OFFICIAL DOCUMENTS

AMENDMENT N° 1

to the Administration Agreement for
Part II Europe 2020 Programmatic Single-Donor Trust Fund
Cyprus Implementation of Public and PPP Investment Projects
in Transport and Buildings (No. TF072770)
(EC Contract No SRSS/S2016/024)

1. The European Union, represented by the EUROPEAN COMMISSION (the 'Donor'), which is represented for the purposes of signing this amendment by Mary McCarthy, Director, Structural Reform Support Services, of the one part, and

2. The INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (the "Bank"),

Avenue Marnix 17, 2nd Floor
1000 Brussels
Belgium

represented for the purposes of the signature of this amendment by Arup Banerji, Regional Director for Operations, European Union Countries, Europe and Central Asia, on the other part,

Having regard to the above-mentioned Administration Agreement signed on December 21, 2016,

WHEREAS the Bank has requested the Donor to amend the above-mentioned Administration Agreement for the following reason: given the late initiation of activities and the challenges faced by the Ministry of Transport, Communications and Works in making available the required data and information to produce the agreed deliverables, to delete the delivery of a manual under Activity 3 of Component 1 and dedicate the respective resources to Activity 2 of Component 2, and allow more time for the implementation of the activities financed by the Trust Fund.

HAVE AGREED AS FOLLOWS:

Article 1

The description of Activity 3 under Component 1 of Annex 1 to the Administration Agreement is modified as follows:

"Activity 3: Definition of standard values and parameters

The Bank will prepare a manual which will include a discussion, methodology and estimation of some selected parameters for CBA and CE Analysis. In case that some information is not available, the Bank will provide some benchmarking based on international experience in similar countries and type of projects.

Road projects\(^1\):

It includes the following parameters:

\(^1\) The World Bank will review the relevant EU Cost- Benefit Analysis Manual (DG REGIO, 2015) and other relevant documents for the economic and financial analysis of projects developed by the EU."
• Value of time (travel savings for basic road users types like work type, recreation type, commuters type, etc.),
• Value of environmental externalities (e.g. noise, air pollution, GHG emissions, etc.),
• Cost of road accidents (statistical value of life, serious and slight injuries, damage only accidents, etc.), and
• Vehicle operating costs for basic road type vehicles (cars, freight vans, heavy goods vehicles, buses, etc.).

The methodologies will be presented in an appropriate form and in detail in order to allow the MTCW to re-calculate these values over time. In addition, the Bank will use the existing social discount rate in Cyprus as developed in previous Bank work with the government, and propose some sensitivity analysis.

Administrative buildings

Two main concerns for public buildings are related to their performance and serviceability that are important for both public servants and the public (visitors). Within the framework of CE analysis, standard values will be calculated including for comparing new technologies, environmentally friendly and smart buildings.

Finally, the Bank will provide some examples of risk value and allocation based on best international available information for PSC analysis.

Deliverables of Activity 3:

3.1 A manual including a discussion, methodology and estimation of some selected parameters for CBA and CE Analysis. In case that some information is not available, the Bank will provide some benchmarking based on international experience in similar countries and type of projects. The list of parameters for road and administrative building projects is discussed above.”

Article 2

The Section “Reporting” under point 2 of Annex 1 to the Administration Agreement is modified to read as follows:

“REPORTING

In addition to the progress reports referred to in Section 5.1 of the Annex 2 to this Agreement, the Bank will deliver the following reports, manuals, guidelines, spreadsheets, and training material:

1) An inception report providing main agreements reached between the MTCW and World Bank on the implementation of the two components, delivered at n+1 month (where n is the date of contract signature);
2) The reporting deliverables as specified under Component 1 – Activities 2, 3, 4 and 5, delivered at n+15 months; and
3) The reporting deliverables specified under Component 2 – Activities 1 and 2, delivered at n+15 months.”

Article 3

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 June 30, 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 4

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

Article 5

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 for Operations  
European Union Countries  
Europe and Central Asia

Signature:  
Date: November 28, 2017

For the Donor,

Mary McCarthy  
Director  
Structural Reform Support Service  
European Commission

Signature:  
Date: 30 Nov, 2017

In duplicate in English.