difference, instrumental variables, regression discontinuity design, etc) will be decided once there is more clarity about data availability and in line with the methodology suggested by the EC.

On the qualitative front, the analysis will draw on field interviews with both demand (firm side) and supply actors (regional agencies, etc) to assess incentive design, functioning, and results to help identify existing weaknesses and avenues for potential improvements. The Bank will build the capacity of the RCC staff in applying the identified econometric technique/s for the ex-post impact evaluation in order to facilitate transfer of knowledge for similar impact evaluations to be carried out by RCC in the future.

A1. b. Assessing the determinants of firm mark-up performance (including state aid allocation) across Romanian product markets

The Bank will assess the key determinants of firm mark-up performance across Romanian product markets including state aid allocation, and estimate the potential for productivity growth from increased competition pressure to, among others, raise awareness across the state aid grantors and the RCC about the effects of state aid allocation on firm performance across multiple product markets.
the Bank will support RCC: (1) explore the determinants of firm pricing power, (2) assess the potential for productivity growth accruing from fiercer competition in Romanian product markets within manufacturing industry.

Depending on the extent of data available, the methodology for this analysis could follow a four-pronged approach. First, firm-level mark-up in each product market (as a proxy of pricing power) will be estimated. Second, productivity at firm level will be computed. Third, the analysis will explore how firm characteristics – as state aid (recipients vs. non-recipients), ownership (SOEs vs non SOEs), size, age, productivity level, exporting status, location, etc – influence the mark-up behaviour in a product market. Four, the economic effect of increasing competition pressure on productivity growth in the Romanian manufacturing sector will be estimated.

A2. Updated guide on the state aid evaluation

The Bank will support RCC update the “Methodological guide for assessing the impact of granted state aid under current state aid legislation” (2014). The lessons learnt from the ex-post analysis on state aid (in sub-component A.1) will be used to update the guide for the assessment of the impact of granted state aid on competition and market outcomes for RCC and grantors. The updated methodological guide will also provide guidance on (i) simplified ex-post assessment methodology, (e.g. for schemes with low budget / reduced number of beneficiaries / low volume of allocations, estimation of direct effects only of the aid granted, limited available data, etc), which can be applied also by Grantors with limited resources; (ii) criteria for designing the most appropriate state aid instrument to minimize competition distortions (for example, grants vs guarantees, counter-guarantees, subsidized loans, capital increases etc.) and (iii) market economy operator test (MEO).

COMPONENT B – Capacity building for impact evaluation of state aid

B.1. Training sessions for a selected number of experts from RCC and Grantors

The Bank will provide capacity building activities RCC to improve its capacity for evidence-based analysis and its ability to consult and train Grantors on how to better implement ex-ante assessments and to design state aid schemes that minimize competition distortions.

The Bank in consultation with RCC will identify up to 60 experts in state aid schemes during three training sessions and will identify a subset of participants to join a training of trainers’ (ToT) module. The trainings will include hands-on practical case studies and applications. The training will be provided to the same RCC staff while the staff of the grantors can be different depending on the topic. The ToT module could be included as part of each of the three training
sessions or alternatively in the last training session only if dedicated to the ToT. The ToT module will request the selected staff to demonstrate the skills acquired during all the training sessions.

Topics will include:

- The concept of state aid:
  - Guidance on the application of the "market economy operator" test,
  - Assessment of state aid elements in relation to the Services of General Economic Interest (also in the context of Article 107 (1) TFEU and in line with the EU practice),
  - Design of state aid, including "de minimis" aid, by using specific financial instruments (guarantees and counter-guarantees) to minimize competition distortions.

- The compatibility and evaluation of state aid measures:
  - Evaluation methods of state aid to minimize competition distortions,
  - Lessons learned from the analysis performed in component A of the project,
  - Regional aid for investments,
  - State Aid for R&D&I,
  - EU good practices in conducting state aid assessments.

The training sessions will also share good practices in conducting ex-post assessment in other EU Member States. The trainings delivered will form the basis for a training manual for staff of RCC and grantors, with the training topics mentioned above featured as distinct chapters.

**Data requirements**

In order to facilitate the carrying out the activities described under Component A of this Annex, RCC will provide to the Bank with the following data:

- A detailed firm level dataset with information on firm characteristics (size, region, origin of capital) and performance (sales, output, employment)
- the Structural Business Survey (SBS) of Romania, provided by National Institute of Statistics.

**Indicative Timeline of outputs table**

<table>
<thead>
<tr>
<th>Indicative Timeline</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Q1</td>
<td>Q2</td>
</tr>
<tr>
<td>A. Support to evaluate State aid effectiveness in spurring competitiveness and growth, while minimizing competition distortions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.a. Evaluation of three state aid schemes</td>
<td></td>
<td></td>
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<tr>
<td>1.b. Paper assessing the determinants of</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

5 This timeline is considered for 18 months (6 quarters) from the signing of the project.
firm mark-up performance and the potential for productivity growth, including state aid across Romanian product markets

| 2. Updated guide on the state aid evaluation | ✔ |
| B. Capacity building for impact evaluation of state aid | |
| 1. Training sessions (three) for a selected number of experts from RCC and Grantors | ✔ | ✔ | ✔ |
| 2. Training manual | ✔ |

*the timeline may be adjusted depending on the availability of the data to be provided to the Bank in order to carry out the activities.

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**

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.
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 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 Development Partner 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 Development Partner Center secure website.

4.3 The Bank shall provide to the Donor via the World Bank's Trust Fund Development Partner 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 October 31, 2019 (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

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

The Bank shall be in charge of the implementation of the activities and shall consult with the Structural Reform Support Service (SRSS) regularly.

