



DFID Department for
International
Development

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March 26th, 2008

ADMINISTRATIVE ARRANGEMENT
MISCODE: 243-542-033-CW-001
020-2007/2008

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"), I am pleased to inform you of the intention of DFID to make available a contribution (the "Contribution") of twenty-four thousand four hundred thirty-five Pounds Sterling (£24,435.00), to be administered by the IDB for the project: "DFID Placement to IDB on Donor Harmonization and Alignment", IDB project No. BO-X1003 (the "Project").

The provisions of the Framework Arrangement will apply to this Administrative Arrangement. 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 a COFAB and will be used exclusively for the purposes set out in the attached Project document.

Special reporting requirements: pursuant to the Framework Arrangement (provisions 5.1.2 (a) and (b)), the IDB will *not* provide audited financial statements for the Project. Nevertheless, DFID may request that the IDB have its external auditors issue a special report related to this

Administrative Arrangement, based on agreed-upon procedures and paid according to the second paragraph of provision 4.2.6 of the Framework Arrangement.

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

£24,435.00 (twenty-four
thousand four hundred thirty-
five Pounds Sterling):

Upon signature of this
Administrative Arrangement.

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:

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PROGRAMME MANAGER
DFID ANDES
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For the IDB:

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The IDB's commitment to use the Contribution as contemplated herein remains subject to the IDB's formalization of all internal approvals necessary for the Project.

Subject to their respective policies and procedures with respect to the disclosure of information, DFID and the IDB may make this Administrative Arrangement publicly available.


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

Sincerely yours,



Jennie Richmond
Head of Development Cooperation
Department for International Development

Confirmed and agreed:
Inter-American Development Bank



Jamal A. Khokhar
Advisor
Office of Outreach and Partnerships

Date: March 28, 2008