

ADMINISTRATION AGREEMENT

between

THE INTER-AMERICAN DEVELOPMENT BANK

and

SUMITOMO MITSUI BANKING CORPORATION

regarding

**Project Specific Grant to the Inter-American Development Bank for Project
RG-X1165 titled, “Consultancy Services for Structured and Corporate
Finance Department (SCF), 2012/SMBC”**

THIS ADMINISTRATION AGREEMENT is entered into between the Inter-American Development Bank (the "Bank") and SUMITOMO MITSUI BANKING CORPORATION ("SMBC") (together referred to as the "Parties").

WHEREAS, the Bank has designed Project RG-X1165 titled, "Consultancy Services for Structured and Corporate Finance Department (SCF), 2012/SMBC" (the "Project"), as described in the attached Project Document (the "Project Document");

WHEREAS, SMBC 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 SMBC.

NOW, THEREFORE, the Parties hereby agree as follows:

1. SMBC will make available to the Bank a grant contribution in the amount of U.S.\$99,971.00 (ninety-nine thousand nine hundred seventy-one dollars of the United States of America) (the "Contribution") to be administered by the Bank to co-finance the Project.
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 SMBC's written approval.
3. a) SMBC shall transfer the Contribution to the Bank according to the following payment schedule:

Date:

Amount:

Upon signature of this Administration Agreement by the Parties:

U.S.\$49,985.50 (forty-nine thousand nine hundred eighty-five dollars and fifty cents of the United States of America)

No later than October 15, 2013:

U.S.\$49,985.50 (forty-nine thousand nine hundred eighty-five dollars and fifty cents of the United States of America)

b) SMBC will deposit the Contribution installments, upon the Bank's written request, into 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 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 SMBC 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 each installment of the Contribution at the time each such installment is deposited by SMBC 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, SMBC 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. SMBC 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 SMBC 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 SMBC a final Project report. SMBC may also request a copy of the non-audited financial statements of the Project. In addition, SMBC 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 SMBC and will not be deducted from the Contribution. SMBC 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 SMBC any remaining uncommitted Contribution funds, unless otherwise agreed to in writing by the Parties.
11. SMBC further acknowledges that the Bank's commitment to use the Contribution as contemplated herein will 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:

- i. All communications pertaining to donor relations and resource mobilization will be directed to:

Inter-American Development Bank
1300 New York Avenue, NW
Washington, D.C. 20577
UNITED STATES OF AMERICA
Attention: Manager, Office of Outreach and Partnerships (ORP)
Tel.: +1 (202) 623-1583
Fax: +1 (202) 623-2543
E-mail: partnerships@iadb.org

- ii. Day-to-day communications regarding the implementation of this Administration Arrangement will be directed to:

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)
Tel.: +1 (202) 623-2018
Fax: +1 (202) 623-3171
E-mail: orp-gcm@iadb.org

b) For SMBC:

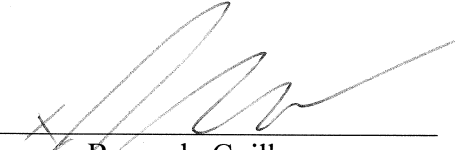
Sumitomo Mitsui Banking Corporation, New York Branch

277 Park Avenue
New York, NY 10172
UNITED STATES OF AMERICA
Attention: Nobuyuki Kawabata
General Manager, Planning Department, Americas Division
Tel.: +1 (212) 224-4010
Fax: +1 (212) 224-5193
E-mail: Nobuyuki_Kawabata@smbcgroup.com

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, Sumitomo Mitsui Banking Corporation 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.

