

ADMINISTRATION AGREEMENT

between

THE GOVERNMENT OF NORWAY

and

THE INTER-AMERICAN DEVELOPMENT BANK

regarding a

**Project Specific Grant to the
Inter-American Development Bank for Project No. RG-X1166:
“Strengthening IDB Operational Expertise on Agriculture, Forestry and
Other Land Use”**

THIS ADMINISTRATION AGREEMENT is entered into between the Government of Norway (the "Government"), and the Inter-American Development Bank (the "Bank") (hereinafter together referred to as the "Parties").

WHEREAS, the Bank has designed Project No.RG-X1166 titled, "Strengthening IDB Operational Expertise on Agriculture, Forestry and Other Land Use" (the "Project"), as described in the attached Project Document (the "Project Document");

WHEREAS, the Government 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 Government.

NOW, THEREFORE, the Parties hereby agree as follows:

1. The Government will make available to the Bank a grant contribution in the amount of up to U.S.\$450,000.00 (four hundred fifty thousand U.S. dollars) (the "Contribution") to be administered by the Bank to co-finance the Project. In no event, the Contribution will exceed the equivalent of NOK3,015,000 (three million fifteen thousand Norwegian Kroner). The Bank will not commit resources in excess of the amount of the Contribution effectively received from Norway, following any exchange of Norwegian Kroner into U.S. dollars.
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 Government's written approval.
3. The Government shall transfer the Contribution to the Bank in U.S. dollars in two installments, 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 Bank may request the first installment of up to U.S.\$225,000.00 (two hundred twenty five thousand U.S. dollars) following the signature of this Administration Agreement by the Parties. The Bank may request the second installment to complete the Contribution a year after the signature date this Agreement. 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 Government 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 Government 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, as well as the contracting of consulting services, carried out with the Contribution, as required by the different components of the Project. Further, the Government accepts that:
 - a) the resources of the Contribution will be completely untied; and
 - b) the consultancy services financed with the Contribution may be provided and executed by companies, specialized institutions or individuals from any Bank member country.
8. The Government 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 Government 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 Government a final Project report. The Government may also request a copy of the non-audited financial statements of the Project. In addition, the Government 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 Government and will not be deducted from the Contribution. The Government 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 Government any remaining uncommitted Contribution funds, unless otherwise agreed to in writing by the Parties.
11. The Government further acknowledges that the Bank's commitment to use the Contribution as contemplated herein shall 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 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)
Fax: +1 (202) 623-3171
E-mail: orp-gcm@iadb.org

b) For the Government:

Section for Multilateral Development Finance and Global Economic
Issues
7. juni-plassen/ Victoria Terrasse. PB 8114 Dep. N-0032 Oslo
NORWAY
Attention: Deputy Director General
Tel.: +47 23951533
E-mail: bbh@mfa.no

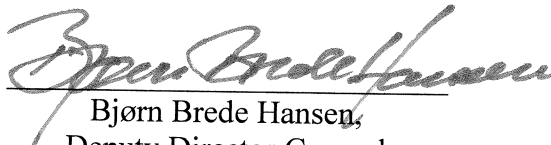
13. This Administration Agreement will come into force on the date of its signature by each of the Parties.
14. The Parties may amend any provision of this Administration Agreement in writing.
15. Subject to their respective policies and procedures with respect to the disclosure of information, the Parties 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 Government of Norway and the Inter-American Development Bank, each acting through its duly authorized representative, have signed this Administration Agreement in two (2) original counterparts in the English language as of the dates indicated below.

