

**ADMINISTRATION AGREEMENT**

**between**

**THE KOREA INSTITUTE OF PUBLIC FINANCE**

**and**

**THE INTER-AMERICAN DEVELOPMENT BANK**

**regarding**

**Project Specific Grant to the Inter-American Development Bank for  
Project RG-X1112 titled, “Latin America and the Caribbean  
Community of Practice on Managing for Development Results  
(CoPLAC-MfDR) - Phase II”**

**June 24, 2011**

**THIS ADMINISTRATION AGREEMENT** is entered into on June 24, 2011 between the Korea Institute of Public Finance (the “Donor”), and the Inter-American Development Bank (the “Bank”) (together referred to as the “Parties”, and individually either of them, a “Party”).

**WHEREAS**, the Bank has designed Project RG-X1112 titled, “Latin America and the Caribbean Community of Practice on Managing for Development Results (CoPLAC-MfDR) - Phase II” (the “Project”), substantially in the form as described in the attached Project Document (the “Project Document”);

**WHEREAS**, the Donor has agreed to support the execution of the Project by providing a project specific grant, or PSG, 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 Donor.

**NOW, THEREFORE**, the Parties hereby agree as follows:

1. The Donor will make available to the Bank a grant contribution in the amount of U.S.\$1,360,000.00 (one million three hundred sixty thousand United States dollars) (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 the Donor’s written approval.
3. The Donor 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.\$570,000**

**No later than February 1, 2012:**

**U.S.\$790,000**

4. The Donor will deposit the Contribution installments 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 United States 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.

5. 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 Donor in respect thereof.
6. 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.
7. 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 Donor into the Account; and
  - b. any investment income generated by the Contribution pending its disbursement towards the Project.
8. 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 Donor 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.
9. The Donor 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 Donor be liable for any costs incurred by the Bank in terminating the engagement of any such person.
10. Promptly following the completion of the Project, the Bank will submit to the Donor a final Project report. The Donor may also request a copy of the non-audited

financial statements of the Project. In addition, the Donor 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 Donor and will not be deducted from the Contribution. The Donor 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.

11. As soon as possible upon completion of the Project, the Bank will return to the Donor any remaining uncommitted Contribution funds, unless otherwise agreed to in writing by the Donor and the Bank.
12. The Donor 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.
13. 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: Marguerite S. Berger, Chief  
Grants and Co-financing Management Unit  
Vice Presidency for Countries (VPC/GCM)  
Tel.: ++ 202-623-1774  
Fax: ++ 202-623-3171  
E-mail: vpc-gcm@iadb.org


b. For the Donor:

Korea Institute of Public Finance  
28 Bangjukmal-gil, Songpa-gu  
Seoul 138-774  
KOREA  
Attention: Yunhi Won, President  
Tel.: 82-2-2186-2100  
Fax: 82-2-2186-2109  
E-mail: yhwon@kipf.re.kr


14. This Administration Agreement will come into force on the date of its signature by each of the Parties herein.
15. The Parties may amend any provision of this Administration Agreement in writing.
16. Subject to their respective policies and procedures with respect to the disclosure of information, the Parties may make this Administration Agreement publicly available.
17. Nothing in this Administration Agreement may be construed as creating an agency relationship between the Donor and the Bank.
18. The Parties will seek to settle amicably any disputes that may arise from or relate to this Administration Agreement.

**IN WITNESS WHEREOF**, the Korea Institute of Public Finance 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 date indicated above.

**KOREA INSTITUTE OF  
PUBLIC FINANCE**

  
\_\_\_\_\_  
Yunhi Won  
President

**INTER-AMERICAN  
DEVELOPMENT BANK**

  
\_\_\_\_\_  
Bernardo Guillamon  
Advisor,  
Office of Outreach and Partnerships



# Knowledge and Capacity Building Products (KCP) Proposal

## Outreach & Dissemination

### I. General Information

**KCP Title:**

**Latin America and the Caribbean Community of Practice on managing for Development Results (CoPLAC-MfDR) - Phase II**

**OPUS Number:**

RG-X1112

**Date of Proposal:**

6/3/2011

**Linked to project:****Team Leader / Unit:**

SANGINES, MARIO F. - ICF/ICF

**Peer Reviewer 1:**

ALONSO, PABLO

**Peer Reviewer 2:**

STEIN, ERNESTO HUGO

**Joint Proposal:**

**Proposed amount, without counterpart** in USD equivalent (enter whole number only): USD 1,360,000  
Must match total of budget table on section VI, and of OPUS

