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 two hundred thousand Euros (€200,000) (the “Contribution”) for the Part II Europe 2020 Programmatic Single-Donor Trust Fund (TFO72965) (the “Trust Fund”) in accordance with the terms of this Administration Agreement.

The estimated total budget of the Trust Fund is two hundred thousand Euros (€200,000). 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:

<table>
<thead>
<tr>
<th>Installment</th>
<th>Amount</th>
<th>Disbursement Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>€100,000</td>
<td>100%</td>
</tr>
<tr>
<td>B</td>
<td>€50,000</td>
<td>70% of preceding instalment</td>
</tr>
<tr>
<td>C</td>
<td>€50,000</td>
<td>70% of preceding instalment</td>
</tr>
</tbody>
</table>

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 the TFO72965 (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, European Union*  
Europe and Central Asia Region  
World Bank Group  
Tel: +32-2 504-0994  
abanerji@worldbank.org

For the Donor (the “Donor Contact”):

Mary McCarthy  
Director  
Structural Reform Support Service  
CHAR 10/104, 1049 Brussels  
Tel: +32-2 299-3493  
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: 
Name: Arup Banerji
Title: Regional Director, European Union
Date: December 11, 2017

EUROPEAN UNION represented by the EUROPEAN COMMISSION

By: 
Name: Mary McCarthy
Title: Director
Date: 15 Dec. 2017
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 to:

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 specific objective and description of the activities to be carried out under this Agreement are as follows:

The Polish Government wishes to strengthen its technical capacity inside the public administration in economic modeling for fiscal and structural policies in Poland. The SRSS is supportive of such reforms and has expressed an interest in the Bank providing technical assistance to the Polish Ministry of Finance in this area. Accordingly, the activities carried out under this Agreement will support the economic modeling team in the Ministry of Finance in charge of evidence-based policy analysis in the development of the modeling tools and applying them to evaluate ex-ante policy proposals and support the implementation of comprehensive budget and labor market reforms in Poland.

The proposed activities would contribute to operationalize the “efficient state and economic institutions” pillar of the government’s Strategy for Responsible Development (SOR). The SOR proposes reforms to help achieve the objective of inclusive growth. One of the objectives of the SOR under the “efficient state” pillar is to strengthen the system for monitoring and evaluation of public policies by incorporating tools for ex ante analysis of public interventions and better coordination of economic policy. These areas overlap with the reform priorities identified by the Bank in its analytical reports on Poland (see Policy Notes for the new Government, “Lesson from Poland, Insights for Poland: A Sustainable and Inclusive Transition to High Income Status”; and the Systematic Country Diagnostic).

The aim of the activities is to:

- improve the quality of the forecasts and its sensitivity analysis in line with the requirements of the Specifications on the implementation of the Stability and Growth Pact and Guidelines on the format and content of Stability and Convergence Programmes, endorsed by the EFC on 5 July
2016. Hence, the outcome is the result of delivery of specific outputs such as the review of the MOF's model and of developing an online MFMod interface which improve the quality of budgetary forecasts and increase the transparency and communication in the budget execution;

- enhance analytical, modeling tools of the MOF, which will enhance the quality of impact analysis of selected fiscal policy measures outlined in the government’s Strategy for Responsible Development; and

- to help improve administrative and research capacity in the MOF’s Macroeconomic Policy Department (econometricians directly working with the eMPF model) as well as numerous sectoral staff involved in providing exogenous assumptions and supplementary analyses that serve as modelling inputs.

The Bank is deemed qualified to provide this technical assistance to the MOF based on its recognized international expertise and on its previous experience advising the Government of Poland in public finance reforms and economic modeling (Spending review TA, Public Finance TA, Public Expenditure Review). The Bank is a leading provider of policy advice and technical support in public finance reform and evidence-based policy analysis to Governments throughout the world, including in many EU Member States. More particularly, the proposed technical assistance would be a natural continuation of advisory services provided by to the MOF in developing a first version of the Fiscal CGE model and reviewing the eMPF model. The Bank combines world class expertise in economic policy modeling with a deep understanding of Poland’s data, institutional set-up, political economy reality, economy structure, public finance system and labor market. The Bank can also provide a unique modeling platform (iSimulate - http://isimulate.worldbank.org) that allows geographically disparate individuals to collaborate in real-time in building a forecast. The system is used extensively within the Bank for its biannual forecasts for almost 190 countries worldwide.

The sub-objective of the activities is: the Bank will review Poland’s Econometric Model of Public Finance (eMPF) and support development of an internet-based MFMod system for Poland.

The Bank will carry out the following activities:

2.1 **Review of the eMPF and development of an internet-based MFMod system**

**Component A: Review of the Poland’s eMPF and its transfer to the offline MFMod StandAlone system**

1. **Review and transfer of the eMPF production module to the MFMod system**

Under this task, the Bank will review all equations, relationships, and data of the production module (supply side) of the eMPF and help MOF staff transfer them to the MFMod system. The supply side of the eMPF model is based on output at basic prices (gross value added). Because the private (market) sector was separated in the model, the supply side constrains determine the value added in that sector and the general government sector does not directly influence potential output. This approach requires ensuring consistency of production accounts (total value added in the private and public sectors) with the demand accounts, adjusted for taxes less subsidies, both in nominal and real terms. The eMPF model uses the neoclassical production function approach, in
which long-run equilibrium is determined by available production factors and technical progress. This is consistent with the economics of the MFMod used at the World Bank.

