**INTER-AMERICAN DEVELOPMENT BANK**

**MEMORANDUM**

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**DATE**: June 26, 2013

**TO:** **Gustavo Garcia**

Fsc & Mcp Dev Econ-Ppal Spec, IFD/FMM

**THROUGH:** **Ms. Sonia M. Rivera**

Chief, ORP/GCM

**FROM:** **Hong, Minseok**

Operations Sr. Spec, ORP/GCM

**SUBJECT:** Approval Notice

**Source:** KPC (Public Capacity Building Korea Fund)

**Program**: Construction of a Fiscal Quality Indicator for LAC

**Country**: Regional

**Amount**: US$ 145,000

It is my pleasure to inform that the above-referenced Technical Cooperation (TC) operation has been accepted to be financed by resources from the Public Capacity Building Korea Fund for Economic Development (KPC).

In execution of the program, please observe the following:

1. The total amount approved is the absolute upper limit and should not be exceeded.

2. The project team **should promptly inform** the KPC Coordinator of any changes affecting the execution of the operation such as, but not limited to: a) Reallocation of funds, b) Termination and suspension of the project, c) Extensions of final disbursement date, and d) Cancellation and re-activation of disbursements.

3. The project team **should consult** with the KPC Coordinator before implementing substantial modifications to the approved TC operation such as, but not limited to: a) Fund reallocations of more than thirty percent (30%) of the total cost, b) Additions of new components, and c) Changes of executing agency.

4. The donor’s approval **may be withdrawn** under the following circumstances: a) The proposed TC operation has been withdrawn by the beneficiary(ies), b) **The TC operation has not been approved by the Bank within 4 months for Client Support and Research & Dissemination Projects and within 6 months for Operational Support Projects after the donor’s approval (GN-2629-1)**, and c) **There have been no disbursements for certain periods after approval of the TC operation by the Bank (OA-421)**.

5. **The contribution of the KPC will be recognized prominently in all project products and activities carried out during the implementation of the TC operation**.

6. The project team should **provide reports on the progress of the TC operation** at least once a year, per request GCM and/or the KPC Coordinator. These through reports are to be submitted in a timely manner, and are vital to the continued support of grant operations by donors and the Bank.

7. Surplus resources at the end of the execution period of the TC operation should be returned to the KPC.

8. The project team is responsible for preparing a **Completion Report** in English, as per KPC guidelines, a summary of expenses classified by item, a list of the consultants (individual/firms), and their nationalities that were hired with resources from the KPC, within 6 months from the date of completion of the TC Operation. An electronic copy of such report or three printed copies thereof should be forwarded to the KPC coordinator.