

ADMINISTRATION AGREEMENT

between

THE INTER-AMERICAN DEVELOPMENT BANK

And

VISA INTERNATIONAL SERVICE ASSOCIATION

regarding

**Project Specific Grant to the Inter-American Development Bank for
Project RG-X1265 "ConnectAmericas Partnerships Program"**

THIS ADMINISTRATION AGREEMENT is entered into between the Inter-American Development Bank (the "Bank") and VISA INTERNATIONAL SERVICE ASSOCIATION ("VISA") (together referred to as the "Parties", and individually either of them, a "Party").

WHEREAS, the Bank has designed Project RG-X1265 "ConnectAmericas Partnerships Program" (the "Project"), as described in the attached project document (the "Project Document");

WHEREAS, VISA 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 VISA;

NOW, THEREFORE, the Parties hereby agree as follows:

1. VISA will make available to the Bank a grant contribution in the amount of U.S.\$50,000.00 (fifty thousand dollars of the United States of America) (the "Contribution") to be administered by the Bank to co-finance the Project.
2. The Contribution will be solely for the purposes indicated in the Project Document to be approved by the Bank pursuant to paragraph 11 below.
3. Any material deviations from the objectives and activities of the Project described in the Project Document will require VISA's written approval.
4. In consideration for the Contribution, the Bank agrees to provide VISA the following rights from mutual execution of this Administration Agreement until March 31, 2016:
 - (a) VISA will have the right to be an "Anchor Partner" of ConnectAmericas;
 - (b) The Bank will feature the VISA brand and logo in all ConnectAmericas webpages and all printed materials used for the dissemination of ConnectAmericas, as well as featured in all Press Releases, interviews regarding "Anchor Partners" and other public communications regarding "Anchor Partners" to the press.
 - (c) The Bank will include a link to a VISA designated website (such link provided by VISA) in the ConnectAmericas' website.
 - (d) VISA will be a principal sponsor in fora and events where ConnectAmericas is being promoted, and will be a principal sponsor in the Bank's Business Matchmaking Events: LAC Flavors, Outsource2LAC, Americas Business Dialogue & CEO Summit of the Americas, Asia-LAC Business Summit.
 - (e) VISA will have the right, not an obligation, which VISA will at its option elect to pursue, to participate in ConnectAmericas events with a speaker, presentation, or



promotional video, provided VISA communicates such election for participation in such an event no later than thirty (30) days before such event.

- (f) The Bank will include VISA as a sponsor in educational materials prepared and distributed in the ConnectAmericas platform, including, but not limited to, videos, articles, webinars developed for ConnectAmericas' platform.
- 5. No later than thirty (30) calendar days from the full execution of this Administration Agreement, VISA will transfer the Contribution to the Bank in one in one single installment, upon the Bank's written request, to the account #04404221 "Inter-American Development Bank – Cofinancing Account" opened by the Bank at Deutsche Bank America Trust, New York (swift #BKTRUS33XXX) (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.
- 6. 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 and will have no further liability to VISA in respect thereof.
- 7. 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 discretion invest and reinvest the resources of the Contribution pending their disbursement in connection with the Project.
- 8. 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 amount of the Contribution at the time the Contribution is deposited by VISA into the Account. The total fee of US\$2,500 (two thousand five hundred dollars) will be charged in one installment at the time the Contribution is deposited by VISA into the Account, as indicated in Section 3(a) above. For the avoidance of doubt, the fee amount will not be paid in addition to the Contribution, but will be deducted from the Contribution paid, as contemplated in this paragraph; and
 - (b) any investment income generated by the Contribution pending its disbursement towards the Project.



