

ADMINISTRATIVE AGREEMENT — AMENDMENT No. 01

Reference is made to the Administrative Agreement signed on October 2, 2013, between the Government of Finland (“Finland”) and the Inter-American Development Bank (the “IDB”) (the “Agreement”), concerning the co-financing of the IDB program in Haiti entitled: “Support to the Implementation of the Education Plan and Reform in Haiti”, as set forth substantially in the IDB Project Document (HA-L1060) (the “Project”).

Following discussions held between representatives of Finland and the IDB concerning the Project, Finland and the IDB hereby agree to amend the Agreement, as follows (throughout this Amendment No. 01, capitalized terms used but not defined herein shall have the meanings ascribed to them under the Agreement):

1. Replace the first paragraph of the Agreement in its entirety which will read as follows:

“With reference to the Amended and Restated Cooperation Framework Arrangement (the “Amended and Restated Framework Arrangement”) dated as of December 6, 2010 between the Government of Finland (the “Donor”), and the Inter-American Development Bank (the “IDB” or the “Bank”), I am pleased to authorize you, subject to a parliamentary approval, to assign from the Donor Account a contribution of two million seven hundred thousand Euros (EUR2,700,000.00) (the “Contribution”), to be administered by the IDB to co-finance the IDB program in Haiti titled: “Support to the Implementation of the Education Plan and Reform in Haiti”, as set forth substantially in the IDB Project Document (HA-L1060), including its annexes and required electronic links (the “Project Document”), attached hereto as Annex A.”

2. Replace the Contribution installments schedule of the Agreement in its entirety with the following Contribution installments schedule:

“ (1) Upon formalization of the requirement set forth in paragraph 1.17 of the Grant Proposal (defined below):	EUR2,500,000.00 (two million five hundred thousand Euros)
(2) Upon written request by the IDB to the Donor:	EUR200,000.00 (two hundred thousand Euros)

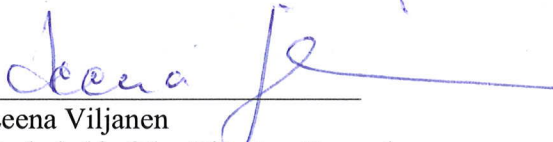
3. Replace Annex B of the Agreement with the attached updated Grant Proposal which will be deemed incorporated into the Administrative Agreement as an Amended and Restated Annex B.

All other terms and provisions of the Agreement not expressly modified herein will remain into effect. Further, this Amendment No. 01 will enter into force on the date of its signature by both Finland and the IDB and will constitute an amendment to, and form an integral part of, the Agreement.

Subject to their respective policies and procedures with respect to the disclosure of information, Finland and the IDB may make this Amendment No. 01 publicly available.

I would like to propose that this letter, upon your confirmation where indicated below, constitutes an amendment to the Administrative Agreement between Finland and the IDB.

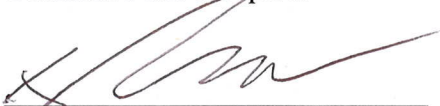
Sincerely yours,



Leena Viljanen
On behalf of the Director-General,
Department for Asia and the Americas
Ministry for Foreign Affairs of Finland
Government of Finland

Date: 13th July, 2015

Confirmed and accepted:



Bernardo Guillamon
Manager, Office of Outreach and Partnerships
Inter-American Development Bank

Date: 7/8/15

ANNEX B

GRANT PROPOSAL HA-X1032

CO- FINANCING OF THE GOVERNMENT OF FINLAND TO THE SUPPORT TO THE IMPLEMENTATION OF EDUCATION PLAN AND REFORM IN HAITI PROJECT (HA-L1060)

A. BACKGROUND

- 1.01 As approved by the Board of Directors and pursuant to paragraph 2.2 and 2.3 of the grant proposal for operation HA-L1060, the second operation of the five-year Bank-supported education program in Haiti (Program), donors may contribute resources to support any of the project's components listed in any of the operations of the Program, such as operation HA-L1060, in the form of a trust-fund contribution or a Project-Specific Grant (PSG), as it is contemplated herein. The IDB (hereafter the Bank) may establish a commitment from each donor through an administrative agreement without the requirement of preparing or approving a separate project proposal.
- 1.02 The Government of Finland (GOF) will provide co-financing resources to support selected sub-components of Components 1 and 5 of operation HA-L1060 as further detailed in this Annex B.

