

AMENDMENT No. 1

to the

ADMINISTRATION AGREEMENT

between

THE INTER-AMERICAN DEVELOPMENT BANK

and

ISRAEL MINISTRY OF ECONOMY

regarding

**Project Specific Grant to the Inter-American Development Bank
for Project No. RG-T2788 titled,
“Improving Human Resources Capacity in Cybersecurity”**

THIS AMENDMENT No. 1 is entered into between the Inter-American Development Bank (the "Bank") and the Israel Ministry of Economy (the "Donor") (together referred to as the "Parties").

WHEREAS, on September 22, 2016, the Bank and the Donor entered into a Project Specific Grant (PSG) Administration Agreement (the "Administration Agreement") in connection with the Bank's Project No. RG-T2788 titled, "Improving Human Resources Capacity in Cybersecurity" (the "Project"), as further described in the Project Document attached to the Administration Agreement (the "Project Document");

WHEREAS, the Donor has agreed to continue supporting the execution of the Project by providing an additional grant contribution in the amount of U.S.\$950,000.00 (nine hundred fifty thousand dollars of the United States of America) to the Bank in one single installment (the "Additional Contribution"), to be administered by the Bank for the Project, pursuant to the terms and conditions of the Administration Agreement; and

WHEREAS, the Administration Agreement provides in Section 14 thereto that "[t]he Parties may amend any provision of [the] Administration Agreement in writing".

NOW, THEREFORE, the Parties hereby agree to amend the Administration Agreement pursuant to Section 14 of the Administration Agreement, and to amend the Project Document as contemplated in the Bank memorandum attached to this Amendment No. 1, as follows (throughout this Amendment No. 1, 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 Section 1 of the Administration Agreement is hereby superseded, which shall now read as follows: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. The Donor will make available to the Bank a grant contribution in the amount of U.S.\$3,000,000.00 (three million dollars of the United States of America) (the "Contribution") to be administered by the Bank to finance the Project. The Contribution includes a non-refundable five percent (5%) administration fee in the terms stated in Section 6. (a) below. 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.\$2,050,000.00 (two million fifty thousand dollars of the United States of America)

No later than December 18, 2017:

U.S.\$950,000.00 (nine hundred fifty thousand dollars of the United States of America)"

For the avoidance of doubt, the Parties acknowledge that the first installment due upon signature of the Administration Agreement has previously been disbursed by the Donor to the Bank.

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

“3. The Donor will transfer the Contribution to the Bank in installments, upon the Bank’s written request, into the 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.”

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

“(a) a non-refundable fee equal to five percent (5%) of the total amount of any Contribution installment at the time such installment is deposited by the Donor into the Account; and”

4. For the avoidance of doubt, the Donor acknowledges that the Bank will charge and retain a non-refundable fee equal to five percent (5%) of the total amount of the Additional Contribution at the time it is deposited by the Donor into the Account, to assist in the defrayment of administrative costs in relation to the Additional Contribution.

5. Section 7 of the Administration Agreement is hereby superseded, which shall now read as follows:

“The Bank’s procurement policies and procedures will be applicable to the contracting of consulting services, as well as the procurement of non-consulting services, if applicable, 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 consulting firms, specialized institutions or individuals from any Bank member country.”

6. Section 12. (b) of the Administration Agreement is hereby superseded, which shall now read as follows:

“(b) For the Donor:

Trade Mission
Embassy of Israel
3514 International Drive, NW

Washington, D.C. 20008

UNITED STATES OF AMERICA

Attention: Yifat Alon Perel, Minister of Economic and Trade Affairs

Tel.: +1 (202) 364-5695

Fax: +1 (202) 364-5647

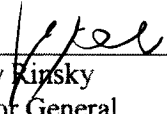
E-mail: yifata@israeltrade.gov.il

7. All other terms and provisions of the Administration Agreement not expressly modified pursuant to this Amendment No. 1 shall remain in full force and effect. Further, this Amendment No. 1 shall enter into force on the latest date of its signature by the Parties below, and shall constitute an amendment to, and form an integral part of, the Administration Agreement.
8. Subject to their respective policies and procedures with respect to the disclosure of information, the Bank and the Donor may make this Amendment No. 1 publicly available.


IN WITNESS WHEREOF, the Inter-American Development Bank and the Israel Ministry of Economy, each acting through its duly authorized representative, have signed this Amendment No. 1 in the English language as of the dates indicated below.

