Mr. Juan Martínez  
Deputy General Director for Multilateral Financial Institutions  
Ministry of Economy and Competitiveness  
Paseo de la Castellana, 162-2da Planta  
Madrid, Spain  

Re: Amendment No. 2 to the Trust Fund Administration Agreement between the Government of Spain and the International Bank for Reconstruction and Development, the International Development Association and the International Finance Corporation concerning the Spanish Fund for Latin America and the Caribbean (SFLAC) (TF071296)  

Excellency:


Pursuant to the recent discussions between the Bank’s and the Donor’s representatives, the Bank Group proposes to amend the Administration Agreement to: (1) update the name of the counterpart of the Donor; (2) modify the process for approval of proposals; (3) update the contact information for the offices responsible for coordination; and (4) include indirect costs to categories of expenditure under Bank-Executed activities.

Accordingly, the Administration Agreement is amended as follows:

1. Every reference to the term “Ministry of Economy and Finance” is replaced throughout the Administration Agreement by the term “Ministry of Economy and Competitiveness”.

2. Paragraph 7.1 of the Administration Agreement is hereby amended and replaced in its entirety to read as follows:

“7.1. The Bank Group shall, as administrator on behalf of the Donor, enter into grant agreements (the "Grant Agreements") with such entities (the "Recipients") for the provision of Contribution funds for the purposes of this Agreement and on the terms and conditions set forth in the Grant Agreements. Grant Agreements may be entered into up to the maximum amount of the Contributions that the Donor will make available under the Administration Agreements. For grants, the Contribution may be used to finance payments for eligible
expenditures made on or after the date of the Ministry of Economy and Competitiveness’ approval of the grant proposal. The Bank shall furnish a copy of the Grant Agreements to the Donor.”

3. Paragraph 12 of the Administration Agreement is hereby amended and replaced in its entirety to read as follows:

“12. Communications and Addresses

The offices responsible for coordination of all matters related to the implementation of this Agreement are:

For the Bank Group:

Naa Dei Nikoi
Manager
Operational Services
Latin America and the Caribbean
The World Bank
1818 H Street, N.W.
Washington, D.C. 20433
U.S.A.

Tel.: 202-473-8724
Fax: 202-522-3099

For the Donor:

Jorge Dajani
General Director for Macroeconomic Analysis and International Affairs
Ministry of Economy and Competitiveness
Paseo de la Castellana, 162 Madrid, Spain”

4. Section B of the Annex to the Administration Agreement is hereby amended and replaced in its entirety to read as follows:

"B. FUNDING AMOUNT, ELIGIBLE COUNTRIES AND APPROVAL PROCESS

All activities to be financed under the Trust Fund shall be for the benefit of Bank Group member countries in the Latin America and Caribbean Region. The activities financed under the Trust Fund will range from US$50,000 to US$1,000,000 each.

The Bank Group’s Latin America and Caribbean Region and the Ministry of Economy and Competitiveness shall carry out periodic consultations on the status of the Trust Fund and work plan.

The process for approval of proposals is the following:

(a) The Bank’s administrators of the Trust Fund (the “SFLAC Secretariat”) shall perform a quality, technical and relevance assessment of each proposal. For this assessment, the SFLAC Secretariat may consult pertinent technical specialists from
the Bank Group, excluding those sponsoring the proposal. Based on this assessment, the SFLAC Secretariat shall decide whether to submit the assessed proposal for approval. An IFC designated staff shall be involved in the assessment of proposals received from IFC.

(b) Within ten (10) working days after the submission of any proposal by the SFLAC Secretariat, the Director of Strategy and Operations of the Bank’s Latin America and Caribbean Region or the Manager for Operational Services of the Bank’s Latin America and Caribbean Region, as the case may be, if the proposal is to be implemented by the Bank, or the Director for Latin America and the Caribbean Region of IFC or his/her delegate, if the proposal is to be implemented by IFC, shall notify the SFLAC Secretariat whether they have any objection to the submission of the proposal for final approval by the Deputy General Director for Multilateral Financial Institutions of the Ministry of Economy and Competitiveness (the “MFI Director”). If no objections have been received by the SFLAC Secretariat within the ten (10) working day-period, the SFLAC Secretariat shall submit the proposal to the MFI Director for final approval.

(c) Within fifteen (15) working days after the submission of any proposal by the SFLAC Secretariat to the MFI Director for final approval, the MFI Director shall review such proposal and, if agreeable, the MFI Director shall provide its final approval.

5. Section C of the Annex to the Administration Agreement is hereby amended and replaced in its entirety to read as follows:

"C. CATEGORIES OF EXPENDITURE"

For Bank-Executed activities the Contributions may be used to finance contractual services, equipment purchase and lease, extended term consultants with indirect costs, media and workshop costs, dissemination materials, staff costs with indirect costs (including temporary staff costs with indirect costs), staff travel (including short term, temporary, and extended term appointments) and consultant fees with indirect costs.

For Recipient-Executed activities, the Contributions may be used to finance goods, consulting services, operating costs and training.

The foregoing categories of expenditures may include the financing of taxes."

All other terms and conditions of the Administration Agreement remain in full force and effect.

Please note that capitalized terms used in this letter (the “Amendment Letter”) and not defined herein have the meaning ascribed to them in the Administration Agreement.

The Bank Group will disclose this Amendment Letter and related information on the Trust Fund in accordance with the relevant Bank Group policy on disclosure of information. By entering into this Amendment Letter, the Donor consents to the disclosure of this Amendment Letter and related information on the Trust Fund.
Please confirm your agreement with the foregoing amendment by signing and dating this Amendment Letter in the space provided below. This Amendment Letter shall be executed in three counterparts each of which shall be an original and one of which shall be returned to the Bank. The provisions set forth in this Amendment Letter will become effective as of the date of the countersignature, upon receipt by the Bank of one fully executed original of this letter.

Very truly yours,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL DEVELOPMENT ASSOCIATION

By: [Signature]
Jorge Familiar
Vice President
Latin America and the Caribbean Region

INTERNATIONAL FINANCE CORPORATION

By: [Signature]
Lizbeth Broder
Director
Latin America and the Caribbean

AGREED:

GOVERNMENT OF SPAIN
acting through its MINISTRY OF ECONOMY AND COMPETITIVENESS

By: [Signature]
Authorized Representative

Name: Inigo Fernandez de Neste Vargas

Title: Secretary of State for Economic Affairs and Business Support

Date: 12 NOV 2015