

ADMINISTRATION AGREEMENT

between

THE INTER-AMERICAN DEVELOPMENT BANK

And

DHL EXPRESS (USA), INC.

regarding

**Project Specific Grant to the Inter-American Development Bank for
Project RG-X1207 "DHL Express Grant Contribution to the ConnectAmericas Project"**

THIS ADMINISTRATION AGREEMENT is entered into between the Inter-American Development Bank (the "Bank") and DHL Express (USA), Inc. ("DHL") (together referred to as the "Parties", and individually either of them, a "Party").

WHEREAS, the Bank has designed RG-X1207 "DHL Express Grant Contribution to the ConnectAmericas Project" (the "Project"), as described in the attached Project Document (the "Project Document");

WHEREAS, DHL 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 DHL;

NOW, THEREFORE, the Parties hereby agree as follows:

1. DHL will make available to the Bank a grant contribution in the amount of U.S.\$150,000.00 (one hundred and 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. Any material deviations from the objectives and activities of the Project described in the Project Document will require DHL's written approval.
3. (a) DHL will transfer the Contribution to the Bank according to the following payment schedule:

Date:

Amount:

No later than January 15, 2014:

U.S.\$75,000 (seventy-five thousand dollars)

No later than July 15, 2014:

U.S.\$ 75,000 (seventy-five thousand dollars)

- (b) The Donor will deposit the Contribution installments, upon the Bank's written request, into 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.
4. 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 DHL in respect thereof.

5. 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.
6. To assist in the defrayment of the administrative costs in relation to the Contribution, the Bank will charge and retain a fee equal to five percent (5%) of the total amount of the Contribution. The total fee of US\$7,500 (seven thousand five hundred dollars) will be charged in one installment at the time the first installment of the Contribution is deposited by DHL 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.
7. 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 DHL 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. DHL 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 DHL 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 DHL a final Project report. DHL may also request non-audited financial expense report of the Contribution. In addition, DHL 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 DHL and will not be deducted from the Contribution. DHL 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 DHL any remaining uncommitted Contribution funds, unless otherwise agreed to in writing by the Parties.

11. DHL 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. In case such approvals are not obtained or if agreements necessary for the implementation of the Project cannot be signed for any reason, then the Bank will return to DHL the Contribution (including the fee mentioned in paragraph 6 above) promptly upon final internal approvals being denied or unsuccessful conclusion of the negotiations of any agreements. DHL 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 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 DHL:

Legal Department

DHL EXPRESS
1210 South Pine Island Road - 1st Floor
Plantation, Florida 33324

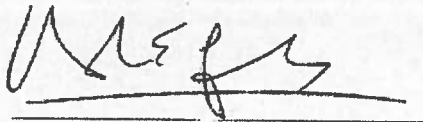
Day-to-day communications:
Lori Folts
Marketing Communications - Americas Director
DHL EXPRESS (USA, Latin America, Caribbean, Canada)
1210 South Pine Island Road - 3rd Floor
Plantation, Florida 33324
Office: 954-626-2443
Email: lori.folts@dhl.com

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. Any trademark or logo provided by DHL to the Bank shall be used by the Bank only in connection with the Project and with prior written authorization from DHL.. Any other use is strictly forbidden. . Therefore, for the duration of the Project only a revocable license is granted to the Bank by DHL. No other license is granted in relation to such trademarks. Copyright and trademark ownership remain vested in DHL at all times. Use of the name and/or logo of the Bank by DHL will be subject to the Bank's prior written authorization.
17. Neither party is liable to the other for losses or costs arising out of or connected with the Project. Neither party agrees to indemnify the other party against any losses or costs arising out of or connected with the Project.
18. Nothing in this Administration Agreement may be construed as creating an agency relationship between the Parties.
19. The Parties will seek to settle amicably any disputes that may arise from or relate to this Administration Agreement. If however, the dispute cannot be resolved internally by the Parties, the Parties the parties agree to resolve their differences by mediation before a neutral mediator under the auspices of the American Arbitration Association. Each party shall bear half the costs of mediation. In the event the dispute is not resolved in mediation, the parties agree to arbitrate any dispute arising under this agreement before an arbitrator

under the auspices of the American Arbitration Association. The mediation and, if necessary, the arbitration shall take place in Washington, DC, or in Broward County, as agreed upon by the parties, or absent an agreement, as elected by the party initiating the mediation. Each party shall bear their own arbitration costs.

