

AMENDMENT No. 2

to the

ADMINISTRATION AGREEMENT

between

THE NORWEGIAN AGENCY FOR DEVELOPMENT COOPERATION

and

THE INTER-AMERICAN DEVELOPMENT BANK

WHEREAS, on February 20, 2013 the Government of Norway, acting through the Royal Ministry of Foreign Affairs of Norway (the "Ministry"), and the Inter-American Development Bank (the "Bank") entered into an Administration Agreement, as amended (the "Agreement") regarding a Project Specific Grant for Bank Project No. RG-X1166, "Strengthening IDB Operational Expertise on Agriculture, Forestry and Other Land Use" (the "Project"), as described in the Project Document attached to the Agreement (the "Project Document");

WHEREAS, on September 19, 2014 the Norwegian Agency for Development Cooperation ("NORAD") and the Bank (the "Parties") entered into an Amendment to the Agreement, pursuant to which the Ministry transferred all of its responsibilities under the Agreement to NORAD, and the latter, in turn, assumed all responsibilities, rights and obligations of the Government under the Agreement;

WHEREAS, the Parties wish to close the Project and transfer the responsibilities of the trust fund appointee mentioned in the Project Document, from the Bank's Climate Change and Sustainability Division (INE/CCS) to the Bank's Infrastructure Division (SCF/INF);

WHEREAS, Section 2 of the Agreement provides that "[a]ny material deviations from the objectives and activities of the Project described in the Project Document will require [NORAD's] written approval"; and

WHEREAS, Section 14 of the Agreement provides that "[t]he Parties may amend any provision of this Administration Agreement in writing".

NOW, THEREFORE, pursuant to Sections 2 and 14 of the Agreement, the Parties hereby agree to replace and supersede the Project Document with the attached Externally-Funded Contractual (the "EFC") document No. RG-W1106 titled, "Climate Finance Contractual" (the "EFC Document"), and to further amend the Agreement, as follows (throughout this

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Amendment No. 2, capitalized terms used but not defined herein shall have the meanings ascribed to them under the Agreement):

- I. All references to the 'Project' and the 'Project Document' in the Agreement are hereby replaced *mutatis mutandi* by the 'EFC' and the 'EFC Document', respectively (the latter of which is attached hereto and supersedes the Project Document).
- II. Section 7 of the Agreement is hereby superseded, which shall now read as follows:

"The Bank's policies and procedures for the hiring of Complementary Workforce Employees will be applicable for the contracting of the EFC with the Contribution resources."
- III. For the avoidance of doubt, the Parties acknowledge that the total Contribution amount of U.S.\$450,000.00 (four hundred fifty thousand U.S. dollars) (equivalent of not exceeding NOK3,015,000), has been disbursed to the Bank in full and will be used to finance the EFC in the planned period 2013 – March 2017.
- IV. For the avoidance of doubt, the Bank shall in its reporting cover both the Project and the EFC.
- V. Either the Ministry or NORAD may review or evaluate activities financed by the Contribution. NORAD and the Bank shall agree on the scope and conduct of such review or evaluation, and the Bank will 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, will be borne by NORAD. It is understood that any such review or evaluation will not constitute a financial, compliance or other audit of the Bank.
- VI. NORAD may claim repayment in full or in part of funds from the Contribution to the extent the Bank has been able to obtain repayment from the negligent party if the funds are found to be misused or not satisfactorily accounted for. Such repayment shall be in accordance with the financial regulations and rules of the Bank. Before withholding disbursement or reclaiming payment, the Bank and NORAD shall consult with a view to promptly resolving the matter. The Bank reserves the right to reduce, suspend or terminate the activities at its sole discretion.
- VII. All other terms and conditions of the Agreement not expressly modified herein shall remain in full force and effect. Further, this Amendment No. 2 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 Agreement.

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

IN WITNESS WHEREOF, the Norwegian Agency for Development Cooperation and the Inter-American Development Bank, each acting through their duly authorized representatives, have signed this Amendment No. 2 in two (2) original counterparts in the English language, on the dates indicated below.

**INTER-AMERICAN
DEVELOPMENT BANK**



Bernardo Guillamon
Manager, Office of Outreach and
Partnerships

Date: AUGUST 26/15

**NORWEGIAN AGENCY FOR
DEVELOPMENT COOPERATION**



Tale Kvalvaag
Director, Department for Climate, Energy
and Environment

Date: 2018-2015

INTER-AMERICAN DEVELOPMENT BANK
EXTERNALLY FUNDED CONTRACTUALS (EFC) DOCUMENT

EFC N°: RG-W1106

I. GENERAL INFORMATION¹

EFC Title:	Climate Finance Contractual
Contract modality (<i>PEC/TTC/DTC</i>):	Defined Term Contractual - DTC
Type of EFC Special Program (If applicable) (<i>TFA, RF, APO</i>):	Trust Fund Appointee - TFA
Financing mechanism (<i>TF, PSG, APO</i>):	Project Specific Grant - PSG
Trust Fund/Partner financing the EFC:	Norwegian Agency for Development Cooperation (NORAD)
Beneficiary country:	Regional
Hiring IDB Unit/Division:	SCF/INF
Unit of Disbursement Responsibility (UDR):	SCF/INF
Person responsible for supervision:	Jean-Marc Aboussouan
Estimated total amount to be financed:	\$195,921
Disbursement Mechanism (LMS or PO):	LMS
Contract period and disbursement deadline:	19 months (September 1, 2015 to March 31, 2017)

