



January 24, 2014

Tara Nathan
Executive Director, Public Private Partnerships
MasterCard International Incorporated
2000 Purchase Street
Purchase, New York 10577

Re.: **Inter-American Development Bank – MasterCard’s contribution concerning the Inter-American Fora on Microenterprise**

Dear Ms. Nathan:

By means of this letter agreement, the Inter-American Development Bank (hereinafter, the “IDB”) is pleased and honored to acknowledge and accept the offer of a grant of three hundred ten thousand dollars of the United States of America (U.S.\$310,000) (hereinafter, the “Contribution”) from MasterCard, to support the XVII Inter-American Forum on Microenterprise that is expected to take place in 2014 in an IDB member country (hereinafter, the “Forum”) and other Microenterprise Fora in the years 2015, 2016, 2017 and 2018 (hereinafter, collectively with the Forum, the “Foromics”), substantially on the terms described in the attachments hereto entitled Foromic Description and the IDB Technical Cooperation RG-X1208 (hereinafter, the “Attachments”) which are incorporated herein and made a part of this letter agreement.

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

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

1. MasterCard shall make available three hundred ten thousand dollars of the United States of America (U.S.\$310,000) to cover general expenses of the Foromics, unless the parties agree otherwise in writing. Any major deviations from the objectives or activities described herein (including the Attachment) will require MasterCard’s written approval. The Contribution shall be made in U.S. dollars and the IDB shall have the right to exchange the funds into other currencies at its discretion. The IDB is not required to exchange the funds at any particular exchange rate and is not liable to MasterCard for any difference between the exchange rate selected by the IDB and any other exchange rate.
2. MasterCard will transfer the Contribution to the IDB according to the following payment schedule:

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<u>Date:</u>	<u>Amount:</u>
Upon signature of this letter agreement by the Parties:	U.S.\$65,000 (sixty-five thousand dollars of the United States of America)
No later than January 31, 2015:	U.S.\$65,000 (sixty-five thousand dollars of the United States of America)
No later than January 31, 2016:	U.S.\$60,000 (sixty thousand dollars of the United States of America)
No later than January 31, 2017:	U.S.\$60,000 (sixty thousand dollars of the United States of America)
No later than January 31, 2018:	U.S.\$60,000 (sixty thousand dollars of the United States of America)

Notwithstanding anything to the contrary herein or in any Attachment hereto, the above Contribution installment payments to be made by MasterCard after the year 2014 will be subject to MasterCard obtaining its applicable internal budgetary approvals. If at any time any such approvals are not obtained, MasterCard may terminate its participation in the Foromics by notice to IDB prior to fifteen (15) days before the next installment payment is due.

3. If the IDB determines, in its sole discretion and subject to all IDB internal approvals, to organize a Microenterprise Forum for 2019, MasterCard shall have the option to be a Platinum sponsor of such Microenterprise Forum, on the same terms and with the same rights and benefits applicable to the Year 5 (2018) tranche of the Contribution, for a contribution to be made no later than January 31, 2019 or such later date agreed by the parties in an amount equal to the then-current IDB-established rate for Platinum sponsorship of a Foromic. The terms and conditions of such additional contribution shall be reflected in a separate agreement that may be entered into by the parties.
4. In the case a Foromic is skipped for one or more years, MasterCard's contribution will automatically be extended to include the year(s) following the last Foromic for which MasterCard was sponsor in order for MasterCard to sponsor five Foromics.
5. MasterCard will deposit the Contribution installments, upon the IDB's written request, into the account named "Inter-American Development Bank - Cofinancing Account" opened by the IDB at Deutsche Bank America Trust, New York (swift and account number details to be provided in a separate payment request to be submitted by



the IDB in writing to MasterCard) (the "Account"). Such Account is denominated in U.S. dollars.