2. **Review and transfer of the eMPF demand module to the MFMod system**

Under this task, the Bank will review all equations, relationships, and data of the demand module of the eMPF (demand side) and help MOF staff transfer them to the MFMod system. Similar to the production side, also demand on market goods and services (market GDP) was split into the market and non-market parts. The market GDP includes only a part of general government consumption, general government intermediate consumption, and social transfers in-kind. The long-run relationship for consumption is derived from the approximated version of the permanent income model, in which consumption in the long run depends on wealth of the consumer.

3. **Evaluation and specification of the collaborative components of the new modeling system, notably as concerns the social security module, the pension module, and the public finance modules**

3.1 **Review and transfer of the labor supply module to the MFMod system**

Under this task, the Bank will review all equations, relationships, and data of the labor supply module of the eMPF and help MOF staff transfer them to the MFMod system. In the eMPF model, labor supply is a product of the assumed participation rate and average number of working age population. Taking into consideration demographical structure and trends, calculations of total labor supply have been made on the basis of the age cohorts. The participation rates have been calibrated to be consistent with the respective Eurostat projections. In the past, the World Bank supported MOF in building analytical tools for labor supply projections.

3.2 **Review and transfer of the social security module to the MFMod system**

Under this task, the Bank will review all equations, relationships, and data of the social security module of the eMPF and help MOF staff transfer them to the MFMod system. In the eMPF, social insurance contributions cover the following insurance schemes: old-age pension, disability and survivors’ pension, sickness, work accident, and health care. Modeling social security is important because social benefits and other social transfers constitute about 40 percent of total public expenditures. Social security system in the eMPF model is divided into two sub-sectors: agricultural and non-agricultural, what enables to capture the differences between these two subsectors in the social security system context. Within the two subsectors there are three main groups of social security benefits: old-age pensions, disability pensions, and family allowances.

3.3 **Review and transfer of the public finance module to the MFMod system**

Under this task, the Bank will review all equations, relationships, and data of the public finance module of the eMPF and help MOF staff transfer them to the MFMod system. The eMPF model is characterized by a complex fiscal sector block. Revenues and expenditures of the general government sector are modeled in detail, with a particular focus on tax revenues and social security benefits and social assistance. The core model together with the satellites creates a system for simulation of tax policy scenarios. The public finance module is connected with other institutional sectors in the eMPF: households, firms and EU transfers. The data in the public finance module are consistent with the European System of National Accounts (ESA) framework and incorporate a wide range of fiscal policy parameters.
4. **Provision of hands-on regular, half-day, (bi-weekly) training sessions to a small group of MOF staff**

The Bank will provide regular face-to-face modeling work sessions for selected MOF staff using the MFMod interface to make systematic progress in transposing the EViews code of the eMPF to the offline MFMod StandAlone. Provided that the sessions are conducted with bi-weekly frequency, this would make app. 15-20 modeling sessions per year.

**Component B: Development of the online MFMod system for the eMPF model, including assistance in installing the software inside MOF and key agencies**

1. **Development of the internet-based MFMod system for the eMPF model**

The Bank will support the MOF in developing an internet-based collaborative single-country forecasting system that will allow for the seamless sharing of information across various departments involved in the Polish government's budgetary forecasting process, including central-team modelling experts and subject area during the preparation of the official economic and budgetary forecasts. The Bank's iSimulate system is a unique technology for this purpose and will be customized by the Bank to facilitate collaboration across modules of the Polish model.

2. **Support for the design and installation of internet-based modular collaboration system in MOF and up to three other central agencies**

The Bank will support the design and installation by the MOF of an internet-based collaborative forecasting system and up to three other central agencies of MOF’s choice by providing knowledge and expertise in the area.

3. **Preparation of the user's guide the internet-based MFMod system**

The Bank will prepare a user’s guide for MOF to support training and facilitate knowledge transfers to other users in the future.

4. **Training of non-technical public administration staff on system**

The Bank will provide three half-day training sessions for a dozen of public administration staff from MOF and other agencies.

**Methodology**

The technical assistance provided by the Bank will include policy advice and hands-on support to work with the MOF and the SRS.
Indicative outputs and timeline table

<table>
<thead>
<tr>
<th>Support to eMPF enhancement</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
<th>Q5</th>
<th>Q6</th>
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<tr>
<td>A. Review of the eMPF and transfer to the offline the MFMod StandAlone system</td>
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<td>A.1. Production module</td>
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<td>A.2. Demand module</td>
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<td>A.3. Specification and design of satellite collaborative modules</td>
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<td>A.3.1 Review and transfer of labor supply module</td>
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<td>A.3.2 Review and transfer of social security module</td>
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<td>A.3.3 Review and transfer of public finance module</td>
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<td>A.4. Training for MOF technical staff</td>
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<tr>
<td>B. Development of internet-based MFMod system for the eMPF model</td>
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<tr>
<td>B.1. Development of internet-based modular collaboration system</td>
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<tr>
<td>B.2. Support to the design and installation of internet-based modular collaboration system</td>
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<td>B.3. Preparation of user’s guide</td>
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<tr>
<td>B.4. Training of non-technical public administration staff on system</td>
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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.
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 of 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 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, 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 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 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 the Polish Ministry of Finance.

