



Clasificación de Archivo: ATN/CF-9851-RS

November 21, 2006

Mr. Afzaal Malik
Director, Global Stakeholder Relations
The Coca-Cola Company
1 Coca-Cola Plaza
Atlanta, GA 30301

Re: Inter-American Development Bank – The Coca-Cola Company’s contribution concerning the Fourth Inter-American Conference on Corporate Social Responsibility (CSR): “Good Business for All”.

Dear Mr. Malik:

By means of this letter agreement, the Inter-American Development Bank (hereinafter, the “IADB”) is pleased and honored to acknowledge and accept the offer of a grant of thirteen thousand U.S. dollars (U.S.\$13,000.00) (hereinafter, the “Contribution”) from The Coca-Cola Company (hereinafter, “COCA-COLA”) to support the Fourth Inter-American Conference on Corporate Social Responsibility (CSR): “Good Business for All” (hereinafter, the “Conference”) that is expected to take place in Salvador, Bahia, Brazil, on December 10 – 12, substantially on the terms described in the attachment hereto (hereinafter, the “Attachment”) and in the IADB Technical Cooperation RG-T1217.

The Contribution will be accounted for separately from IADB’s assets at the discretion of the IADB, and will be administered together with other contributions received by the IADB.

The utilization of the Contribution will be subject to the following terms:

1. COCA-COLA shall make available thirteen thousand U.S. dollars (U.S.\$13,000.00) to cover general expenses of the Conference, unless the parties agree otherwise in writing. Any major deviations from the objectives or activities described herein (including the Attachment) will require COCA-COLA’s written approval. The Contribution shall be made in U.S. dollars and the IADB shall have the right to exchange the funds into other currencies at its discretion, without assuming any exchange rate risk.
2. The Contribution shall be transferred to the IADB in full in a single installment, upon the IADB’s written request, to the account #04404221 “Inter-American Development Bank - Cofinancing Account” opened by the IADB at Deutsche Bank America Trust, New York (swift # BKTRUS33XXX). Such account is denominated in U.S. dollars.

3. COCA-COLA acknowledges and agrees that the Contribution shall be completely untied and that the procurement of goods and services to be financed with the Contribution shall be undertaken in accordance with the IADB's policies and procedures. The IADB may keep for its own account, as compensation for its administrative costs in relation to the Contribution, any investment income generated by the Contribution pending its disbursement for the Conference.
4. Unless otherwise agreed between COCA-COLA and the IADB in writing, any portion of the Contribution not used for the purposes described herein shall be cancelled and returned to COCA-COLA as soon as possible after the Conference takes place.
5. The IADB shall provide to COCA-COLA information on the use of the Contribution and the Conference as may be maintained by the IADB in the course of its regular operations, and that COCA-COLA may reasonably request in writing.
6. The IADB shall list COCA-COLA as a co-sponsor in the Conference materials. The IADB may also use COCA-COLA's name and/or logo in any other way or form in the Conference materials, including any publications and/or advertisements. COCA-COLA agrees to obtain the IADB's written consent before using the IADB's name in any way or form, related or not to the Conference.
7. COCA-COLA will be regarded as a co-sponsor of the Conference. COCA-COLA acknowledges that no other benefits will be afforded to COCA-COLA as a result of the Contribution.
8. COCA-COLA further acknowledges that the IADB's commitment to use the Contribution as contemplated herein is subject to the IADB's formalization of all internal approvals necessary for the Conference.
9. At the IADB, the Private Enterprise and Financial Markets Subdepartment of the Sustainable Development Department (SDS/PEF) shall have technical responsibility for the Conference, including specific coordination with COCA-COLA regarding the Conference and any reporting requirements related thereto. The contact person at SDS/PEF is Mr. Antonio Vives, Deputy Manager (tel: (202) 623-1608, e-mail: antoniov@iadb.org). The Cofinancing Division of the Financial Support Services Subdepartment of the Regional Operations Department 2 (RE2/FSS/CEP) will be responsible for forwarding to COCA-COLA the transfer request mentioned in paragraph 2. The contact person at RE2/FSS/CEP is Mr. Bertus J. Meins, Chief (tel: (202) 623-2914, e-mail: bertusm@iadb.org).
10. Any communications addressed to COCA-COLA in connection with this letter agreement will be sent to your attention at the address mentioned above.
11. Subject to its policies and procedures with respect to the disclosure of information, the IADB may make this letter agreement publicly available.