**Proposed amount including counterpart** (if applicable) in USD equivalent: USD 1,360,000

**Proposed Fund:****Unit of Technical Responsibility:**

ICF

**Unit of Disbursement Responsibility:**

ICF

**Execution:**

Bank

**Letters of Request available** (or equivalent)

No

**Doc# (IDBdocs):****Non-objection available:**

No

**Doc# (IDBdocs):**

**Execution period: 30 months      Disbursement period: 36 months      Required Start Date: 7/1/2011**

**Please provide justification why the Bank is the Executing Agency:**

The Latin American and Caribbean Community of Practice on Managing for Development Results (CoPLAC-MfDR) aims at sharing best practices, ideas and experiences on MfDR among its members through active participation in virtual and face-to-face communication and learning, which will enable the development, execution and implementation of MfDR in the Region.

Currently, the Bank - through PRODEV - is better positioned than an external agency to execute this project, given the fact that PRODEV has been operating and operates now as the CoPLAC-MfDR's Technical Secretariat. However, the intention is to build local capacity for (i) knowledge generation in MfDR, and (ii) coordination of CoPLAC-MfDR activities, possibly leading to other modes of implementation in the future.

**Beneficiary Countries:** All Bank's borrowing members. However, OECS countries may also participate in joint activities with the CDB, as in the past.

**Beneficiary entity:** The beneficiary entities are all members of the CoPLAC, which include budget directorates, planning agencies, monitoring and evaluation agencies, private sector companies, etc.

## **II. KCP Type**

### **Origination**

Originated in Bank: KCP is the result of initiatives generated within the Bank.

### **Scope**

Short term purpose: Demand for this KCP has an immediate, short-term scope possibly drawing from knowledge and experience that is readily available.

## **III. Alignment of the KCP proposal with IDB's Institutional Priorities (GCI9).**

This KCP is aligned with Institutional Priority III, Institutions for Growth and Social Welfare. Furthermore, the Development of MfDR in the region is an important element of the Strategy for Institutions for Growth and Social Welfare (GN-2587-2), approved by the Board on March 3, 2011 as mandated by Governors through GCI-9.

3.1 Explain how the knowledge disseminated with this KCP will be used (policy advice, operations, as input for programming and strategy documents, input for other KCPs):

Since mid-2005, the PRODEV Special Program has been gradually supporting the creation and operation of the CoPLAC-MfDR network. This network is divided into nine clusters: (i) Budget Directors, (ii) Monitoring and Evaluation, (iii) Budget Committee Legislators, (iv) Civil Society, (v) PRODEV TC executors, (vi) Subnational budgeting and planning, (vii) Public Investment; (viii) Planning Network; and (ix) Private Sector. The Bank, through PRODEV, is as the Technical Secretariat of the CoPLAC-MfDR. These clusters, as well as the overall CoPLAC-MfDR hold annual meetings with the participation of the IDB as well as other institutions such as the World Bank and ECLAC.

The KCP will fund the operation and strengthening of the CoPLAC-MfDR in order to support the dissemination of knowledge and good practices in MfDR, elements of which have become increasingly important in the development agendas of the countries and subnational entities of the region. Some of the key areas where the KCP will contribute to disseminate knowledge are budgeting for results; monitoring and evaluation; project management and public investment; strategic planning; and several others. The Bank, through PRODEV, has accumulated significant knowledge and expertise that will be made available to the various clusters. In addition, the CoPLAC-MfDR is a valuable forum for the exchange of experiences among members, fostering south-south collaboration and the pursuit of innovative solutions for public sector management challenges.

It is expected that the members will contribute to the implementation of good practices in their respective countries, benefiting from the experiences shared through the CoPLAC. These contributions can be either through public sector institutions or through the newly created private sector cluster. Some of these initiatives may result in continued Bank engagement through specific operations. This KCP also brings about other benefits that will contribute to a stronger community of practice in the future. Among these is the diversification of funding sources for its continued operation, which demonstrates the active interest of the international community in supporting MfDR efforts in the region and contributes to its long term sustainability. The KCP will also help fine-tune the scope of the community of practice to suit the actual needs of the region and promote the incorporation of new members.

## **IV. OBJECTIVES, EXPECTED RESULTS AND ACTIVITIES (Maximum 4 pages)**

4.1 Describe the dissemination gap that this KCP intends to close:

This KCP intends to close a gap of knowledge in the LAC region regarding good practices in management for development results. The dissemination of these good practices, derived from international experience and largely through the efforts of PRODEV, will enable members to identify and implement results-based management solutions for their own contexts, as well as receiving support and advice from peers and experts for as long as the community of practice exists.

