

AMENDMENT No. 2

to the

ADMINISTRATION AGREEMENT

between

THE GOVERNMENT OF THE REPUBLIC OF KOREA

and

THE INTER-AMERICAN DEVELOPMENT BANK

regarding

**A Project Specific Grant to the Inter-American Development Bank for the
Project RG-X1127, titled “Support to the Telecommunications Sector II”**

THIS AMENDMENT No. 2 is entered into between the Government of the Republic of Korea (“Korea”), represented by the Korea Communications Commission (“KCC”), the Ministry of Science, ICT and Future Planning (“MSIP”) and the Ministry of Security and Public Administration (“MOSPA”, formerly known as “MOPAS”), and the Inter-American Development Bank (the “Bank”) (together referred to as the “Parties”).

WHEREAS, on November 1, 2011, KCC, MOSPA and the Bank entered into a Project Specific Grant (PSG) Administration Agreement, as amended pursuant to an Amendment No. 1 dated as of November 15, 2011 (the “Administration Agreement”), in connection with the Bank’s Project RG-X1127 titled, “Support to the Telecommunications Sector II” (the “Project”), as further described in the Project Document (the “Project Document”) attached to the Administration Agreement;

WHEREAS, Korea has agreed to continue supporting the execution of the Project by providing an additional grant contribution in the amount of U.S.\$123,355.00 (one hundred twenty-three thousand three hundred fifty-five dollars of the United States of America) to the Bank in one single installment (the “Additional Contribution”), to be administered by the Bank pursuant to the terms and conditions of the Administration Agreement; and

WHEREAS, KCC’s responsibilities under this Administration Agreement have been transferred to MSIP and MSIP hereby assumes all responsibilities, rights and obligations of KCC under the Administration Agreement; thus, all references to KCC in the Administration Agreement are hereby replaced *mutatis mutandi* as if MSIP were a Party to such agreement.

NOW, THEREFORE, pursuant to Section 14 of the Administration Agreement, the Parties hereby agree to further amend the Administration Agreement and the Project Document as contemplated in the Bank memorandum attached to this Amendment No. 2 (the “Attachment”), as follows (throughout this Amendment No. 2, capitalized terms used but not defined herein shall have the meanings ascribed to them under the Administration Agreement):

1. Section 1 of the Administration Agreement is hereby superseded, which shall now read as follows:

“1. Korea, with resources of MOSPA, will make available to the Bank a gross contribution of U.S.\$482,193.00 (four hundred eighty-two thousand one hundred ninety-three dollars of the United States of America) (the “Contribution”) to be administered by the Bank to co-finance the Project. Said Contribution includes a five percent (5%) administration fee in the terms stated in Section 6 below. MOSPA 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.\$186,000.00 (one hundred eighty-six thousand dollars of the United States of America)

No later than November 1, 2012:

U.S.\$172,838.00 (one hundred seventy-

two thousand eight hundred thirty-eight
dollars of the United States of America)

No later than November 15, 2013:

U.S.\$123,355.00 (one hundred twenty-
three thousand three hundred fifty-five
dollars of the United States of
America)”

2. Section 3 of the Administration Agreement is hereby superseded, which shall now read as follows:

“3. MOSPA 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.”

3. Section 6.a) of the Administration Agreement is hereby superseded, which shall now read as follows:

“a) a fee equal to five percent (5%) of the gross amount of a Contribution installment at the time such installment is deposited by Korea into the Account; and”

4. Section 12.a) of the Administration Agreement is hereby superseded, which shall now read 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 Agreement 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 MOSPA:

Ministry of Security and Public Administration
Central Government Complex #1110
209 Sejong-daero, Jongno-gu, 110-760, Seoul
REPUBLIC OF KOREA
Attention: Wooho, Kim
Director, Appointments and Promotion Division
Telephone: +82 (2) 2100-1721
Facsimile: +82 (2) 2100-1729
E-mail: kimwh@mospa.go.kr

c) For MSIP:

Ministry of Science, ICT and Future Planning
Government Complex, Gwacheon
REPUBLIC OF KOREA
Attention: Sanghun Lee
Director, International Organizations Division
Tel.: +82-2-2110-2330
Fax: +82-2-2110-0275
E-mail: gaia@msip.go.kr

d) For KCC:

