

OFFICIAL DOCUMENTS

Amendment 1 to Administration Agreement SRSS/S2016/005



EUROPEAN COMMISSION
STRUCTURAL REFORM SUPPORT SERVICE

The Director

ADMINISTRATION AGREEMENT FOR EU CONTRIBUTIONS PROVIDED TO THE EUROPE 2020 PROGRAMMATIC TRUST FUND

Amendment 1 to Administration Agreement between the European Commission on behalf of the European Union and the International Bank for Reconstruction and Development concerning the Part II Europe 2020 Programmatic Single-Donor Trust Fund

*Trust Fund (No. TF072624)
(EC Contract No SRSS/S2016/005)*

The European Union, represented by the European Commission, (the "**Contracting Authority**"), represented for the purposes of signature of this amendment by Director SRSS, Mary McCarthy of the one part, and

International Bank for Reconstruction and Development
17 Av. Marnix,
1000 Bruxelles
Belgium

represented for the purposes of signature of the Agreement by Arup Banerji, Country Director, ECCU5,

of the other part, (individually a "Party" and collectively the 'Parties') have agreed as follows:

Having regard to the above-mentioned Administration agreement concluded between the Union and the beneficiary on 9th August 2016;

Whereas the beneficiary has requested the Commission to amend the above-mentioned Administrative Agreement for the following reason:

change of the project duration as the Greek authorities need

- a) more time to collect sufficient data and
- b) appoint a chair for one of the 7 project groups.



km

5 0 JUN 2017

Public Disclosure Authorized

Public Disclosure Authorized

Authorized

HAVE AGREED AS FOLLOWS:

Article 1

Article n. 6.1 of the Standard Provisions: "Disbursement; Cancellation; Refund

is replaced by the following text:

It is expected that the funds deposited in the Trust Fund will be fully disbursed by the Bank by 15th March 2018 (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.

Article 2

Annex I of the Administration Agreement is replaced by the document here attached.

Article 3

All the other provisions of the grant agreement shall remain unchanged.

Article 4

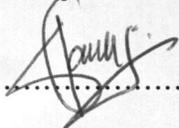
The present amendment shall form an integral part of the grant agreement and it shall enter into force on the date on which it is signed by the last party. It shall take effect on the date of signature.

SIGNATURES

Done in English in two originals, one original being for the European Commission and one original being for the Coordinator.

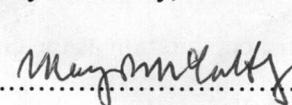
For the coordinator

Arup Banerji, Country Director


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For the Commission

Mary McCarthy, Director


.....

Done at Brussels [place], [date]

July 18, 2017

Done at Brussels
on (date and stamp)

20 JUL. 2017





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 objectives of the Trust Fund are:

The European Commission and the Bank share a common objective of building competitive and sustainable economies and reducing poverty and social exclusion – goals of the Europe 2020 Agenda which is built on three pillars of smart, sustainable and inclusive growth. The European Commission and the Bank concur that direct interaction is beneficial to both institutions and through them to the beneficiary countries. This applies particularly to the provision of analytical, advisory and knowledge services and technical assistance.

The European Commission has expressed an interest in ensuring that the Bank continues to provide technical assistance in the framework of the Trust Fund in furtherance of the common objective set forth above.

2. Activities

The sub-objectives and description of activities are:

2.1 The Structural Reform and Support Service of the European Commission (SRSS) received a formal request from the Secretary General on Coordination in Greece to support the development of a National Risk Assessment of Anti Money Laundering in line with best international practices. As a follow up, the European Commission has expressed an interest in ensuring that the Bank provide technical assistance in the framework of the Trust Fund with the specific objective of assisting and supporting the Government of Greece (GoG) to carry out an assessment of national Money Laundering and Terrorism Financing (ML/TF) risks, an activity that is expected to enable Greece identify, assess and understand the ML/TF risks they face. In parallel, Greece has requested the Bank to support them with their National Risk Assessment. The Activities to be financed by the Trust Fund in support of the objective above, and of which the Bank has implementation responsibility, are described below.

An effective framework for combatting ML/TF requires that countries identify, assess, and understand their risks of money laundering and terrorist financing. Once understood, countries can apply measures that correspond to the level of risk – a risk-based approach – which enables countries to prioritize their resources and allocate them efficiently. The Financial Action Task Force on ML/TF (FATF) Recommendations adopted in February 2012 require all participating countries, including Greece, to identify, assess and understand their ML/TF risks and to take action to mitigate these risks.

The Bank has been actively involved in the efforts to assist and guide countries in their assessment of ML/TF risks since 2005. The Financial Market Integrity of the Bank (FMI) unit has developed a National Risk Assessment on Money Laundering and Terrorist Financing analytical tool (“the NRA Tool”) for countries to use in assessing their ML/TF risks at the national level. The NRA Tool provides a structure for the country to analyze the sources and the magnitude of proceeds of crime, the ML/TF typologies and

trends in the country, the attractiveness of a jurisdiction's financial sector to ML/TF, as well as the vulnerabilities of various sectors to ML/TF and weaknesses in the criminal justice and preventive systems. A self-assessment approach has been chosen because it is essential that countries understand their own risks, collect their own data, conduct their own analysis, take ownership of such findings and develop their own policy measures. By building the capacity of country authorities to assess their risks in a systematic and comprehensive manner, future assessments can be performed without the assistance of the Bank.

