ADDENDUM NO 2

TO THE
ADMINISTRATION AGREEMENT BETWEEN THE EUROPEAN COMMISSION AND THE
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT CONCERNING
THE PART II EUROPE 2020 PROGRAMMATIC SINGLE-DONOR TRUST FUND

Trust Fund No TF 072459
(EC Contract No 2014/355-063)

The European Union, represented by the European Commission (the "Donor"),
on the one part,

and

The International Bank for Reconstruction and Development, Europe and Central Asia Region, 1818 H
St, NW, Washington, DC 20433 (the "Bank"),
on the other part,

have agreed as follows:

The following provisions of the Administration Agreement Trust Fund No TF 072459 (EC Contract No
2014/355-063), concluded between the European Commission and the World Bank on 15/07/2015 (the
"Agreement") and last amended on 06/02/2017 are hereby replaced as follows:

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
European Union
World Bank Group
17 av. Marnix, 2nd floor
1000 Brussels
Belgium
Tel: + 322 504-0994
Email: Abanerji@worldbank.org
For the Donor (the "Donor Contact"):

European Commission  
Structural Reform and Support Service  
Director  
Mary McCarthy  
Office CHAR 10/104  
Rue de la Loi 170  
B-1049 Brussels, Fax +32 229 93493  
E-mail: Mary.McCarthy@ec.europa.eu

Annex 1

The new version of Annex 1 "Part II Europe 2020 Programmatic Single-Donor Trust Fund Description" is attached to this addendum.

Annex 2

The new version of Annex 2 "Standard Provisions" is attached to this addendum and it is amended as follows:

Article 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 April 20, 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 Donors) 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 each 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.

Annex 4

The new version of Annex 4 "Indicative Results Indicators for the Activities set forth in Section 2.1 of Annex 1 to this Administrative Agreement" is attached to this addendum.

All other terms and conditions of the Administration Agreement and its previous Addenda remain unchanged. This addendum shall form an integral part of the Administration Agreement and it shall enter into force on the later date of signature by the Parties.
This addendum is drawn up in three originals, two for the European Commission and one for the World Bank Group entity.

For the World Bank:

Name: ARUR BANERJI
Position: Regional Director
Signature: [Signature]
Date: 05-10-17

For the European Commission:

Name: Mary McCarthy
Position: Director - SRSS
Signature: [Signature]
Date: 29.09.17
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:**

(a) The Aid Program for the Turkish Cypriot community is implemented by the European Commission *inter alia* to foster the economic integration and convergence within Cyprus in view of its reunification.

Under this program, the European Commission has asked the World Bank to provide technical assistance with the aim of: (i) filling knowledge gaps of macroeconomic developments in the TCc; (ii) conducting economic analysis on selected economic sectors and cross-cutting thematic areas that will support the TCc counterparts in developing a reform agenda for selected priority areas and (iii) enhancing local understanding of constraints impeding development and reforms through outreach and consultation.

(b) The activities (which may be described as “components” of activities) to be financed by the Trust Fund, in support of the sub-objectives cited in Section 2 (a) above, are the following Bank-executed activities, for which the Bank has implementation responsibility:

A. **Fiscal analysis of the TCc economy.**

Building upon the already completed *Public Finance Review* carried out by the World Bank, this component will provide a detailed analysis of public spending in several aspects of public sectors and activities in the TCc and its impact on the TCc economy (for example health, employment, social security, and local authorities). This analysis will help supporting medium-term fiscal and financial sustainability of a unified island.
B. Financially sustainable public administration bodies in the TCc.

Building on the World Bank’s earlier *Public Finance Review* in the TCc, this component will help identify for the TCc reform options for a rationalized yet effective public sector that may result in a modern, effective and financially sustainable public sector for the TCc based on the principle of island-wide planning and in preparation for the potential implementation of *acquis communautaire*. It will focus on having a sustainable financial basis for its administrative activities and the ability to support policy making, coordination and effective service delivery (especially in the area of public health services), also through building the capacities of the beneficiaries.