Korea Communications Commission
Central Government Complex #1110
209 Sejong-daero, Jongno-gu, 110-760, Seoul
REPUBLIC OF KOREA
Attention: Jongwon, Seong
Director
Public Relations and International Cooperation Division
Tel: +82 -2-2100-1330
Fax: +82-2-2100-0134
E-mail: jwseong@kcc.go.kr ”

5. Each of the execution and disbursement periods of the Project (which are hereby extended for an additional six (6) months until July 2, 2014) and the detailed budget for the Project in

connection with the Additional Contribution have been updated, as set forth in the Attachment.

6. All other terms and provisions of the Administration Agreement not expressly modified herein shall remain in full force and effect. Further, this Amendment No. 2 shall enter into force on the date of its last signature by the Parties, and shall constitute an amendment to, and form an integral part of, the Administration Agreement.

IN WITNESS WHEREOF, the Government of the Republic of Korea, represented by the Korea Communications Commission, the Ministry of Science, ICT and Future Planning and the Ministry of Security and Public Administration, and the Inter-American Development Bank, each acting through its duly authorized representative, have signed this Amendment No. 2 in four (4) original counterparts in the English language as of the dates indicated below.

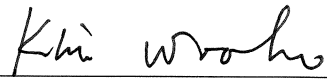
**REPUBLIC OF KOREA
MINISTRY OF SCIENCE, ICT AND
FUTURE PLANNING**



Lee, Sanghun
Director
Division of International Organizations
Cooperation

Date: Nov. 13, 2013

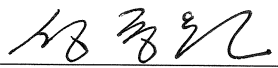
**REPUBLIC OF KOREA
MINISTRY OF SECURITY AND
PUBLIC ADMINISTRATION**



Kim, Wooho
Director
Division of Appointments and Promotion

Date: Nov. 13, 2013


**REPUBLIC OF KOREA
KOREA COMMUNICATIONS
COMMISSION**



Jongwon, Seong
Director
Public Relations and International
Cooperation Division

Date: Nov. 13, 2013

**INTER-AMERICAN
DEVELOPMENT BANK**



Bernardo Guillamon
Manager
Office of Outreach and Partnerships

Date: Nov 12, 2013

IV. REPORT / OUTPUTS

- 4.1 Within the 6 months of work², it is expected that the Trust Fund Appointee:
- a. Make commitment, as a team member, in at least 2 Technical Cooperations relevant to broadband development by analyzing countries' ICT environment, institutions, main initiatives, challenges, opportunities, etc. and delivering Korea's successful experience and innovative solutions;
 - b. Prepare one technical paper, for the purpose of providing technical support to government officials of the region, based on an agreed topic to be chosen out of the following list: spectrum management, digital divide, universal Access and Services as an approach to funding telecommunications to the poor, underserved areas, feasibility tariffs, access technologies, etc.;
 - c. Organize and deliver at least one joint IDB – MSIP event or project aiming at boosting public investment and modernization of ICT policy in support of broadband coverage acceleration

V. SCHEDULE OF PAYMENTS

- 5.1 The payments will be done according to the IDB payments schedules to employees and consultants.

VI. COORDINATION

- 6.1 Team leader: Garcia Zaballos Antonio (antoniogar@iadb.org, Lead Specialists (IFD/ICS) will have the technical responsibility for the activities and results from the Trust Fund Appointee, who will work under the supervision of Carlos Santiso, Institutional Capacity of the State division Chief (csantiso@iadb.org).

VII. CHARACTERISTICS OF CONSULTANCY

- 7.1 Type of consultancy: Trust Fund Appointee
- 7.2 Contract duration: the consultancy will begin on January 3, 2014 and will be for a period of 6 (6) months.
- 7.3 Place of work: Washington DC. IADB Headquarters.

² This ToR is for the extended term of 6 months. There are separate two ToRs supporting the previous term of two years.