9. 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 VISA 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. VISA 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 VISA be liable for any costs incurred by the Bank in terminating the engagement of any such person.
9. Promptly following the completion of the Project, the Bank will submit to VISA a final Project report. VISA may also request non-audited financial expense report of the Contribution. In addition, VISA may request an "agreed upon procedures" report issued by the Bank's external auditor on the use of the Contribution resources. The cost of such auditor's report will be borne by VISA and will not be deducted from the Contribution. VISA 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, the Bank will return to VISA any remaining uncommitted Contribution funds, unless otherwise agreed to in writing by the Parties.
11. VISA further 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. VISA accepts that the final version of the Project Document may vary from the attached Annex A, in which case the approved version will prevail, and no amendment to this Administration Agreement will be required.
12. 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 follows:
- (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 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 VISA:

Visa International Service Association

Attention: Carlos Vaitman

1004 NW 65 Avenue

Miami, FL 33126

USA

Telephone: +1-305-328-1424

Facsimile: +1-305-320-2424

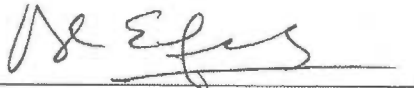
E-mail: cvaitman@visa.com

13. This Administration Agreement will come into force on the date of its signature by each of the Parties, and shall remain in effect until the Project is fully implemented, in accordance with the terms of the Project Document.
14. The Parties may amend any provision of this Administration Agreement in writing and with prior mutual consent.
15. Subject to their respective policies and procedures with respect to the disclosure of information, the Parties may make this Administration Agreement publicly available.
16. Nothing in this Administration Agreement may be construed as creating an agency relationship between the Parties.
17. The Parties will seek to settle amicably any disputes that may arise from or relate to this Administration Agreement.



IN WITNESS WHEREOF, VISA and the Inter-American Development Bank, each acting through its duly authorized representative, have signed this Administration Agreement in two (2) original counterparts in the English language as of the dates indicated below.

**INTER-AMERICAN
DEVELOPMENT BANK**



Bernardo Guillamon
Manager
Office of Outreach and Partnerships

Date: SEPTEMBER 21/2015

**VISA INTERNATIONAL SERVICE
ASSOCIATION**



Diego Rodriguez
Vice-President
Commercial Solutions LAC

Date: SEP 22, 2015

TC DOCUMENT

I. BASIC PROJECT DATA

▪ Country/Region:	Regional
▪ TC Name:	ConnectAmericas Partnerships Program
▪ TC Number:	RG-X1265
▪ Team Leader/Members:	Ady Beitler, Team Leader (INT/TIU), Oscar Vasco (INT/TIU), Francisco Estrazulas (INT/TIU), Daniel Hincapie (ORP/ORP); Heleno Gouvêa (ORP/PTR); Sofia Greco (LEG/SGO); and Claudia Ogialoro (ORP/PTR)
▪ TC Taxonomy:	Project Specific Grant (PSG)
▪ Date of TC Abstract authorization:	May 18, 2015
▪ Beneficiary:	IDB LAC member-countries
▪ Executing Agency and contact name:	The Inter-American Development Bank (IDB), through the Trade and Investment Unit (INT/TIU).
▪ Donors providing funding:	
▪ IDB Funding Requested:	\$ 200,000 ¹⁻²
▪ Local counterpart funding, if any:	
▪ Disbursement period:	18 months
▪ Required start date:	Sept 21, 2015
▪ Types of consultants:	Firms and individuals
▪ Prepared by Unit:	Trade and Investment Unit (INT/TIU)
▪ Unit of Disbursement Responsibility:	Integration and Trade Sector (INT/INT)
▪ Included in Country Strategy (y/n):	No
▪ TC included in CPD (y/n):	No
▪ GCI-9 Sector Priority:	Competitive Regional and Global Integration

1 These funds will be administered by the IDB through a non-reimbursable project-specific grant (PSG). Visa International Services Association will contribute US\$50,000 and DHL Inc. will contribute US\$150,000. This PSG will be administered by the IDB pursuant to document SC-114. In accordance with that document, the commitment of Visa Inc. and DHL Inc. for the PSG will be established through separate Administrative Agreements.

