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 (the Framework Agreement), which sets the general conditions for this 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 one hundred and five thousand euros (€105,000) (the “Contribution”) for the Part II Europe 2020 Programmatic Single-Donor Trust Fund, No. TF072907 (the “Trust Fund”) in accordance with the terms of this Administration Agreement.

The estimated total budget of the Trust Fund is one hundred and five thousand euros (€105,000). The indicative budget set out in Annex 5 shall be used for monitoring purposes 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 “Instalment”) upon submission of a payment request by the Bank:

(A) Promptly following countersignature €52,500.
(B) € 52,500 subject to the disbursement of 70% of the preceding instalment.

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 TF072907 (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
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: +32 229-93493
Mary.Mccarthy@ec.europa.eu

6. In the event that 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.
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 European Commission has expressed an interest in ensuring that the Bank provides technical assistance in the framework of the Trust Fund with the specific objective of developing a comprehensive Anti-Money Laundering Training Program addressed to mainly private market participants in Latvia as part of an overarching Anti-Money Laundering Training Program focusing on both public and private participants. 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.

The Bank is an international organization that aims to end extreme poverty and boost shared prosperity. Promoting financial sector integrity is essential to achieve these twin goals, and the Bank support client countries and works with relevant international bodies to increase transparency and financial integrity, and foster effective corporate governance. To this end, the Bank delivers technical assistance, provides policy advice, conducts diagnostics and creates and disseminates knowledge, in particular, in relation to Anti-Money Laundering /Countering the Financing of Terrorism (AML/CFT) and asset disclosure tools. AML/CFT is at the core of financial sector integrity and the Bank has gathered substantial expertise in recent years by developing technical assistance programs around these areas. The expertise acquired by the Bank through financial sector advisory services activities in the EU, together with its broader knowledge on financial sector integrity, places the Bank in a position to provide the technical assistance described in this Agreement.

The Latvian authorities have requested technical support in the field of AML under the Structural Reform Support Program (SRSP). The direct and short term expected outcome of the technical support is to expand the hands-on knowledge of the public and private sector in Latvia on the AML framework and practices, thus further enhancing the capabilities of both sectors. The technical support is expected to serve as a stepping stone to further improve the capacity of the Latvian law enforcement and financial sector to manage the risks related to money laundering.
The Training Program will take into account the current AML guidance issued by the Latvian regulators. This guidance is expected to be discussed with participants throughout the training, and if necessary, the Bank will provide comments to improve such guidance.

The Bank has been identified as one of the providers of the technical support described above and will deliver 3 to 5 workshops in the levels 1 and 2 as described below, where level 1 is going to be delivered to a broad audience and level 2 to a more focussed audience.

Course Description

Course 1:

Awareness training on AML/CFT - General course (Level 1) – Three separate modules

The objective of this 3 ½ day training is to raise awareness for people that could be involved in or trigger AML compliance issues and suspicious transactions. This training course is designed to support participants to understand fundamental AML/CFT concepts and compliance issues and teach them to cope with the day-to-day challenges of applying compliance procedures, identifying suspicious financial behavior and detecting terrorist financiers.

This training is provided for a combined audience of market participants i.e., payment institutions, electronic money institutions, Latvian Post, corporate credit unions, micro creditors, crowd funding platforms, etc.), as well as Designated Non-Financial Business or Profession - DNFBPs (i.e., notaries, attorneys, auditors, lawyers, real estate service providers, tax advisors, accountants, etc.), and regulators, also to support cooperation on a working level and to learn from each other’s experiences.

The course will provide a certificate. The course will be as practical as possible, potentially with case studies.