ISRAEL MINISTRY OF ECONOMY

שי רינסקי
המנהל הכללי



Shay Rinsky
Director General

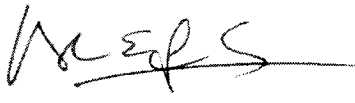


Nisim Ben Eli
Ministry Chief Accountant

Date: _____

Date: 20.12.17

**INTER-AMERICAN
DEVELOPMENT BANK**



Bernardo Guillamon
Manager
Office of Outreach and Partnerships

Date: ASC 15/17

To: Luis Alberto Moreno
President

From: Santiago Levy
Vice President for Sectors and Knowledge

Subject: Request for additional resources to finance operation RG-T2788/ATN/CF-15598-RG. Improving Human Resources Capacity in Cybersecurity

Date: December 14, 2017

I. Background

- 1.1. The non-reimbursable Technical Cooperation RG-T2788, "Improving Human Resources Capacity in Cybersecurity" (the "Program"), was approved by the Bank on June 13, 2016 for a total amount of US\$2,050,000 financed with resources provided by the Government of Israel through a Project Specific Grant (PSG).¹
- 1.2. The objective of the Program is to assist beneficiary countries to strengthen the capacity of the institutions responsible for cybersecurity by providing government officials and policymakers access to training and lessons learned from the most advanced experiences. The Program contributes to the attainment of the following components: (i) Knowledge generation and exchange; (ii) Tailor-made courses for cybersecurity managers; and (iii) Pilot projects design.
- 1.3. This memorandum seeks the approval of an increase of resources for the Program. To this end, the Government of Israel has expressed interest in providing an additional contribution of US\$950,000 (the "Additional Resources"), which will increase the Program's budget from US\$2,050,000 to US\$3,000,000. Such contribution will be provided by the Government of Israel to the Bank through a Project Specific Grant.

II. Progress

- 2.1. The Program is executed by IFD/ICS, has disbursed US\$195,000 (9.5%), committed US\$385,700 (18.8%) and requested technical support for US\$547,800 (26.7%).

¹ The PSG Administration Agreement was signed in September 2016 (the "Administration Agreement"), and the contribution was received by the Bank also in September 2016.

III. Objective and Justification of the Additional Resources

- 3.1. The objective of the Additional Resources is to finance activities consistent with the objective of the Program. The Additional Resources will be used to broaden the scope of the activities described in the Program's Technical Cooperation Document under Components 1, 2, and 3, and other activities, as reflected in the budget table of Section IV below. The Additional Resources will be subject to the same execution mechanism established for the implementation of the Program. The execution of the additional resources can start as soon as the contribution from the Government of Israel is received by the Bank.
- 3.2. The Additional Resources will be provided to the Bank through a Project Specific Grant (PSG). A PSG is administered by the Bank according to the "Report on COFABS, Ad-Hocs and CLFGS and a Proposal to Unify Them as Project Specific Grants (PSGs)" (Document SC-114). As contemplated in these procedures, the commitment from the Government of Israel will be established through an amendment of the Administration Agreement. Under such amendment, the resources for this Program will be administered by the Bank and the Bank will charge an administrative fee of 5% of the contribution, which is duly identified in the budget table in Section IV below. The 5% administrative fee will be charged upon the Bank's receipt of the contribution.

IV. Budget

- 4.1. The table below provides a breakdown of the use of the Additional Resources:

Components/Activities	Original Budget in US\$	Increase amount in US\$	Total requested amount in US\$
Component 1	495,250	75,000	570,250
Component 2	621,250	125,000	746,250
Component 3	547,800	675,000	1,222,800
Project management and coordination	192,000	0	192,000
Monitoring and Evaluation	45,000	0	45,000
Unforeseen expenses	46,200	27,500	73,700
PSG Administration Fee (5%)	102,500	47,500	150,000
TOTAL	2,050,000	950,000	3,000,000

V. Recommendation

- 5.1. In accordance with the aforementioned information and the analysis carried out by the Project Team Leader, it is recommend that, in accordance with the provisions set forth in Resolutions DE-44/08, as amended by Resolution DE-103/14, the President of the Bank approve the Additional Resources for the Program for an amount of US\$950,000, which will be provided by the Government of Israel through a Project Specific Grant. The total amount of the Program resources will therefore increase to US\$3,000,000. The increase of resources will be effective only once the Bank and Government of Israel have entered into the corresponding amendment to the Administration Agreement.

Approved: _____
Luis Alberto Moreno
President

Date: _____