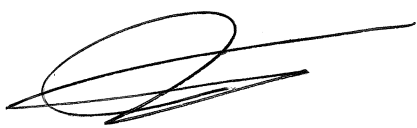
**INTER-AMERICAN
DEVELOPMENT BANK**



Bernardo Guillamon
Manager
Office of Outreach and Partnerships

Date: 12 October 2012

**SUMITOMO MITSUI BANKING
CORPORATION**



Nobuyuki Kawabata
General Manager
Planning Department, Americas Division

Date: Oct. 15, 2012

TC DOCUMENT
PROJECT SPECIFIC GRANT CO-FINANCING ADMINISTERED BY THE BANK

I. BASIC INFORMATION

▪ Country/Region:	Regional
▪ TC Name:	Consultancy Services for Structured and Corporate Finance Department (SCF), 2012/SMBC
▪ TC Number:	RG-X1165
▪ Associated Loan/Guarantee Name:	N/A
▪ Associated Loan/Guarantee Number:	N/A
▪ Team Leader/Members:	Carlos Rakowszczyk, Chief a.i. SCF/CFI
▪ Date of TC Abstract authorization:	N/A
▪ Beneficiary	IDB member countries
▪ Executing Agency and contact name	Inter-American Development Bank through SCF
▪ Donors providing funding:	Sumitomo Mitsui Banking Corporation ("SMBC")
▪ IDB Funding Requested:	Yes
▪ Local counterpart funding, if any:	N/A
▪ Disbursement period:	24 months
▪ Required start date:	October 15, 2012
▪ Types of consultant:	Individual Consultant
▪ Prepared by Unit:	SCF/CFI
▪ Unit of Disbursement Responsibility:	SCF/CFI
▪ TC Included in Country Strategy (y/n):	N
▪ TC included in CPD (y/n):	N
▪ GCI-9 Sector Priority:	

II. DESCRIPTION

- 2.1 The Structured and Corporate Finance Department (SCF) is responsible for the IDB Group's financing of non-sovereign guaranteed operations in Latin America and the Caribbean, so as to promote private sector development in borrowing member countries. In its catalytic role, SCF mobilizes additional financial resources from commercial banks, institutional investors and other financial institutions. This in turn helps the Bank meet the growing demand from borrowing member countries, and improve the efficiency and effectiveness of the Bank's private sector development activities.
- 2.2 In an effort to maximize its reach, SCF seeks to further deepen its knowledge and experience in the commercial lending practices, particularly including those of Japanese financial institutions which are important investors in the Latin American and Caribbean region by receiving consulting services from a professional with practical expertise and knowledge of these practices. This technical cooperation will allow SCF to enhance and support its mobilization efforts, which promote the economic and social development of the region. The project will reinforce SCF activities by drawing on the experience and knowledge of the latest commercial lending practices and trends in the financial markets.

III. OBJECTIVES AND JUSTIFICATION

- 3.1 The main purpose of this project is to support IDB's non-sovereign guaranteed operations in Latin American and the Caribbean region and to build knowledge and capacities related to the financing of private sector operations, especially with regards to co-financing with Japanese financial institutions.
- 3.2 In SCF, it is critical to strengthen financing activities for high development impact projects in order to promote the economic and social development of the borrowing member countries. Given the increasing complexity in the markets and of transactions in the economic sectors supported by SCF, it is essential for SCF to have a professional with expertise and knowledge in diverse financial structures, including that of the Japanese market, so that SCF can enhance its development impact in its assistance to the private sector in the region.
- 3.3 The knowledge and experience transfer proposed under this technical cooperation will benefit IDB borrowing member countries. SCF will receive funds from SMBC only as a means of co-financing this TC project

IV. DESCRIPTION OF ACTIVITIES, COMPONENTS AND BUDGET

- 4.1 This project contains a set of activities that will allow the Bank to take full advantage of the knowledge of an SMBC professional with SCF for a 24 month period. The tasks to be performed by the consultant are outlined in the attached Terms of Reference.

- 4.2 In addition to the activities described in the Terms of Reference, the consultant is expected to participate in regular events held by SCF. These events will be conducted at Headquarters in Washington DC and/or in the IDB member countries.
- 4.3 Other important activities to be performed will include providing support and facilitating Japanese related transactions, such as projects with Japanese sponsors, off-takers, lenders and others. The funds received will not be considered or used for budgetary purposes of SCF.

A. Indicative Budget

- 4.4 The cost of this project is US\$204,941. The participation of an SMBC professional will have a total budget of US\$199,942. Approximately half of the consultant's salary and benefits (including medical allowance and savings plan allowance), which is US\$99,971, will be covered by SMBC and the remaining part will be covered by SCF, which amounts to US\$104,970 (See budget proposal below for details).
- 4.5 Resources of this project to be received from SMBC 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-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 SMBC will be established through an administrative agreement. Under such agreement, the resources for this project will be administered by the Bank and the Bank will charge an administrative fee of five percent (5%) of the contribution, which is duly identified in the budget of this project.
- 4.6 The Project Team has evaluated and taken into account the selection criteria of the strategic partner (SMBC), as described in Section E of "Guidelines for Strategic Partnerships with the Private Sector and IDB Operational Procedures" (Document CC-6007-1), e.g. value added, competition, transparency, experience, good standing, financial standing and has determined SMBC to be a viable partner.

Budget Proposal

Budget 2012-2014 (in US\$)	SMBC	IDB-SCF/CFI	Total
Consultant Fees & Benefits 47.5/52.5	US\$94,972	US\$104,970	US\$199,943
Administrative Fee (5%)	US\$4,999	NA	US\$4,999
Total 2012-2014	US\$99,971¹	US\$104,970	US\$204,941

- 4.7 The SMBC contribution will be received in two equal installments, each in the amount of US\$49,985.50 according to the following schedule.