All fundamental aspects of compliance are to be covered, as follows:

- Customer Identification (natural person, legal person)
- CDD/KYC, EDD/SDD
- Ultimate Beneficial Ownership (UBO)
- PEPs, record-keeping, wire transfer
- STR and Transactions Monitoring
- FIU and Law Enforcement Authorities
- ML/TF Risk Assessment
- Internal Control for compliance
- Supervision of DNFBP, Financing of Terrorism
- Enforcement and Sanctions

At the end of the course, participants are expected to:

- Understand fundamental AML/CFT concept and compliance issues;
- Know and grasp what their role is as reporting institutions in the whole AML/CFT framework;
- Understand the importance of risk assessments and risk-based approach in AML/CFT; and
- Learn how to cope with day-to-day challenges of applying compliance procedures, identifying suspicious financial behavior and detecting terrorist financiers.
Course 2:

Awareness training on AML/CFT – Intermediate course (Level 2) – Single module

This 3 ½ day training program is intended to train people who have a particular working experience with AML/CFT, or of which the management of an organization has committed to use those people for AML/CFT topic. This training course is designed to surpass the basic / general level contents and deal with more detailed and in-depth issues relating to AML/CFT. Therefore, participants are strongly recommended to take level 1 course first.

This training program is provided for a broad audience of market participants (i.e., payment institutions, electronic money institutions, Latvian Post, corporate credit unions, micro creditors, crowd funding platforms, etc.) as well as Designated Non-Financial Business or Profession - DNFBPs (i.e., notaries, attorneys, auditors, lawyers, real estate service providers, tax advisors, accountants, etc.). To the extent possible, the course is to be delivered to a mixed audience from different organizations interested in the topic.

The course will provide a certificate.

More in-depth issues in the AML/CFT compliance are to be covered, as follows:

- New FATF Recommendation & New Assessment Methodology
- AML/CFT Compliance and Effectiveness
- AML/CFT Risk Assessment
- Domestic AML/CFT Regime
- CDD/KYC programs
- STR, transactions monitoring
- Employee training
- Internal control for compliance
- Correspondent Banking, Remittance Service Providers
- Financing of Terrorism
- Financial Inclusion

At the end of the course, participants are expected to:

- Understand the whole AML/CFT framework;
- Have capacity to undertake effective and efficient AML/CFT compliance in their institutions;
- Know how to enhance safe and sound bank practices;
- Identify the areas which are required to strengthen institution’s AML/CFT process, and improve the quality of its performance;
- Know how to apply institution’s risk-based approach in AML/CFT; and
- Learn how to identify relevant quantitative and qualitative information since numerous documents will surface throughout an AML/CFT compliance.

Course 3:

Advanced training on AML/CFT for FCMC and Bank of Latvia (Level 2) – Single module

This 3 ½ day training program is intended to enhance the capacity of supervisory authorities in the country to supervise AML/CFT compliance by financial institutions.

This training program is provided for financial supervisors, such as Bank of Latvia (BoL) and Financial and Capital Markets Commission (FCMC).
The course will provide a certificate.

Many AML/CFT supervision issues are to be covered, as follows:

- New FATF Recommendation & New Assessment Methodology
- AML/CFT compliance and effectiveness
- AML/CFT risk assessment
- Unusual transaction monitoring and suspicious activity reporting
- Combating Financing of terrorism
- Supervision of remittance service providers
- AML IT assessment
- Off-site supervision
- On-site supervision
- Sample testing methodology
- Enforcement and sanctions recommendations
- Financial Inclusion

At the end of the course, participants are expected to:

- Know and grasp practical ways of carrying out effective AML/CFT supervision;  
- Understand the importance of risk assessments and risk-based approach to AML/CFT supervision;  
- Learn many sources of information available to enable examiners to conduct an effective and efficient off-site and on-site supervision;  
- Learn the use of enforcement tools and sanctions to improve AML/CFT implementation measures in financial institutions; and  
- Learn how to identify relevant quantitative and qualitative information since numerous documents will surface throughout an AML/CFT supervision.

**Expected Training Dates**

<table>
<thead>
<tr>
<th>Course Name</th>
<th>Training Dates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Awareness Money Laundering (Level 1) – First Module</td>
<td>November 13-16, 2017</td>
</tr>
<tr>
<td>Awareness Money Laundering (Level 1) – Second Module</td>
<td>December 4-7, 2017</td>
</tr>
<tr>
<td>Awareness Money Laundering (Level 1) – Third Module</td>
<td>February 19-22, 2018</td>
</tr>
<tr>
<td>Awareness training on AML/CFT – Intermediate course (Level 2)</td>
<td>December 11-14, 2017</td>
</tr>
<tr>
<td>Advanced Training for AML/CFT for FCMC and Bank of Latvia (Level 2)</td>
<td>February 26-March 1, 2018</td>
</tr>
</tbody>
</table>

3. **Eligible Expenditures**

3.1 For Bank-executed activities, the Trust Fund funds may be used to finance:

(a) Staff and 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 Bank. 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 it being understood that any plural references in the annexes to Donors, Administration Agreements, Contributions and pro rata shares shall be read as singular references to the Donor, its Administration Agreement, its Contributions thereunder and the remaining uncommitted balance of the Trust Fund, respectively.

