

ADMINISTRATION AGREEMENT

between

THE INTER-AMERICAN DEVELOPMENT BANK

and

THE KOREA RESEARCH INSTITUTE FOR HUMAN SETTLEMENTS

regarding

Project Specific Grant to the Inter-American Development Bank for the Project titled, “South Korean affordable housing policies: Lessons for Latin American and Caribbean countries (RG-W1028/RG-X1210)”.

THIS ADMINISTRATION AGREEMENT is entered into between the Inter-American Development Bank (the “Bank”) and the Korean Research Institute for Human Settlements (the “Donor”) (hereinafter together referred to as the “Parties”).

WHEREAS, the Bank has designed Project titled, “South Korean affordable housing policies: Lessons for Latin American and Caribbean countries (RG-W1028/RG-X1210)” (the “Project”), as described in the attached project document (the “Project Document”);

WHEREAS as part of the Project, the Bank requires one Externally-Funded Complementary Workforce Employee (the “EF-CWE”) who will come to the Bank’s Fiscal and Municipal Management Division (FMM), to collaborate on urban knowledge and strengthen the response of the Bank to the development challenges of an urban continent.

WHEREAS, the Donor has agreed to support the execution of the Project by providing a project specific grant to be administered by the Bank; and

WHEREAS, the Bank is prepared to receive and administer the contribution funds to be made available by the Donor.

NOW, THEREFORE, the Parties hereby agree as follows:

1. The Donor will make available to the Bank a grant contribution in the amount of U.S USD\$100,000.00 (one hundred thousand United States dollars) (the “Contribution”) to be administered by the Bank to co-finance the Project.
2. The Contribution will be solely for the purposes indicated in the Project Document. Any material deviations from the objectives and activities of the Project described in the Project Document will require the Donor’s written approval.
3. Following the signature of this Administration Agreement by the Parties, the Donor will transfer the Contribution to the Bank in one single installment, upon the Bank’s written request, to the account #04404221 “Inter-American Development Bank – Cofinancing Account” opened by the Bank at Deutsche Bank America Trust, New York (swift #BKTRUS33XXX) (the “Account”). The Account is denominated in U.S. dollars and includes resources provided as grant funds by other donors for other Bank projects. The Contribution will be administered in the Account without distinction from other donors’ contributions.
4. The Bank will administer the Contribution in accordance with the provisions of this Administration Agreement and the Bank’s applicable policies and procedures. The Bank will exercise the same care in the discharge of its functions, as described in this Administration Agreement, as it exercises with respect to the administration and management of resources from other donors, and will have no further liability to the Donor in respect thereof.

5. The Contribution will be accounted for separately from the Bank's assets, and will be administered together with other contributions received by the Bank. The Bank may freely exchange the Contribution funds into other currencies as may facilitate their administration and disbursement. The Bank will not be responsible for foreign exchange risk in the receipt, conversion or administration of Contribution funds. Further, the Bank may at its discretion invest and reinvest the resources of the Contribution pending their disbursement in connection with the Project.
6. To assist in the defrayment of the administrative costs in relation to the Contribution, the Bank will charge and retain:
 - (a) a fee equal to five percent (5%) of the total amount of the Contribution at the time the Contribution is deposited by the Donor into the Account; and
 - (b) any investment income generated by the Contribution pending its disbursement towards the Project.
7. The Bank's procurement policies and procedures will be applicable to the procurement of goods and services. In relation to the hiring of the EF-CWE, the Bank's policies and procedures for the contracting of Complementary Workforce Employees with the Contribution resources will be applicable.
8. The Donor will not be responsible for the activities of any person or third-party engaged by the Bank as a result of this Administration Agreement, nor will the Donor be liable for any costs incurred by the Bank in terminating the engagement of any such person.
9. Promptly following the completion of the Project, the Bank will submit to the Donor a final Project report including a report on the EF-CWEs. The Donor may also request a non-audited financial expense report of the Contribution. In addition, the Donor may request an "agreed upon procedures" report issued by the Bank's external auditor on the use of the Contribution resources. The cost of such auditor's report will be borne by the Donor and will not be deducted from the Contribution. The Donor will reimburse the Bank for the cost of this report promptly after receiving a written request from the Bank. The Bank will not provide audited financial statements for the Account.
10. As soon as possible upon completion of the Project, the Bank will return to the Donor any remaining uncommitted Contribution funds, unless otherwise agreed to in writing by the Parties.
11. The Donor further acknowledges that the Bank's commitment to use the Contribution as contemplated herein will be subject to the Bank's formalization of all internal approvals necessary for the Project and/or the Project Document.
12. The offices responsible for coordination of all matters and receiving any notice or request in writing in connection with this Administration Agreement or the Project are as follow:

(a) For the Bank:

- i. All communications pertaining to donor relations and resource mobilization will be directed to:

Inter-American Development Bank
1300 New York Avenue, NW
Washington, D.C. 20577
UNITED STATES OF AMERICA
Attention: Manager, Office of Outreach and Partnerships (ORP)
Tel.: +1 (202) 623-1583
Fax: +1 (202) 623-2543
E-mail: partnerships@iadb.org

- ii. Day-to-day communications regarding the implementation of this Administration Agreement will be directed to:

Inter-American Development Bank
1300 New York Avenue, NW
Washington, D.C. 20577
UNITED STATES OF AMERICA
Attention: Chief, Grants and Co-financing Management Unit
Office of Outreach and Partnerships (ORP/GCM)
Tel.: +1 (202) 623-2018
Fax: +1 (202) 623-3171
E-mail: orp-gcm@iadb.org

(b) For the Donor:

Korea Research Institute for Human Settlements
254 Simin-daero, Dongan-gu,
Anyang-si, Gyeonggi-do, 431-712
South Korea
Attention: Jin-Cheol, Jo
Tel.: +82-31-380-0164
Fax: +82-31-380-0468
E-mail: jincjo@krihs.re.kr

13. This Administration Agreement will come into force on the date of its signature by each of the Parties.
14. The Parties may amend any provision of this Administration Agreement in writing.
15. Subject to their respective policies and procedures with respect to the disclosure of information, the Parties may make this Administration Agreement publicly available.

16. Nothing in this Administration Agreement may be construed as creating an agency relationship between the Parties.
17. The Parties will seek to settle amicably any disputes that may arise from or relate to this Administration Agreement.

IN WITNESS WHEREOF, the Inter-American Development Bank and -Korea Research Institute for Human Settlements, each acting through its duly authorized representative, have signed this Administration Agreement in two (2) originals in the English language as of the dates indicated below.

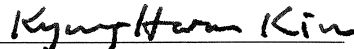
**INTER-AMERICAN
DEVELOPMENT BANK**



Bernardo Guillamon
Manager, Office of Outreach and Partnerships

Date: MARCH 19, 2014

**KOREA RESEARCH INSTITUTE FOR
HUMAN SETTLEMENTS**



Kyung Hwan Kim
President

Date: 3/25/14

TC Document

SOUTH KOREAN AFFORDABLE HOUSING POLICIES: LESSONS FOR LATIN AMERICAN AND CARIBBEAN COUNTRIES

I. Basic Information

▪ Country/Region:	Regional
▪ TC Name:	South Korean affordable housing policies: Lessons for Latin American and Caribbean countries
▪ TC Number:	RG-W1028/RG-X1210
▪ Associated Loan/Guarantee Name:	NA
▪ Associated Loan/Guarantee Number:	NA
▪ Team Leader/Members:	Nora Libertun de Duren, Team leader (IfD/FMM), Javier Leon (IfD/FMM), Andres Blanco (IfD/FMM)
▪ Date of TC Abstract authorization:	March, 2014
▪ Beneficiary	Regional
▪ Executing Agency and contact	Inter-American Development Bank (IDB)
▪ Donors providing funding:	Korea Research Institute of Human Settlements (KRIHS)
▪ IDB Funding Requested	US\$ 100.000 ¹ of which US\$ 65,000 will be used for an EF-CWE
▪ Contract modality for the EF-CWE:	TTC
▪ Person responsible for supervision of the EF-CWE	Nora Libertun de Duren
▪ Disbursement period:	14 months
▪ Required start date:	April 1 st , 2014
▪ Types of consultants :	Individual International
▪ Prepared by Unit:	Fiscal and Municipal Management (FMM)
▪ Unit of Disbursement Responsibility:	Institutions for Development (IfD)
▪ TC Included in Country Strategy:	Yes.
▪ TC included in CPD:	Argentina (2012-2015); Brasil (2012-2014); Colombia (2011-2014); Ecuador (2012-2017); El Salvador (2010-2014); México (2010-2012); Perú (2012-2016)
▪ GCI-9 Sector Priority:	(I) Reduce poverty and inequality