GOVERNMENT OF NORWAY

**INTER-AMERICAN
DEVELOPMENT BANK**



Bjørn Brede Hansen,
Deputy Director General
Section for Multilateral Development
Finance and Global Economic Issues

Bernardo Guillamon
Manager
Office of Outreach and Partnerships

Date: 20 February 2013

Date: FEBRUARY 13, 2013

Inter-American Development Bank

Registration number: RG-X1166

I. GENERAL INFORMATION:

- | | |
|---|---|
| 1. Name of the Position | Strengthening IDB Operational Expertise on REDD+ TFA. |
| 2. Name of the Trust Fund or donor: | Project Specific Grant (PSG) from the Government of Norway |
| 3. Beneficiary country: | Regional |
| 4. Executing agency: | Inter-American Development Bank, through the Climate Change and Sustainability Division (INE/CCS) |
| 5. Estimated Total Amount to be financed: | US\$450,000 |
| • Financed by trust fund/donor: | US\$450,000 |
| • Financed local counterpart: | US\$0 |
| • Financed by other sources | US\$0 |
| 6. Execution and Disbursement Deadlines: | 36 months execution; 38 months disbursement |

II. OBJECTIVES:

- 2.1 This operation's objective is to provide financing for a TFA for approximately three years at the Climate Change and Sustainability Division (INE/CCS). TFAs will develop climate change relevant financial and operational aspects of the Division's projects and programs and of its partner sectoral divisions in IDB public and private sector departments.

III. DESCRIPTION:

- 3.1 TFAs on Agriculture, Forestry and Other Land Use are expected to provide intellectual leadership in priority areas and support the design and implementation of lending and technical cooperation operations, as well as knowledge-generating and -disseminating initiatives and capacity-building programs.

The general objective of this appointment is to engage with LAC governments, other development partners, civil society and the private sector to develop and follow up a road map for strategic positioning of IDB in the area, and to support INE/CCS in mainstreaming climate change mitigation and adaptation in the Agriculture, Forestry, and Other Land Use (AFOLU) dimensions of IDB

- 3.2 The Trust Fund Appointee will follow up on national REDD+ plans being developed in the region, and the identification of potential relevant operations, including potential programs for the Forest Investment Program (FIP) of the Climate Investment Funds (CIF), the Forest-Carbon Partnership Facility (FCPF),

carbon sinks (for instance mata atlantica in Brazil, bioclimate fund in Peru) and other new IDB initiatives to ensure effective mitigation within an integrated development strategy. The TFA may also assist in the preparation of analytical tasks, including publications in the AFOLU sector. The TFA will be called to complete other tasks as deemed necessary for the implementation of a rapidly evolving agenda.

- 3.4 **Consultant skills and experience**: Advanced post-graduate degree in forestry, economics, engineering, finance and other areas related to environment. At least five years of relevant working experience with mitigation of climate change in AFOLU sector, including two years in an international environment; excellent knowledge and relevant work experience in project development and management; excellent knowledge and work experience with inventories of GHG emissions and with carbon finance (including CDM and voluntary mechanisms) for AFOLU in the region; and excellent knowledge and work experience on climate change negotiations and financial mechanisms and instruments developed under the Climate Change Convention for AFOLU.
- 3.5 **Payments**: payments will be semi-monthly.
- 3.6 **Duration**: The TFA will be contracted for a period of one (1) year. Depending on performance, needs and available budget, the contract could be renewed.
- 3.7 The TFA will be selected according to Bank's applicable rules.

IV. JUSTIFICATION:

- 4.1 The Climate Change and Sustainability Division (INE/CCS), established in 2012, is staffed by a growing number of professionals, among them IDB full staff posts, research fellows, consultants and trust fund appointees. At present, the cohort of climate change experts as TFAs is a critical component of the Division's human resource base.
- 4.2 The Inter-American Development Bank ("IDB" or "Bank") is the main source of multilateral financing for economic, social and institutional development in Latin America and the Caribbean. The objective of the Climate Change and Sustainability Division (INE/CCS) of the IDB is to mainstream climate change in IDB strategy and operations by leading on Strategy, Action Plan, and providing leadership or support on specific mitigation and adaptation operations of the IDB group.
- 4.3 Emissions from land-use change –agriculture, deforestation and forest degradation – constitute over 67% of the overall GHG emissions of the Latin America and Caribbean (LAC) region. This makes emissions mitigation in the Agriculture, Forestry, and Other Land Use (AFOLU) sector a priority in the

region, in particular "Reduced emissions from deforestation and forest degradation, sustainable management of forests, conservation and enhancement of forest carbon stocks in developing countries reduced emissions from forests" (REDD+). One of the main aims of the Division is to support LAC countries in developing and implementing national REDD+ strategies and climate change mitigation policies, planning and initiatives. It is internationally recognized that national country efforts to mitigate climate change will have to be scaled up significantly. Hence, improved planning and capacity-building, as well as investment finance and results-based carbon finance, are required to shift development paths to low-carbon and climate resilience.