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 Each Donor Contribution (collectively, the "Contributions") 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 its respective 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 Donor 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 Donor Center secure website.

4.3 The Bank shall provide to the Donor via the World Bank’s Trust Fund Donor 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 June 15, 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.

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 will be in charge of the implementation of the activities and shall consult with the Structural Reform Support Service (SRSS) regularly.

SRSS will take all appropriate measures to facilitate the Bank work in the performance of the activities, including, as needed, facilitating contacts with Latvian authorities.

The activities will be undertaken in close collaboration with the SRSS and the Ministry of Finance of Latvia.

In order to facilitate the implementation of the project, the SRSS will be responsible for involving other EU Commission services, where appropriate. SRSS will also provide support to ensuring the appropriate involvement of the Latvian authorities for the smooth execution of the activities by the Bank. The SRSS, when legally possible, will provide the Bank with relevant documents, reports and findings, resulting from other technical assistance work streams the SRSS is or has been involved in.

The Bank and SRSS will have regular exchanges on the progress of the project, on the work plan or schedule of project activities for the following month(s) including missions, and raise any issues as they arise concerning difficulties encountered. A Representative of the SRSS will be invited to attend all missions and all pertinent events or activities.

Priorities and choices to be made in the planning of the activities will be discussed and consulted between the Bank and SRSS. To facilitate the organization and efficiency of missions the Bank will share with the SRSS in a timely manner the relevant documents.

It is expected that the Director of the Financial Markets Policy Department, under the Deputy State Secretary on Financial Policy Issues of the MoF of Latvia will be the national contact point for the activities, and will coordinate the necessary coordination mechanisms within the MoF, other national authorities, and relevant stakeholders. To this end, the MoF will establish a Project Management Team, composed of relevant MoF staff.

It is expected that the Bank will consult and cooperate with the Project Management Team at all major stages of the activities to be implemented. It is expected that the MoF will take the lead in organizing the logistics of the training (venue, equipment, printing, catering, etc.), translation of the relevant material if needed, and ensuring the attendance of a critical number of participants from the target groups.

It is expected that the training material will be delivered by the Bank to the MoF directly. After the completion of each training, the Bank will prepare a summary report, including the list of attendants and institutions represented, topics covered, main outcomes, recommendations regarding AML
guidance from financial supervisors -where appropriate-, and feedback from the participants based on feedback forms as used by the Latvian Authorities.

The Bank will carry out the visibility activities agreed between the Bank and the SRSS in the Visibility Note dated 26/09/2017, as 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 will be managed by a Bank Task Team Leader with relevant experience, drawing on the expertise of the Bank staff with extensive experience on AML in EU Member States and other advanced jurisdictions. The Bank team will include the following competencies:

- In-depth knowledge of EU and country-specific regulatory framework for AML.
- Ability to understand the issues and challenges regarding AML and propose recommendations for better managing risks related to money laundering in the EU context.
- Ability to produce high-quality training.
- Project management, economic, and other skills that will be considered necessary for the execution of the activities.
### INDICATIVE RESULTS INDICATORS FOR THE ANNEX 1 ACTIVITIES

<table>
<thead>
<tr>
<th>Expected Results (logic of intervention)</th>
<th>Indicators</th>
<th>Baseline</th>
<th>Result goals</th>
<th>Target groups</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Impact</strong></td>
<td>Expanded hands-on knowledge of mainly private sector groups in Latvia on the AML framework and practices, thus further enhancing the capabilities of both sectors.</td>
<td></td>
<td></td>
<td></td>
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</tbody>
</table>

**Outcome (s)**

1. Better understanding of fundamental AML/CFT concept and compliance issues; better knowledge of the role of reporting institutions in the whole AML/CFT framework; better understanding of the importance of risk assessments and risk-based approach in AML/CFT; and learning how to cope with day-to-day challenges of applying compliance procedures, identifying suspicious financial behavior and detecting terrorist financiers.