4.2 Describe lessons learned from previous similar KCP:

The IDB has been supporting knowledge exchange in MfDR since the establishment of PRODEV in 2005. During these years, we have learned that the topics of discussion in each cluster of practitioners become more selective and the groups have acquired their own conceptual identity and procedures. The experience accumulated along these years and the evaluations made by participants demonstrate that CoPLAC-MfDR is a valuable forum for knowledge exchange that should be extended in time. Some

examples of the concrete results that have been obtained are: (i) upon participating in the Budget Directors' cluster, Paraguay moved towards the implementation of Budgeting for Results (BfR), (ii) the meetings of the Inter-American Parliamentary Forum were of significant budget support to the Dominican Republic and Uruguay legislators, where Budget Offices were later created, (iii) visits were made by Dominican Republic Planning and Budget officials to Mexico, in order to learn more about its BfR implementation, (iv) as a result of the National Public Investment System Network meetings, Colombia agreed to Support the Dominican Republic in strengthening the public investment system, and (v) upon the seminars organized by CoPLAC-MfDR, Ecuador decided to improve its e-government system.

The OECD External Evaluation of PRODEV mentions that the CoPLAC-MfDR "generates interest, support and social capital in the region, and it has produced and diffused MfDR know-how and good practices". "Most importantly, however, the CoPLAC-MfDR has been well-received, and it is justified as it has made a positive contribution to building social capital and demand for MfDR in the region. Although its development was not foreseen in the original design of PRODEV, the Community emerged from good practices in the international community and the demand for knowledge sharing among stakeholders. The CoPLAC-MfDR therefore geared towards addressing demands arising from MfDR stakeholders. Its different clusters encompass a great variety of actors that makes the Community heterogeneous but also complementary. Each of the clusters can be applied to any policy sector. The multiple clusters are a distinctive feature of the CoPLAC-MfDR compared to communities of practice in other regions. The community of practice in Asia and Africa, for instance, tend to gather all types of stakeholders together."

Since its creation in May 2005 through December 31, 2010, PRODEV has organized 119 national and regional events (courses, seminars, workshops, forums, conferences) reaching more than 7,650 government officials, policy-makers, lawmakers, opinion leaders, think-tanks, academics, researchers, evaluators, partners in development from bilateral and multilateral development organizations, civil society and non-governmental organizations. More than 1,000 of them were invited to join the CoPLAC-MfDR and so far, 800 of them have become active members of this network.

#### 4.3 State the KCP objectives:

The objective of this project is to disseminate knowledge and good practices in management for development results throughout the LAC region, thereby contributing to the design of sound public policies and institutional practices and ultimately to the region's social and economic development. This will be achieved by strengthening and enhancing the Latin America and the Caribbean Community of Practice on Managing for Development Results (CoPLAC-MfDR), so that it can become a major partner of the community of practitioners and policy makers, promoting mutual learning, knowledge dissemination, and capacity building.

#### 4.4 State the KCP expected results:

It is expected that CoPLAC-MfDR will increasingly serve as a hub for regional learning, becoming a powerful support for national and subnational MfDR systems in LAC. Specifically, the KCP expects to contribute directly to the participation of 946 members in 2012 and 1,040 members in 2013 across the nine clusters; four additional major publications related to MfDR in LAC by 2012 in addition to the quarterly online newsletter; and the establishment and operation of at least 4 national networks to deepen the discussions around MfDR at the country level. In addition, knowledge exchange will be fostered through a social network site.

#### 4.5 Provide a description of the main outputs and related activities expected to be carried out:

The transfer of knowledge and comparative experiences on MfDR, will materialize in the following outputs: (i) cluster meetings ("events"), conducted jointly with seminars on MfDR for each cluster; (ii) publications resulting from these workshops and meetings; and (iii) development of CoPLAC-MfDR social network site. During 2011-2013 CoPLAC-MfDR will hold regular annual meetings, as well as other kinds of events in the borrowing countries as well as at the Bank's Headquarters in Washington DC. The CoPLAC-MfDR annual events scheduled for these two years are listed below:

- a) Annual events of each of the 9 clusters and the CoPLAC-MfDR annual meeting (where all clusters and the Technical Secretariat meet).
- Annual Meeting of Civil Society Network;
  - Annual Conference of Monitoring and Evaluation Network;
  - Annual Seminar of the Sub-National Governments Network;
  - Annual Regional Seminar of the Private Sector Network;



- Annual Regional Workshop of PRODEV Executors Network;
- Annual Meeting of the CoPLAC-MfDR;
- Annual Meeting of the Planning Network (REDEPLAN);
- Annual Meeting of the Parliamentary Forum on MfDR;
- Annual Meeting of the Budgeting for Results Network; and
- Annual Meeting of the National Public Investment System Network.

b) Other events:

- Sub-regional meetings;
- National networks meetings.

