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 sum of one million six hundred thousand euros (€1,600,000) (the “Contribution”) for the Part H Europe 2020 Programmatic Single-Donor Trust Fund, No. TF073395 (the “Trust Fund”) in accordance with the terms of this Administration Agreement.

The estimated total budget of the Trust Fund is one million six hundred thousand euros (€1,600,000). 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 H 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 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) €600,000, promptly following countersignature
   (B) €1,000,000 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 TF No. TF073395 (The Part H 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  
The World Bank  
17 av. Marnix, 2nd floor  
1000 Brussels  
Belgium

Tel: +322 504-0994  
Email: Abanerji@worldbank.org

For the Donor (the “Donor Contact”):

Nicola De Michelis  
European Commission  
Directorate-General for Regional and Urban Policy  
Smart and Sustainable Growth and Programme Implementation IV  
BU-1 04/208  
1049 Brussels  
Belgium

Tel: +322 552 30  
Email: Nicola.De-Michelis@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 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: Nov 05, 2019

EUROPEAN UNION represented by the EUROPEAN COMMISSION

By: 

Name: Nicola De Micheli
Title: Director

Date: 07-11-2019
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 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 European Commission’s Directorate General for Regional and Urban Policy (DG REGIO) has expressed an interest in ensuring that the Bank provides technical assistance in the framework of the Trust Fund with the specific objective of supporting the development of a complementary monitoring and evaluation (M&E) system for smart specialization that enables: (i) better use of extensive data collection efforts in the European Union, and (ii) estimation of the results of EU funded programs.

2.1 Background

EU cohesion policy provides support to promote sustainable and inclusive growth in all European Union (EU) regions, especially lagging ones, among others for research and innovation, smart specialization, support to enterprises, infrastructure, human capital and support for administrative and institutional capacity. Funding for regional and cohesion policy in 2014-2020 amounts to €351.8 billion, of which €123 billion is invested in research and innovation, digitalization and small and mid-size enterprises (SME) competitiveness. As per the Common Provisions Regulation,1 EU Member States prepared Smart Specialization strategies as an ex-ante conditionality to access EU funds in the 2014-2020 period and will be required to demonstrate good governance of their strategies for the post-2020 period. These strategies are intended to set priorities to build competitive advantage by developing and matching research and innovation strengths to the comparative advantages of various EU countries and regions as well as firms’ needs to address emerging opportunities and market

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developments. Smart specialization strategies ought to be developed in the continuous and structured dialogue facilitated by public authorities with business, research and civil society.

Regional and cohesion policy funding requires EU Member States to establish standard M&E systems and conduct *ex-ante*, mid-term, and *ex-post* evaluations, as the basis for accountability to DG REGIO and relevant EU bodies. Furthermore, the policy has a relatively well-developed performance system that requires programs to set out targets and milestones. This approach has been reinforced for the post-2020 period, notably through the inclusion of obligatory common output and result indicators. This monitoring information is supplemented by relatively detailed information on types of intervention at the level of financial reporting, including in relation to project type and sector.

Managing authorities responsible for country-level operational programs collect significant information from beneficiaries during the project selection and implementation phases. While there is growing acknowledgement that regulatory M&E requirements provide a good basis for accountability and assessment of program performance at aggregate levels, they offer an insufficient degree of granularity and timeliness necessary to steer and draw lessons from implementation of smart specialization strategies. Addressing this will be particularly important for the post-2020 period, as the scope of smart specialization strategies will be expanded to cover investment in digitization, technological upgrading of SMEs and skills.

Furthermore, there is increasing demand for evidence on results of EU investments. In this context, it is important to address two key issues to strengthen the effectiveness of EU investments: the policy mix and intervention logic. Addressing these issues will allow the most efficient and effective use of public investments. For both it is crucial to rely on rigorous evidence on the results and effectiveness of previous interventions.

Accordingly, there is a need to develop a complementary M&E system for smart specialization that enables better and more timely use of extensive data collection efforts in the EU, explicitly emphasizing key aspects of smart specialization implementation, including key processes and its governance. This would include: (i) the process of prioritization of smart specialization areas at the national and regional levels; (ii) policy mix and instrument selected; and (iii) beneficiaries targeted under specific programs – identified under their respective smart specialization strategies.