   - Delivery of the awareness training on AML/CFT - General Course (Level 1) - Feedback of participants as reflected in the feedback forms

   - General awareness training on AML/CFT - has not been recently provided to target groups.

   - General awareness training on AML/CFT is delivered to target groups.

   - Market participants, DNFBPs and regulators.

   - Active engagement from MoF in ensuring adequate attendance from target groups.

2. Better understanding of the whole AML/CFT framework; greater capacity to undertake effective and efficient AML/CFT compliance; greater knowledge on

   - Delivery of the awareness training on AML/CFT - Intermediate course

   - Detailed and in-depth awareness training on AML/CFT - has not been recently delivered to target

   - Market participants and DNFBPs.

   - Active engagement from MoF in ensuring adequate attendance from target...
<table>
<thead>
<tr>
<th>Expected Results (logic of intervention)</th>
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</tr>
</thead>
<tbody>
<tr>
<td>how to enhance safe and sound bank practices; increased ability to identify the areas which are required to strengthen the institution’s AML/CFT process, and improve the quality of its performance; greater knowledge on how to apply the institution’s risk-based approach in AML/CFT; and learning how to identify relevant quantitative and qualitative information for AML/CFT compliance.</td>
<td>(Level 2) Feedback of participants as reflected in the feedback forms</td>
<td>Group provided to target groups.</td>
<td></td>
<td></td>
<td>groups.</td>
</tr>
<tr>
<td>Greater knowledge on the practical ways of carrying out effective AML/CFT supervision; better understanding of the importance of risk assessments and risk-based approach to AML/CFT supervision; learning about sources of information available to enable examiners to conduct an effective and efficient off-site and on-site supervision; learning of the use of enforcement tools and sanctions to improve AML/CFT implementation measures in financial institutions; and learning how to identify relevant quantitative and qualitative information for AML/CFT supervision.</td>
<td>Delivery of the advanced training on AML/CFT for FCMC and Bank of Latvia Feedback of participants as reflected in the feedback forms</td>
<td>Advanced training on AML/CFT has not been recently provided to financial supervisors.</td>
<td>Financial and Capital Markets Commission (FCMC), Bank of Latvia.</td>
<td></td>
<td>Active engagement from MoF in ensuring adequate attendance from target groups.</td>
</tr>
<tr>
<td>Identification of areas where current AML/CFT guidance from financial supervisors can be improved.</td>
<td>Based on the discussions held during the training</td>
<td>Current AML/CFT guidance from financial</td>
<td>Improved AML/CFT guidance from financial</td>
<td>FCMC, Bank of Latvia, market participants,</td>
<td></td>
</tr>
</tbody>
</table>
### Expected Results

<table>
<thead>
<tr>
<th>(Logic of intervention)</th>
<th>Indicators</th>
<th>Baseline</th>
<th>Result goals</th>
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<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>courses, comments on how to improve the AML/CFT guidance from financial supervisors leading to a list of recommendations as reflected in the meeting reports - where appropriate.</td>
<td>supervisors.</td>
<td>supervisors, based on outcomes of training courses.</td>
<td></td>
<td>and DNFBPs.</td>
</tr>
</tbody>
</table>