IN WITNESS WHEREOF, the DHL Express (USA), Inc. 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.

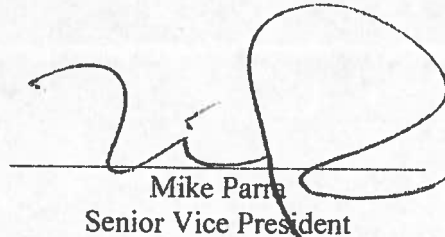
**INTER-AMERICAN
DEVELOPMENT BANK**



Bernardo Guillamon
Manager
Office of Outreach and Partnerships

Date: 12/19/2013

DHL Express (USA) Inc.



Mike Parra
Senior Vice President
Network Operations, Americas Region

Date: 12/20/2013

TC Document

I. Basic Project Data

▪ Country/Region:	Regional
▪ TC Name:	DHL Express Grant Contribution to the ConnectAmericas Project
▪ TC Number:	RG-X1207
▪ Team Leader/Members:	Ady Beitler, Team Leader (INT/TIU), Matías Bendersky (ORP/ORP), Yasmín Esteves (INT/INT), Francisco Estrázulas (INT/TIU), Daniel Hincapie (ORP/ORP), Gerardo Funes (INT/TIU)
▪ Date of TC Abstract:	December, 12 th 2013
▪ Beneficiary:	Regional
▪ Executing Agency and contact name:	The Inter-American Development Bank (IDB), through the Trade and Investment Unit (INT/TIU).
▪ Donors providing funding:	DHL Express
▪ IDB Funding Requested:	US\$ 150,000
▪ Local counterpart funding, if any:	N/A
▪ Disbursement period:	January 15 th , 2014 – January 15 th , 2015
▪ Required start date:	January 15 th , 2014
▪ Types of consultants:	Firms and individuals
▪ Prepared by Unit:	Trade and Investment Unit (INT/TIU)
▪ Unit of Disbursement Responsibility:	Trade and Investment Unit (INT/TIU)
▪ Included in Country Strategy (y/n);	No
▪ TC included in CPD (y/n):	
▪ GCI-9 Sector Priority:	Competitive Regional and Global Integration

II. Objective and Justification

ConnectAmericas (CA) is a social media platform for businesses developed by the IDB where SMEs from Latin America and the Caribbean (LAC) will be able to establish business links with clients, suppliers, investors, and investment opportunities from the rest of the region and the world, access relevant information and training tools to facilitate international trade and investment transactions, and obtain information about trade finance opportunities. CA will be available to users from all countries in Latin America and the Caribbean, and the rest of the world in March 2015¹.

¹ The integration into CA of services, contents, and events from Trade Promotion Organizations, Chambers of Commerce, Trade Associations, and Banks from Brasil, Colombia, Costa Rica, Ecuador, Trinidad and Tobago, and Uruguay will be completed before launch in March 2014. Between March 2014 and March 2015, the CA team will implement this integration in the following countries: Mexico, Perú, Chile, Argentina, Paraguay, Bolivia, Jamaica, Barbados, Bahamas, El Salvador, Guatemala, and Nicaragua

CA is being developed in partnership with three anchor partners (Google, Visa, and DHL) that are pooling resource for the implementation of the project. The partnership with DHL includes the following benefits for DHL:

Promotion of DHL in CA: CA is geared towards exporting and importing firms from LAC and the rest of the world that use logistics services for their international business. CA is expected to have 32,741 registered users by the end of year 1, and 108,621 by the end of year 2². The DHL logo and link to the DHL website will appear in all CA pages before the CA launch in March 2014. CA is also expected to generate 2,973,614 page views by registered and non-registered users in year 1, and 15,843,461 page views in year 2³.