2 VISA is also supporting the ConnectAmericas Initiative (CA) with the following in-kind contribution having a value of US\$ 265,000 for 2015, as follows: (i) US\$ 105,000 for Content Support by Visa by providing IDB with digital content to be disseminated in CA, including a market research study referred to as the Reference Study, which evaluates SME's payment and business practices in Latin America and the Caribbean, and e-commerce guide providing information on steps or commercial practices needed for SME's to conduct e-commerce, (ii) US\$ 100,000 in Marketing Support agreed upon by Visa and CA (by making available for IDB Visa's Online Platform to publish articles, events, and promotion of the platform, including email blasts, Facebook posts and CA banners), (iii) US\$ 30,000 in Communication and Promotion agreed upon by Visa and CA (by supporting the participation of Connect Americas in high-quality business events in the priority countries), and (iv) US\$ 30,000 estimated value of Visa personnel to participate in certain relevant business events agreed upon by Visa for the purpose of supporting the development of a card issuance program fostering international business by SME's.



II. OBJECTIVE AND JUSTIFICATION

- 2.1 ConnectAmericas (CA) is an online platform sponsored by the IDB that offers SMEs from Latin America and the Caribbean (LAC) a business community to establish business links with clients, suppliers and investors from the rest of the region and the world; access relevant information and training tools to make international trade transactions simpler and less costly; and obtain information about trade finance opportunities.
- 2.2 CA is being developed and launched in a very favorable context thanks to the solid growth of intra-regional trade and investment in LAC, and the increased use of technology and Internet tools by SMEs. In fact, LAC is experiencing solid growth in trade and investment (in the last decade intra-regional trade grew more than tenfold). But although the vast majority of companies in the region are SMEs (at least 3.7 million with 5 employees or more)³ they only account for 13% of LAC exports. This scenario provides powerful reasons to deepen the integration efforts and overcome the barriers that SMEs are facing when they attempt to integrate into regional and global markets. Finally, SMEs in LAC are taking more and more advantage of the possibilities opened by the Internet. A recent study by ComScore showed that Internet usage reached 176M people in the region, representing 10% of the worldwide audience, and an increase of 17% with respect to 2013%.⁴
- 2.3 CA was launched on March 28, 2014 at the IDB Annual Meeting in Brazil. As of this date, it has received almost 300,000 unique visitors and 30,000 businessmen and businesswomen have signed up to its matchmaking services so far. It offers users the following features:
- a) Connect: CA allows users to see and contact registered companies from all over the region and the world, and become part of communities segmented by industry. The two principal aspects of this tool are its transparency and trustworthiness, insofar as all companies are subject to a verification process and to the ratings and reviews from other users.
 - b) Learn: CA offers innovative solutions in learning tools, including: 12 massive online open courses about strategic aspects of international trade; business intelligence simulators, with information of tariffs and commercial preferences in the region; more than 500 pieces of journalistic content produced by our editorial team and dozens of partners across the region – including trade promotion organizations and business chambers; and videos with user-generated testimonials.

³ Moreno, La Década de América Latina (2012)

⁴ <http://www.comscore.com/lat/Insights/Presentations-and-Whitepapers/2014/2014-LATAM-Digital-Future-in-Focus>

DR

- c) Finance: CA offers users information about funding or technical assistance opportunities to improve their export capacity. This includes, among others, information on the lines of credit offered by local banks in the region under the Inter-American Development Bank's (IDB) Trade Finance Facilitation Program, and other financial services and technical assistance provided by the IDB Group to the SMEs, including: direct financial and technical assistance by the Inter-American Investment Corporation and government programs funded by public sector windows of the IDB.
- 2.4 One of the most important aspects behind ConnectAmericas' success has been the dissemination events with local partners (such as Trade Promotion Organizations and business chambers) and the trade and investment forums that the IDB organizes every year. These are:
- 2.5 The Asia-LAC Business Summit: This event is organized by the IDB together with the trade promotion agency of one of the IDB's Asian member countries, and brings together business representatives and senior government officials from both sides of the Pacific to explore business opportunities between Asia and LAC. This year the event was organized in Busan, Korea, in the context of the Annual Meeting of the Board of Governors.
- 2.6 LAC Flavors: One of the most important business meetings in the region in the agribusiness sector, LAC Flavors brings together food exporters from all LAC countries and international buyers to create new business opportunities. Last year, for example, LAC Flavors was held in Mérida, Yucatan and brought together 500 businessmen and women from 34 countries.
- 2.7 Outsource2LAC: The Latin American and Caribbean Outsourcing and Offshoring Summit – Outsource2LAC – presents the latest trends in the global services industry, identifying available opportunities, growth and sustainable development strategies for the services exports sector in Latin America and the Caribbean. Last year it has held in Guatemala City, and brought together 700 businessmen and women from 40 countries.
- 2.8 The purpose of this operation is to support the development of the ConnectAmericas platform and the dissemination efforts to attract users, by facilitating the organization of dissemination events with local partners and the organization of institutional trade and investment forums.
- 2.9 The scope of the project is regional by nature and all the IDB member countries stand to be beneficiaries of this operation on an equal footing, as ConnectAmericas is in itself a platform which main goal is to increase trade and investment ties between the SMEs of LAC. As of today, we have registered users from 49 countries (both members and non-members of the IDB Group). And the dynamic of the platform facilitates the contact



