

COOPERATION AGREEMENT

between

NORDIC DEVELOPMENT FUND

and

INTER-AMERICAN DEVELOPMENT BANK

For the Cofinancing of Programs and Projects

Dated as of October 2, 1994

Amended and restated as of January 26, 2010

COOPERATION AGREEMENT dated as of October 2, 1994, amended and restated as of January 26, 2010, between NORDIC DEVELOPMENT FUND (hereinafter called NDF), on the one hand, and INTER-AMERICAN DEVELOPMENT BANK (hereinafter called IDB), on the other.

WHEREAS the Nordic Council of Ministers, on May 19, 1988, decided to establish NDF for the purpose of providing financing on concessional terms to developing countries thereby contributing to the social and economic development of these countries;

WHEREAS the Nordic Council of Ministers, on May 5, 2009, decided to include financing in the form of grants into the operational modalities of NDF, such grants to be provided primarily for the mitigation of and adaptation to climate change;

WHEREAS NDF complements the activities of (a) the Nordic Investment Bank (NIB) which provides financing on normal banking terms for investment projects of Nordic Interest both within and outside Nordic countries, and (b) Nordic Environment Finance Corporation (NEFCO), which finances investments and projects to generate positive environmental effects of interest to the Nordic region;

WHEREAS the financing to be provided by NDF is intended to be offered in cofinancing with other multilateral financial institutions;

WHEREAS NDF and IDB have cooperated in the cofinancing of development projects and programs of mutual interest in developing member countries of IDB pursuant to a Cooperation Agreement dated October 2, 1994;

WHEREAS NDF and IDB wish to cooperate in promoting additional cofinancing opportunities on the terms and conditions hereinafter set forth or otherwise agreed between NDF and IDB;

NOW THEREFORE the parties hereto have agreed to amend and restate the Cooperation Agreement dated October 2, 1994 to read as follows:

ARTICLE 1

Methods and Application of Cofinancing

1. The financing to be provided by NDF for cofinancing with IDB will be made available pursuant to this Agreement in a form permitted by the Statutes of NDF, *i.e* interest free loans, subordinated loans, equity capital and grants. Unless otherwise notified by NDF, new financing will be made available in the form of grants.
2. The financing to be provided by NDF pursuant to this Agreement is intended to contribute to the financing of development projects and programs of interest to the Nordic countries.
3. Cofinancing by NDF may be provided on a joint or parallel financing basis, but will be provided on a parallel basis unless expressly agreed otherwise.

ARTICLE II

Project and Program Selection

1. Each development project or program to be financed by NDF pursuant to this Agreement will be selected by NDF, in consultation with IDB and the intended recipient, from a list of projects and programs prepared and updated semi-annually by IDB and submitted to NDF for such purpose.
2. Consultative meetings will be held by IDB and NDF at least once a year for the purpose of reviewing the list of projects and programs referred to in paragraph 1 of this Article II. Following each such review, NDF shall inform IDB of the projects and programs (if any) that it is interested in cofinancing, and the amount of funds NDF intends to make available for the respective projects and programs. It will be the responsibility of NDF to indicate to potential recipients its interest in making funds available for the cofinancing of specific projects or programs. The decision to include NDF's cofinancing proposal in the financing plan for a project or program will be made by the intended recipient in consultation with IDB. During the consultative

meetings the parties will explore ways of strengthening their cooperation and mutual assistance.

3. NDF may bring to the attention of IDB other projects and programs which it considers may be of interest to IDB and provide suggestions concerning the possible extent of participation of NDF therein. NDF may from time to time also inform IDB of the particular developing countries of IDB and the specific sectors in which NDF has a special interest.

4. If NDF's cofinancing is to be provided in connection with existing financing of IDB, IDB will seek to reach agreement with the recipient on the necessary amendments to its financing agreement to reflect the new cofinancing arrangement.

ARTICLE III

Administration of Cofinancing

1. Unless otherwise agreed, the recipient will be responsible for the execution of each project or program, including the evaluation, award and administration of contracts thereunder.

2. Unless otherwise agreed, in the case of parallel financing, NDF's procedures will apply to the procurement of goods, works and services to be financed by NDF; and, in the case of joint financing, IDB's procedures will apply to the procurement of goods, works and services to be financed by NDF and IDB.

