

ADMINISTRATION AGREEMENT

between

THE INTER-AMERICAN DEVELOPMENT BANK

and

THE GOVERNMENT OF SWITZERLAND

represented by the Swiss Agency for Development and Cooperation

regarding

**Project Specific Grant to the Inter-American Development Bank for Project
No. RG-X1261 titled, "Social Entrepreneurship Catalytic Impact Financing
Facility (LAC-IMPACT)"**

THIS ADMINISTRATION AGREEMENT is entered into between the Inter-American Development Bank (the "Bank") and the Government of Switzerland, represented by the Swiss Agency for Development and Cooperation (the "Donor") (hereinafter together referred to as the "Parties" and, individually, each a "Party").

WHEREAS, the Bank has designed Project No. RG-X1261 titled, "Social Entrepreneurship Catalytic Impact Financing Facility (LAC-IMPACT)" (the "Project"), as described in the preliminary project document attached hereto as Annex A, as may be modified in a revised project document, identified by the same Bank project no. (the "Project Document"), to be approved by the Bank pursuant to Section 16 below;

WHEREAS, the Donor 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 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 USD1,052,632.00 (one million fifty-two thousand six hundred thirty-two dollars of the United States of America) (the "Contribution") to be administered by the Bank to finance the Project.
2. The Contribution will be solely for the purposes indicated in the Project Document (subject to the approval mentioned in Section 16 below). Any material deviations from the objectives and activities of the Project described in the Project Document will require the Donor's written approval.
3. Following the signature of this Administration Agreement by the Parties, the Donor will transfer the Contribution to the Bank in one single installment, upon the Bank's written request, to an account indicated by the Bank in writing (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.
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 the total Contribution amount 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.
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, 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.
8. 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.
9. The Bank will submit to the Donor yearly operational and financial reports for the Project. Promptly following the completion of the Project, the Bank will submit to the Donor a final operational and financial Project report no later than 120 days after the Project is closed by the Bank. Also upon completion of the Project, the Donor may request a non-audited financial expense report of the Contribution. In addition, the Donor may request an "agreed upon procedures" report issued by an external auditor selected by the Bank 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.
10. As soon as possible upon completion of the Project or in case of early termination pursuant to Section 15 below, and unless otherwise agreed to in writing between the Parties, the Bank will return to the Donor any remaining uncommitted Contribution funds (meaning those that have not been committed towards Project activities), unless otherwise agreed to in writing by the Parties.
11. The Bank will invite the Donor to participate in Project identification and/or supervision missions as well as in the Project mid-term review mission. The Donor may participate in those

- missions and meetings either through the Donor's own staff or by designating a competent representative.
12. The Bank will endeavor to maximize opportunities to highlight the Donor's Contribution to the Project (e.g., by including the logo of the Swiss Agency for Development and Cooperation in documentation and other public information), and invite the Donor to participate in key events related to the Project.
 13. The Donor will be responsible for its own costs with respect to any participation in missions, meetings or events.
 14. The Parties agree that neither of them shall offer a third person nor seek, accept or get promised directly or indirectly for itself or for another party any gift or benefit which would or could be construed as an illegal or corrupt practice.
 15. Following consultations between the Parties, either Party may determine that if the purposes of this Administration Agreement can no longer be effectively or appropriately carried out, either Party may give notice of termination of this Administration Agreement. Such termination shall enter into effect three (3) months after notice has been received, subject to the settlement of any outstanding obligations made prior to the notice being received. If in the Donor's written, reasonable and justified opinion, the Contribution is not being used or has not been used for the purposes of this Administration Agreement, the Donor shall have the right to suspend any undisbursed and uncommitted funds to the Bank and/or terminate this Administration Agreement with immediate effect. In the event of termination by either Party, both Parties shall cooperate to ensure that all arrangements made hereunder are settled in a fair and orderly manner.
 16. The Donor 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. Such internal approvals by the Bank include the approval of the Project Document, substantially in the form attached hereto as Annex A, by the Bank's Board of Executive Directors. To the extent the approval by the Bank's Board of Executive Directors requires material changes to the Project Document, the Bank shall seek the Donor's written consent to proceed with the funding of the Project. The Bank will not disburse any part of the Contribution until such internal approvals are obtained and the Donor has provided written consent, including, if necessary, consent to any material changes to the Project Document (per Section 2 above). In the event that the Bank is unable to obtain the necessary internal approvals for the Project Document by January 15, 2016, or the Donor does not—following consultations between the Parties—grant written consent to any material changes, this Administration Agreement will automatically terminate and the Bank shall return the Contribution to the Donor within fifteen (15) business days of such termination. Notwithstanding, in the event that the Donor consents to any such changes and the Bank is able to obtain all necessary internal approvals for the Project Document, the Bank will furnish a copy of the final, approved version of the Project Document to the Donor, which will then be deemed incorporated into this Administration Agreement as Annex A. The Donor accepts that the final, approved version of the Project Document may vary from the current attached Annex

A, in which case the approved version will prevail, and no amendment to this Administration Agreement will be required.

17. 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 follow:

(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 management of the Contribution and 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 the Donor:

Swiss Agency for Development and Cooperation
Freiburgstr. 130
3003 Bern
Switzerland

Attention: Ms. Nathalie Wyser Vizcarra
Tel.: +41 58 46 11 586
Fax: +41 58 464 1693
E-mail: nathalie.wyser@admin.eda.ch

18. This Administration Agreement will come into force on the date of its signature by each of the Parties (the "Effective Date") and covers the period from the Effective Date to September 30, 2020, or until the Parties have fulfilled their obligations arising from it. Such expiration will not affect commitments already entered by the Bank with third parties in accordance with this Administration Agreement.
19. The Parties may amend any provision of this Administration Agreement in writing.
20. Subject to their respective policies and procedures with respect to the disclosure of information, the Parties may make this Administration Agreement publicly available, except for Annex A, which shall remain confidential.
21. Nothing in this Administration Agreement may be construed as creating an agency relationship between the Parties.
22. The Parties will seek to settle amicably any disputes that may arise from or relate to this Administration Agreement.

IN WITNESS WHEREOF, the Inter-American Development Bank and the Government of Switzerland, represented by the Swiss Agency for Development and Cooperation, each acting through its duly authorized representative, have signed this Administration Agreement in the English language on the dates indicated below.

**INTER-AMERICAN
DEVELOPMENT BANK**



Bernardo Guillamon
Manager
Office of Outreach and Partnerships

Date: Nov. 11 - 2015

**GOVERNMENT OF SWITZERLAND
represented by the Swiss Agency for
Development and Cooperation**



Sybille Suter
Head, Latin America and Caribbean Division
and Employment and Income

Date: 11. 11. 2015