- 4.4 Carbon finance is already playing an important role in stimulating shifts in investment and finance in key economic sectors towards climate friendly activities. International negotiations on climate change and a number of recent initiatives have promoted financing mechanisms for the reduction of forest emissions (REDD+) and other mitigation options in the AFOLU sector. Latin America has a large potential for mitigation particularly in the REDD+/AFOLU sector.
- 4.5 IDB Group operations on climate change mitigation and adaptation require specialized support in the REDD+ and Agriculture, Forestry, and Other Land Use field. Thus, the IDB seeks to hire such an expert as a Trust Fund Appointee (TFA) to work at IDB headquarters in Washington, DC. The requisite procurement plan is attached.

V. BUDGET:

The estimated budget is \$450,000.

Type of Expense	Estimated total over three years, in US\$
Professional fees (8,155 x 36months)	\$293,580
Savings Plan 9% of fee (733.9 x 36months)	\$26,422
Medical Insurance (750 x 36 months)	\$27,000
Relocation and repatriation allowance	\$7,500
Air tickets relocation/repatriation	\$9,500
Mission travel, training and incidentals	\$63,498
5% Administrative Fee	\$22,500
Total	\$450,000

* The amounts are the maximum allowed under each category. The actual amounts will be determined by HRD depending on the years of experience of the TFA and if he/she have dependents or not.

- 5.1 Financial resources for this project to be received from Government of Norway will be provided to the Bank through a Project Specific Grant (PSG). The Government of Norway is expected to commit US\$ 450,000.00. 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 specified in these procedures, the commitment from Government of Norway will be established through an administration agreement. Under such agreement, the resources for this project will be administered by the Bank, who will charge an administrative fee of five percent (5%) of the contribution, which is duly identified in the budget for this project. The fee will be charged at the reception of the contribution. Further, resources for this project will not be available until the administration agreement is signed between the Bank and the Government of Norway and the contribution funds are received by the Bank (and converted into U.S. dollars, if applicable). Final resources in US dollars may depend on the exchange rate of the date when the resources are contributed by the Bank from Norway, pursuant to the terms of the administrative agreement between Norway and the Bank. If the final amount of the Norway’s contribution varies from the amount of U.S. dollars set forth in this budget due to an exchange rate fluctuation, the budget will be adjusted accordingly. An updated budget will be prepared based on the final exchange rate applicable to the Norway’s contribution, if any.

VI. RESPONSIBILITY IN THE BANK:

- 6.1 **Technical Responsibility:** Mr. Walter Vergara, Division Chief, INE/CCS, will have overall responsibility for the supervision of the Trust Fund Appointee (FTA) and Ms. Gloria Visconti, Climate Change Lead Specialist, INE/CCS, will be in charge of the technical supervision of the TFA. Contact information: Walter Vergara, (202) 623-1505, wvergara@iadb.org; Gloria Visconti, (202) 623-3360, gloriav@iadb.org.
- 6.2 After each contract period, INE/CCS will prepare and provide the donor with a detailed report that includes the work performed by the TFA and his/her contribution.
- 6.3 **Responsibility for Disbursements:** Infrastructure and Environment Sector, INE/INE.