II. Objectives and Justification of the TC

Objective. The objective of this TC is to improve affordable housing policies in Latin American and Caribbean (LAC) countries through the analysis of the South Korean experience on incorporating the private sector in the financing of affordable housing, promoting community involvement in the design

¹ These funds will be administered by the IDB through a non-reimbursable project-specific grant (PSG). KRIHS will contribute US\$ 100,000. This PSG will be administered by the IDB pursuant to document SC-114. In accordance with that document, the commitment of RIHS for the PSG will be established through a separate Administrative Agreement. The Bank will charge an administrative fee of 5% of the contribution, which is duly identified in the budget of this project.

and implementation of affordable housing programs, and supporting a rental market targeted to the lowest income households.

Justification. Access to housing in LAC countries has improved—since 2000, the percentage of households with access to housing has risen in all quintiles (Bouillon, 2012²). Nonetheless, the absolute number of households in a housing-deficit situation has increased. The qualitative deficit affects 40 million households, who suffer from overcrowding (three or more people per room), or lack basic services or secure tenure of their homes. Moreover, there are a further 13 million households subject to a quantitative deficit, either because they live in makeshift housing, or because they share it with another household. The deficit is more prevalent the poorer the quintile, with one third of housing-deficit households belonging to the poorest quintile (Rojas and Medellin, 2011³). Nearly half of the housing deficit in urban areas is attributable to the high cost of homes, and lack of access to financing. The scant development of the mortgage market, which accounts for just 1.5% of mortgages worldwide (Warnock, 2008⁴), is probably associated with the high degree of economic informality that prevails in the region. Lastly, the region is falling behind in the use of sustainable construction techniques and the production of adequate housing. The stock of housing in the region amounts to 250 homes for every 1,000 inhabitants, half of that recorded in European Union countries (UN Habitat, 2010⁵).

Against this backdrop, IDB's Housing and Urban development Sector Framework Document (IDB, 2013⁶), proposes to expand the access to housing finance for the poorest population, and expand the housing services offered—including the rental market; while promoting citizen participation. South Korea has successfully implemented policies in all these three areas. Its government has supported rental housing to meet the needs of low-income households since the 1970s (Park, 2007⁷). In 1998, following the Asian crisis, it revamped its housing policies to further include community participation in the design of affordable housing programs (PCWP, 2007). Last, in 2009, it created the Korean Mortgage Corporation (KoMoCo) in partnership with Merrill Lynch to successfully refinance affordable housing debt of the National Housing Bank in South Korea⁸ (UN_Habitat, 2009⁹). This TC would extract lessons from these experiences towards the design and implementation of policies promoting affordable housing in LAC.

² Bouillon, C. Ed. 2012. *Room for Development: Housing Markets in Latin America and the Caribbean*. IDB.

³ Rojas, E., and Medellin, N. 2011. "Housing policy matters for the poor. Housing conditions in Latin America and the Caribbean 1995-2006." *IDB Working Paper Series No. IDB-WP-289*.

⁴ Warnock, 2008. "Markets and housing finance." *Journal of Housing Economics*. Doi:10.1016/j.jhe.2008.03.001.

⁵ UN Habitat, 2010. *State of the World's Cities 2010/2011*. Nairobi: UN Habitat.

⁶ Inter-American Development Bank, 2013. *Urban Development and Housing Sector Framework Document*. GN-2732-2

⁷ Park, S. Y. (2007) *The State and Housing Policy in Korea*, in Groves, R., Murie, A. and Watson, C. (eds.) (2007) *Housing and the new welfare state: Perspectives from East Asia and Europe*, Aldershot: Ashgate.