6. MasterCard acknowledges and agrees that the Contribution shall be 'completely untied', meaning that the Contribution may be used to finance services provided and executed by companies, specialized institutions or individuals from any IDB member country, and that the procurement of goods and services to be financed with the Contribution shall be undertaken in accordance with the IDB's policies and procedures. The IDB may only 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 Foromics.
7. Unless otherwise agreed between MasterCard and the IDB in writing, any portion of the Contribution not used for the purposes described herein shall be cancelled and returned to MasterCard as soon as possible after the Foromics take place or if any of the Foromics described in the Attachment does not take place or does not occur as scheduled.
8. The IDB shall provide to MasterCard information on the use of the Contribution and the Foromics as may be maintained by the IDB in the course of its regular operations, and that MasterCard may reasonably request in writing. No later than December 31 of each year, the IDB will furnish an unaudited financial annual report of the use of the Contribution and the Foromics.
9. MasterCard shall provide the IDB with MasterCard's name and/or logo ("Marks") for use by the IDB in materials to promote or describe Foromics of which MasterCard is a sponsor. The IDB may use such Marks for the limited purpose of promoting or describing Foromics that are sponsored by MasterCard. The IDB will obtain MasterCard's prior written approval for any use of MasterCard's Marks, except that, if MasterCard approves the use of its Marks in a Foromic brochure, the IDB is not required to obtain MasterCard's prior written approval for additional distributions of such brochure. MasterCard's approval shall not be unreasonably withheld. Any other use of MasterCard's Marks will require MasterCard's written consent. MasterCard agrees to obtain the IDB's written consent before using the IDB's name in any way or form, related or not to the Foromics.
10. MasterCard may, without the IDB's prior written approval, make references to its sponsorship of Foromics, as long as MasterCard does not do so in commercial advertising in such a manner as to state or imply that the services provided by MasterCard are endorsed or preferred by the IDB, or are considered by the IDB to be superior to other services.
11. Upon each approval of the use of its Marks, MasterCard (the "Owner") shall thereby grant to the IDB (the "Licensee") a non-exclusive, non-transferable, royalty-free license to use and reproduce accurately the Owner's Marks, as such Marks may be altered by the Owner from time to time, as described in Section 9 above. Licensee agrees that all use of the Owner's Marks shall be of the high standard and of such style,



appearance and quality as is consistent with the image of Owner's use of the Marks generally. All use of the Owner's Marks and the goodwill generated thereby shall inure to the benefit of the Owner. The Licensee hereby acknowledges the Owner's rights and interests in the Owner's Marks and agrees not to claim any right, title or interest in or to such Marks or to at any time challenge or attack Owner's rights in or to such Marks for any reason whatsoever. Each party shall retain all rights, title and interest in and to all of the information, content, data, designs, materials and all copyrights, trademark rights and other proprietary rights thereto, provided to the other party pursuant to this letter agreement. Except as expressly provided herein, no other right or license with respect to any copyrights, trademark rights or other proprietary rights is granted under this letter agreement. All rights not expressly granted hereunder by a party are expressly reserved to such party.

12. MasterCard will be regarded as a Platinum sponsor of the Foromics covered by this letter agreement. MasterCard will be the exclusive payment company Platinum sponsor for such Foromics. For the avoidance of doubt, a payment company shall refer to one of the following entities: MasterCard, Visa, American Express, Discover, Diners, PayPal, Carnet, Socia, Prosa, Credibanco and Transbank. This exclusivity shall not prohibit the IDB from obtaining speakers or written content for a Foromic or sponsorships at a level other than Platinum from a payment company other than MasterCard. During the term of this letter agreement, prior to entering into an agreement with a payment company other than MasterCard for a level of sponsorship of a Foromic that is higher than the Platinum level (e.g., Diamond), the IDB shall give MasterCard a right of first refusal to be the sole payment company sponsor at such level on the then-current IDB-established terms (including contribution level) for that level of sponsorship. To exercise the right of first refusal, MasterCard must agree to such terms within the 30-day period following notification from the IDB. For the avoidance of doubt, MasterCard shall not be permitted to assign the right of first refusal to any other party. The terms and conditions concerning such additional benefit shall be reflected in a separate agreement that may be entered into by the parties.
13. MasterCard will be regarded as a sponsor of the Foromics and will receive the benefits described in the Attachments. For the avoidance of doubt, in the Foromics in Years 1 and 2, MasterCard will be the sole sponsor of the Exhibition Center referenced in the Attachments. The IDB shall give MasterCard a right of first refusal to be the sole sponsor of the Exhibition Center in the year 2016 at such level on the then-current IDB-established terms (including contribution level) for such sponsorship. To exercise the right of first refusal, MasterCard must agree to such terms before February 15, 2016. For the avoidance of doubt, MasterCard shall not be permitted to assign the right of first refusal to any other party. The terms and conditions concerning such additional benefit shall be reflected in a separate agreement that may be entered into by the parties. MasterCard acknowledges that no further benefits other than those stated in this agreement or in the Attachments will be afforded to MasterCard as a result of the Contribution.
14. MasterCard further acknowledges that the IDB's commitment to use the