### 2.2 Description of Activities to be carried out by the Bank

Under this Trust Fund, the Bank will support two EU Member State national or sub-national authorities in their design of a complementary M&E system for smart specialization. The Bank is currently involved in innovation policy engagements in several EU Member States, several of which are supported by the Commission, notably in Croatia, Poland, and Romania. These ongoing activities would inform the design of the new complementary M&E approaches.

The activities to be carried out under this Trust Fund will be carried out in phases: Pillar 1 will focus on supporting two EU Member State national or sub-national authorities in their design of a complementary M&E system; Pillar 2 will focus on two *(2)* *ex-post* impact evaluations of smart specialization programs, and Pillar 3 will focus on two to four *(2-4)* rigorous *ex-ante* impact evaluations of smart specialization programs. The implementation of Pillars 2 and 3 will be conditional on the results of Pillars 1, following a consultation process referred to in Annex 3 to this Agreement.
PILLAR 1: TECHNICAL ASSISTANCE TO COMPLEMENT EXISTING M&E SYSTEMS

The Bank will support national or sub-national authorities in their design of a complementary information system to support policy making, monitoring, and program implementation by generating actionable information on smart specialization in two (2) pilot EU countries or regions. This logical M&E system would use existing information as collected by the European Commission or the Member States and made available to the Bank under this Agreement. EU Member States could use this system to better monitor and adapt their smart specialization approaches. Particular emphasis would be placed on developing a system that can provide information on how adequate and appropriate are the: (i) governance mechanisms; (ii) prioritization approach; and (iii) institutional capabilities for the policy objectives of smart specialization that these policies will be assessed against, i.e.:

(i) enhancing research and innovation capacities and the uptake of advanced technologies;
(ii) reaping the benefits of digitalization for citizens, companies and governments;
(iii) enhancing growth and competitiveness of SMEs; and
(iv) developing skills for smart specialization, industrial transition and entrepreneurship.

The four key principles that the M&E system will aim to reflect, include:

- **Credibility**: data collected are of high quality and comparable across different countries.
- **Actionability**: data collected would have a specific use, would be collected in a timely manner consistent with decision maker time-horizons, and information collected would be linked to specific decisions or implications for decision makers.
- **Responsibility**: data collected will be justified in terms of their cost-effectiveness, the benefits of collecting the data should be clearly larger than the cost of the data collection exercise.
- **Transposability**: the information collected would be relevant to draw lessons for other countries and projects.

*Output*: Two country/region-specific reports, each focusing on one country/region-specific monitoring systems.

PILLAR 2: DESIGN OF EX-POST IMPACT EVALUATION FOR POLICY LEARNING ON SMART SPECIALIZATION

The Bank will carry out two (2) *ex-post* impact evaluations. First, by building on Pillar 1, the Bank will codify “how to” organize data collection systems *ex-ante* to facilitate rigorous impact evaluation for policy learning, notably in relation to availability, relevance and disaggregation as well as a combination of monitoring, survey and census, and administrative data. Second, through the implementation of a concrete and rigorous evaluation, the Bank will facilitate interested stakeholders in learning about effectiveness and efficiency of two (2) specific programs with a priority focus on large and strategic programs:

- **Ex-post** impact evaluation of Program 1 will evaluate smart specialization in a specific pilot by leveraging the synthetic control group approach to compare the path of one specific region or location that adopted the selected smart specialization pilot versus a synthetic control. This evaluation will not assess the components or pathways but the overall impact of the smart specialization strategy.
Ex-post impact evaluation of Program 2 will focus on one specific program and ideally rely on a rigorous strategy such as Regression Discontinuity Design (RDD). The alternative approach would be to rely on propensity score matching and difference-in-differences. Impact evaluation 2 will assess impact at the micro level (i.e. firm-level) of one specific program.

The selection of the two programs to be evaluated ex-post will be driven by feasibility, rigor and their direct link with smart specialization. For each one of the two ex-post impact evaluations, the Bank will prepare a Pre-Analysis Plan.

Output: Two reports:
(i) Pre-Analysis Plan (presenting the methodology for the two (2) ex-post impact evaluations, including identification assumption, data requirements, caveats); and
(ii) Report with results of the two (2) ex-post impact evaluations.