C. The economic, trade-related effects of potential reunification and disappearance of the Green Line for the TCc

Building upon trade diagnostic work to date, this component will estimate the welfare gains to greater integration. Specifically, it will model the welfare gains from increased intra-island trade and from an enhanced economic positioning of the island in the world economy. The analysis will highlight the gains to consumers, producers and by main sectors of the economies (including a close examination of agriculture, manufacturing and service sectors), drawing on the international experience of the WBG. The Bank will also carry out an analysis of likely direct settlement-related effects on trading companies, and suggest how to re-orient them (sectors of growth) in order to gain competitiveness.

D. Private sector development and social inclusion for the TCc

Policies that improve private sector productivity and competitiveness will be needed for high and sustained rates of economic growth. Moreover, sustainable medium-term economic growth must be shared with all segments of the population otherwise risks will grow that continued integration will stall. This component will focus on the interaction between a more dynamic private sector, medium-term economic growth and the associated employment outcomes, with an emphasis on skills and educational upgrading for a modern economy. Building on the recently completed Private Sector Incentives Report prepared by the World Bank, it will also seek ways to analyze the economic effect of the potential application of the *acquis communautaire*, in particular in the field of competition and state aid. It may also consider options to reduce inequality of opportunities across income levels.

E. Regular macroeconomic monitoring

This component will produce two annual economic briefs on the state of the TCc economy. Like the current format of the notes, they will be predominantly descriptive without involving new analytical work. They will provide an update on economic growth, prices and exchange rates, the external sector and the general public sector budget – depending upon the availability of recent data. The component will also include a final report to synthesize the findings under the previous and proposed World Bank program in the context of sources and sustainability of growth.

**Indicative Outputs and Timeline**

The Bank shall produce the following outputs within the indicative timeframe described below.
<table>
<thead>
<tr>
<th>OUTPUTS*</th>
<th>DATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Inception Report</td>
<td>May 2015</td>
</tr>
</tbody>
</table>

A. Fiscal Analysis of the TCC Economy


B. Financially Sustainable Public Administration Bodies in the TCC

3. Workshop on Strategic Planning Process | May 2015 |
5. Guidance Note on Public Investment System | October 2015 |
6. Workshop on Public Investment System | October 2015 |
8. Workshop on Effective Personnel Management System | October 2015 |
10. Workshop on Effective Service Delivery in Public Health | December 2015 |
11. Capacity Building** | throughout the implementation of this Agreement |

C. The Economic Trade Related Effects of Reunification and Disappearance of the GL in the TCC

12. Analysis of Sectors of Growth and Guidance on their Reorientation to Gain Competitiveness | December 2015 |

D. Private Sector Development and Social Inclusion in the TCC

15. Workshop on Labour Market Analysis | February 2016 (together with 13.) |
16. Capacity Building** | throughout the implementation of this Agreement |

E. Regular Macroeconomic Monitoring

20. Final Report on Sustainability and Sources of Economy | December 2016 |

* All deliverables will be approved in writing.
** Capacity building activities will be designed to take into account the demand for regular bi-monthly missions by the Bank for at least 5 business days throughout the implementation of this Agreement depending on the needs of the activities to be carried out.

The inception report will detail the work plan of activities including a stock-taking of the existing situation.

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

5.1 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.
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.

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 Donors, 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’s 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 Charter of the United Nations. The Donors acknowledge 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 a 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 Donors agree to deposit their Contributions in the Contribution Currency stated in their 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 all Donors and which would thereafter be applicable to all new Contributions that are provided either as amendments to supplement existing Administration Agreements or from new Donors under 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 Donors 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 Donors 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 Donors 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 April 20, 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 Donors) 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 each 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, and the Bank may cancel all or any Donors' pro rata shares, 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 consent 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 4

**INDICATIVE RESULTS INDICATORS FOR THE ACTIVITIES SET FORTH IN SECTION 2.1 OF ANNEX 1 TO THIS ADMINISTRATION AGREEMENT**