Promotion of DHL in Trade and Investment Unit Business Matchmaking Events: The TIU organizes every year several trade promotion forums around the world, where companies from all over the region gather to explore international trade business opportunities. As part of this partnership, the IDB commits to include DHL in all marketing materials and communications related to the events. The estimated total value of this participation is US\$75,000 per year. The events are: **LAC Flavors** (an annual specialized business matchmaking meeting that brings together food exporters and international buyers to create new business opportunities), **Outsource2LAC** (an annual conference where hundreds of companies from the global services industry meet each other and with investment funds to explore business opportunities and analyze the main issues affecting the industry's development in the region), **Asia-LAC Business Summit** (an annual meeting held in an Asian country designed to expand and strengthen the commercial ties between Asia and LAC, through the exchange of ideas and experiences on trade and investment promotion and the identification of specific business opportunities), and the **Mechanism of high level dialogue amongst the private sector in the Americas** (this will be a public-private sector dialogue mechanism that gathers high-level business leaders from the region, and seeks to discuss the opportunities and challenges for economic and social development in the region. A meeting is expected in Brazil in March 2014 convening top 100 executives from the region).

In exchange, DHL agrees to provide **in-kind contributions** worth US\$100,000 to be given to CA users as part of the “gamification” structure⁴ of the site. This contribution will consist of discounts for international commercial shipments. In addition to these in-kind contributions, as part of this partnership, DHL commits to: (i) identify and submit⁵ to IDB DHL written articles, audiovisual materials, trade events, or services (at least 25 pieces by March 2015) to be disseminated in CA, (ii) identify, submit and approve the use DHL contents to be turned into e-learning courses (at least 2 per year), (iii) submit to CA the DHL logos and URLs that the logos should link to from the CA site, (iv) prepare the DHL participation in each of the Business Matchmaking events mentioned above, (v) provide DHL experts to

² This estimation comes from a Traffic Model produced by the advisory firm Looi Consulting LLC. This model applies the best available data about similar platforms, as well as widely accepted assumptions, and calculations. The disbursements defined in this TC are not contingent on reaching the number of users set out in this Traffic Model.

³ Idem.

⁴ CA users will accumulate points by accomplishing certain tasks and using the site. These points can be exchanged for prizes that will help them in their internationalization efforts.

⁵ For each piece of content that DHL sends to CA, a person from DHL would have to fill out a short form that will help classify the materials to ensure an effective contextual recommendation—that is, to make sure that the materials will be viewed by users that are likely to be interested in them.

participate as expert presenters in each of the relevant Business Matchmaking Events, and eight webinars per year, and (vi) identify ways to contextually recommend to CA users the various services and information offered by DHL's Trade Automation Service, and (vii) include the CA banner in the DHL website and the TAS website.

This operation is intended to promote international business transactions among LAC SMEs and investors, and between LAC SMEs and clients, suppliers and investors outside of the region. The objectives and activities of the operation correspond to the Bank's Strategy for Regional Integration (GN-2469-2, GN2470-2) as it will facilitate regional commerce and promote the internationalization of SMEs.

III. Description of Activities and Outputs

Component I (US\$71,250 of DHL's contribution). Produce learning materials to improve the export capacity of SMEs in LAC.

One of the key barriers that LAC SMEs face when looking to internationalize is access to information. These firms are unaware of the import requirements in their destination countries, and, in many cases, the exports requirements in their own countries. They are also unaware of the opportunities provided by existing free trade agreements, and of all the financial products and services for international trade and investment available to them.

Based on the above, CA, within its LEARN pillar, will offer a series of tools to help overcome these barriers. These tools include: e-learning—in the form of Massive Online Open Courses (MOOC)—, audiovisual materials, self-diagnosis tools, webinars, and written articles.

The activities to be carried out using the resources for this component are: (i) identify gaps in the ConnectAmericas LEARN offering, (ii) identify subject matters of interest to DHL, (iii) define learning tools through which the subject matter will be disseminated (video, e-learning course, written article, webinar), and (iv) produce the learning materials.

Component II (US\$71,250 of DHL's contribution). Organize and Implement a Large Scale Promotional Event that includes a Business Matchmaking Component.