Contribution as contemplated herein is subject to the IDB's formalization of all internal approvals necessary for the Foromics.

15. For avoidance of doubt, MasterCard will not be responsible for the planning, coordination and execution of any operational aspects of the Foromics, except as may be expressly indicated in this letter agreement.
16. At the IDB, the Office of the Multilateral Investment Fund (MIF) shall have technical responsibility for the Forum, including specific coordination with MasterCard regarding the Forum and any reporting requirements related thereto. The contact person at MIF is Mr. Fernando Jiménez-Ontiveros, Deputy Manager (tel: (202) 942-8127, e-mail: fernandojo@iadb.org). The Grants and Co-financing Management Unit (ORP/GCM) will be responsible for forwarding to MasterCard the transfer request mentioned in paragraph 2. The contact person at ORP/GCM is Ms. Sonia Rivera, Chief (tel: (202) 623-2018, e-mail: soniar@iadb.org).
17. Any communications addressed to MasterCard in connection with this letter agreement will be sent to April DuBois, Vice President, International Development at the following address: 1401 I (Eye) Street, NW, Suite 1030, Washington, DC, 20005 / april_dubois@mastercard.com / 202.414.8021. Legal notices in connection with this letter agreement will be sent to Tara Nathan and to MasterCard's Office of the General Counsel at the address above.
18. Subject to its policies and procedures with respect to the disclosure of information, the IDB may make this letter agreement publicly available.



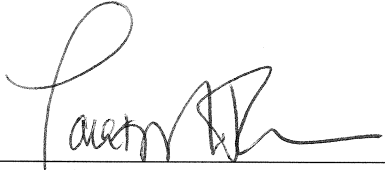
On behalf of the IDB, I wish to express our sincere appreciation for the important support provided by MasterCard for the Foromics.

Sincerely,



Bernardo Guillamon
Manager, Office of Outreach and Partnerships

Acknowledged and agreed
for MasterCard



Tara Nathan
Executive Director, Public Private Partnerships

Date: 1/22/14

MasterCard Law Department
Approved as to Legal Form
Lawyers Initials:
Date: 1/24/14

FOROMIC DESCRIPTION

The Foromic is organized by the Multilateral Investment Fund (MIF), a member of the Inter-American Development Bank Group, with the collaboration of the Ministries of Finance and Economy of the host countries.

In 2013, approximately 1,500 people from over 45 countries gathered in Guadalajara, Mexico to exchange ideas and knowledge on best practices and strategies to promote entrepreneurship and economic activity in the micro and small enterprise sector.

Connecting Leaders and Providing a Marketplace for Business

The Foromic provides an essential meeting place for networking and business deals between private sector investors and microfinance institutions making the conference their primary business event of the year. Attendants to the Foromic include:

- | | |
|---|---|
| • Microfinance Institutions | • Government Entities |
| • Associations of Microenterprises and Microentrepreneurs | • Financial Sector Regulators |
| • Enterprise Development Service Providers | • Financial Institution Superintendents |
| • NGOs and their networks | • Central Bankers |
| • Socially Responsible Investors | • Multilateral Organizations |
| • Chambers of Commerce | • Foundations |
| • Academia | • Private Donors |

Impact

Since the first Foromic was initiated in 1998, microenterprise development, and in particular microfinance, has evolved to become one of the most successful, fastest growing and efficient mechanisms for supporting income generation activities among low income people and disadvantage groups. Experience shows that financially empowered MSMEs constitute one of the most effective ways to overcome the challenges of poverty.

