

ADMINISTRATIVE ARRANGEMENT

June 3, 2005

With reference to the Cooperation Framework Arrangement (the "Framework Arrangement") dated as of October 3, 2004 between the Government of the United Kingdom of Great Britain and Northern Ireland (the "U.K.") represented by the Department for International Development ("DFID"), and the Inter-American Development Bank (the "IDB") (together referred as to the "Participants"), I am pleased to inform you of the intention of DFID to make available a contribution of thirty eight thousand Pound Sterling (£38,000.00) (the "Contribution"), to be administered by the IDB for the: "Guidelines for the Implementation of the Operation Policy on Indigenous Peoples and the Strategy for Indigenous Development" [Technical Cooperation No. RS-X1025] (the "Project").

The provisions of the Framework Arrangement will apply to this Arrangement.¹ The IDB will administer the Contribution in accordance with the provisions of the Framework Arrangement, except as otherwise provided herein. The financial reporting will be expressed in U.S. dollars.

The Contribution is for COFAB and will be used exclusively for the purposes set out in the attached Project document.

Special reporting requirements: pursuant to the Framework Agreement [provisions 5.1.2 (a) and (b)], the IDB will not provide audited financial statements for the Project. A final report, containing main findings and conclusions, will be provided by the IDB no later than one month after project completion. Nevertheless, DFID may request the IDB to have its external auditor to issue a special report related to this Administrative Agreement, based on agreed-upon procedures and paid according to the second paragraph of provision 4.2.6 of the Framework Agreement.

DFID will deposit the Contribution, upon request from the IDB, into the account indicated by the IDB promptly following the date hereof, in accordance with the following schedule:

£ 38,000.00 (Thirty Eight Thousand POUND STERLING)	June 2005 (upon signature of this Administrative Arrangement)
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The payment schedule may be amended with DFID's written approval dependent on actual expenditure and need.

The officers responsible for coordination of all matters related to this Administrative Arrangement are:

For DFID:

Head of Latin America Regional Unit
Latin America and Caribbean Department


For the IDB:

Deputy Manager
Financial Support Services Subdepartment
Regional Operations Department 2 (RE2)

I would like to propose that this letter, upon your confirmation where indicated below, constitutes an arrangement under the Framework Arrangement between DFID and the IDB.

¹ Financial support from DFID to the development of the IDB's Indigenous Peoples Development Strategy and to promote a Rights-based Approach to Development was contemplated in a Memorandum of Understanding dated February 24, 2004. Nevertheless, the Participants agree that only the provisions established in the Framework Arrangement and in this Administrative Arrangement will apply to the Contribution contemplated herein.

Sincerely yours,

By 

Kevin Crockford

Head, Latin American Regional Unit
Department for International Development

Confirmed and accepted:

Inter-American Development Bank



Bertus J. Meins

Chief

Cofinancing Division

Financial Support Services

Subdepartment

Regional Operations Department 2

Date: 20/6/2005