

SI - Fiscal Impact
assessment
(12588)

The World Bank

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION

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July 13, 2012

Ms. Mira Dobovišek
Director
Center of Excellence in Finance
Cankarjeva 18, 1000 Ljubljana
Slovenia

Re: SAFE Grant No. TF012588
Fiscal Impact Assessment of Structural Reforms Project

Dear Madam Dobovišek:


In response to the request for financial assistance made on behalf of Center of Excellence in Finance ("Recipient"), I am pleased to inform you that the International Bank for Reconstruction and Development ("World Bank"), acting as administrator of grant funds provided by the European Union, represented by the European Commission (the "Commission") ("Donor") under the Trust Fund for Strengthening Accounting and the Fiduciary Environment (SAFE), proposes to extend to the Recipient for the benefit of the South Eastern Europe and Balkans countries ("Beneficiaries") a grant in an amount not to exceed Euros one hundred two thousand two hundred ninety nine (€ 102,299.00 ("Grant")) on the terms and conditions set forth or referred to in this letter agreement ("Agreement"), which includes the attached Annex, to assist in the financing of the project described in the Annex ("Project").

This Grant is funded out of the abovementioned trust fund for which the World Bank receives periodic contributions from the Donor. In accordance with Section 3.02 of the Standard Conditions (as defined in the Annex to this Agreement), the World Bank's payment obligations in connection with this Agreement are limited to the amount of funds made available to it by the Donor[s] under the abovementioned trust fund, and the Recipient's right to withdraw the Grant proceeds is subject to the availability of such funds.

The Recipient represents, by confirming its agreement below, that it is authorized to enter into this Agreement and to carry out the Project in accordance with the terms and conditions set forth or referred to in this Agreement.

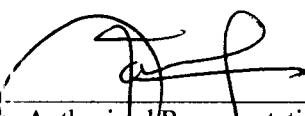
Please confirm the Recipient's agreement to the foregoing by having an authorized official of the Recipient sign and date the enclosed copy of this Agreement, and returning it to the World Bank. Upon receipt by the World Bank of this countersigned copy, this Agreement shall become effective as of the date of the countersignature; provided, however, that the offer of this Agreement shall be deemed withdrawn if the World Bank has not received the countersigned copy of this Agreement within 90 days after the date of signature of this Agreement by the World Bank, unless the World Bank shall have established a later date for such purpose.

Very truly yours,
INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

By 

Peter Harrold
Country Director
Central Europe and the Baltic Countries
Europe and Central Asia Region

AGREED:
CENTER OF EXCELLENCE IN FINANCE

By 
Authorized Representative
Name JANA REPANSEK
Title Deputy Director
Date July 9, 2012

Enclosures:

- (1) Standard Conditions for Grants Made by the World Bank Out of Various Funds, dated February 15, 2012
- (2) Disbursement Letter of the same date as this Agreement, together with World Bank Disbursement Guidelines for Projects, dated May 1, 2006

Article I
Standard Conditions; Definitions

1.01. **Standard Conditions.** The Standard Conditions for Grants Made by the World Bank out of Various Funds dated February 15, 2012 (“Standard Conditions”) constitute an integral part of this Agreement.

1.02. **Definitions.** Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the Standard Conditions or in this Agreement.

- (i) “Beneficiaries” means South Eastern Europe and Balkan Countries, namely Albania, Bosnia & Herzegovina, Croatia, Kosovo, Macedonia, Montenegro and Serbia.

Article II
Project Execution

2.01. **Project Objectives and Description.** The objective of the Project is to contribute to strengthening Beneficiaries’ understanding of fiscal impacts of structural reforms on national budgets and their inclusion in strategic planning documents. The Project consists of the following parts:

- (1) Preparatory Activities: Provision of consultant’s services to:
 - (i) recruit members of working group that will implement the project;
 - (ii) execute a survey of Beneficiaries and write a report on capacity gaps, policy coordination problems and institutional landscapes, linked to the inclusion of structural reforms into national budgets;
 - (iii) compile annotated guidelines for cross-country case studies; and
 - (iv) develop case studies on the basis of compiled annotated guidelines.
- (2) Delivery of Seminar: Provision of consultants’ services, training and workshops to:
 - (i) Draft a program and identify speakers;
 - (ii) Compile a list of Beneficiaries and connect stakeholders via the CEF’s online platform Moodle; and
 - (iii) Deliver a two-day seminar at the Regional School of Public Administration in Montenegro for the stakeholders that focus on strategic planning and budgeting processes of beneficiaries.
- (3) Evaluation and Follow-up: Provision of consultants’ services to:
 - (i) Perform exit survey; and
 - (ii) Prepare a list of problem cases to be addressed in the forthcoming Strategic Planning and Budgeting capacity building project.

2.02. Project Execution Generally. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall carry out the Project in accordance with the provisions of: (a) Article II of the Standard Conditions; (b) the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006 and revised in January 2011 (“Anti-Corruption Guidelines”); and (c) this Article II.

2.03. Donor Visibility and Visit. (a) The Recipient shall take or cause to be taken all such measures as the World Bank may reasonably request to identify publicly the Donor’s support for the Project.

(b) For the purposes of Section 2.09 of the Standard Conditions, the Recipient shall, upon the World Bank’s request, take all measures required on its part to enable the representatives of the Donor(s) to visit any part of the Recipient’s territory for purposes related to the Project.