VIII. QUALIFICATIONS

- a. Advanced university degree(s) in Engineering, Computer Science, Telecommunications, Electronics, Economics, Public Policy, Law or other similar field. Minimum of 7 years of proven experience in the design and implementation of ICT policies and projects (Telecommunications, Broadband Infrastructure, Broadband Wireless Communication, Digital Strategies, Sector Competitiveness, Policy Making and Regulation, Application and Service Development and Institutional Strengthening).
- b. Language: Proficiency in English (written, spoken, reading) and desirable working knowledge of Spanish.
- c. Proven knowledge of a wide range of ICT technologies and applications, including recent developments and emerging trends that could influence the use and potential development of these technologies for Government at the firm level as a tool for innovation. Knowledge and understanding of Latin America and the Caribbean is a plus.
- d. Excellent writing skills, analytical and critical thinking, strong experience with project management, results oriented, high capacity to learn about new uses of ICT technologies applied to the needs of Latin America and Caribbean countries.
- e. The Trust Fund Appointee will be working in IDB's headquarter in Washington DC and travel in the region as needed. ICS will provide the Appointee with one office space and appropriate equipment needed to perform his/her functions.



MEMORANDUM

Date: September 27, 2013

TO: Sonia Rivera, Unit Chief, ORP/GCM

FROM: Carlos Santiso, Chief, IFD/ICS

SUBJECT: **REGIONAL. Support to the Telecommunications Sector II (Project Specific Grant RG-X1127; ATN/CF-12930-RG). Budget Increase and execution and disbursement period extension.**

I. Purpose

The purpose of this document is to present a) a budget increase for operation RG-X1127 "Support to the Telecommunications Sector II" in the amount of US\$123,355 (increasing the total operation budget from US\$358,838 to US\$482,193) and b) an extension of the execution and disbursement period until July 2, 2014.

These changes will be reflected in the Amendment No. 2 to the original Administration Agreement between The Government of the Republic of Korea and the Inter-American Development Bank for the Project Specific Grant (PSG) Operation RG-X1127, dated November 1, 2011. The Government of the Republic of Korea will pay the Bank the additional US\$123,355 contribution, following the signing of the Amendment No. 2 to the Administration Agreement.

II. Justification and Objectives

The Institutional Capacity of the State Division (ICS) has the mission to improve the lives of people in Latin America and the Caribbean by supporting the capacity of governments to provide services to its citizens in a responsible, transparent, and accountable manner. One of the main areas of responsibility of the ICS division is the development of broadband capacity of the state within the context of the Information and Telecommunication Technology, a sector in which the Bank has been active in the last decade and that is becoming every time more important as a way to respond to the increasing demand of the countries. Noticeably, given the significance of broadband capacity and its cross-cutting attribute, the Inter-American Development Bank (the Bank) recently approved a Broadband Special Program with the aim to intensively supporting the progress of broadband in the region and thereby maximizing associated economic and social impacts.

The Ministry of Science, ICT and Future Planning (MSIP) was embarked in March 2013 after consolidating some parts of the former Korea Communications Commission (KCC) and the Ministry of Education and Science Technology (MEST), serving as an integrated Organization responsible for both policy-making and regulation for ICT sector. MSIP is the government body responsible for formulating and managing the broadcasting and telecommunications policies and regulations, promoting the convergence process between broadcasting and telecommunications, as well as mitigating government regulations. Additionally, MSIP aims to encourage fair competition, develop technologies and services, and foster universal service and user benefits in the broadcasting and telecommunications sector.

The improvement of the telecommunications in the LAC countries, and specially the development of the connectivity in broadband, demands a combination of different interventions (political public, regulatory frame, capacity of regulation, instruments of promotion to incentives to the attraction of investments, to public-private alliances, among others).

Within this context and as a result of meetings between the government of Korea and the IDB, the Korean Government decided to support a Trust Fund Appointee expert in Information and Communication Technologies area.

Objective: In order to continue the Bank's collaboration and partnership efforts with the Korea in the above-mentioned topics, ICS seeks to extend an additional six months for the consulting services of a specialist professional who will continue to help and contribute to strengthen the Bank's technical capacity in order to offer better technical assistance to the demand of the countries in ICT and telecommunications, promoting development in LAC. The Trust Fund appointee will contribute both to the operational work of the ICS Division and to its knowledge and capacity building work in the wide area of the ICTs, including Telecommunications, Broadband Infrastructure and applications, Digital Strategies, Sector Competitiveness and the adoption of innovative technologies.