VII. APPROVAL:

(Signature)

VIII. ANNEXES:

- A. Term of Reference for the TFAs Program IDBDOCS#37223386 TORs Agriculture, Forestry, and other Land Use / Trust Fund Appointee
- B. Procurement Plan IDBDOCS#37225406 Procurment Plan For NonReimbursable TC

**INTER-AMERICAN DEVELOPMENT BANK
CLIMATE CHANGE AND SUSTAINABILITY DIVISION**

**REDD+ EXPERT
TERMS OF REFERENCE**

I. BACKGROUND

- 1.1 The Inter-American Development Bank (“IDB” or “Bank”) is the main source of multilateral financing for economic, social and institutional development in Latin America and the Caribbean. The objective of the Climate Change and Sustainability Division (CCS) of the IDB is to support client countries in undertaking ambitious mitigation and adaptation efforts, mainstream climate change into IDB strategy and operations and providing leadership or support on specific mitigation and adaptation operations of the IDB group.
- 1.2 Emissions from land-use change –agriculture, deforestation and forest degradation – constitute over 67% of the overall GHG emissions of the Latin America and Caribbean (LAC) region. This makes emissions mitigation in the Agriculture, Forestry, and Other Land Use (AFOLU) sector a priority in the region, in particular "Reduced emissions from deforestation and forest degradation, sustainable management of forests, conservation and enhancement of forest carbon stocks in developing countries reduced emissions from forests” (REDD+). One of the main aims of the Division is to support LAC countries in developing and implementing national REDD+ strategies and climate change mitigation policies, planning and initiatives. It is internationally recognized that national country efforts to mitigate climate change will have to be scaled up significantly. Hence, improved planning and capacity-building, as well as investment finance and results-based carbon finance, are required to shift development paths to low-carbon and climate resilience.
- 1.3 Carbon finance is already playing an important role in stimulating shifts in investment and finance in key economic sectors towards climate friendly activities. International negotiations on climate change and a number of recent initiatives have promoted financing mechanisms for the reduction of forest emissions (REDD+) and other mitigation options in the AFOLU sector. Latin America has a large potential for mitigation particularly in the REDD+ / AFOLU sector.
- 1.4 LAC countries are already preparing for this reality. Brazil has reduced deforestation in the Amazon by almost 80% since 2004. While commodity prices and currency fluctuations played a part, this would not be possible without new policies of enforcement and monitoring. Brazil is now preparing similar interventions in the Cerrado savannah regions. Mexico recently passed specific legislation on REDD+ as part of its new climate change legislation. Guyana is implementing its low carbon development strategy, of which REDD+ is the core component. Costa Rica has essentially implemented REDD+ without international

support for a number of years, and is now preparing to sustain these gains with international support. Other countries such as Colombia, Ecuador and Peru are making significant progress in preparing for REDD+. Most LAC countries are taking part in the Forest Carbon Partnership Facility (FCPF). This has profound implications for IDB Groups operations on climate change.

- 1.5 IDB Group operations on climate change mitigation and adaptation require specialized support in the REDD+ and Agriculture, Forestry, and Other Land Use field. Thus, the IDB seeks to hire such an expert as a Trust Fund Appointee (TFA) to work at IDB headquarters in Washington, DC.

II. CONSULTANCY OBJECTIVES

- 2.1 The general objective of this appointment is to engage with LAC governments, other development partners, civil society and the private sector to develop and follow up a road map for strategic positioning of IDB in the area, and to support INE/CCS in mainstreaming climate change mitigation and adaptation in the Agriculture, Forestry, and Other Land Use (AFOLU) dimensions of IDB operations. ..
- 2.2 The Trust Fund Appointee will follow up on national REDD+ plans being developed in the region, and the identification of potential relevant operations, including potential programs for the Forest Investment Program (FIP) of the Climate Investment Funds (CIF), the Forest-Carbon Partnership Facility (FCPF), carbon sinks (for instance mata atlantica in Brazil, bioclimate fund in Peru) and other new IDB initiatives to ensure effective mitigation within an integrated development strategy. The TFA may also assist in the preparation of analytical tasks, including publications in the AFOLU sector. The TFA will be called to complete other tasks as deemed necessary for the implementation of a rapidly evolving agenda.

III. CHARACTERISTICS OF THE APPOINTMENT

- 3.1 **Type of consultancy:** Trust Fund Appointee (TFA)
- 3.2 **Starting date and duration:** The TFA will be contracted for a period of one (1) year. Depending on performance, needs and available budget, the contract could be renewed.
- 3.3 **Place of work:** Washington, DC, or Brasilia, Brasil with frequent travel to the Latin American region.
- 3.4 **Payments:** The consultant will be paid on a semi-monthly basis.
- 3.5 **Qualifications:** Advanced post-graduate degree in forestry, economics, engineering, finance and other areas related to environment.