PILLAR 3: BUILD CAPACITY TO DESIGN AND IMPLEMENT EX-ANTE IMPACT EVALUATIONS (RANDOMIZED CONTROL TRIALS)

Depending on progress under the first two Pillars, the Bank will build capacity to design and implement rigorous impact evaluation and experiments through randomized control trials ("RCTs"). The Bank will support authorities/agencies in EU Member States to generate two to four (2-4) impact evaluations for key instruments of the smart specialization approach (e.g. specific programs/interventions targeting suppliers’ development, connectivity improvement, capacity building for specific group of firms, consulting services, vouchers for specific groups of firms, etc.). This approach would follow the approach currently used by the World Bank Competitiveness Innovation Lab ("COMPEL") and would entail various steps.

Step 1: Conduct a call to select up to ten (10) EU country teams for a week-long impact evaluation lab.

Step 2: Conduct the impact evaluation lab with the ten (10) selected EU country teams, presenting relevant global impact evaluation methodologies, and support participants to develop a “concept presentation” for an impact evaluation. These ten (10) EU country concept presentations will be prepared with the assistance of the Bank.

Step 3: Select five (5) EU country teams to develop the full “concept note”, including the indicative budget required for each impact evaluation.

Step 4: Assist between two (2) and four (4) EU country teams to prepare and register a Pre-Analysis Plan for their respective impact evaluations.

Step 5: Assist between two (2) and four (4) EU country teams in their implementation of the impact evaluations for smart specialization programs.

The final number of teams supported under this program will depend on the resource needs of each impact evaluation and the willingness of EU Member States to co-finance the RCTs. Priority will be given to impact evaluations that rely on administrative data in order to reduce costs and advance completion (results presentation and policy dissemination). The focus of impact evaluation would not
be on programs, but rather specific elements of the smart specialization that lend themselves to the identification of a clear intervention system.

**Outputs:** (i) Organization of the impact evaluation lab and resulting ten (10) EU country concept presentations.

(ii) Up to five (5) full EU country concept notes describing the evaluation methodology and indicative budget.

(iii) Pre-Analysis Plans for two (2) to four (4) impact evaluations.

(iv) Between two (2) and four (4) papers describing the results of the impact evaluations.

### Table 1: Indicative Timeline of Outputs

<table>
<thead>
<tr>
<th><strong>Pillar 1: Technical Assistance to Complement Existing M&amp;E Systems in two EU Member States/Regions</strong></th>
<th></th>
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<tbody>
<tr>
<td>Two (2) country/region-specific reports, each focusing on one country/region-specific monitoring systems.</td>
<td>Month 1-12</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Pillar 2: Design of Ex-Post Impact Evaluation for policy learning on smart specialization in two EU Member States/Regions</strong></th>
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</thead>
<tbody>
<tr>
<td>(1) Pre-Analysis Plan (presenting the methodology for the two (2) ex-post impact evaluations, including identification assumption, data requirements, caveats)</td>
<td>Month 9-15</td>
</tr>
<tr>
<td>(2) Report with results of the two (2) ex-post impact evaluations.</td>
<td>Month 15-24</td>
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</table>

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<tr>
<th><strong>Pillar 3: Build Capacity to Design and Implement two to four Ex-Ante Impact Evaluations</strong></th>
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</thead>
<tbody>
<tr>
<td>(1) Impact evaluation lab and resulting ten (10) EU country concept presentations.</td>
<td>Month 12-14</td>
</tr>
<tr>
<td>(2) Up to five (5) full concept notes describing the evaluation methodology and budget.</td>
<td>Month 16-18</td>
</tr>
<tr>
<td>(3) Pre-Analysis Plans for two (2) to four (4) impact evaluations.</td>
<td>Month 18-20</td>
</tr>
<tr>
<td>(4) Between two (2) and four (4) papers describing the results of the impact evaluations.</td>
<td>Month 44-46</td>
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</tbody>
</table>

3. **Eligible Expenditures**

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

   (a) Staff and 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: 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 it being understood that any plural references in the annexes to Donors, Administration Agreements, Contributions and pro rata shares shall be read as singular references to the Donor, its Administration Agreement, its Contributions thereunder and the remaining uncommitted balance of the Trust Fund, respectively.