The activities shall be undertaken in close collaboration with the SRSS and the Romanian authorities, including RCC, state aid grantors (such as the Ministry of Public Finances, the Ministry for European Funds, the Romanian Counter-Guarantee Fund), the National Commission for Strategy and Prognosis.

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 Romanian 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 support work streams the SRSS is or has been involved in.

The Bank and the SRSS shall have regular exchanges, at least on a quarterly basis, on the progress of the project, on the work plan or schedule of activities for the following month(s), including missions. A Representative of the SRSS shall be invited to attend all missions and all pertinent events or activities. To facilitate the organization and efficiency of such missions, events and activities, the Bank shall share with the SRSS in a timely manner the relevant documents.

Priorities and choices to be made in the planning of the activities shall be discussed and consulted between the Bank and SRSS.

It is expected that the RCC shall be the national contact point for the activities, and shall coordinate the necessary coordination mechanisms within the relevant stakeholders. To this end, it is expected that the RCC will continue to use a Project Management Team, composed of relevant staff.

It is expected that the Bank shall consult and cooperate with the Project Management Team at all major stages of the activities to be implemented. It is expected that the RCC shall provide input for the analysis of the Bank, comment on the work plan of the project, review draft outputs and provide detailed comments.

It is expected that the outputs resulting from the activities shall be delivered by the Bank to the Romanian authorities 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.

The Romanian authorities shall be solely responsible for the implementation of the recommendations of the outputs delivered by the Bank.
The Bank shall notify the SRSS without delay on any circumstances likely to adversely affect the implementation and management of the activities or to significantly delay or jeopardize the performance of the activities or the expected outputs and outcomes.

The Bank shall carry out the visibility activities agreed between the Bank and the SRSS in the Visibility Note, which 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 team will be co-managed by two World Bank task team leaders with relevant experience in Project management, competition and state aid policy, and drawing on the expertise of the Bank personnel contributing to specific segments of the activities in, among others, the following areas: EU competition policy; EU state aid rules; impact evaluation; microeconomics, competition and growth; macroeconomics and structural policies; growth diagnostics; innovation, technology and entrepreneurship and business environment.

**Payment Requests**

Requests for payments related to the activities set forth in Section 2.1 of Annex 1 to this Administration Agreement will be sent by the World Bank to the Commission with the reference SRSS/S2018/020 and shall be addressed to:

*Greffe Financier*
*Mr Giuseppe Menchi*
*Structural Reform Support Service*
*European Commission*
*B-1049 Brussels (Belgium)*
### INDICATIVE RESULTS INDICATORS

<table>
<thead>
<tr>
<th>Expected Results (logic of intervention)</th>
<th>Indicators</th>
<th>Baselines</th>
<th>Result goals</th>
<th>Sources of data</th>
<th>Assumptions</th>
</tr>
</thead>
</table>
| **Impact** State aid schemes will be more efficient and create less distortion in markets | Price cost margins  
  Price mark-up  
  Observed Labor Productivity  
  Estimated Total Factor Productivity, Investment, Employment | To be determined by empirical analysis and ex-post evaluation | Firm level panel data from the Structural Business Survey (INS) | Data availability |
| **Outcome(s)** Enhanced ability of the RCC to conduct state aid impact evaluations and advise on state aid design | Additional state aid impact evaluations | To be determined | Firm level panel data from the Structural Business Survey (INS) and state aid by beneficiary firm | Data availability |
| **Output(s)** | 1) Analysis completed containing:  
  - Evaluation of each of the state aid scheme selected  
  - Adaptation of methodology for every instrument of state aid used  
  - The exact econometric technique to be applied by the analysis  
  - Field interviews with demand and supply side actors  
  - Lessons learned  
  Assessing the determinants of firm | 3 evaluations | INS State aid grantors Beneficiaries | INS shares data with RCC  
  Grantors and beneficiaries share data with RCC |
### A1.b. Assessment of the potential for productivity growth (Output 4)

Mark-up performance (including state aid allocation) across Romanian product markets. 

- **Output**: Paper on assessing the determinants of firm mark-up performance (including state aid allocation) across Romanian product markets (analysis using firm level data).
- **Data Source**: INS Firm level panel data from the Structural Business Survey.

### A2. Updated guide on the state aid evaluation (Output 5)

Updated methodology on state aid evaluation based on empirical data and lessons learned in component A1. 

- **Data Source**: EU specialists World Bank’s Markets and Competition team.

### B.1. Training sessions for a selected number of experts from RCC and grantors (Outputs 6, 7 and 8)

1) Number of trainings delivered on ex ante and ex post evaluation. 
2) Number of experts from RCC and grantors trained. 

- **Output**: Training sessions delivered. 
- **Data Source**: Up to 60 experts.

### B.2. Training manual (Output 9)

1) Training manual elaborated. 

- **Output**: Training manual prepared. 
- **Data Source**: EU specialists World Bank’s Markets and Competition team.

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## ANNEX 5

**INDICATIVE BUDGET**

<table>
<thead>
<tr>
<th>Expenditure Category</th>
<th>Average Number</th>
<th>Amount in euro</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staff and consultant services</td>
<td>8</td>
<td>306,000</td>
</tr>
<tr>
<td>Cost of travel</td>
<td>10</td>
<td>60,000</td>
</tr>
<tr>
<td>Other services including translation</td>
<td></td>
<td>14,000</td>
</tr>
<tr>
<td><strong>Sub-total</strong></td>
<td></td>
<td><strong>380,000</strong></td>
</tr>
<tr>
<td>Administration fee (5%)</td>
<td></td>
<td>20,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>400,000</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.