- 3.6 **Experience:** At least five years of relevant working experience with mitigation of climate change in the REDD+ / AFOLU sector, including two years in an international environment; excellent command of international negotiations and policy discussions on REDD+; a large network of connections relevant for REDD+ implementation; excellent knowledge and relevant work experience in project development and management; excellent knowledge and work experience with carbon finance (including CDM and voluntary mechanisms) for AFOLU in the region; excellent knowledge and work experience on climate change negotiations and financial mechanisms and instruments developed under the Climate Change Convention for AFOLU; excellent drafting ability and communication skills, both written and oral; proven ability to communicate complex concepts and prepare reports that are clear, concise and meaningful; ability to apply theory to the specific policy context to identify creative, practical approaches to overcome challenging situations
- 3.7 **Competencies:** Strong analytical, writing and communication skills. Excellent knowledge of sources of information (climatic and economic) on forestry and capacity to compile and elaborate relevant information on the sector. Excellent knowledge of issues such as reforestation, protection and sustainable management of forests for ecosystems services, such as carbon and biodiversity, and goods (timber and non-timber forest products). Ability to focus on impact and results for clients and to respond positively to critical feedback. Adaptability to work independently and in a team-setting as required.
- 3.8 **Languages:** Fluent in English and Proficient in Spanish. Knowledge of Portuguese a plus.

IV. ACTIVITIES

- 4.1 To deliver the specific objective, the Trust Fund Appointee will undertake all necessary activities, which will include, as a minimum:
- A. Planning/Strategy:**
- a. Promote/participate in/support the policy dialogue with selected IDB client country institutions;
 - b. Engage with relevant institutions and organizations working in LAC, including policy-makers entities at the sub-national, national and international level;
 - c. Support IDB representative in relevant international policy fora on REDD+, including in the FCPF and FIP;
 - d. Develop and follow up a road map for strategic positioning of IDB in the area;
 - e. Formulate a coordinated approach on sequencing and implementing various REDD+/AFOLU activities in IDB, including a capacity development of national governments to promote long-term climate strategies;

- f. Support INE/CCS in mainstreaming climate change mitigation and adaptation in the REDD+/AFOLU dimensions of IDB operations.
- g. Develop annual work plans and a corresponding budget plan with clearly stated milestones toward the achievement of outputs and results-based reports for IDB operations;
- h. Review knowledge and keep up-to-date on REDD+ / AFOLU sector in LAC, and oversee the development of information and knowledge-based instruments on AFOLU;

B. Support the development of operations that support GHG mitigation actions in REDD+ and AFOLU, including:

- a. Identify projects/programs currently implemented in LAC, including identification of best practices and lessons learned;
- b. Assess potential IDB operations with the highest impact;
- c. Engage with potential donors to partner with IDB to support specific LAC countries or carbon finance instruments for the region;
- d. Support for studies, outreach and capacity-building on potential sectoral mechanisms, potentially including the knowledge level on climate change and its impacts on the forest sector among institutions in charge of REDD+/AFOLU;
- e. Identification of financial products which could be adapted by IDB in order to implement REDD+/AFOLU programs in LAC;

C. Enhance Bank capacity to support the development and implementation of REDD+ / AFOLU operations by:

- a. Overseeing the preparation of reports, technical background material and briefings on REDD+/AFOLU;
- b. Strengthening the capacity of country offices and executing partners to manage operations on REDD+/AFOLU;
- c. Identifying key regional centers of excellence in the LAC region for development of tools and provision of technical backstopping as well as E-trainings;
- d. Identifying possible options for the IDB to scale-up its efforts to assist countries in LACs.

V. SUPERVISION

- 5.1 Mr. Walter Vergara, Chief, Climate Change and Sustainability Division, will have direct responsibility for the supervision of the Trust Fund Appointee's work.