between all of them equally, by powering every user, from every country, with the ability to search and connect with other users from other countries, learn about the general aspects of international trade, and find information about financing opportunities in each of the 26 IDB borrowing members.

- 2.10 The objectives and activities of the operation correspond to the Bank's Strategy for Global and Regional Integration (GN-2565-4) as it will facilitate regional commerce and promote the internationalization of SMEs, thereby increasing the demand for trade-related infrastructure (e.g. transportation and customs).

III. DESCRIPTION OF ACTIVITIES AND OUTPUTS

- 3.1 **Component I. Technology Development.** This component will support the development of new features to improve the platform's services offering. Although the development methodology in ConnectAmericas follows the Agile manifesto – i.e. an adaptive strategy with changing priorities based on the needs of the users – it is expected that some of the features that will be developed in the next 18 months include:
- 3.2 Mobile App: native mobile application for iOS and Android, that builds on the features of the existing mobile site and adds contextual recommendations based on geo-positioning and light versions of the massive online open courses.
- 3.3 Crowdsourcing: functionality to allow users to crowdsource procurement opportunities from large buyers – both public and private – and fulfil purchase orders jointly, by combining their product and services offering.
- 3.4 Other features will be developed if the funding allows, which availability will be assessed after the development of these two features. In this regard, the TC will fund consulting services for technology design and development.
- 3.5 Activities to be financed under this component include consulting services to: design the technical requirements for each of the new features; design the user experience and digital graphics; and coding/implementation of the features.
- 3.6 **Component II. Trade and Investment Forums and Local Dissemination Events.** This component will support the organization of CA's institutional trade and investment forums in 2016 —Asia-LAC Business Summit, LAC Flavors and Outsource2LAC— and local dissemination events with CA's local partners, which include trade promotion organizations and business chambers from IDB member countries.
- 3.7 Activities to be financed under this component include consulting services to: design the dissemination materials for the events, including invitations, presentations, and gifts to attendants; provide the logistic arrangements for the event (reservation of venue, catering, etc.); organize interviews and press conferences; provide registration platform



for these events; facilitate the participation of small and medium sized-businesses from the LAC region; invite world class speakers.

3.8 Component III. Learning Materials for SMEs.

3.9 This component will support the development of learning materials aimed at strengthening the SMEs capacity to internationalize their business—export, import, receive foreign investment and invest abroad—and enter into more demanding supply chains.

3.10 Activities to be finance under this component include consulting services to: develop Massive Online Open Courses, learning videos, articles, webinars, self-assessment tools, calculators and other contents and tools.

3.11 **Monitoring and Evaluation.** Since all these events are hosted in CA, the effectiveness of these meetings and forums will be monitored using analytics tools already available in the platform, including Google Analytics and Jaspersoft. These tools provide comprehensive information about the usage of the platform – with granular demographic data – and its effectiveness.