The activities shall be undertaken in close collaboration with the SRSS and the Polish Ministry of Finance (MOF).

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 MOF 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 project 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 Macroeconomic Policy Department of the MOF shall be the national contact point for the activities, and shall coordinate the necessary coordination mechanisms within the relevant stakeholders. To this end, the MOF shall establish 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 MOF 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 Action's activities shall be delivered by the Bank to the MOF 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.
MOF will be solely responsible for the implementation of the outputs.

The Bank shall notify the SRSS without delay on any circumstances likely to adversely affect the implementation and management of the Action 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 shall, in its sole discretion, determine the composition of the staff (including staff holding consultant appointments) assigned to perform the activities under this Agreement. The Bank team shall be managed by a Bank Task Team Leader with relevant experience, drawing on the expertise of the World Bank Group staff including personnel and consultants/experts contributing to specific segments of the activities in, among others, the following areas: economics and econometrics; economic modeling; and IT. The team will consist of experienced economists and modelers with the necessary skills to provide regular on-site (or via VC) technical support to the MOF team and to gradually transfer the eMPF model into the offline and then online version of the MFMod interface. A local project coordinator will facilitate and support the activities.

**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 [EC Contract No SRSS/S2017/031] and shall be addressed to:

*Greffe Financier*
*DG [*]*
*Directorate General for _________*
*European Commission*
*B-1049 Brussels*
*Belgium*
### INDICATIVE RESULTS INDICATORS FOR THE ANNEX 1 ACTIVITIES

#### Impact: Analytical capacity in MOF increased, which translates into improved data-driven decision making in public finance

- Improve the quality of the forecasts and its sensitivity analysis in line with the requirements of the Specifications on the implementation of the Stability and Growth Pact and Guidelines on the format and content of Stability and Convergence Programmes, endorsed by the EFC on 5 July 2016 and increase capacity in MOF

#### Outcome: Improve quality of budgetary forecasts and increase capacity in MOF

- Existing eMPF model.
- MOF team working on the model.

**Active use of the eMPF for developing fiscal strategies and policy impact analysis.**

**Medium term fiscal strategy**

#### Output A: The eMPF model enhanced and analytical capacity of the MOF team strengthened.

- Selected modules of the model reviewed and transferred to MFMod. Satellite collaborative modules developed.
- Existing eMPF model.
- MOF team working on the model.
- Enhanced capacity of the eMPF model used in MOF
- Expansion of the technical staff in MOF that uses the model.

**Work jointly developed with analytical unit of Ministry of Finance.**

**Active participation of selected departments of the Ministry of Finance (e.g. Debt Department) towards the implementation of the Program**

**Model codes, WB Missions’ Aide Memoires, Authorities’ report (at the completion of component A3 for the disbursement) Attendance list for training sessions (component A4)**
| **Output B**: Internet-based MFMod system for the eMPF model | Technical assistance on development of internet-based modular collaboration system delivered, system installed, non-technical public administration staff trained in the use of the model. | Existing paper-based system of inputs exchange within the government that is used for budget forecasting. | User guide developed, staff of selected government instructions (such as KRUS, ZUS) participate in the forecasting exercise via MFMod. | Report and WB Missions' Aide Memoires, Attendance list for training sessions Authorities' final report | Effective political support to involve line ministries staff in the implementation of the Program. | Active participation of other departments of the Ministry of Finance towards the implementation of the Program. |
## ANNEX 5

### INDICATIVE BUDGET FOR THE ACTIVITIES SET FORTH IN SECTION 2 OF ANNEX 1 TO THIS ADMINISTRATION AGREEMENT

<table>
<thead>
<tr>
<th>Expenditure Category</th>
<th>Number</th>
<th>Amount in Euro</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staff and individual consultant services</td>
<td>41</td>
<td>140,900</td>
</tr>
<tr>
<td>Cost of travel</td>
<td>4</td>
<td>42,950</td>
</tr>
<tr>
<td>Cost of training and workshop/Other services including translation</td>
<td></td>
<td>6,150</td>
</tr>
<tr>
<td><strong>Sub-total</strong></td>
<td></td>
<td><strong>190,000</strong></td>
</tr>
<tr>
<td>Administration fee (5%)</td>
<td></td>
<td>10,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>200,000</strong></td>
</tr>
</tbody>
</table>

The amount estimated for personnel is calculated taking into account different levels of expertise estimated to be required for carrying out the activities described in Annex 1.

The World Bank Group entity may transfer amounts between categories of the indicative budget. This does not require an amendment of the Administration Agreement if the Action is carried out as described in Annex 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.