II. BUDGET

- 2.1 Resources for hiring the EFC were previously provided to the Bank by the Norwegian Ministry of Foreign Affairs/NORAD through the PSG RG-X1166. 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 the Norwegian Ministry of Foreign Affairs/NORAD was established through a separate administration agreement, as amended. Under this agreement, the resources for the hiring of the EFC are administered by the Bank, and the Bank has previously charged an administrative fee of five percent (5%) of the contribution, which was charged when the Bank initially received the contribution.
- 2.2 The total budget for the contract period noted above is \$195,921, as detailed in the following table:

¹ For a detailed description of the EFC objectives and activities, please see the attached Terms of Reference (ToRs).

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Table 1: Budget in U.S.\$

	Monthly Amount In US\$	Total Amount In US\$
Honorarium	8,210	155,990
Savings Plan 9%	739	14,039
Medical Insurance	250	4,750
Airfare ^a		1,500
Repatriation Allowance ^a		1,500
Training, Travel, Other		18,072
Contingencies		70
TOTAL	9,198	195,921

a. Will be paid only if the EFC returns to home country after completing the contract.

III. RESPONSIBILITY IN THE BANK

3.1 Technical Responsibility: Mr. Jean-Marc Aboussouan, Infrastructure Division Chief, Structured Corporate Finance Department (SCF/INF), +1-202-623-3665, JEANMARCA@iadb.org.

3.2 The EFC's supervisor will be responsible for the preparation and submission to NORAD of the EFC reporting in accordance with the provisions of the administration agreement, as amended.

IV. APPROVAL BY THE BANK

Approved:

Jean-Marc Aboussouan
Division Chief
Infrastructure Division
SCF/INF

Date

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TERMS OF REFERENCE

HEADQUARTERS

RG-W1106 — Climate Finance Contractual

Background

The Inter-American Development Bank (IDB) is the main source of multilateral financing for economic, social and institutional development in Latin America and the Caribbean (LAC).

The Structured and Corporate Finance Department (SCF) of the IDB is currently responsible for most of the IDB's private sector operations without sovereign guarantees in LAC.

As part of SCF, the Infrastructure Division (SCF/INF) is devoted to providing financing to private sector companies, which are developing projects mainly in the sectors of water and sanitation, transportation and renewable energy generation.

The IDB private sector is involved in a REDD+ investment fund and new REDD+ funds are being established in LAC. Through its private sector window, IDB has a large potential to leverage REDD+ through a wide array of financial products and through the impacts of its clients.

Consultancy objectives

SCF/INF is seeking a contractual to work on REDD+ and climate finance and to develop climate change relevant financial and operational aspects of projects, loans and programs in public and private sector departments and thereby strengthen IDB's capacity.

Main Activities

- To achieve the objectives, the contractual will participate in the following activities: The contractual is expected to guide in priority areas and support the design and implementation of lending and technical cooperation operations, as well as knowledge-generation.
- The contractual will engage with LAC governments, other development partners, civil society and the private sector to develop and follow up on a road map for strategic positioning of IDB in the REDD+, Agriculture, Forestry and other Land Use (AFOLU) and climate finance.
- The contractual will follow up on national REDD+ plans being developed in the region, and the identification of potential relevant operations and opportunities. The contractual may also assist in the preparation of analytical tasks, including REDD+/AFOLU publications. The contractual will be called to complete other tasks as deemed necessary for the implementation of a rapidly evolving agenda.

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- Support SEC/INF in the identification of projects and investment opportunities in LAC; part of the contractual's assignment will include in particular the development of opportunities with/for Norwegian sponsors or investors in LAC.
- Enhance in particular, to the extent possible, the IDB capacity on REDD+ and sustainability, exploring and suggesting potential projects that could be funded by REDD+ funds and leverage climate friendly development in LAC.
- Support the SCF/INF's project finance teams in the activities required as part of the due diligence of the renewable energy projects and infrastructure under analysis, such as preparation of terms of reference for expert consultants, review of due diligence reports, analysis of the financial models of the projects, and support in the preparation of the documents required for submission to internal committees. Support, several IDB teams, including coordination work with the IDB environmental safeguards group to ensure projects adhere to the environmental standards of the IDB.
- Participate as part of the IDB team in the financial structuring and negotiation process of project financing and technical cooperation transactions, as well as in the preparation and processing of internal approvals and in the closing process.
- Prepare internal presentations as needed.

Qualifications

Master's Degree and five (5) years minimum of Professional Work Experience: Post-graduate degree in economics, engineering, or finance.

Languages: Fluent in English plus either Spanish or Portuguese, written and spoken Spanish, English

Areas of Expertise:

Exposure to project or corporate finance, financial modeling, financial analysis. Management of REDD+ financing and environmental sustainability. Interest in infrastructure financing, with special focus on renewable energy.

Skills: Word, Excel, PowerPoint

Characteristics of the Consultancy

- Consultancy category and modality: Trust Fund Appointee (TFA) with a Defined Term Contractual (DTC)
- Contract duration: *nineteen (19) months*
- Place(s) of work: *IDB Headquarters, Washington, D.C.*
- Responsible person: *Jean-Marc Aboussouan, Division Chief, SCF/INF.*

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