III. Description

The budget increase will fund an additional six months of consulting services from an expert from The Korean Ministry of Science, ICT and Future Planning (MSIP) in IFD/ICS. The tasks to be performed by the consultant are outlined in the attached Terms of Reference.

In addition to the activities described in the Terms of Reference (Annex A of this memorandum), the consultant is expected to participate in regular events held by IFD/ICS. These events will be conducted at Headquarters in Washington, DC and/or in the other IDB member countries.

Other important activities to be performed will include providing support and facilitating Korean related transactions, such as projects with the Korean Ministry of Science, ICT and Future Planning (MSIP).

IV. Budget

The total budget for a six month contract of this expert is:

	The Government of the Republic of Korea RG-X1127 in US\$
Honoraria	77,964
Savings Plan 9% ^a	7,017
Medical Insurance Allowance ^b	4,500
Airfare Round Trip ^b	8,000
Relocation/Resettlement Fee ^c	0
Contingencies ^d	19,706
Fee (5%)	6,168
TOTAL	123,355

a Only applicable for DTC consultancies.

b Only applicable for TTC and DTC modality, Individual or with eligible dependents.

c Only if applicable. Will be paid only if the EC-CEW (TFA, RF, APO) is not in the United States, and in the event that after completing the program will return to their home country.

d Donors can pay travel expenses for missions, trainings, and /or any budget category needed to fulfill their applicable laws that is acceptable to the Bank.

V. Responsibility in the Bank

The consultant will report to the Institutional Capacity of the State Division and the approval of the assigned tasks will be in charge of Antonio García Zaballos (ICF/ICS), Telecommunications Lead Specialist (antonioagar@iadb.org; (202) 623-2980), and under the supervision of Carlos Santiso, Chief of the Institutional Capacity of the State Division (csantiso@iadb.org).

REGIONAL

Support to the Telecommunications Sector II (RG-X1127; ATN/CF-12930-RG)

TERMS OF REFERENCE

I. BACKGROUND

- 1.1 The Institutional Capacity of the State Division (ICS) has the mission to improve the lives of people in Latin America and the Caribbean by supporting the capacity of governments to provide services to its citizens in a responsible, transparent, and accountable manner. Our support ranges from modernizing the state and strengthening public sector management to improving provision of the critical services of security and justice. Our business lines evolve three main categories: Public sector governance, Citizen security and justice, Broadband and e-government. The division, via Public sector management, seeks for strengthening capacity, accountability and responsiveness in public sector management. With the subject of Citizen security and justice, we try to build a foundation for preventive policing, situational prevention, social intervention, and penitentiary rehabilitation. Also, the division, with the consistent support of the Broadband Special Program, aims to improve state's capacity by modernizing basic government services based upon broadband connectivity.
- 1.2 One of the main areas of responsibility of the ICS division is the development of broadband capacity of the state, a sector in which the Bank has been active in the last 25 years and that is becoming every time more important as a way to respond to the increasing demand of the countries. Noticeably, given the significance of broadband capacity and its cross-cutting attribute, the Inter-American Development Bank (the Bank) recently approved a Broadband Special Program with the aim to intensively supporting the progress of broadband in the region and thereby maximizing associated economic and social impacts.
- 1.3 The Ministry of Science, ICT and Future Planning (MSIP) was embarked in March 2013 after consolidating some parts of the former Korea Communications Commission (KCC) and the Ministry of Education and Science Technology (MEST), serving as an integrated Organization responsible for both policy-making and regulation for ICT sector. MSIP is the government body responsible for formulating and managing the broadcasting and telecommunications policies and regulations, promoting the convergence process between broadcasting and telecommunications, as well as mitigating government regulations. Additionally, MSIP aims to encourage fair competition, develop technologies and services, and foster universal service and user benefits in the broadcasting and telecommunications sector.
- 1.4 In an interconnected world, the indicators for broadband penetration highlight that Latin America countries, with an average penetration of 5% of the population¹, fall behind other regions of the world. The diffusion of Internet and Broadband in the society is still limited, especially in the poorest countries of the region and in the

¹ International Telecommunications Union 2008.

poorest households in the countries. Although in the last 10 years the private sector was able to take the mobile telephony to 80% of the population, this is not the case with broadband connectivity, where the main problem is the lack of investments in new infrastructures of network.