⁸ PCPW_Presidential Commission on Public Welfare (2007) *The evaluation of Participatory Government's living welfare policy*, Seoul: PCPW.

⁹ UN_Habitat, 2009. *Concept Note on Affordable Housing*, New York, 25 June 2009

III. Description of activities, components and budget

Activities. The PSG from KRIHS will finance three components which will contribute to the achievement of the stated objectives:

Component I: Externally-Funded Complementary Workforce (EF-CWE) Consultant. The professional is expected to provide technical support and expertise in a joint KRIHS/IDB research project on the area of urban development and as member of project teams for the development, evaluation, and dissemination of urban and housing development projects and research, increase the Bank's contribution and quality of its operations and knowledge products.

The EF-CWE will be contracted for a period of 12 months.

Component II: Korean Week. This component will support activities related to the (i) **preparation** of the Korean Week, especially regarding KRIHS participation; and (ii) **posterior dissemination** of the main conclusions. The Korean week is jointly sponsored by the Institutions for Development Department at the IDB and the Ministry of Strategy and Finance of the Government of South Korea, and it will be held in May 2014, at the IDB headquarters in Washington DC.

Component III: Joint Research. This component consists of two main activities: (i) **Carry out background research.** This aims to stockpile study various affordable housing policy practices for urban poor in Korea and analyze their potential applicability in LAC. The background research would focus on (i) supporting community participation, specially community-led neighborhood upgrading through urban regeneration, (ii) private sectors' role in expanding the affordable housing supply and finance through public and private partnerships, (iii) expanding the public, and private supply of rental housing, and (iv) establishing housing related institutions and funds for urban redevelopment and developing new towns to supply affordable housings. This study will incorporate community-driven practices as it becomes a key factor for affordable housing policies to sustain community and residential environment; and (ii) **Develop a toolkit for affordable housing in LAC.** A toolkit is a list of preconditions that housing practitioners and policy makers should consider to design affordable housing policies and measures for urban poor. It will be developed and adjusted to make it applicable to LAC countries by relying on existing research on housing policies in LAC. The toolkit would focus specially in defining under which conditions these policies could be implemented in LAC countries, understanding the different conditions in each of the region.

Indicative Results Table I indicate the expected results of this TC, including indicators and goals. The disbursement time is 14 months.

Product Indicators			Source	Impact indicator	goal
Component	Base	Goal			2015
1. Korean Week					#
KRIHS participation in KW	0	1	IDB docs (KW program)	# of hits Korean Week	100
dissemination of KW	0	3	Blogs, twitter, video	blog	
3. Diseminación de resultados					
Research	0	1	IDB docs	# of references to toolkit	2
Toolkit	0	1		in IDB/KRIHS documents	

Indicative Budget

Activity	IDB/PSG Funding
EF-CWE	\$65,000
Research activities	\$20,000
Publications	\$5,000
Contingencies	\$5,000
Fee 5%	\$5,000
Total	\$100,000

Indicative Budget for the EF-CWE

The total budget for the contract of this professional is \$65,000

	Monthly Amount in US\$	Total Amount in US\$
Honorarium	5,166.67	62,000
Savings Plan 9%		
Medical Insurance Allowance	250	3,000
Airfare Round Trip		
Installation Allowance		
Repatriation Allowance		
Administrative fee, if applicable		
Other		
TOTAL	5,416.67	\$65,000

KRIHS expects to commit US\$ 100,000 to this project. Resources of this project to be received from KRIHS will be provided to the Bank through a Project Specific Grant (PSG). A PSG is administered by the Bank according to the "Report on COFABS, Ad-Hocs and CLFGS and a Proposal to Unify Them as Project Specific Grants (PSGs)" (Document SC-114). As contemplated in these procedures, the commitment from KRIHS will be established through a separate administrative arrangement. Under such arrangement, the resources for this project will be administered by the Bank and the Bank will charge an administrative fee of 5% of the contribution, which is duly identified in the budget of this project. The 5% administrative fee will be charged after the contribution had been received.