1. Administration of the Contributions

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

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

2. Management of the Contributions

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

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

2.3 The Donor agrees to deposit its Contributions in the Contribution Currency stated in its respective Administration Agreements. In the case of deposits received in a Contribution Currency other than the Holding Currency, promptly upon the receipt of such amounts and the accompanying Deposit Instructions, the Bank shall convert such amounts into the Holding Currency at the exchange rate obtained by the Bank on the date of the conversion. Where deposits prove to be insufficient to complete activities as a result of exchange rate fluctuations, neither the Bank nor the Donor shall bear any responsibility for providing any additional financing.

2.4 The funds deposited in the Trust Fund may be freely exchanged by the Bank into other currencies as may facilitate their disbursement at the exchange rate obtained by the Bank on the date of the conversion.

2.5 The Bank shall invest and reinvest the funds deposited in the Trust Fund pending their disbursement in accordance with the Bank’s applicable policies and procedures for the investment of
trust funds administered by the Bank. The Bank shall transfer all income from such investment to the Donor’s applicable donor balance account with the Bank.

3. **Trust Fund Fees and Costs**

3.1 The Bank shall deduct and retain for its own account, as a deduction from each Instalment, an amount equal to five percent (5%) per Instalment as an administrative fee for the Trust Fund.

3.2 The Donor acknowledges and agrees that the percentage deductions for fees in this Trust Fund Fees and Costs section are estimated on the basis of anticipated Contributions. If actual Contributions significantly differ from what was originally anticipated at the time of signature of the first Administration Agreement, or if other circumstances affecting Trust Fund fees or costs change, the Bank reserves the right to request a change to the terms of this Trust Fund Fees and Costs section, which would be effected 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 December 31, 2023 (the “End Disbursement Date”). The Bank shall only disburse funds deposited in the Trust Fund for the purposes of this Administration Agreement (other than returns to Donor) after such date to the extent such date is changed in accordance with amendments made to the Administration Agreement(s) of the Donor. Following the End Disbursement Date, the Bank shall return any remaining balance of the Trust Fund to the Donor in the Holding Currency in the manner specified in its respective Administration Agreement on a pro rata basis with regard to the total funds deposited in the Trust Fund by such Donor relative to the total funds deposited in the Trust Fund by the Donor, all calculated as Holding Currency amounts.

6.2 The Donor may cancel all or part of such Donor’s pro rata share/contribution, and the Bank may cancel all or any Donor’s pro rata share/contribution, upon three (3) months’ prior written notice, of any Contributions (paid and not yet paid) that are not committed pursuant to any agreements entered into between the Bank and any consultants and/or other third parties for the purposes of this Administration Agreement, including any Grant Agreements, prior to the receipt of such notice. In the event of a cancellation, the Bank shall return to the Donor its pro rata share in the Holding Currency as specified in the Administration Agreement unless otherwise agreed between the Bank and the Donor.

7. **Disclosure; Dispute Resolution**

7.1 The Bank shall disclose the Administration Agreements and related information on this Trust Fund in accordance with the Bank’s Policy on Access to Information. By entering into Administration Agreements, the Donor consents to such disclosure of their respective Administration Agreements and such related information.

7.2 The Donor and the Bank shall use their best efforts to amicably settle any dispute, controversy, or claim arising out of or relating to the Administration Agreements.
GOVERNANCE FOR THE ACTIVITIES SET FORTH IN SECTION 2 OF ANNEX 1 TO THIS ADMINISTRATION AGREEMENT

This Annex shall be applicable to and form an integral part of all Administration Agreements between the Bank and the Donor.

Working Modalities

The Bank will be in charge of the implementation of the activities and shall consult with the DG REGIO regularly.

DG REGIO will take all appropriate measures to facilitate the Bank work in the performance of the activities, including, as needed, facilitating contacts with selected EU Member States authorities and providing access to relevant data in accordance with the European Commission's; access to information policy.

In order to facilitate the implementation of the project, the DG REGIO will be responsible for involving other EU Commission services, where appropriate. DG REGIO will also provide support to ensuring the appropriate involvement of the EU Member States authorities for the smooth execution of the activities by the Bank.

The Bank and DG REGIO will have regular consultative exchanges on the progress of the Activities, on the work plan, Pre-analysis Plan or schedule of Activities for the following month(s), including missions, and raise any issues as they arise concerning difficulties encountered.