**A) Fiscal analysis of the TCc economy**

<table>
<thead>
<tr>
<th>Expected Results (logic of intervention)</th>
<th>Indicators</th>
<th>Baselines</th>
<th>Result goals</th>
<th>Sources of data</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Impact</strong></td>
<td>Use the stock of “public sector” liabilities to establish a clearance plan</td>
<td>“Public sector servicing of its debt is ad-hoc and limited”</td>
<td>The stock of “public and publicly guaranteed debt”, including arrears, of the “central administration”, “local administrations”, “Social Insurance Fund” and “public enterprises” will inform the decision makers to establish effective debt management practices.</td>
<td>To be determined</td>
<td>Data will be made available and decision makers will commit to clear “public sector” liabilities.</td>
</tr>
<tr>
<td><strong>Outcome(s)</strong></td>
<td>Inform policy for public debt management</td>
<td>Data on “Official” stock of “public and publicly guaranteed debt”</td>
<td>Decision makers will be informed about the complete stock of “public and publicly guaranteed debt”, including arrears, of the “central administration”, “local administrations”, “Social Insurance Fund” and “public enterprises”.</td>
<td>To be determined</td>
<td>Data will be made available.</td>
</tr>
<tr>
<td><strong>Output(s)</strong></td>
<td>Produce an analytical report on “public sector” liabilities, including arrears.</td>
<td>Data on “Official” stock of “public and publicly guaranteed debt”</td>
<td>The report will expand the existing data to the complete stock of “public and publicly guaranteed debt”, including arrears, of the “central administration”, “local administrations”, “Social Insurance Fund” and “public enterprises”.</td>
<td>“Central administration”, “local administrations”, “Social Insurance Fund”, “public enterprises”, banks, “Provident Fund”, and others to be determined</td>
<td>Data will be made available.</td>
</tr>
</tbody>
</table>
B) Financially sustainable public administration bodies in the TCc

<table>
<thead>
<tr>
<th>Expected Results (logic of intervention)</th>
<th>Indicators</th>
<th>Baselines</th>
<th>Result goals</th>
<th>Sources of data</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sub-component 1: Strategic Planning Process</strong></td>
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</tr>
<tr>
<td><strong>Impact</strong></td>
<td>Implement proposed strategic planning process</td>
<td>No established process for strategic planning</td>
<td>Adoption of the proposed strategic management process</td>
<td>To be determined</td>
<td>TCc commitment for establishing a strategic planning process</td>
</tr>
<tr>
<td><strong>Outcome(s)</strong></td>
<td>Inform policy on strategic planning process</td>
<td>No established process for strategic planning</td>
<td>Improved understanding of “public policy” options, their costs and benefits, which would allow better prioritization and a more efficient and effective public sector</td>
<td>To be determined</td>
<td>TCc commitment for establishing a strategic planning process</td>
</tr>
<tr>
<td><strong>Output(s)</strong></td>
<td>a) Guidance note on strategic planning process b) Workshop on strategic planning process</td>
<td>No established process for strategic planning</td>
<td>Guidance note and workshop explaining the key pillars of a strategic planning process as applied to the TCc</td>
<td>EUCC,”Ministry of Finance”, and others to be determined.</td>
<td>TCc commitment for establishing a strategic planning process</td>
</tr>
</tbody>
</table>

| **Sub-component 2: Public Investment Management** | | | | | |
| **Impact** | Implement a public investment management system | No established process for public investment management | Adoption of a public investment management process | To be determined | TCc commitment for establishing a public investment management process |
| **Outcome(s)** | Inform policy on public investment management system | No established process for public investment management | Improved understanding of “public investment” options, their costs and benefits, which would allow better prioritization and a more efficient and effective public sector | To be determined | TCc commitment for establishing a public investment management process |
| **Output(s)** | a) Guidance note on public investment management b) Workshop on public | No established process for public investment management | Guidance note and workshop explaining key pillars of an effective and transparent public | Public Investment Program/ Parliamentary Committee Reports/ Quarterly MOF Budget | TCc commitment for establishing a public investment management |