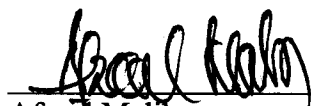
On behalf of the IADB, I wish to express our sincere appreciation for the important support provided by COCA-COLA for the Conference.

Sincerely,



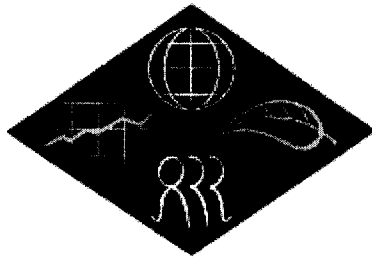
Bertus J. Meins
Chief, Cofinancing Division
Financial Support Services Subdepartment
Regional Operations Department 2

Acknowledged and agreed
for the Coca-Cola Company



Afzaal Malik
Director, Global Stakeholder Relations

Date: November 27, 2006



IV INTER-AMERICAN
CONFERENCE
on Corporate
Social Responsibility
Salvador, Bahia, Brazil

**Good Business for All
December 10-12, 2006**

Corporate social responsibility (CSR) usually means factoring social and environmental considerations into decision-making and into corporate strategies, going beyond the traditional way of doing business¹. It refers to when a company broadens the spectrum of stakeholders to include not only senior management and shareholders, but everyone who has a stake in that company (employees and their families, suppliers, customers, the community, and the environment).

CSR is much more than corporate philanthropy. While corporate philanthropy has to do with donations, CSR refers to incorporating responsible practices into corporate strategy and operations, based on ethical values, compliance with the law, and respect for people, the community, and the environment.

Latin America and the Caribbean have a grand philanthropic tradition, and while there are some cases of CSR, it is not widespread. There needs to be an effort to promote the adoption of responsible practices and demonstrate the advantages of CSR for businesses and for society as a whole. The benefits of responsible business practices are two-fold: CSR contributes to increased business competitiveness and to equitable and sustainable economic development and it helps alleviate certain social and environmental ills. Businesses both large and small need to adopt CSR practices to address the challenges facing society while improving their competitiveness.

The proposed project was designed with the aim of continuing to promote CSR practices in the region². Earlier conferences (Miami 2002, Panama 2003, Mexico 2004 and Chile 2005) contributed to the dissemination of CSR by focusing on: intersectorial alliances, CSR as a tool for business competitiveness; the need for companies to go beyond good intentions and mere public relations instruments to taking concrete action; and, the role of each agent in CSR. To continue with the work of dissemination and implementation and with the leadership of the Bank in this thematic area in the region, a new edition of the Conference will be organized to bring together representatives of the private sector, governments and organizations of the third sector³ in Latin America and the Caribbean that are interested in working in this area, and on this occasion placing more emphasis on the role of CSR as an instrument that can contribute to development.

1 Business for Social Responsibility (an international business association that promotes corporate social responsibility) defines CSR as running a business in a way that meets or exceeds society's ethical, legal, commercial, and public expectations.

2 In the declaration formulated by the Presidents of the Americas at the Quebec Summit in 2001, the member governments specifically asked the Bank to spearhead efforts to promote CSR in the region.

3 Comprised of civil society organizations.

The role of businesses is critical to economic growth and for the creation of wellness in society, and is the source of employment and poverty reduction. A responsible business is ultimately an instrument for development. CSR is development promoted from the private sector. However, its contribution to economic development must align itself with a responsible behavior that guarantees acceptance from society and that contributes to the welfare of all interested parties. A responsible business is concerned about the community in which it develops, the welfare of its workers, the rational consumption of resources, the quality of the environment, and that its products contribute towards an improved quality of life for the population.

