

AMENDMENT

TO THE AGREEMENT FOR REIMBURSABLE ADVISORY SERVICES

This addendum is made the 23 day of June 2015, between the MINISTRY OF ECONOMY OF THE REPUBLIC OF POLAND (the "MoE") and the INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (the "Bank") (jointly referred to as "the Parties") to the Reimbursable Advisory Services Agreement between the Parties dated May 28, 2014 (the Agreement).

The Parties agree as follows (changes are in italics):

- 1. Section 1 to the Schedule to the Agreement is hereby amended to read in its entirety as follows:

"1. Reimbursable Advisory Services.

Except as the Client and the Bank may otherwise agree, the Reimbursable Advisory Services shall consist of the following tasks and outputs:

The objective of the Advisory Services is to assist the MoE and four (4) selected regions to finalize research and innovation strategies (RIS3) processes based on the assessment of business needs, in line with the European Commission's concept of Entrepreneurial Discovery Process ("EDP" a continuous involvement of the business community in smart specializations), as well as RIS3 formulation and deployment.

Activities:

(a) The Bank will carry out 500 individual meetings with selected local enterprises with a special focus on SMEs (small and medium size enterprises) (individual meetings) to assist the MoE and selected four regions in better identifying and assessing the priority business needs to be addressed under relevant smart specialization strategies.

(b) The Bank will provide oversight on an additional 100 individual meetings to be performed by selected regional consultants of local business support institutions (BSIs), as part of a knowledge transfer and training component of the project.

(c) The Bank will carry out a detailed analysis of the findings 600 individual meetings (500 performed by the World Bank and 100 performed by selected regional consultants of local BSIs) and produce a report describing the results of this analysis. The Bank will train at least 5 regional consultants in each of the selected regions and will provide knowledge sharing for the 12 regions not involved in the pilot project. In order to ensure sustainability of the developed methodology, the Bank will organize 4 workshops in selected four regions (one in each region) on the best global practices in managing BSIs in the context of EDP.

(d) All individual meetings and the analysis will focus, inter alia, on the gap between the needs of enterprises and the support provided by the public business and innovation support system, as well as on engaging entrepreneurs in the creation of innovation policy in Poland and active participation in the entrepreneurial discovery process under smart specialization concept.

(e) The Bank will organize and carry out 2 or 3 Smart Labs, as a proposed key element of the EDP process, in each of the four regions. The Smart Labs will include

entrepreneurs selected through individual meetings and other entrepreneurs suggested by stakeholders, as well as representatives of science, BSIs, and national and regional administration. The main objective of Smart Labs is to initiate and sustain cooperation between all the participants with a view to: (i) animating ideas for valuable R&D and innovation projects, (ii) identifying how the selected areas of economic activity could be supported by the public sector, and (iii) helping to validate and modify existing smart specializations as well as identify new smart specializations.

The individual meetings and *Smart Labs* will be carried out in accordance with the following sequencing:

Task 1: Organizing and mobilizing

The Bank will: (a) assist the MoE in selecting four regions where Individual Meetings will be held; (b) work with *the* MoE to seek and obtain the buy-in and full participation of regional authorities and relevant stakeholders in selected regions, (c) identify institutional partners in the selected regions to support the RAS, (d) define criteria for selecting local enterprises to be met in individual meetings, and carry out the corresponding selection, (e) develop and test the methodology and questionnaire to be used during the individual meetings, and (g) propose the composition and terms of reference of a Steering Committee to be established by the MoE to oversee the execution of the RAS. The Task findings and actions are to be summarized in the inception report (Report 1).

Task 2: Carrying out individual meetings and the corresponding analysis in Region 1

The Bank will initially carry out the Individual Meetings and the corresponding analysis in one of the selected regions (Region 1) to pilot, test and adjust the methodology. The Bank will carry out at least 150 Individual Meetings. The individual meetings will be carried out, in cooperation with, and with the active involvement of BSIs. The findings of Task 2 will be summarized in Report 2.

Task 3: Carrying out individual meetings, *Smart Labs* and the corresponding analysis in remaining Regions.