The purpose of the technical assistance is to support Greece in its development of a National Risk Assessment on Money Laundering and Terrorist Financing (NRA) for Greece. Such a NRA identifies risks, vulnerabilities, mitigating factors and provides for concrete actions. The NRA would therefore be a necessary building block for an overall anti money laundering strategy, which supports a strategy against tax fraud.

The NRA would support Greece with implementation of the new 4th European Anti-Money Laundering (AML) Directive and the Financial Action Task Force (FATF) recommendations. The NRA is also an important objective of the Agenda on Anti Money Laundering (also referred to under objective 25 of the by Greece published Anti-Corruption Strategy) and the Memorandum of Understanding between the Greek authorities, the European Central Bank (ECB), the International Monetary Fund (IMF), the European Stability Mechanism (ESM) and the European Commission (EC) which requires the implementation of the National Action Plan of Anti-Corruption.

To this effect, the Bank will provide the following activities through the following three phases:

1. Phase 1 – Preparation. The Bank will provide guidance to the Greek authorities on launching their NRA process, including the formation of the NRA Working Group, the appointment of team leads, preliminary data collection, and introduction of the Bank NRA Tool. The guidance of the Bank is provided remotely during this phase, and includes one video conference between the Bank, the NRA coordinator(s), and the team leads.
2. Phase 2 – Assessment. The Bank will help prepare and carry out a 3-day initial workshop in Greece in January 2017 for the NRA Working Group. The Bank will introduce participants to AML/CFT risks, the background/importance of conducting a national risk assessment, as well as the NRA Tool and methodology. The workshop will ensure that participants spend the majority of the workshop working in their sub-groups, familiarize themselves with the NRA Tool (including templates to be populated) by populating the NRA Tool with the available data and information; identify data and information needed to complete their assessment; and prepare and agree on a timetable for gathering the data and completing the NRA templates and preparing related reports for the next 4-5 months.

The Bank will be available to remotely answer the questions on the tool and assessment methodology and will also review the draft reports prepared by the sub-groups on the risk assessment results and the supporting analysis and information, as well as their risk based action plans. The Bank will provide comments and suggestions to ensure the accurate use of the NRA Tool by the Sub-groups in the preparation of the draft reports and will contribute to the quality of the analysis.

The Bank will help prepare and attend an interim workshop in Greece in September 2017. The Bank will attend the workshop to support the Greek authorities with the compilation of their templates and the drafting of their NRAs.

3. Phase 3 – Finalization. The Bank will help prepare a 3-day final workshop in Greece in December 2017 to facilitate a review of the NRA report and the sub-groups reports, with the participation of the entire Working Group. The Bank will provide support to finalize the risk based action plans that will set out the future actions of Greece in response to the NRA. The Bank will support Greece with holding a special session that communicates the risk assessment results and risk based action plans to policy makers and high-level officials of stakeholder agencies.

2.2 Indicative outputs, milestones and timeline table¹

Indicative Activities Timeline	2016		2017				2018	
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Phase 1 – Preparation								
Translation of the tool	x							
Introducing of NRA tool	x							
Guidance on launching the process-Direction on the Preparation Phase (video conference)	x	x						
<i>Greece to appoint NRA Working Group</i>	x							
<i>Greece to decide on private sector participation</i>	x							
<i>Greece to begin the collection of data</i>	x	x						
Phase 2 – Assessment								
Support to an initial workshop to introduce NRA Tool and importance of exercise			x					
Bank to prepare report on the Workshop		x						
Remote technical assistance to support Working Group complete templates and draft reports on NRA		x	x	x				
<i>Greek sub groups to collect additional data</i>		x	x	x				
<i>Greek sub groups to complete the template</i>			x	x				
<i>Greek sub groups to complete draft reports</i>				x	x			
Support to interim workshop to support compilation of templates and reports by Greek authorities					x			

¹ The actions indicated in bold fall under the responsibility of the Bank; the actions indicated in italics fall under the responsibility of the Greek authorities

Bank to prepare report on the Workshop				X	X			
<i>Greece NRA Coordinator to compile reports</i>					X			
<i>Greece to send draft NRA report to the WB</i>					X			
Bank to prepare a report with review and comments on the draft						X		
Phase 3 – Finalization								
<i>Greece to send draft action plans to the WB</i>					X			
Bank to review and comment on finalized draft action plans					X	X		
Support to a final workshop is held (in Greece) to facilitate a review of NRA						X		
Bank to circulate a report on the workshop						X		
<i>Greece to Incorporate the information compiled from workshop</i>							X	
<i>Greece to Finalize NRA and Action Plan</i>							X	

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.

A handwritten signature in black ink, consisting of a stylized, cursive letter 'A' followed by the lowercase letters 'km'.