2.04. Project Monitoring, Reporting and Evaluation. (a) The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 2.06 of the Standard Conditions and on the basis of the indicators set forth below in paragraph (b) of this Section. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the World Bank not later than one month after the end of the period covered by such report.

(b) The performance indicators referred to above in paragraph (a) consist of the following: (i) up to seven (7) case studies finalized; (ii) stakeholders and working group connected via Moodle (knowledge and collaboration platform); and (iii) up to 40 participants attended the Fiscal Impact Assessment Seminars.

(c) The Recipient shall prepare the Completion Report in accordance with the provisions of Section 2.06 of the Standard Conditions. The Completion Report shall be furnished to the World Bank not later than six months after the Closing Date.

2.05. Financial Management. (a) The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.

(b) The Recipient shall ensure that interim unaudited financial reports for the Project are prepared and furnished to the World Bank not later than [one month] after the end of each calendar semester, covering the semester, in form and substance satisfactory to the World Bank.

(c) The Recipient shall, upon the World Bank’s request, have its Financial Statements audited in accordance with the provisions of Section 2.07 (b) of the Standard Conditions. Such audit of the Financial Statement shall cover the period indicated in the World Bank’s request. The audited Financial Statements for such period shall be furnished to the World Bank not later than six months after the date of the World Bank’s request.

2.6 *Procurement*

(a) General. All goods, non-consulting services and consultants' services required for the Project and to be financed out of the proceeds of the Grant shall be procured in accordance with the requirements set forth or referred to in:

- (i) Section I of the "Guidelines: Procurement of Goods, Works and Non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers" dated January 2011 ("Procurement Guidelines"), in the case of goods and non-consulting services;
- (ii) Sections I and IV of the "Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers" dated January 2011 ("Consultant Guidelines") in the case of consultants' services; and
- (iii) the provisions of this Section, as the same shall be elaborated in the procurement plan prepared and updated from time to time by the Recipient for the Project in accordance with paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines ("Procurement Plan").

(b) Definitions. The capitalized terms used in the following paragraphs of this Section to describe particular procurement methods or methods of review by the World Bank of particular contracts, refer to the corresponding method described in Sections II and III of the Procurement Guidelines, or Sections II, III, IV and V of the Consultant Guidelines, as the case may be.

(c) Particular Methods of Procurement of Goods and Non-consulting Services

- (i) Except as otherwise provided in sub-paragraph (ii) below, goods and non-consulting services shall be procured under contracts awarded on the basis of Shopping.
- (ii) The following methods, other than Shopping may be used for procurement of goods and non-consulting services for those contracts which are specified in the Procurement Plan: (A) Direct Contracting.

(d) Particular Methods of Procurement of Consultants' Services

- (i) Except as otherwise provided in item (ii) below, consultants' services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.
- (ii) The following methods, other than Quality- and Cost-based Selection, may be used for the procurement of consultants' services for those assignments which are specified in the Procurement Plan: (A) Selection of Individual Consultants; and (B) Single-source procedures for the Selection of Individual Consultants, and (C) Least-Cost Selection .

(e) Review by the World Bank of Procurement Decisions. The Procurement Plan shall set forth those contracts which shall be subject to the World Bank's Prior Review. All other contracts shall be subject to Post Review by the World Bank.

Article III Withdrawal of Grant Proceeds

3.01. **Eligible Expenditures.** The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (a) Article III of the Standard Conditions; (b) this Section; and (c) such additional instructions as the World Bank may specify by notice to the Recipient (including the "World Bank Disbursement Guidelines for Projects" dated May 2006, as revised from time to time by the World Bank and as made applicable to this Agreement pursuant to such instructions), to finance 100% of Eligible Expenditures consisting of Goods, Non-Consulting Services, Consultants' Services, Training and Workshops, and Operating Costs, inclusive of Taxes.

For the purpose of this paragraph, the terms: (i) "Training and Workshops" means the reasonable costs, as shall have been approved by the World Bank, for training and workshops conducted under the Project, including travel and subsistence cost for training and workshop participants, costs associated with securing the services of trainers and workshop speakers, rental of training and workshop facilities, preparation and reproduction of training and workshop materials, and other costs directly related to training and workshop preparation and implementation; and (ii) "Operating Costs" means the reasonable costs, as shall have been approved by the World Bank, for incremental expenses incurred on account of Project implementation, management and supervision, including publication of materials, administrative and information technology support.

3.02. **Withdrawal Conditions.** Notwithstanding the provisions of Section 3.01 of this Agreement, no withdrawal shall be made for payments made prior to the date of countersignature of this Agreement by the Recipient.

3.03. **Withdrawal Period.** The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is December 31, 2012.

Article IV Recipient's Representative; Addresses

6.01. **Recipient's Representative.** The Recipient's Representative referred to in Section 7.02 of the Standard Conditions is the Director of CEF.

6.02. **Recipient's Address.** The Recipient's Address referred to in Section 7.01 of the Standard Conditions is:

Center of Excellence in Finance
Cankarjeva 18, 1000 Ljubljana, Slovenia

Facsimile:

386-1-369-6218

6.01. **World Bank's Address.** The World Bank's Address referred to in Section 7.01 of the Standard Conditions is:

International Bank for Reconstruction and Development
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Cable:

Telex:

Facsimile:

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Washington, D.C.

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