ARTICLE IV

Cooperation and Consultation

1. IDB will identify, prepare and appraise the projects and programs to be cofinanced with NDF in accordance with IDB's normal policies and procedures. IDB will share with NDF the reports relating to such identification, preparation and appraisal. All decisions by NDF to take or refrain from taking action concerning a project or program will be based exclusively on its own judgment.

2. In the normal course of the inspection and supervision of its projects and programs, IDB will from time to time inspect and supervise, on behalf of NDF, the component of the project or program cofinanced by NDF. At its exclusive discretion, IDB may make recommendations based on the inspection and supervision of such component.

3. NDF and IDB will keep each other informed of the progress of the projects and programs cofinanced by them and will, at the request of either party, exchange views with regard to the projects and programs and any other matters relating to their respective financing thereof. To that end, IDB will, subject to the consent of the recipient, provide NDF with an opportunity to participate in appraisal and supervision missions relating to such projects and programs and will inform NDF of the findings of such missions.

4. NDF and IDB will inform each other promptly of any significant modification of its financing agreements and of any contractual remedy that is applied in respect thereof. To the extent practicable, each party will afford the other a reasonable opportunity to exchange views before effecting any such modification or exercising any such contractual remedy.

5. Subject to the agreement of the recipient, the financing agreements of NDF and IDB concluded in connection with the projects and programs to be cofinanced pursuant to this agreement will include cross-effectiveness provisions. NDF and IDB will inform each other when conditions precedent to effectiveness of the respective financing agreements have been met.

6. In connection with each specific project or program cofinanced hereunder, NDF and IDB will exchange letters that will reaffirm the provisions of this Agreement and, if necessary, provide for any specific arrangement not contemplated herein, including an agreement on fees when the supervision required by NDF goes beyond the scope agreed herein, or the component cofinanced by NDF incorporates an additional dimension to the project not contemplated at the time of its design.

ARTICLE V
Miscellaneous

1. This Agreement entered into force on the day of its signature being October 23, 1991.
2. The amendments to the original Agreement will enter into force on the day of the signature of this amended and restated Agreement.
3. This Agreement will remain in effect unless terminated by any party upon six months' prior written notice to that effect to the other party; provided, however, that unless otherwise mutually agreed, the activities to be carried out by the parties under this Agreement in relation to on-going projects for which NDF is providing cofinancing will not be effected by such termination.
4. Written communications required or permitted by this Agreement will be directed to the following addresses:

For NDF:
Nordic Development Fund
P.O.Box 185
FI-00171 Helsinki
Finland

Telefax: +358 9 622 1491

For the IDB:

All communications pertaining to donor relations and resource mobilization shall be directed to:

Attention: Advisor

Office of Outreach and Partnerships
Inter-American Development Bank
1300 New York Ave., NW
Washington, D.C. 20577 U.S.A.

Telefax: +1 202 321 4072

E-mail: partnerships@iadb.org

Day-to-day communications regarding the implementation of this Framework Agreement, or any Agreements, and management of contributions shall be directed to:

Attention: Chief, Grants and Co-financing Management Unit

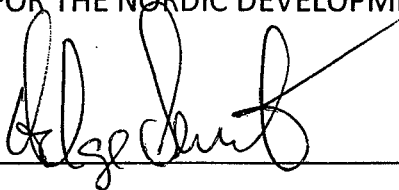
Vice Presidency for Countries
Inter-American Development Bank
1300 New York Ave., NW
Washington, D.C. 20577 U.S.A.

Telefax: +1 202 623 3171
E-mail: vpc-gcm@iadb.org

5. This Agreement may be amended only by written agreement of the parties hereto.

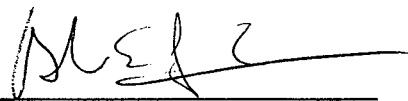
Done at Helsinki, Finland on the date indicated above in two English language originals, one for each of the parties hereto.

FOR THE NORDIC DEVELOPMENT FUND



Helge Semb, Managing Director

FOR THE INTER-AMERICAN DEVELOPMENT BANK



Bernardo Guillamon
Advisor