B. THE OPERATION TO BE CO-FINANCED (HA-L1060)

- 1.03 Operation HA-L1060 contributes to the Bank's Program supporting the following objectives of the Haitian Education Plan: (i) improving access to education; (ii) improving the quality of education; (iii) improving Technical and Vocational Education and Training (TVET) opportunities; and (iv) strengthening Ministry of Education and Professional Training (MENFP's) institutional capacities and governance.
- 1.04 More specifically, the objectives of operation HA-L1060 are to: (i) increase the public supply of education benefitting 15,000 children annually; (ii) reduce education costs for 75,000 primary students; (iii) improve education quality through educational and technological innovations benefitting 13,500 children; (iv) improve TVET opportunities through a sustained investment effort and innovations in managing the sector and training centers benefitting at least 600 youth annually; and (v) increase MENFP's capacity to implement the Education Plan and regulate the education sector.

C. PROPOSAL FOR GOF CO-FINANCING OF OPERATION HA-L1060

- 1.05 **The co-financing of GOF will support and upscale the objectives of operation HA-L1060 and, in particular, its Component 1 in its objective to: (i) increase public supply of education.** More specifically, this co-financing will allow an expansion of the following key activities: (i) the construction of 5 additional public schools in areas

currently deprived of schools¹. Also, it will cover the administrative costs of the Executing Agency (FAES) as part of Component 5 to manage the additional activities.

Component 1. Increased public supply of education

- 1.06 **Increasing the public supply of education by constructing and equipping public schools in areas currently deprived of schools.** Key activities to be financed are the construction and equipment of 5 additional public schools in areas deprived of schools, benefitting 2,050 more children annually. These schools will each follow the construction norms defined by MENFP in November 2010. Each school will accommodate 410 children in two preschool classrooms and nine grade 1-9 classrooms. All schools will also have an administration building, including an office for the director and a working room for teachers, an equipped library, sanitary facilities, a school canteen and a kitchen. Each school will also be equipped with energy and water systems, individual chairs and tables to promote collaborative work, and be accessible for disabled children.
- 1.07 The site selection for the 5 new public schools will be performed by the MENFP and respond to the following criteria: (i) absence of school in a district; (ii) availability of land for integration into the public domain; (iii) school-aged population from preschool to grade 9 in the district as per official statistics equal or greater than 800, assuming double-shift; and (iv) formal commitment of Ministry of Finance (MoF) and MENFP to finance and allocate the required teaching and administrative personnel on site².

Component 5. Strengthening executing capacity

- 1.08 The MENFP will execute this co-financed operation with the support of FAES. The GOF will support the additional administrative costs of FAES, strengthening its capacity for supervision of works and services. Such costs include: consultants and supplies required for the execution of the expanded activities.

D. TOTAL COST OF CO-FINANCING BY GOF

- 1.09 **The total cost of the proposed co-financing by GOF will be 2.7 million euros for Components 1 and 5 of operation HA-L1060.**
- 1.10 The GOF commits to provide 2.7 million euros to support the activities of operation HA-L1060 in accordance with section C above. Final resources in US dollars will be dependent on the exchange rate of the date when the resources are received by the Bank from the GOF in euros and converted into US Dollars. If a significant adverse movement

¹ Details regarding strategic approach in sector, implementation sequencing, harmonization and alignment, participation and ownership as well as social and environmental safeguards, among other are detailed in Annex A.

² If criteria are not met, the resources will be redirected to the reconstruction of existing schools in poor conditions and already provided with the necessary personnel.

in exchange rates reduces the amount of US dollars contemplated in this budget from GOF and such amount cannot be covered by the contingency line item, the activities contemplated in Section C above and the budget will be adjusted accordingly by the project team.³

- 1.11 The GOF will provide co-financing resources for the components identified as part of operation HA-L1060 “Support to the Implementation of the Education Plan and Reform in Haiti” (in the amount of US\$56,790,000) that was approved by the Board of Executive Directors of the Bank on November 23, 2011. As described above, all activities proposed to be financed pursuant to this Administrative Agreement are supporting certain components of operation HA-L1060:⁴

BUDGET TABLE

Categories	GOF Co-financing (Euros)
Component 1. Increased public supply of education Construction of 5 schools	2,500,000 2,500,000
Component 5. Executing unit’s administrative costs	100,000 100,000
Audit, Monitoring and Evaluation Financial audit Monitoring and evaluation Contingency	100,000 100,000
Total	2,700,000