When the Foromic was first launched, the region had just 205 microfinance institutions serving 1.5 million clients. Today, partly as a result of the work done by the Foromic and the IDB Group, Latin America has one of the most highly regarded microfinance sectors in the world, consisting of more than 1,000 institutions, supporting an estimated 20 million clients and providing over \$40 billion in loans annually.

Structure and Components

The Foromic is a three-day event, with opening and closing plenary sessions and multiple simultaneous. Additionally, the MIF presents the **Inter-American Awards for Financial and Entrepreneurial Innovation**, which recognizes organizations that have made outstanding contributions to the development in Latin America and the Caribbean. The last year were awarded institutions working in areas related to financial inclusion, green business and high impact investments.

Foromic Topics

Innovation in Products and Services for Financial Inclusion and Savings
 Financing and Financial Education for Youth
 Developing and Promoting MSMEs through Innovative Models
 The Evolution of Microenterprises, Generating Small Enterprises
 Green Finance and Rural Finance
 Microinsurance and Microfranchising
 Efficient and Effective use of Savings and Remittances
 Responsible Finance
 Financing Dynamic Enterprises

**PROJECT SPECIFIC GRANT – SIMPLIFIED PLAN OF OPERATIONS
MIF REGIONAL EVENTS – FOROMIC – MASTERCARD
RG-X1208**

I. EXECUTIVE SUMMARY

Team Leader/Members:	Alfredo Giró-Quicke (MIF/MIF), Marco Macias (MIF/MIF) and Susana Buenaño (MIF/MIF), Team Leaders; Armando Olocco (TRY/FSV); Anne Marie Lauschus (LEG/NSG), Priscilla Crisologo (LEG/CLA), Claudia Oglialoro (ORP/GCM), Daniel Hincapie and Miguel Aldaz (ORP/ORP)																			
Executing Agency:	The Bank, through the Multilateral Investment Fund (MIF).																			
Target Beneficiaries:	Institutions and stakeholders in Bank member countries, international and regional partner institutions, and other development and donor entities.																			
Source of Funding:	<table border="0" style="width: 100%;"> <tr> <td style="width: 60%;">Mastercard Project Specific Grant¹:</td> <td style="width: 30%;"></td> <td style="width: 10%; text-align: right;">US\$310,000</td> </tr> <tr> <td> 1. Foromic 2014</td> <td style="text-align: right;">US\$65,000</td> <td></td> </tr> <tr> <td> 2. Foromic 2015</td> <td style="text-align: right;">US\$65,000</td> <td></td> </tr> <tr> <td> 3. Foromic 2016</td> <td style="text-align: right;">US\$60,000</td> <td></td> </tr> <tr> <td> 4. Foromic 2017</td> <td style="text-align: right;">US\$60,000</td> <td></td> </tr> <tr> <td> 5. Foromic 2018</td> <td style="text-align: right;">US\$60,000</td> <td></td> </tr> </table>		Mastercard Project Specific Grant ¹ :		US\$310,000	1. Foromic 2014	US\$65,000		2. Foromic 2015	US\$65,000		3. Foromic 2016	US\$60,000		4. Foromic 2017	US\$60,000		5. Foromic 2018	US\$60,000	
Mastercard Project Specific Grant ¹ :		US\$310,000																		
1. Foromic 2014	US\$65,000																			
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3. Foromic 2016	US\$60,000																			
4. Foromic 2017	US\$60,000																			
5. Foromic 2018	US\$60,000																			
Objectives:	The objective of this operation is to develop an effective and collaborative partnership between the IDB and Mastercard where the latter commits financial resources towards the logistics expenses related to the execution of the yearly Foromic (Inter-American Forum on Microenterprise), which serves as a platform of dissemination of knowledge, dialogue and best practices in the area of microenterprise development and microfinance in Latin America and the Caribbean.																			
Execution Timetable:	60 months for execution, and 66 months for disbursement as of project approval.																			