LAC is a key market for DHL⁶. DHL Express reported a 14.4 percent increase in shipments between the U.S. and LAC between 2011 and 2012. In light of this increasing demand, DHL has invested tens of millions of dollars in its LAC operations in recent months⁷. Most of DHL Express's business in the region still comes from multinational companies and large Latin-based enterprises ("multilatinas"). However, according to Mr. Fenwick the share of SMEs is increasing and DHL is working to capture this business segment⁸.

⁶ Miami Herald <http://www.miamiherald.com/2013/09/08/3614241/dhl-express-raises-its-stake-in.html>.

⁷ Idem.

⁸ Idem.

CA offers a unique opportunity for DHL to market its services to that precise market segment. The platform will be extensively marketed throughout the region through various means: television, the press, social media, and communications from our partners (Trade Promotion Organizations, Chambers of Commerce, Trade Associations, and other private, government and non-governmental organizations).

As part of the marketing activities that will be carried out for CA, the IDB, in collaboration with government and private entities, will organize and co-sponsor a large scale trade and investment event that brings together high-level private and public sector leaders (CEOs, Ministers) to present the latest trends affecting international trade and investment, and also brings together buyers and sellers in a business matchmaking event.

The resources requested under this component will be used to: (i) market the event, (ii) pay for the airfare and hotel expenses of participants, and (iii) pay for other costs associated with the organization and implementation of the event.

IV. Budget

DHL Express expects to commit US\$150,000 to this project.

Date	Amount	Activity/Component
1/15/2014	US\$71,250	Component I. Produce learning materials to improve the export capacity of SMEs in LAC. Activities to be financed under this component include: engaging producers of learning materials, tutors, and other support required depending on the learning tools selected.
7/15/2014	US\$71,250	Component II. Organize and Implement a Large Scale Promotional Event that includes a Business Matchmaking Component. Activities to be financed under this component include: (i) preparing the event marketing plan (identify objectives and target audience, identify marketing channels and tools to be used, produce marketing materials for each of the channels selected, engage event sponsors), (ii) implementing the marketing plan (engage producers as well as media, online, press and other marketing channels), (iii) selecting participants whose airfare and hotel will be covered (define criteria, assess potential participant, inform), (iv) managing the participant reimbursement process (define the process, and carry it out), (v) engage provider of business matchmaking software, and (vi) engage other providers to be defined. Resources for this Component will be disbursed upon completion of component I.
1/15/2014 and 7/15/2014	US\$7,500	Fee 5%. DHL will pay the fee in two installments of US\$3,750, at the time of the disbursements for components I and II.

Resources of this project to be received from DHL 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 DHL will be established through a separate administrative

arrangement. Under such arrangement, the resources for this project 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 of this project. The 5% administrative fee will be charged after the contribution had been received.

V. Executing agency and execution structure

This operation will be executed by the Trade and Investment Unit 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 the countries. Second, the Bank, through the Integration and Trade Sector in particular, has gained invaluable know-how in the execution of international promotion activities.

The contracting of project consultants will be carried out by the Bank in accordance with document GN-2350-9 (Policies for the Selection and Procurement of Consulting Services Financed by the IDB), while the procurement of goods and related services will be carried out by the Bank in accordance with document GN-2349-9 (Policies for the Procurement of Goods and Works Financed by the IDB).

INT/TIU will have the principal responsibility for the technical aspects of the project as well as the responsibility for disbursements and basic administration. The Project Team will be responsible for the preparation and submission to the donor of the project reporting in compliance with the stipulation of the Administration Agreement.

If, at the end of project execution, the project was closed with a positive uncommitted and unspent balance, the project team will be responsible for informing ORP/GCM to transfer the unspent balance as agreed to by the donor and the Bank pursuant to the terms of the PSG Administration Agreement”.

VI. Project risks and issues

The success of the project will depend on a significant level of engagement and participation of users and relevant stakeholders, including the government agencies, TPOs, business chambers and universities in the beneficiary countries. 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.

VII. Environmental and Social Classification

This operation does not present environmental and social risks. It was classified as Category C in the Environmental and Screening Classification.