4.6 Describe the dissemination plan of expected outputs / results with a timeline for key activities, person/institution responsible for implementation:

Events for 2011/2012 (similar program for the second year of implementation):

- Annual Meeting of the Parliamentary Forum on MfDR - July 27-29, 2011;
- Annual Meeting of the Civil Society Network - October 5-7, 2011;
- Annual Meeting of the Sub-National Governments Network - October 12-14, 2011;
- Annual Meeting of the Monitoring and Evaluation Network - November 14-16, 2011;
- Annual Regional Seminar of the Private Sector Network - November 2011;
- Annual Workshop of PRODEV Executors - March 2012;
- Annual Meeting of CoPLAC-MfDR - March 2012;
- Annual Meeting of the Budgeting for Results Network - April 2012;
- Annual Meeting of the National Public Investment System Network - April 2012; and
- Annual Meeting of the Planning Network (REDEPLAN) - May 2012.

Publications: (i) the on-line publication of the M&E Network Annual Meeting, (ii) the LAC Sourcebook on MfDR, and (iii) the Annual Report of CoPLAC-MfDR; (iv) a quarterly on line newsletter.

The PRODEV Coordinator will be responsible for delivering these products.

4.7 Identify the main audience or expected users of knowledge generated or disseminated by this KCP

The main audience will be CoPLAC-MfDR members, i.e.: government officials, policymakers, scholars and researchers, evaluators, development partners from bilateral and multilateral development organizations, civil society and non-governmental organizations and private sector.

**V. KCPs RESULTS FRAMEWORK.** Main Outcomes and Outputs.

5.1 Results Matrix:

Please, in the first column fill in each outcome indicator with the relevant outputs. You can use the table of indicators here attached.

### Results Matrix

	Unit	Baseline		Year 1		Year 2		Expected Completion Date	Data Source
		Value	Year	Planned	Actual	Planned	Actual		
Number of CoPLAC-MfDR members	persons	860	2011	946		1,040		6/30/2013	CoPLAC-MfDR registration database

Number of national networks	networks	0	2011	2		4		6/30/2013	PRODEV
Number of publications	publications (cumulative)	20	2011	22		24		6/30/2013	PRODEV

Note: Please note that this outcome and output indicators will be the input for the PMR and will be monitored in the Quarterly Business Review.

## VI. BUDGET (\*):

by USD 570,000 was received for the 2010-2011 year. A second contribution of USD 1,360,000 is proposed

The KCP will be funded through a contribution of USD 1,360,000 from the Korea Institute of Public Finance (KIPF) for the 2011-2013 period, consisting of USD 1,295,238 for the financing of the expenditures set forth in the Table in 6.1 below, and USD 64,762 for the defrayment of the administrative cost (5% fee) in relation to the contribution, that is to be charged by the Bank. The contribution will be used to finance CoPLAC-MfDR activities that begin on July 1, 2011 or later. The resources to be received from the KIPF will be provided to the IDB through an Administration Agreement (AA) regarding a Project Specific Grant (PSG), as provided in the "Report on COFABS, Ad-Hocs and CLFGS and a Proposal to Unify Them as Project Specific Grants (PSGS)" (Document SC-114).

The KIPF contribution will be disbursed in two installments. The first installment, for an amount equal to USD 570,000 will be disbursed upon the signature of the AA, and the second installment, for an amount equal to USD 790,000, will be disbursed on February 1st, 2012.

Costs	Project Cost – KIPF Contribution					Counter- part Resources	Other Financing
	Year 1		Year 2	Total request			
	Consult.	Travel (consultants only)	Other				
Categories	240,000	40,000	424,362	655,638	1,360,000	0	0
• 1. Events			298,000	306,000	604,000		
• 2. Publications, social network site			30,000	30,000	60,000		
• 3. Human resources	240,000	40,000		287,000	567,000		
• 4. Other and contingencies			31,600	32,638	64,238		
• 5. Fee (5%)			64,762		64,762		
Sub-total	240,000	40,000	424,362	655,638	1,360,000	0	0
	Monitoring and evaluation						
Total	240,000	40,000	424,362	655,638	1,360,000	0	0

Approximate value of in-kind counterpart

(\*) More details may be required by donors (e.g. consultant cost per day);

#### 6.1 Describe the source and type of counterpart resources

This KCP funded by the Korea Institute of Public Finance will provide the bulk of financial resources required for the operation of CoPLAC-MfDR during the specified time period. However, other resources, including PRODEV funds and funds from other international organizations (World Bank, ECLAC, etc.) may be provided as required.