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<table>
<thead>
<tr>
<th>Sub-component 3: Effective Personnel Management</th>
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<tbody>
<tr>
<td><strong>Impact</strong></td>
</tr>
<tr>
<td><strong>Outcome(s)</strong></td>
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<tr>
<td><strong>Output(s)</strong></td>
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<table>
<thead>
<tr>
<th>Sub-component 4: Effective Service Delivery in Public Health</th>
</tr>
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<tbody>
<tr>
<td><strong>Impact</strong></td>
</tr>
<tr>
<td><strong>Outcome(s)</strong></td>
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<tr>
<td><strong>Output(s)</strong></td>
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</table>

<table>
<thead>
<tr>
<th>Sub-component 5: Capacity Building</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Impact</strong></td>
</tr>
</tbody>
</table>
### Outcome(s)
- Increased understanding of and commitment to public administration reforms
- Limited capacity exists at the technical level
- Increased understanding of and commitment to public administration reforms at the technical level
- To be identified.
- Commitment to public administration reform

### Output(s)
- Regular missions and meetings with various stakeholders
- Initial meetings as a part of project design stage
- Regular missions and meetings with various stakeholders
- To be identified.
- Commitment to public administration reform

### C) Analyzing the economic, trade-related effects of potential reunification and disappearance of the Green Line on the TCc

<table>
<thead>
<tr>
<th>Expected Results (logic of intervention)</th>
<th>Indicators</th>
<th>Baselines</th>
<th>Result goals</th>
<th>Sources of data</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Impact</strong></td>
<td>Implement proposed policies</td>
<td>Sectoral policies do not take into account the effects of re-unification on competitiveness</td>
<td>Adoption of sectoral policies that take into account potential effects of re-unification on competitiveness and options for reorientation</td>
<td>To be determined</td>
<td>Data will be made available, the TCc will commit to sectoral growth and competitiveness policies and preparedness for re-unification</td>
</tr>
</tbody>
</table>

| **Outcome(s)**                          | Inform sectoral policies to increase competitiveness and growth | Sectoral policies do not take into account the effects of re-unification on competitiveness | Decision makers will be informed about the potential effects of re-unification on competitiveness and options for reorientation | To be determined | Data will be made available and the TCc will commit to sectoral growth and competitiveness policies and preparedness for re-unification |

<p>| <strong>Output(s)</strong>                           | a) Analytical report on sectors of growth keeping in mind the possible reunification, including analysis of likely direct settlement-related effects on trading companies; guidance on their reorientation to gain | World Bank’s Private Sector Incentives and Green Line Trade reports, studies by other organizations | A comparative analysis of enterprise characteristics and policy recommendations and workshop on sectoral reorientation to gain competitiveness | To be determined | Data will be made available |</p>
<table>
<thead>
<tr>
<th><strong>Expected Results (logic of intervention)</strong></th>
<th><strong>Indicators</strong></th>
<th><strong>Baselines</strong></th>
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<th><strong>Sources of data</strong></th>
<th><strong>Assumptions</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sub-component 1: Educational upgrading of labor supply</strong></td>
<td><strong>Impact</strong></td>
<td>Implement some of the proposed policies</td>
<td>Existing labor market and education policies</td>
<td>Adoption of some of the proposed labor market and education policies</td>
<td>To be determined</td>
</tr>
<tr>
<td><strong>Outcome(s)</strong></td>
<td>Inform policy by proposing labor market and education reforms to improve private sector competitiveness</td>
<td>Existing labor market and education policies</td>
<td>Decision makers will be informed about the labor market and education policies to improve the skill level of the labor force</td>
<td>To be determined</td>
<td>Data will be made available and TCc commitment for labor market and education reforms</td>
</tr>
<tr>
<td><strong>Output(s)</strong></td>
<td>a) Analytical report on labor market and guidance on educational system</td>
<td>The Public Finance Review by the World Bank and other studies</td>
<td>Analytical report and workshop detailing drivers of employment growth, how it is affected by education practices, and policy recommendations to improve the skill level of the labor force; Regular missions and meetings with various stakeholders</td>
<td>To be determined</td>
<td>Data will be made available and TCc commitment for labor market and education reforms</td>
</tr>
<tr>
<td><strong>Sub-component 2: Capacity Building</strong></td>
<td><strong>Impact</strong></td>
<td>Labor market and educational reforms are initiated</td>
<td>Limited capacity exists at the technical level</td>
<td>Labor market and educational reforms are drafted at the technical level</td>
<td>To be identified.</td>
</tr>
<tr>
<td><strong>Outcome(s)</strong></td>
<td>Increased understanding of and commitment to labor market and educational reforms</td>
<td>Limited capacity exists at the technical level</td>
<td>Increased understanding of and commitment to labor market and educational reforms at the technical level</td>
<td>To be identified.</td>
<td>Commitment to labor market and educational reforms</td>
</tr>
<tr>
<td><strong>Output(s)</strong></td>
<td>Regular</td>
<td>Limited</td>
<td>Regular missions</td>
<td>To be identified.</td>
<td>Commitment to</td>
</tr>
</tbody>
</table>
missions and meetings with various stakeholders | capacity exists at the technical level | and meetings with various stakeholders | labor market and educational reforms