Priorities and choices to be made in the planning of the activities will be discussed and consulted between the Bank and DG REGIO. To facilitate the organization and efficiency of missions the Bank will share with DG REGIO in a timely manner the relevant documents.
### INDICATIVE RESULTS INDICATORS FOR THE ANNEX 1 ACTIVITIES

<table>
<thead>
<tr>
<th>Expected Results</th>
<th>Results goals</th>
<th>Indicators</th>
<th>Baseline</th>
<th>Sources of data</th>
<th>Assumptions</th>
</tr>
</thead>
</table>
| **Impact**       | To improve effectiveness and efficiency of smart specialization investments through strengthening M&E systems and capacities of two (2) national or sub-national authorities | 1. Number of new indicators monitored  
2. Number of indicators dropped or revised  
3. Number of existing indicators for which frequency of monitoring is modified | Number of existing indicators monitored | Two (2) national or sub-national authorities | Agencies are willing to modify their M&E systems and complement existing indicators monitored with additional data and indicators, or to modify their frequency in monitoring them  
Agencies buy-in secured as these accept the need of an M&E system that is not just used for “accountability” but also for supervision and continuous improvement of program implementation |
| **Outcomes**     | 1. M&E systems revised following advisory services to two national or regional agencies  
2. Evidence from revised M&E system and from impact evaluation is incorporated to improve current or future programs and investments | 1. Number of revisions made to M&E systems  
2. Amount of investments in programs with revised M&E system  
3. Number of programs/investments with revised M&E system  
4. Number of recommendations provided by World Bank team that are adopted | No baseline available – or baseline is zero. | Two (2) national/sub-national authorities | Proposed M&E system is clear and useful for improving effectiveness and efficiency of smart specialization programs, including smart specialization investments  
Lessons from impact evaluations are clear and useful for improving effectiveness and efficiency of smart specialization programs, including smart specialization investments |
<table>
<thead>
<tr>
<th>Expected Results</th>
<th>Results goals</th>
<th>Indicators</th>
<th>Baseline</th>
<th>Sources of data</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Output</strong></td>
<td>1. Assistance to revise and redesign M&amp;E system for two national or sub-national authorities delivered</td>
<td>1. Number of recommendations to revise M&amp;E system</td>
<td>No baseline available – or baseline is zero.</td>
<td>Two (2) national/sub-national authorities</td>
<td>WB team can establish cooperation with two (2) national/sub-national authorities</td>
</tr>
<tr>
<td></td>
<td>2. Two ex-post impact evaluation completed</td>
<td>2. Two (2) completed ex-post impact evaluation</td>
<td></td>
<td></td>
<td>WB team obtains information from two (2) national/sub-national authorities</td>
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<td></td>
<td>3. At least two ex-ante impact evaluation (preferably RCT) concept note completed</td>
<td>3. At least two (2) designed and implemented ex-ante impact evaluation (preferably RCT)</td>
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<td></td>
<td>4. At least two pre-analysis plans for impact evaluations completed</td>
<td>4. Number of participants to impact evaluation workshop</td>
<td></td>
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<tr>
<td></td>
<td>5. At least two (2) baseline report for impact evaluation prepared</td>
<td>5. At least two (2), of pre-analysis plan completed</td>
<td></td>
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<td></td>
</tr>
<tr>
<td></td>
<td>6. Impact evaluation workshop organized</td>
<td>6. At least two (2) of impact evaluation concept notes completed</td>
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15
INDICATIVE BUDGET
FOR THE ANNEX 1 ACTIVITIES

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<thead>
<tr>
<th>Expenditure Category</th>
<th>Amount in Euro</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staff and consultant services</td>
<td>€ 884,000</td>
</tr>
<tr>
<td>Cost of travel</td>
<td>€ 58,000</td>
</tr>
<tr>
<td>Training and workshops</td>
<td>€ 95,000</td>
</tr>
<tr>
<td>Other services including translation and data collection</td>
<td>€ 483,000</td>
</tr>
<tr>
<td><strong>Sub-total</strong></td>
<td>€ 1,520,000</td>
</tr>
<tr>
<td>Administration fee (5%)</td>
<td>€ 80,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>€ 1,600,000</td>
</tr>
</tbody>
</table>

The amount estimated for personnel is calculated by 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 – Trust Fund description.

The number of units and amounts indicated in the budget are not binding and reflect the means envisaged for the implementation of the Action. The number of units indicated in the estimated initial budget may not be used to question the actual number of units reported during and at the end of action.