IV. Executing agency and execution structure

The project team will be responsible for the preparation and submission to the donor of the project reporting in compliance with the stipulation of the Administration Agreement.

If at the end of project execution the project was closed with a positive uncommitted and unspent balance, the project team will be responsible for informing ORP/GCM to transfer the unspent balance as agreed to by the donor and the Bank pursuant to the terms of the PSG Administration Agreement”.

V. Major issues

None

VI. Exceptions to Bank policy

None

VII. Environmental and Social Strategy

No adverse environmental impact is expected from this TC. Therefore, it is recommended that this TC would be classified as “C” (IDBDocs #-38047341).

Required Annexes:

- Request from the client
- Terms of Reference for activities/components to be procured
- Procurement Plan

While these annexes are required for the operation approval by the Bank, they are not normally required as annexes to the PSG Administrative Agreement (the TC Document suffices).

TERMS OF REFERENCE

EXTERNALLY-FUNDED COMPLEMENTARY WORKFORCE

KOREA RESEARCH INSTITUTE FOR HUMAN SETTLEMENTS (KRIHS)

EXTERNSHIP PROGRAM

BACKGROUND

The Inter-American Development Bank, the largest and leading source of financing for regional development in Latin America and the Caribbean (LAC), is seeking a professional with expertise in Housing and Urban Development, and/or Urban Planning.

OBJECTIVE

The professional is expected to provide technical support and expertise in a joint KRIHS/IDB research project on the area of urban development and as member of project teams for the development, evaluation, and dissemination of urban and housing development projects and research, increase the Bank's contribution and quality of its operations and knowledge products.

ACTIVITIES

The professional will perform the following duties:

1. **Support IDB Korean Week.** Support all activities related to the preparation and posterior dissemination of the Korean Week, especially regarding KRIHS participation. The Korean week is jointly sponsored by the Institutions for Development Department at the IDB and the Ministry of Strategy and Finance of the Government of South Korea, and it will be held in May 2014, at the IDB headquarters in Washington DC.

Carry out background research. This aims to study various affordable housing policy practices for urban poor in Korea and analyze their potential applicability in LAC. The background research would focus on (i) supporting community participation, specially community-led neighborhood upgrading through urban regeneration, (ii) private sectors' role in expanding the affordable housing supply and finance through public and private partnerships, (iii) expanding the public, and private supply of rental housing, and (iv) establishing housing related institutions and funds for urban redevelopment and developing new towns to supply affordable housings. This study will incorporate community-driven practices as it becomes a key factor for affordable housing policies to sustain community and residential environment.

2. **Develop a toolkit for affordable housing in LAC.** A toolkit is a list of preconditions that housing practitioners and policy makers should consider to design affordable housing policies and measures for urban poor. It will be developed and adjusted to make it applicable to LAC countries by relying on existing research on housing policies in LAC. The toolkit would focus specially in defining under which conditions these policies could be implemented in LAC countries, understanding the different conditions in each of the region.

JOB REQUIREMENTS

Urban Planning and Development, Architecture (with urban focus), or other related disciplines.

Experience: Minimum of two years of relevant experience in applying theoretical and practical knowledge in housing, and urban development.

Languages: Written and spoken command of English or Spanish.

TECHNICAL COMPETENCIES

Sector Expertise: Ability to understand the issues and keep abreast of new developments relevant to different areas of housing and urban development.

Project Management: Ability to work in teams in the operations financed by the Bank through the various project stages (i.e., identification, design, execution and evaluation).

Teamwork: Ability to resolve conflicts collaboratively, build consensus and negotiate effectively.

Technical Leadership: Capacity to provide technical leadership while encouraging teamwork.

Service Orientation: Ability to understand stakeholder motivations and relationships, and to partner with them to resolve issues and challenges.

Analysis and Problem Solving: Ability to make critical decisions based on systematic analysis and sound judgment.

Initiative and Drive for Results: Capacity to work independently and resourcefully in response to client's demands, demonstrating motivation to produce quality outputs, and working diligently to meet deadlines.

Organizational Savvy: Excellent organizational skills and ability to create internal network in the area of responsibility.