

**AMENDMENT**

to the

**ADMINISTRATION AGREEMENT**

between

**THE NORDIC DEVELOPMENT FUND**

and

**THE INTER-AMERICAN DEVELOPMENT BANK**

regarding

**Project Specific Grant to the Inter-American Development Bank for  
Project RG-M1223 / RG-X1167 titled, "PROADAPT: Regional Facility on  
Building Climate Resilience in MSMEs in Latin America and the  
Caribbean"**

**THIS AMENDMENT** is entered into between the Nordic Development Fund ("**NDF**") and the Inter-American Development Bank (the "**Bank**") (together referred to as the "**Parties**").

**WHEREAS**, on March 15, 2013, NDF and the Bank entered into a Project Specific Grant (PSG) Administration Agreement (the "**Administration Agreement**") in connection with the Bank's Project RG-M1223 / RG-X1167 titled, "PROADAPT: Regional Facility on Building Climate Resilience in MSMEs in Latin America and the Caribbean" (the "**Project**"), as further described in the Project Document attached to the Administration Agreement (the "**Project Document**");

**WHEREAS**, NDF has agreed to continue supporting the execution of the Project by providing an additional grant contribution in the amount of EUR475,000 (four hundred seventy-five thousand euros) to the Bank in one single installment, to be administered by the Bank pursuant to the terms and conditions of the Administration Agreement; and

**WHEREAS**, the Administration Agreement provides in Article 18 thereto that "[t]he Parties may amend any provision of this Administration Agreement in writing".

**NOW, THEREFORE**, the Parties hereby agree to amend the Administration Agreement pursuant to Article 18 of the Administration Agreement, as contemplated in this Amendment (the "**Amendment**"), and to amend the Project Document as contemplated in the Bank memorandum attached to this Amendment, as follows (throughout this Amendment, capitalized terms used but not defined herein shall have the meanings ascribed to them under the Administration Agreement):

1. Article 1 of the Administration Agreement is hereby superseded, which shall now read as follows:

"1. NDF will make available to the Bank a grant contribution in the amount of EUR3,975,000 (three million nine hundred seventy-five thousand euros) (the "**Contribution**") to be administered by the Bank finance the Project. The Contribution includes a five percent (5%) administration fee in the terms stated in Article 6 below. NDF shall transfer the Contribution to the Bank according to the following payment schedule:

<b><u>Date:</u></b>	<b><u>Amount:</u></b>
Upon signature of this Administration Agreement by the Parties:	EUR3,500,000 (three million five hundred thousand euros)
No later than February 29, 2016:	EUR475,000 (four hundred seventy-five thousand euros)"

For the avoidance of doubt, the Parties acknowledge that the first installment due upon signature of the Administration Agreement has already been disbursed by NDF to the Bank.

2. Article 3 of the Administration Agreement is hereby superseded, which shall now read as follows:

“3. NDF will deposit the Contribution installments, upon the Bank’s written request, into an account indicated by the Bank in writing. Upon receipt of such deposit, the Bank will convert the amount of the Contribution into United States dollars and will deposit them into an account held by the Bank in said currency for the administration of the Contribution (the “Account”).”

3. Article 4 of the Administration Agreement is hereby superseded, which shall now read as follows:

“4. The Bank will administer the Contribution in accordance with the provisions of this Administration Agreement and the Bank’s applicable policies and procedures, including those applicable for third party resources administered by the Bank. 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 NDF in respect thereof.”

4. Article 6 of the Administration Agreement is hereby superseded, which shall now read as follows:

“6. To assist in the defrayment of the administrative costs in relation to the Contribution, the Bank will charge and retain a fee equal to five percent (5%) of the total amount of a Contribution installment, which may be withdrawn by the Bank from a Contribution installment, once such Contribution installment is converted into United States dollars. In addition, the Bank may also use the resources of the Contribution to cover the costs charged to the Bank related to the maintenance and transactions of the Account.”

5. Article 15.a) of the Administration Agreement is hereby superseded, which shall now read as follows:

“a) For the Bank:

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.: ++ 202-623-2018  
Fax: ++ 202-623-3171  
E-mail: [orp-gcm@iadb.org](mailto:orp-gcm@iadb.org)

b) For NDF:

Nordic Development Fund  
P.O. Box 185, Fabianinkatu 34  
FI-00171 Helsinki  
FINLAND  
Attention: Mr. Pasi Hellman  
Managing Director  
Tel.: +358 10 618 002 (switchboard)  
Mobile +358 40 761 1551  
E-mail: [Pasi.Hellman@ndf.fi](mailto:Pasi.Hellman@ndf.fi)

6. All other terms and provisions of the Administration Agreement not expressly modified herein shall remain in full force and effect. Further, this Amendment shall enter into force on the date of its last signature by the Parties, and shall constitute an amendment to, and form an integral part of, the Administration Agreement.

*(The remainder of this page is intentionally left blank.)*

7. Subject to their respective policies and procedures with respect to the disclosure of information, the Bank and NDF may make this Amendment publicly available.

IN WITNESS WHEREOF, the Nordic Development Fund and the Inter-American Development Bank each, acting through its duly authorized representatives, have signed this Amendment in the English language on the dates indicated below.