¹ SMBC will be responsible for the airfare, installation and change of residence and repatriation allowance cost, the latter upon completion of contract.

Reception of Funds from donor	SMBC
1 st Installment due October 15, 2012	US\$49,985.50
2 nd Installment due October 15, 2013	US\$49,985.50
Total 2012-2014	US\$99,971

V. EXECUTING AGENCY AND EXECUTION STRUCTURE

- 5.1 This Technical Cooperation will be executed and disbursed over a period of 24 months.
- 5.2 The executing agency shall be the Bank. The hiring of the expert will be carried out in accordance with document GN-2350-7 "Policies for Selection and Contracting of Consultants Financed by the IDB."

VI. RESPONSIBILITY IN THE BANK

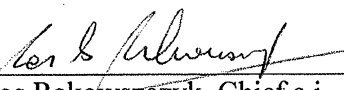
- 6.1 Technical Responsibility: Mr. Carlos Rakowszczyk, Division Chief a.i. of the Industries and Services Division, will be the consultant's supervisor.
- 6.2 Responsibility for Disbursements: Technical cooperation funds will be disbursed using the WLMS system by Pura Sather SCF/PMU. Disbursement of fee payment will be made by Mariana Williman in SCF/CFI using the CFI allocated funds in a PO for this contract.

VII. ENVIRONMENTAL AND SOCIAL STRATEGY

- 7.1 There is no environmental and social risks associated with the project. The consultant will perform CFI activities for SCF Department as per attached terms of reference. This technical cooperation falls into Category "C" as per the ESR Net toolkit filter and project classification.

Annex: Terms of Reference

Approved:


 Carlos Rakowszczyk, Chief a.i.
 Industries and Services Division
 Structured and Corporate Finance Department

10/5/2012
 Date

JAPAN

Consultant from SMBC

TERMS OF REFERENCE**Background**

Provide financial services for the Industries and Service Division of the Structured and Corporate Finance Department of the Inter-American Development Bank.

Consultancy Objective(s)**Main Activities**

- Provide technical assistance to the staff of the Industries and Service Division in their corporate finance activities, as needed.
- Participate as project team member in business travel to the countries of the region contributing to the activities related to the Bank's lending program.
- Participate in appraisal missions to contribute in the review of all necessary technical, legal, economic, financial, and other information required to assess the merits of potential operations. As considered necessary, may participate in negotiations of preliminary terms and conditions with the project sponsors.
- Perform other tasks related to the responsibilities of the Division, as needed.
- Provide support in tasks required for financial closing and first disbursement

Reports/Outputs

- Participate in initial project feasibility assessment for operations. This includes the preparation of summaries of operations and reports for management review and approval.
- Contribute to the development of post-appraisal project reports and recommendations for consideration by the Credit Review Committee. Such reports contain all major project parameters including capital costs, financial plan, and financial projections. Additional information contained in the reports includes legal considerations, other major issues, and preliminary terms and conditions. Contribute to the preparation of final report on projects for which approval by the Board of Directors is recommended.
- Contribute to the identification of opportunities for the Bank to participate in transactions sponsored by third-parties, as well as third-party support for Bank-led transactions. Contribute to the preparation of proposals for co-financing projects for the Credit Review Committee review and approval.

Coordination

Under the supervision of Carlos Rakowszczyk, Division Chief a.i. SCF/CFI

Characteristics of the Consultancy

- **Consultancy Category & Modality:** DTC - Monthly
- **Contract duration:** 24 months
- **Place(s) of work:** HQ
- **Academic Degree:** Bachelor's Degree or equivalent
- **Years of professional experience:** 8 years
- **Language :** Japanese/English
- **Areas of expertise:** Economic and Financial Analysis

Payment and Conditions of Employment:

If work will be carried out at Bank Headquarters in Washington D.C., remuneration will be determined in accordance with Bank regulations and criteria. The Bank will additionally contribute toward travel and moving expenses, if applicable. If a candidate is not a citizen or resident of the United States, the Bank will apply for a G-IV visa from the consulate of the United States in the candidate's country of origin. If a candidate cannot obtain a visa to work at the IDB the contractual offer will be rescinded.

Individuals with relatives working for the IDB within and including the fourth degree of consanguinity and the second degree of affinity are not eligible. This includes staff members and consultants. Candidates must be citizens of a member country of the Inter-American Development Bank.