#### 6.2 Types of Consultants: Firms or individuals and main activities/outputs:

Type: Individual or Firm (if available)	Nationality (if available)	Estimated Cost	Main Activities / Outputs
Individuals *	N/A	USD 450,000	general coordination of the network; perform the role of Technical Secretariat of the network and each cluster; conduct presentations as speakers in network meetings; produce publications and newsletters; manage social network site; and all administrative and communication aspects.

\* The hiring of individual consultants will follow Bank policies for the selection and hiring of consultants.

#### VII. Bank costs:

For the Bank's internal purposes, please provide information in Bank costs associated with the execution of this KCP:

#### 7.1 Bank staff participation in KCP:

Staff Name	Bank Unit	FTEs
SANGINES, MARIO F.	ICF/ICF	0.05
KAUFMANN, JORGE	ICF/ICF	0.4
GARCIA LOPEZ, ROBERTO	ICF/ICF	0.6
BAE, SANG ROCK	ICF/ICF	0.6
ESCHOYEZ, GUILLERMO ANTONIO	LEG/SGO	0.1
RODRIGUEZ, SANDRA	ICF/ICF	0.1
YELICIE, PILAR	ICF/ICF	0.1

#### VIII. Risks:

Fill-out the KCP's Environmental Screening and Classification using this link to the [Environmental Screening and Classification Toolkit](#). Then save it in IDBDOCS and record its number in the box below (\*):

36200888

#### 8.1 Implementation Risks:

We have identified two possible sources of risk: (i) the creation of "parallel" networks supported by other donors; and (ii) "loose motivation", i.e. that the activities do not receive the desired response level in countries.

The mitigation of "parallel" networks would be addressed through coordination with other donors (see below) and the mitigation of lack of interest/motivation would be faced by placing special attention in generating high-quality outputs (events, publications, and social network site).

#### 8.2 Please identify key environmental and social risks and impacts, and the strategy to address them:

Non applicable.

#### IX. Coordination with other MDBs

9.1 Summarize collaboration or coordination with other MDBs, donors and other strategic partners (if any): The Bank, through PRODEV, has participated in or co-organized fifteen international conferences with partner organizations such as the World Bank, International Monetary Fund, CLAD, Caribbean Development Bank, governments and private institutions. For instance, the LAC Regional Monitoring and Evaluation Network is a joint initiative with the World Bank, and the Public Investment Systems Network and REDEPLAN are joint clusters with the Economic Commission for Latin America (ECLAC).

#### **X. Monitoring and evaluation plan.**

Fill-out the KCP's Development Effectiveness Matrix (DEM) using this link to the OD [DEM template](#). Then save it in IDBDOCS and record its number (\*):36200753

Summarize the basic elements of the Monitoring and Evaluation plan, including key activities and associated budget: The M&E plan has five components: (i) Each year PRODEV prepares and updates a schedule of activities with estimated dates for each event. This schedule is published in PRODEV webpage and in the Annual Report to IDB Board of Directors; (ii) For evaluation purposes, a questionnaire is distributed to participants after each seminar, in order to determine their level of satisfaction with the topics discussed, speakers, and the organization of the seminar<sup>1</sup>; (iii) Surveys will be conducted to collect information from participants regarding activities (seminars, workshops, etc.) as to how these activities have changed their work when adopting MfDR practices; (iv) Through its Annual Activity Report to the Board, PRODEV informs about the activities undertaken and their degree of success; and (v) Follow-up in terms of South-South cooperation and reform implementation.

10.1 Exceptions to Bank policies:  
Non applicable.

10.2 Contractual Clauses:  
Non applicable.

Terms of Reference Doc#( IDBDocs):

(\*) All documents saved in IDBDocs must have read permissions granted to the group DOCS Users

#### **XI. Approval**

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**Ana María Rodríguez, Manager, ICF/ICF**

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**Date**

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<sup>1</sup> The purpose of the evaluation is not only to analyze how to improve each output, among which we find the operation of each cluster, but also to study if some of these clusters requires to be removed due to low country participation in its activities, not very significant contribution, etc.