E. EXECUTION AND MANAGEMENT PLAN

- 1.12 **Implementation timeline.** The co-financing will be implemented according to the timeline established for operation HA-L1060.
- 1.13 FAES is the execution agency for operation HA-L1060 and this co-financing. The execution arrangements for the schools construction contemplates a partnership with Finn Church Aid (FCA), whereby FCA would support FAES for the implementation of the activities contemplated in Component 1 of the present co-financing by GOF. FCA’s

³ The 2,700,000 euro contribution from the GoF is converted into US\$ as resources are received by the IBD as stated in in 4.1.1. of the Amended and restated cooperation Framework Arrangement between the GoF and IDB. This amount is equivalent to US\$ 3,499,200 based on an exchange rate of US\$ 1.296. Final resources in US\$ are dependent on the exchange rate of the date when the resources are received and converted into US Dollars.

⁴ Relevant sections of operation HA-L1060 (Annex A) related to the implementation (including procurement, social and environmental safeguards, among others) are applicable.

partnership with FAES and MENFP will cover 10 schools (5 schools to be financed by GOF and 5 others to be financed by operation HA-L1060). With this arrangement, operation HA-L1060 would additionally benefit of up to 1 million euros as an in-kind contribution from FCA. The final amount of FCA's in-kind contribution depends on the selected sites and the support from FCA's partners. MENFP, FAES, FCA and IDB will work together in order to ensure the smooth implementation of the Project.

- 1.14 The roles and responsibilities of MENFP, FAES, and FCA will be agreed upon, under an MOU agreement signed between them, in which the scope of their collaboration will be clearly defined.
- 1.15 **Financing arrangements.** The resources to be granted by the GOF 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-Hoc and CLFGS and a Proposal to Unify Them as Project Specific Grants (PSGS)" (Document SC-114).
- 1.16 **Gender considerations.** As stated in "Environmental and Social Management Report" of Annex A: Operation HA-L1060 presents an opportunity to promote gender equality and the empowerment of women through education and vocational training. All activities captured under the Operation components take into account specific gender needs of both men and women to minimize potential barriers to participation or benefit, such as building toilets for both girls and boys. Executing entities recording numbers of project beneficiaries are to also disaggregate project beneficiaries by gender.
- 1.17 **Conditions for disbursement of the Contribution to the Government of Haiti (GOH).** Unless the Bank and GOF agree otherwise in writing, the grant agreement whereby the Bank transfers the Contribution of the present co-financing to GOH (referred to as the Additional Financing agreement) for the implementation of the activities contemplated in this Administrative Agreement and its Annex B, will be subject to the following condition precedent to disbursement to the satisfaction of the Bank: that FAES, MENFP and FCA have signed a memorandum of understanding in form and substance satisfactory to the Bank, which will include site selection for the construction of the 10 schools.

F. REPORTING

- 1.18 **Reporting.** The Bank shall provide the Donor with a copy of bi-annual progress reports regarding this Contribution within 90 days following the end of each semester (that is, by the end of September and by the end of March) as well as a copy of the Project Monitoring Report. The Bank will also provide the Donor with a copy of the project annual financial audit including the review of procurement and disbursement processes within 120 days following the end of each fiscal year, and a final project financial audit to be submitted within 120 days following the last disbursement date. A final evaluation will be conducted as part of operation HA-L1060 and will be delivered to the Donor upon completion. The executing agency will be responsible for the preparation of the report. The Bank will be responsible for the submission to the donor.

UPDATED RESULTS FRAMEWORK

Components	Base 2012	Year 1 (2013/2014 school year)	Year 2 (2014/2015 school year)	Target (end of project/ 2016)
Component 1. Increased public supply of education from preschool to grade 9 for 15,000 children annually				
Outcome				
Gross enrollment rate from preschool to grade 9 in the districts (<i>sections comunales</i>) targeted by the project.	TBD 2011	TBD 2013/2014	TBD 2014/2015	TBD 2015/2016
Number of preschool to grade 9 students benefitting from additional and improved learning space.	4000	3,000 (BID)	15,000 (BID) 1,000 (FCF)*	15,000 (BID) 2,050 (FCF)
Boys	2000	1,500 (BID)	7,500 (BID) 500 (FCF)	7,500 (BID) 1,025 (FCF)
Girls	2000	1,500 (BID)	7,500 (BID) 500 (FCF)	7,500 (BID) 1,025 (FCF)
Output				
Number of new schools for enrollment in areas deprived of school	0	0	15 (BID) 5 (FCF)	20 (BID) 5 (FCF)

*FCF: Finnish Co-Financing