The Bank will carry out individual meetings in the other selected regions, for a total across all regions (including Region 1) of 500 individual meetings. In each Region, the Bank will aim to enter into a partnership with relevant BSIs for these institutions to carry out a total of 100 individual meetings *based on* the Bank's methodology, and under the Bank's oversight. *The Bank will train at least 5 regional consultants in each of the selected regions. The Bank will also organize and carry out two or three Smart Labs in each of the four regions.* The MoE will make every effort to facilitate the development of such partnerships. *The Bank will organize 4 workshops in selected four regions (one in each region) on the best global practices in managing BSIs in the context of EDP.* The task will be summarized in Report 3.

Task 4: Formulating conclusions and recommendations

The Bank will analyze all information emerging from the *individual meetings and Smart Labs* and prepare a detailed report, including in particular: a) matrix of identified business needs/problems; b) proposals how to engage entrepreneurs in the creation of innovation policy in Poland and how to assure their participation in the entrepreneurial discovery process; c) recommendations how to implement the outcomes of the project within current entrepreneurial discovery process at the national level, being also consistent with proposed monitoring system under smart specialization concept; d) gap analysis of how

BSIs currently respond to real business needs; e) recommendations to improve efficiency of BSIs, and d) proposals to foster relationship between small and medium enterprises and knowledge institutions. The final report will be prepared at the end of Task 4.

Task 5: Transferring knowledge and building capacity

The Bank will aim to build capacity to carry out such activities among the BSIs involved in the execution of Tasks 2 and 3. The Bank will also transfer the methodology followed in the execution of Tasks 1 to 4, targeting among others, relevant stakeholders from other regions, with the active participation of the MoE. *The Bank will ensure knowledge transfer of developed methodology among the remaining 12 regions in Poland.*

2. The table in Section 2 to the Schedule to the Agreement is hereby amended to read in its entirety as follows:

“Outputs”	Indicative timetable
Task 1: Organizing and mobilizing	
1. Initial report summarizing first 2 months of the activities (Report 1).	July 2014
Task 2: Carrying out individual meetings and the corresponding analysis in Region 1	
2. Report on at least 150 individual interviews carried out in Region 1 (Report 2)	<i>November 2014</i>
Task 3: Carrying out individual meetings and the corresponding analysis in remaining Regions	
3. Mid-term report including the following key elements: summary of Region 1 data collection and analysis, preliminary conclusions, recommendations <i>and description of additional elements of EDP: Smart Labs, innovation maps and crowdsourcing.</i>	March- <i>April</i> 2015
4. Supervision of <i>100</i> individual interviews carried out by business support institutions** <i>and training of 5 regional consultants in each of the four selected regions.</i>	September 2014 – <i>October</i> 2015
5. Carrying out <i>350</i> individual interviews by the World Bank in <i>the</i> remaining 3 regions <i>and 2 or 3 Smart Labs in each of the four regions.</i>	<i>February-October</i> 2015
6. <i>Organizing 4 workshops in selected four regions (one in each region) on the best global practices in managing BSIs in the context of the EDP</i>	<i>June –October</i> 2015
7. Report summarizing Task 3 (Report 3).	<i>October</i> 2015
Task 4: Formulating conclusions and recommendations	
8. Final report.	November 2015

* The Bank will provide all written outputs in English.

** Subject to paragraph (b) of Section 1 of this Schedule.

Task 5: Transferring knowledge and building capacity	
9. Completion of knowledge transfers and the dissemination of data activities (executive summary)	September 2014 –December 2015”

3. All the other articles and provisions of the Agreement shall remain unchanged.

IN Witness WHEREOF, the parties hereto, acting through their duly authorized representatives, have caused this Agreement to be signed in their respective names as of the day and year first above written. This amendment will become effective as of the date of countersignature, upon receipt by the Bank of the countersigned copy of this Amendment Letter.

**MINISTRY OF ECONOMY OF THE
REPUBLIC OF POLAND**

PODSEKRETARZ STANU


By: 
 Authorized Representative

Name: _____

Title: _____

Date: June 23, 2015

**INTERNATIONAL BANK FOR
RECONSTRUCTION AND
DEVELOPMENT**

By: 
 Authorized Representative

Name: Marina Wes

Title: Country Manager

Date: June 23, 2015