**NORDIC DEVELOPMENT  
FUND**



Pasi Hellman  
Managing Director

Date: 5 Feb 2016

**NORDIC DEVELOPMENT  
FUND**



Leena Klessner  
Vice President  
Deputy Managing Director

Date: 5 Feb 2016

Linda Lundqvist  
Vice President  
Chief Counsel

**INTER-AMERICAN  
DEVELOPMENT BANK**



Bernardo Guillamon  
Manager  
Office of Outreach and Partnerships

Date: \_\_\_\_\_



## MEMORANDUM

DATE: November 18, 2015

Approved by:

TO: Fernando Jiménez-Ontiveros  
General Manager, MIF/MIF

Date of Approval

FROM: David Bloomgarden, a.i.,  
Chief, MIF/ABG

CC: Anne Marie Lauschus, LEG/NSG

RE: Approval of an increase in the approved amount of the PROADAPT Facility (MIF/AT-1228; ATN/ME-13704-RG; ATN/NV-13706-RG) in the amount of approximately US\$ 505,619 (€ 475,000) for the knowledge product “The Market for Climate Resilience in Latin America, Africa and Asia“

---

### A. Memo Purpose

The Project Team seeks management approval to increase the approved amount of the PROADAPT Facility (MIF/AT-1228; ATN/ME-13704-RG and ATN/NV-13706-RG) through an additional grant by the NDF in the amount of €475,000 (approximately US\$ 505,619) for the knowledge product “The Market for Climate Resilience in Latin America, Africa and Asia.”

### B. Background

The Donors Committee approved the PROADAPT Facility in December 2012. The approval document (MIF/AT-1228) describes knowledge sharing activities that include cooperation and exchange among countries in LAC, Africa and Asia. Under the PROADAPT Facility, the project team has designed a terms of reference for an assessment of the market for climate resilience in three emerging market countries, one each in Latin America, Africa and Asia,

respectively. This assessment will examine the role of private actors and business models in vulnerable productive sectors (such as agriculture and tourism) and estimate the supply and demand for a range of products and services that help buyers to improve their resilience in the face of climate risks, such as drought, heat waves, high winds, flooding, sea level rise, wildfires, etc. The assessment will also develop a methodology for a private sector monitor for climate resilience that can be used to inform investors, business decisions and private sector policies. This assessment will also serve to generate knowledge sharing on private sector activity in climate resilience that can be used in LAC to inform new products, processes, technologies, business models, financial services and risk transfer contracts, such as insurance.

The cost for this market assessment is US\$850,000 (or approximately €800,000). The NDF has agreed to contribute additional funding of €475,000 towards this PROADAPT market assessment. This additional NDF funding is to be used exclusively for activities in Asia and Africa. The balance of the funding for this activity, approximately US\$345,000 will be provided by MIF funds under Component 2 in the PROADAPT Facility, *Development of Business Models and Tools for Building Climate Resilience and New Business Opportunities, Activity 2.1, "Sector and Geographic SWOTs."* (RG-M1223; ATN/ME-13704-RG)

### **C. Proposal**

This proposed market assessment will identify lessons learned and generate applied knowledge that will yield solutions and benefits for future projects involving climate adaptation and resilience in the LAC region. For instance, several climate resilient practices and related business models in various sectors in Asia and Africa will be of high interest to private actors in the same sectors in LAC, and vice versa. This proposed assessment is consistent with the MIF and IDB founding documents, as it will benefit LAC with learning that may increase resilient production and may also foster trade in innovative products and services originating in LAC.

NDF has agreed that the IDB/MIF will coordinate the hiring of an international consultant with strong experience in LAC, Africa and Asia, and will further oversee the use of the funds for this market assessment. MIF will consult with the NDF on a regular basis. MIF and the selected consultant will confer with focal points in the African Development Bank (AfDB) and Asian Development Bank (ADB) on relevant work in their respective regions. As neither institution

has a facility similar to PROADAPT, it is expected that this activity will inform policy and project design in their respective institutions.

**D. Financing**

The NDF contribution with an increase in its project specific<sup>1</sup> grant by €475,000, (approximately US\$ 505,619). (Resources actually received depend on the exchange rate on the date when the funds are received by the Bank and converted into Dollars.) If a significant adverse movement in exchange rates reduces the amount of Dollars contemplated in the budget from NDF's contribution and such amount cannot be covered by the contingency line item, the activities contemplated will be decreased appropriately.

The commitment from NDF will be established through a separate amendment to the original administrative arrangement, which is subject to a Bank administration fee of 5% of this total contribution, which will be charged after the contribution has been converted into US dollars<sup>2</sup>.

**E. Recommendation**

The Project Team recommends that MIF management approves the NDF contribution.

**F. Approval**

According to the delegation of authority from the President of the Inter-American Development Bank, the General Manager of the Multilateral Investment Fund has authority to approve this increase in the resources of the Project Specific Grant agreement with the Nordic Development Fund (ATN/NV-13706-RG), under the PROADAPT Facility in the terms set forth herein.

---

<sup>1</sup> The additional resources will increase the approved amount of ATN/NV-13706-RG will be transferred into the administration component (5<sup>th</sup> component) of the Facility.

<sup>2</sup> The 5% administration fee will be set aside, and will not be available for project execution.