### Output (s)

<p>| Awareness training on AML/CFT – General Course (Level 1). | Preparation of awareness training on AML/CFT, to support participants to understand fundamental AML/CFT concepts and compliance issues and teach them to cope with the day-to-day challenges of applying compliance procedures, identifying suspicious financial behavior and detecting terrorist financiers. | General awareness training on AML/CFT has not been recently provided to target groups. | General awareness training on AML/CFT is delivered to target groups. | Market participants, DNFBPs and regulators. | Active engagement from MoF in ensuring adequate attendance from target groups. |</p>
<table>
<thead>
<tr>
<th>Expected Results (logic of intervention)</th>
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<th>Baseline</th>
<th>Result goals</th>
<th>Target groups</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Awareness training on AML/CFT – Intermediate course (Level 2)</td>
<td>Preparation of awareness training on AML/CFT, to train people who have a particular working experience with AML/CFT, or of which the management of an organization has committed to use those people for AML/CFT topic. Number of participants trained as reflected in the meeting reports.</td>
<td>Detailed and in-depth awareness training on AML/CFT has not been recently provided to target groups.</td>
<td>Detailed and in-depth awareness training on AML/CFT is delivered to target groups.</td>
<td>Market participants and DNBFPs.</td>
<td>Active engagement from MoF in ensuring adequate attendance from target groups.</td>
</tr>
<tr>
<td>Advanced training on AML/CFT for FCMC and Bank of Latvia (Level 2)</td>
<td>Preparation of advanced training on AML/CFT, to enhance the capacity of supervisory authorities in the country to supervise AML/CFT compliance</td>
<td>Advanced training on AML/CFT has not been recently provided to financial supervisors.</td>
<td>Advanced training on AML/CFT is delivered to financial supervisors.</td>
<td>Financial and Capital Markets Commission (FCMC), Bank of Latvia.</td>
<td>Active engagement from MoF in ensuring adequate attendance from target groups.</td>
</tr>
<tr>
<td>Expected Results (logic of intervention)</td>
<td>Indicators</td>
<td>Baseline</td>
<td>Result goals</td>
<td>Target groups</td>
<td>Assumptions</td>
</tr>
<tr>
<td>----------------------------------------</td>
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<tr>
<td>by financial institutions.</td>
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<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Number of participants trained as reflected in the meeting reports.</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>
## INDICATIVE BUDGET

### FOR THE ANNEX 1 ACTIVITIES

<table>
<thead>
<tr>
<th>Expenditure Category</th>
<th>Average Number</th>
<th>Amount in Euro</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staff and consultant services</td>
<td>3</td>
<td>55,350</td>
</tr>
<tr>
<td>Cost of travel</td>
<td>3</td>
<td>44,400</td>
</tr>
<tr>
<td>Training and workshops</td>
<td></td>
<td>0</td>
</tr>
<tr>
<td>Other services including translation</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Sub-total</strong></td>
<td></td>
<td><strong>99,750</strong></td>
</tr>
<tr>
<td>Administration fee (5%)</td>
<td></td>
<td>5,250</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>105,000</strong></td>
</tr>
</tbody>
</table>

* Training costs, such as venue, equipment, printing, catering, etc., are to be assumed by the MoF of Latvia.

** Training and materials are to be delivered in English. If applicable, translation costs are to be assumed by the MoF of Latvia.

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 Bank 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 1 – 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.
Brussels, 26 September 2017.

Subject: Visibility note applicable to the Part II Europe 2020 Programmatic Single-Donor Trust Fund.

I-Title of the Contract

II- Objective
In accordance with article 9 and Attachment 4 of the Framework Agreement between the European Commission (the Commission) and the World Bank (the Bank), this note defines the visibility activities to be financed by the Bank in order to identify and explain the European Union's support for the activities of the Trust Fund (No TF072907) (EC Contract No SRSS/S2017/023) fully funded by the Commission.

III-Activities

* All press releases, publications, training programs, seminars or symposia or other public information materials issued shall clearly indicate that the activities have been funded by the European Union via the Structural Reform Support Service of the Commission.

* Periodic and final reporting as per Article 5 of the Framework Agreement will identify the European Union as the source of financing of the Action.

* The Bank should ensure appropriate acknowledgment on any deliverable (periodic or final), funded by the European Union funds. This acknowledgment should include prominently displaying the EU logo/flag.

* Whenever possible and appropriate, joint press releases and joint media activities should be undertaken to promote the partnership and to highlight common achievements. The Bank and the Commission shall invite each other to participate at press conferences, donor conferences and public debates on trust funds where the European Union is a significant contributor.

* Where high level visits are planned concerning joint funded activities, the Parties will inform each other and consider co-ordinating these visits and agreeing on joint messages.

* In all their common actions, the Commission and the Bank will use a common visual identity to put emphasis on their partnership.