**E) Regular macroeconomic monitoring**

<table>
<thead>
<tr>
<th>Expected Results (logic of intervention)</th>
<th>Indicators</th>
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<th>Result goals</th>
<th>Sources of data</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sub-component 1: Two annual macroeconomic monitoring notes</strong></td>
<td></td>
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</tr>
<tr>
<td><strong>Impact</strong></td>
<td>The TCc statistical &quot;authorities&quot; start producing regular macroeconomic monitoring notes</td>
<td>Semi-annual macroeconomic projections by the &quot;State Planning Organization&quot; and quarterly statistical bulletin by the &quot;Central bank&quot;</td>
<td>Annual macroeconomic monitoring reports</td>
<td>To be determined</td>
<td>Decision makers commit to produce high-quality macroeconomic monitoring reports</td>
</tr>
<tr>
<td><strong>Outcome(s)</strong></td>
<td>Inform development partners and decision makers on macroeconomic developments</td>
<td>Past macroeconomic monitoring reports covering developments until Q3 2014</td>
<td>Outputs will be disseminated to the development partners and decision makers</td>
<td>To be determined</td>
<td>New data will be made available and development partners and decision makers will participate in the dissemination event</td>
</tr>
<tr>
<td><strong>Output(s)</strong></td>
<td>Two macroeconomic monitoring reports</td>
<td>Past macroeconomic monitoring reports covering developments until Q3 2014</td>
<td>New macroeconomic monitoring reports for 2014 and 2015</td>
<td>Other components of the work program will be completed and development partners and decision makers will participate in</td>
<td></td>
</tr>
</tbody>
</table>

**Sub-component 2: Final report on sustainability and sources of economic growth in the TCc**

<p>| Impact | | | | | |
| Inform development partners and decision makers on sources and sustainability of economic growth in the TCc | Other World Bank reports under the previous and proposed work program | Output will be disseminated to the development partners and decision makers | Inform development partners and decision makers on sources and sustainability of growth in the TCc | Other components of the work program will be completed and development partners and decision makers will participate in |</p>
<table>
<thead>
<tr>
<th><strong>Outcome(s)</strong></th>
<th>Inform development partners and decision makers on sources and sustainability of growth in the TCc</th>
<th>Other World Bank reports under the previous and proposed work program</th>
<th>Output will be disseminated to the development partners and decision makers</th>
<th>To be determined</th>
<th>Other components of the work program will be completed and development partners and decision makers will participate in the dissemination event</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Output(s)</strong></td>
<td>A final report on sustainability and sources of economic growth in the TCc</td>
<td>Other World Bank reports under the previous and proposed work program</td>
<td>A final report synthesizing the findings under the previous and proposed World Bank work programs in the context of sustainability and sources of economic growth in the TCc</td>
<td>'State' Planning Organization, 'Ministry of Finance', 'Central Bank', 'Ministry of Economy' and others to be determined</td>
<td>Other components of the work program will be completed</td>
</tr>
</tbody>
</table>
