AMENDMENT N° 1

to the Administration Agreement
for Part II Europe 2020 Programmatic
Single-Donor Trust Fund (No. TF072466)
(EC Contract No 2015.CE.16.BAT.041)

1. The European Union, represented by the EUROPEAN COMMISSION (the 'Donor'), which is represented for the purposes of signing this amendment by Eric von Breska, Director, Directorate-General Regional and Urban Policy, Directorate Policy, on the one part, and

2. The INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
   The WORLD BANK GROUP
   H Street 1818
   20433 - Washington DC
   United States of America

   (the "Bank"), represented for the purposes of the signature of this amendment by Arup Banerji, Regional Director European Union, on the other part,

Having regard to the above-mentioned Administration Agreement signed on 15 September 2015,

Whereas the Bank has requested the Donor to amend the above-mentioned Administration Agreement for the following reason: to allow more time for consultations with DG REGIO and other relevant European Commission services, and interviews with EU NGOs, academics and survey firms to review the set of governance indicators.

HAVE AGREED AS FOLLOWS:

Article 1

The Indicative Outputs and Timeline table under point E of Annex 1 to the Administration Agreement is replaced by the following table:

<table>
<thead>
<tr>
<th>Activities</th>
<th>Outputs</th>
<th>Timeframe</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regulatory</td>
<td>Introductory workshop with European Commission counterparts to develop common vision for the new</td>
<td>2 months after date of the Agreement (D)</td>
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<tr>
<td>Governance</td>
<td></td>
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<tr>
<td>Activities</td>
<td>Outputs</td>
<td>Timeframe</td>
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| Indicators | • Present initial overview of existing indicators  
• Define broad areas of investigation  
• Clarify project’s regional coverage | D + 6 months |
| Review and assess existing indicators capturing relevant aspects of regulatory governance (including Bank and OECD surveys):  
• Select, refine and develop relevant indicators  
• Assess data collection methodology  
• Develop draft questions |  |
| Draft initial Regulatory Governance Indicator Report with:  
• set of regulatory governance indicators and  
• options for data collection methods | D + 11 months |
| Organize a workshop with European Commission counterparts and external advisors  
• Receive feedback on proposed set of indicators  
• Identify cities for piloting | D + 14 months |
| Pilot the regulatory governance indicators in selected EU lagging regions | D + 18-22 months  
(timing and scope is dependent on number of EU regions/Member States covered and available funds) |
| Produce final Regulatory Governance Indicator Report (including outcome of the pilots and evaluation of data collection methodologies) | D + 25 months |
| Indicators of Strength of Public Management Systems | Identify subset of ISPMS and other available public sector indicators to measure strength and capacity of public sector management | D + 6 months |
| Filter this subset of applicable indicators based on the availability of routinely collected data:  
• identify and suggest way to fill data gaps  
• identify alternative data collection methods | D + 8-10 months  
(timing is dependent on receipt of inputs from DG REGIO on available data sources.) |
| [DG REGIO to provide information on data collected by European Commission and EU Member States.] |  |
| Prepare draft Public Sector Indicator Report:  
• Identify data needs, coverage gaps, and  
• Propose data collection and data mining alternatives | D + 14 months |
| Conduct meetings and consultations with the DG | D + 18 months |
REGIO and other relevant European Commission services to focus on:
- feasibility of implementing the indicators for regions across the EU;
- the extent to which the systems measured are "action-worthy" (changes will impact development);
- discuss measures European Commission can take to strengthen the quality and coverage of the selected indicators through administrative measures; and
- identify specific lagging regions where selected indicators can be piloted using existing data sets and data solicited from the pilot locations.

**Citizen-Focused Governance Indicators**

- Compile a set of citizen-centric governance indicators based on a desk review of existing research and data
  - D + 4 months

- Produce Citizen-Centric Governance Consultation Note based on consultations with DG REGIO and other relevant European Commission services, and interviews with EU NGOs, academics and survey firms to review the initial set of citizen-centric governance indicators
  - D + 10 months

- Conduct a workshop with European Commission counterparts to test the proposed set of citizen-centric governance indicators for:
  - measurability,
  - action ability. and
  - complementarities with available public administration data
  - D + 18 months

- Produce Citizen-Centric Governance Indicator Report based on the Consultation Note and outcomes of the Commission workshop
  - D + 22 months

*All deliverables will be approved in writing*

**Article 2**

Section 6.1 of Annex 2 to the Administration Agreement is replaced by the following:

'It is expected that the funds deposited in the Trust Fund will be fully disbursed by the Bank by March 31, 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 3

All the other provisions of the Administration Agreement shall remain unchanged.

Article 4

The present amendment shall form an integral part of the Administration Agreement. It shall enter into force on the date on which it is signed by the last party.

SIGNATURES

For the Bank,

Arup Banerji  
Regional Director  
European Union

Signature:  
Date: March 20, 2017

For the Donor,

Eric von Breska  
Director

Signature:  
Date: 27 MARS 2017

In duplicate in English.