¹ The activities to be financed will be subject to the signature of the corresponding Administrative Arrangements to be entered into between the Bank and Mastercard, the latter providing the sponsorship contribution for Foromic activities as specified in Section IV.

Special Contractual Conditions:

There are no special contractual conditions.

Exceptions to Policies and Procedures:

There are no exceptions to Bank Policies and Procedures.

Environmental and Social Review:

This program has been classified as category “C” (VPS/ESG AG 02-14).

Coordination with other Development Finance Institutions:

The project team will coordinate with the main donors and development institutions as well as with several public and private sector entities/companies with special interest in the various events topics. The team will coordinate with ORP and other relevant departments of the Bank.



II. BACKGROUND AND JUSTIFICATION

A. IDB – Mastercard Partnership

- 2.1 IDB partners with foundations, corporations, non governmental organizations, government and international organizations to share the Bank’s objectives and have the capacity to mobilize financial and non financial resources for the development of joint projects.

B. Foromic as a Knowledge Dissemination Tool

- 2.2 The Foromic has been instrumental in setting the international and regional agenda for discussions on issues reflecting current challenges and solutions, and many institutions have used the events as a platform for presenting lessons learned, good practices, new programs or new developments in a given area. Also, the Foromic provides a venue for public/private dialogue on issues pertaining to public policy framework

C. Foromic and Mastercard

- 2.3 Through its many technical sessions, plenaries, workshops, and training, the Foromic focuses on relevant and current tendencies, i.e. effects of the financial crisis on the microenterprise sector in Latin America and the Caribbean. Other areas of focus may include: transparency, consumer protection and social performance in microfinance, rural finance, enterprise development and innovative approaches to promote eco-friendly micro and small enterprises, mobile technology for microfinance, banking for unbanked population and improved access to markets for micro and small enterprises.
- 2.4 In this context, Mastercard has expressed a keen interest in becoming a five year Platinum sponsor at the Foromic for a five year period by contributing a total amount of US\$310,000 disbursed in five tranches starting on 2014. Please refer to Section IV.

III. OPERATION DESCRIPTION

A. Objective

- 3.1 The objective of this operation is to develop an effective and collaborative partnership between the IDB and Mastercard where the latter commits financial resources towards the expenses related to the execution of the Exhibition Center at the yearly Foromic (Inter-American Forum on Microenterprise), which serves as a platform of dissemination of knowledge, dialogue and best practices in the area of microenterprise development and microfinance in Latin America and the Caribbean.

B. Contribution description

- 3.2 Mastercard’s contribution will be used to finance costs related to the logistics services which could also include rent of space, planning, design, production, set up and tear down of the Foromic’s Exhibition Center.
- 3.3 In this context, Mastercard has expressed its interest in becoming a Foromic Platinum Sponsor for a five year period by contributing a total amount of US\$310,000 disbursed in five tranches starting on 2014.

3.4 As a Platinum sponsor, the Bank will recognize Mastercard with the benefits stated in Section IV below.

IV. DISBURSEMENT SCHEDULE, BENEFITS AND USE OF FUNDS

A. Tranches, Benefits, Use of Funds

4.1 Mastercard will make five payments to the Bank in the dates and amounts stated below and will in exchange receive the benefits corresponding to each tranche/year.