The objectives pursued by CSR, by their nature, are the same as those of multilateral development institutions, as is the case with the Bank, which must ensure that the development promoted is harmonious, equitable, and sustainable. This does not mean that private enterprise must assume responsibilities that pertain to the government, but rather that each must contribute to the efforts in its own sphere of action.

The objectives of CSR coincide with the development objectives of the IDB group⁴, in the sense that they promote the improvement of the quality of life of communities. As stated in the Plan of Action of the IDB Group regarding CSR in Latin America and the Caribbean (March, 2003), the IDB group must use its capacity to call upon the different sectors to promote the effort of expansion of the concept and implementation of CSR in Latin America and the Caribbean. The project is also consistent with the Bank's Private Sector Development Strategy (GN-2270-1), which mentions the potential for support by the private sector to achieve strategic targets such as social inclusion through greater social and environmental responsibility. According to this document, the IDB group must promote the adoption of responsible practices in the private sector of Latin America and the Caribbean, to which end it will evaluate existing best practices in CSR, incorporate them into its operations, and promote them.

Purpose of project

The **general objective** of the project is to encourage companies in Latin America and the Caribbean, especially small and medium enterprises (SMEs) to adopt corporate social responsibility practices. The **specific objectives** consist of: (i) bringing together representatives of business, governments, and civil society organizations interested in promoting the pursuit of CSR in the region so they can share know-how regarding the implementation of socially and environmentally responsible practices; (ii) publicizing the impact and outcomes of applying CSR principles by sharing success stories (preferably from the region); (iii) presenting mechanisms through which the adoption of CSR practices can be fostered among the Latin American and Caribbean SMEs; and (iv) promoting and facilitating discussion of CSR issues that have a positive impact particularly on SMEs in the region.

The purpose of the project is to organize a two-day conference to take place December 10-12, 2006 in Salvador, Bahia, Brazil. The central theme of the Conference will be "Good Business for All" and the role of CSR and the private sector responsible in economic, sustainable and equitable development. Also, during the Conference such subjects will be discussed: (i) businesses and caring for the environment; (ii) the strengthening of the actors that drive businesses to be more responsible (the media, public policies, civil society, institutes that monitor and report, upper management, employees, among others); (iii) the responsible financial sector and its impact on sustainable development; (iv) the

⁴ The IDB group has three members that associate on activities related to private sector development: the Inter-American Development Bank (IDB), the Inter-American Investment Corporation (IIC) and the Multilateral Investment Fund (MIF). The IDB, IIC and the MIF are distinct entities with separate ownership and financial resources. None of these entities are responsible for the obligations of the others.

media; (v) reporting and monitoring; and (vi) the relationship between CSR and national competitiveness, among others.

Conference preparation takes approximately seven months, during which time expert speakers will be identified, all the logistical arrangements for the Conference will be made, Conference materials will be prepared, the existing website (www.csramericas.org) will be updated, and activities will be carried out in the regions to encourage private-sector participation. After the event, the Conference proceedings will be published, and an evaluation will be conducted⁵.

The target group is private enterprise. The intent is for a wide range of countries, models and sectors to be represented. It is estimated that approximately 500 persons will attend the Conference.

The speakers will come from three groups: (i) representatives of the private sector; (ii) representatives of civil society organizations and academia; and (iii) representatives of government and multilateral agencies, all of whom are involved in the promotion and implementation of CSR.

Dissemination of information and evaluation:

To facilitate the sharing of information on CSR, the project will use the website www.csramericas.org. The Conference proceedings will be published and distributed widely in the region once the Conference has concluded. In order to ensure that the project's objectives were fulfilled and so as to receive feedback, the Conference will be evaluated through an on-site survey that evaluates the content of the sessions and of the remainder of the event.

Other

To prevent companies from perceiving the Conference as an attempt by governments, multilateral agencies, and third-sector organizations to force them to adopt imposed measures (which would dampen private sector participation), the Conference will be organized together with the business sector.

⁵ The proceedings from the Miami, Panama and Mexico conferences are already available. The Chile proceedings are being edited. The evaluations for all previous editions are also on file.