- 1.5 Telecommunications continues to be an engine of economic growth and opportunity. The widespread deployment and adoption of high speed telecommunications is critical for taking advantage of the full benefits the digital economy and society promise. Public policies need to support a robust telecommunications infrastructure. Digital infrastructure, specifically broadband, supports jobs both within the broadband industry and throughout the economy. If capital expenditure falls, either through unfavorable market conditions or regulatory or other actions taken by government investment levels will decline and jobs will likely be lost, at least in the short term.
- 1.6 The improvement of the telecommunications in the LAC countries, and specially the development of the connectivity in broadband, demands a combination of different interventions (political public, regulatory frame, capacity of regulation, instruments of promotion to incentives to the attraction of investments, to public-private alliances, among others).
- 1.7 Within this context and as a result of meetings between the government of Korea and the IDB, the Korean Government decided to support a Trust Fund Appointee expert in Information and Communication Technologies area. He or she will contribute to strengthen the Bank's technical capacity in order to offer better technical assistance to the demand of the countries in ICT and telecommunications.

II. CONSULTANCY OBJECTIVES

- 2.1 The objective of this program is to bring a Trust Fund Appointee from MSIP, who has the knowledge and skills in Information and Communication Technologies to contribute to strengthen the Bank's technical capacity and offer better technical assistance to the demand of the countries in ICT and telecommunications, promoting the development in LAC. The Trust Fund Appointee will contribute both to the operational work of the division and to its knowledge and capacity building work in the wide area of the ICTs, including Telecommunications, Broadband Infrastructure and applications, Digital Strategies, Sector Competitiveness, and the adoption of innovative technologies.

III. MAIN ACTIVITIES

- 3.1 To achieve these objectives, the Trust Fund Appointee will develop the following activities:
 - a. He or she will analyze the ICT environment of selected member countries of the IDB aiming at identifying opportunities for the IDB's intervention, funding resources, and providing specific recommendations on public policy, regulatory framework, capacity building and demand generation, infrastructure requirements for borrowing member governments and for Bank staff, and following up on the opportunities.

- b. Focused on IDB's member countries in the areas of: Telecommunications, Broadband Infrastructure, Broadband Wireless Communication, Digital Strategies, Sector Competitiveness, Policy Making and the adoption of different telecom technologies;
- c. Identify trends and technology solutions to be recommended for LAC countries. The Trust Fund Appointee will follow up of the major publications on these subjects around the world so that specific lessons learnt could be identified and potentially applied in the LAC Region.
- d. Develop knowledge and capacity products and approaches to better integrate ICTs in the development agenda of the borrowing countries, both from an analytical and operational point of view.
- e. Write technical papers on selected ICT topics which have a particular interest within the LAC Region, quantifying how the adoption of the technologies identified could increase the penetration of broadband and improve the productivity and competitiveness of the economy.
- f. Contribute to strengthen IDB's ICT leadership in the region through the creation and dissemination of knowledge products applied to LAC countries.
- g. Develop and support the dissemination of knowledge, IT usage and applications for external audiences – events, seminars, publications – contributing to strengthening IDB's perception as a strong technology player in the region.
- h. Develop a network of key regional institutions and liaisons with global players in the ICT industry that may contribute to accelerate ICT innovation and expand ICT-enabled services in the region.
- i. Identify areas for collaboration and partnership opportunities with enterprises, academia, ICT chambers and associations, research institutes and the IDB.
- j. Contribute to the design and implementation of ICT strategy and policy dialogue with senior officials of borrowing countries.
- k. Support the ICS team on the activities which take place with Ministries of ICT, Telco regulators. Share the evolution of Korea's ICT policies and economic benefits that thrive from them and the lessons learned, making the case for the benefits of the ICTs.
- l. As a member of the ICS team, he or she will contribute to the division's ICT related activities such as the development and execution of operations, technology research, preparation of conceptual papers, sector analysis, attending technical meetings and events, supporting policy briefs, among other tasks.