	TRANCHES	BENEFITS	USE OF FUNDS	TRANCH PAYMENT DUE DATE	CONTRIBUTION AMOUNT	%
	Year 1 - 2014	Recognition as Sponsor of the Exhibition Center Logo on Foromic's website with a link to Mastercard's own website Logo placed on printed program Logo placed on main banners Double stand 12 free entrances	Expenses related to logistics services could also include the rent of space, planning, design, production, set up and tear down of the Exhibition Center	31-May-14	\$ 65,000	21%
	Year 2 - 2015	Recognition as Sponsor of the Exhibition Center Logo on Foromic's website with a link to Mastercard's own website Logo placed on printed program Logo placed on main banners Double stand 12 free entrances		31-May-15	\$ 65,000	21%
	Year 3 - 2016	Logo on Foromic's website with a link to Mastercard's own website Logo placed on printed program Logo placed on main banners Double stand 12 free entrances		31-May-16	\$ 60,000	19%
	Year 4 - 2017	Logo on Foromic's website with a link to Mastercard's own website Logo placed on printed program Logo placed on main banners Double stand 12 free entrances		31-May-17	\$ 60,000	19%
	Year 5 - 2018	Logo on Foromic's website with a link to Mastercard's own website Logo placed on printed program Logo placed on main banners Double stand 12 free entrances		31-May-18	\$ 60,000	19%
	TOTAL				\$ 310,000	100%

4.2 In the case the Foromic is skipped for one or more years, Mastercard's contribution will automatically be extended to include the year(s) following the last Foromic for which MasterCard is sponsor as necessary for MasterCard to sponsor five Foromics.

B. Description of the source of funding:

- 4.3 The resources to be received from Mastercard² will be provided to and administered by the Bank through Project Specific Grants (PSGs). 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 that document, the commitments from donor will be established through administrative agreements. It is expected that such agreements would be signed four to six months before the event. In line with previous practice, and given the nature of the contributions supporting a Bank activity, the 5% administrative fee charged by the Bank will not be applied to the Foromic event. A waiver of such fee for the Foromic was approved by the President on April 14, 2010.

C. Sustainability

- 4.4 This project will complement the yearly approved Foromic document.
- 4.5 Mastercard’s contribution is contingent to to the confirmation of the Foromic being organized on the subject year.

V. EXECUTING AGENCY AND MECHANISM

A. Executing Mechanism

- 5.1 The Bank, as administrator of the Multilateral Investment Fund (MIF), will be responsible for the implementation of this operation with support from ORP and LEG. The basic responsibility for the program is with the MIF who will coordinate with Mastercard for the corresponding tranche payments.
- 5.2 Disbursements are contingent to the approval of the Foromic on the subject year.

B. Execution period and disbursement schedule

- 5.3 The events will have a disbursement period of 66 months, and a execution period of 60 months, as of program approval.

C. Procurement

- 5.4 Acquisitions of goods and contracting of consulting services will follow Bank policies and procedures set forth in documents GN-2350-7 & GN-2349-7.
- 5.5 As per established procedure in previous years, a service provider (logistics company) will be hired to locally implement the Foromic. MIF will be responsible for the coordination and supervision The selection of the logistics company will be carried out in accordance with current Bank policies and procedures on corporate procurement.

² When financing from the private sector (corporations, philanthropic foundations, NGOs) is proposed, the Project Team shall comply with the “Guidelines for Strategic Partnerships with the Private Sector and IDB Operational Procedures” (Document CC-6007-1, as may be amended from time to time).

D. IDB Obligations

- 5.6 The Bank will showcase MasterCard’s sponsorship of the Foromics in a positive and prominent fashion by placing its logo at the Platinum level on the Foromic’s website as soon as it goes live, on the printed agenda and on the main banners.
- 5.7 The Bank will deliver to Mastercard all the benefits as stated in paragraph 4.1.
- 5.8 The Bank, through the MIF and its Events Team is responsible for the planning, coordination and execution of all operational aspects of the Foromics.

VI. SUPERVISION

A. Technical and basic responsibility

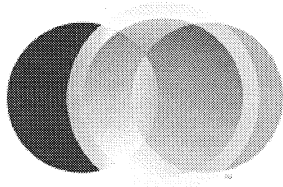
- 6.1 MIF/MIF through the assigned project team is responsible for the technical supervision and for disbursements.

VII. ENVIRONMENTAL AND SOCIAL ASPECTS

- 7.1 Date of ESR review was January 13, 2014 (VPS/ESG AG 02-14) and no comments were offered. This program has been classified as category “C”.



MasterCard Marks



MasterCard

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