Table 1. Indicative Results Matrix

		Baseline		Year 1		Year 2		Expected Completion Date	Data Source
	Unit	Value	Year	Planned	Actual	Planned	Actual		
Component I. Technology Development									
Users in Mobile App	#	0	2015	30,000		80,000		March 2016	
Business deals closed through Crowdsourcing	#	0	2015	100		500		December 31, 2016	
Component II. Trade and Investment Forums and Local Dissemination Events									
Dissemination events in partnership with TPOs	#	6	2014	12		12		2016	Report
Verified Companies in CA	#	2,000	2014	12,000		30,000		2016	Website Analytics
Business deals generated in the TIU events	\$	10 million	2014	12 million		16 million		2016	Website Analytics
Public sector employees trained	#	52	2014	75		75		2016	User surveys
Component III. Learning Materials for SMEs									
Courses in CA Academy	#	8	2014	9		10		December, 2016	CA Website

[Handwritten signature]

- 3.12 The total amount of this technical cooperation is US\$200,000 out of which US\$50,000 will be provided by Visa International Service Association and US\$150,000 by DHL Inc.. The Bank will charge an administration fee of 5% of each of the contributions, which is duly identified in the budget table.
- 3.13 The nature of this operation allows for the modular increase of the activities depending on the amount of donor contributions received. To the extent that a future donor or donors may contribute resources to support any of the project's components listed herein in the form of a Project Specific Grant (PSG), the IDB may establish a commitment from each donor through an administrative agreement and process a corresponding budget increase of this operation, approved by the Bank's delegated authority.⁵
- 3.14 The contributions by Visa and DHL can be executed independently, and project execution can start as soon as the first contribution is received by the Bank.

Table 2. Indicative Budget (US\$)

Component	Description	PSG Funding	Total
Component 1	Technology Development	70,000	70,000
Component 2	Trade and Investment Forums and Local Dissemination Events	95,000	95,000
Component 3	Learning Materials for SMEs	22,500	22,500
Monitoring and Evaluation		2,500	2,500
PSG Administration Fee		10,000	10,000
TOTAL		200,000	200,000

IV. EXECUTING AGENCY AND EXECUTION STRUCTURE

- 4.1 This operation will be executed by the Trade and Investment Unit of the Integration and Trade Sector of the Inter-American Development Bank, in accordance with the Bank's Technical Cooperation Policy (Document GN-2470-2). There are two main reasons that justify the execution of the project by the Bank. First, as a regional project that involves coordination with several public and private sector stakeholders in LAC, the Bank is in a unique position to manage and coordinate the activities given its presence in all

⁵ Additional resources raised in support of this operation will be incorporated in accordance with the corresponding administration agreements and channelled towards the components set forth above, thus increasing their reach and impact. The approval of a separate project proposal would only be required if a donor wishes to finance a component not included in the approved operation.

countries. Second, the Bank, through the Integration and Trade Sector in particular, has gained invaluable know-how in the execution of international trade and investment promotion activities, particularly ConnectAmericas, which has been managed by TIU since its inception in 2013.

- 4.2 The Bank will contract individual consultants, consulting firms and non-consulting services in accordance with Bank's current procurement policies and procedures.
- 4.3 It is expected that in the context of the project parallel In-kind contributions worth a maximum of US\$ 1 million to US\$ 2 million might be received in support to CA from multiple partners. If any In-kind contribution is deemed appropriate and valuable for CA by INT/TIU, the In-kind contribution will be processed following the facilitated partnership guidelines as defined in SC-343-1.
- 4.4 INT/TIU will have the principal responsibility for the technical aspects of the project as well as the responsibility for disbursements, basic administration and for preparing and delivering to the donors the execution reports agreed in the administration agreements.

V. MAJOR ISSUES

- 5.1 The success of the project will depend on a significant level of engagement and participation of users and relevant stakeholders, including the trade promotion agencies of the countries where CA operates. The operation will mitigate the risk by engaging these users and stakeholders in the activities from the start of the TC and through an intensive promotion strategy during the preparation of the Components.

VI. EXCEPTIONS TO BANK POLICY

- 6.1 No exceptions to Bank policies were identified.

VII. ENVIRONMENTAL AND SOCIAL CLASSIFICATION

- 7.1 This operation does not present environmental and social risks as it is an international trade infrastructure that is based on the Internet. According to the Environment and Safeguards Compliance Policy (OP-703), this TC was classified as Category C (see Environmental and Screening Classification)

