



MEMORANDUM OF UNDERSTANDING
between
ASIAN DEVELOPMENT BANK
and
CORPORACION ANDINA DE FOMENTO
2011 – 2015

This Memorandum of Understanding (hereinafter referred to as the "Agreement") is entered into on this 20th day of January, 2011, by and between the Asian Development Bank (hereinafter the "ADB") and Corporación Andina de Fomento (hereinafter "CAF", and together with "ADB" collectively referred to as the "Parties").

1. ADB is a multilateral development finance institution whose mission is to help its developing member countries reduce poverty and improve the quality of life of their people. Headquarters were established in 1966 in Manila, Republic of the Philippines. ADB is owned and financed by its members.^a ADB has offices in 29^b countries of the region.
2. In pursuing its vision, ADB's main instruments comprise loans, technical assistance, grants and advisory services. Although most lending is to the public sector and to governments, ADB also provides direct assistance to private enterprises of developing countries through equity investments, guarantees and loans. In addition, its triple-A credit rating helps mobilize funds for development.
3. ADB's strategic directions are set out in *Strategy 2020*. Under this Strategy, ADB focuses its operations into the following five core specializations that best support its agenda, reflect developing member country needs and ADB's comparative strengths, and complement efforts by development partners: (i) infrastructure; (ii) environment, including climate change; (iii) regional cooperation and integration; (iv) financial sector development; and (v) education. In other areas, ADB continues operations only selectively in close partnership with other agencies. *Strategy 2020* envisages a significant engagement with the private sector.
4. CAF is a multilateral financial institution that mobilizes resources from international markets to Latin America in order to provide multiple financial services to public and private sector clients in shareholder countries.^c Headquartered in Caracas, Bolivarian Republic of Venezuela, CAF was established in 1970. At present, it has representative offices in several of its shareholder countries^d.
5. CAF's Agenda for Comprehensive Development provides a policy framework to achieve its vision of high, sustained and quality growth in Latin America that is built on (i) progress already achieved through macroeconomic stability, (ii) improvements on microeconomic efficiency, and (iii) assigning the highest priority to the promotion of social equity, inclusion and poverty reduction, while maintaining environmental sustainability.
6. CAF offers financial and related products and services to the governments of, and public and private institutions, corporations and joint ventures in, its shareholder countries. Primarily, CAF provides short, medium and long-term loans and

^a As of today these consist of 67 members, 48 of which are from the region whilst 19 are from other parts of the globe.

^b Resident missions of ADB: Afghanistan, Armenia, Azerbaijan, Bangladesh, Cambodia, People's Republic of China, Georgia, India, Indonesia, Kazakhstan, Kyrgyz Republic, Lao PDR, Mongolia, Nepal, Pakistan, Papua New Guinea, Sri Lanka, Tajikistan, Thailand, Uzbekistan, Vietnam. Regional missions: Pacific Liaison and Coordination Office, South Pacific Sub-regional Office. Country offices in Samoa, Solomon Islands, Tonga, Timor-Leste, the Philippines, and Vanuatu.

^c Its shareholders are Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, Jamaica, Mexico, Panama, Paraguay, Peru, Portugal, Spain, Trinidad & Tobago, Uruguay, Venezuela, and 14 private banks in the region.

^d Bogota, Brasilia, Buenos Aires, La Paz, Lima, Madrid, Montevideo, Panama City and Quito.

guarantees. To a lesser extent, CAF also participates as a limited equity investor in corporations and investment funds, and provide technical and financial assistance, as well as administrative services for certain regional funds.

7. Within the overarching strategic framework of each organization, ADB and CAF foresee several potential areas for enhanced collaboration and complementary work to initiate, promote and develop a Latin America and Asia link up, particularly in order to carry out joint work for closer Latin America-Asia economic relations and South-South Cooperation.
8. To formalize their commitment to Latin America-Asia cooperation, the parties herein consider it appropriate to initiate a partnership at an institutional level. In particular, the present Memorandum of Understanding (hereinafter referred to as "MoU") represents an opportunity to explore potential areas of cooperation. Moreover, both institutions recognize the potential need to develop joint business strategies, set objectives with a clear set of targets and indicators, and clearly define areas for collaboration.
9. The present MoU will form the basis of cooperation between ADB and CAF.

ARTICLE 1

Objective

10. The objective of the present MoU is to establish a non-exclusive framework of cooperation between ADB and CAF and to facilitate collaboration between the Parties to promote programs and initiatives that foster knowledge management and cooperation between them, with special emphasis in areas that are of direct relevance to the priorities and strategies of each of them. These and any other activities agreed to between the Parties shall be subject to their respective internal policies, procedures and approvals.

ARTICLE 2

Areas of Cooperation

11. It is envisaged that the focus of areas of joint activities may include those detailed in Appendix A attached hereto, which may be amended from time to time with the mutual written consent of the Parties. The scope of the MoU has been summarized in Appendix B attached hereto. The expected impact of these activities would be: (i) the enhanced capacities of ADB and CAF to fulfill the long-term strategic objectives of sustainable development and regional integration, and (ii) an operationally effective ADB-CAF partnership supporting sustainable development and regional integration efforts in their respective geographic spheres of activities.

ARTICLE 3

Partnership Management and Implementation

A. Review and Assessment

12. ADB and CAF recognize that periodic consultations at the senior institutional level are important in order to review the planning, implementation, and outcomes of their joint cooperation activities, and discuss pertinent results, challenges, opportunities

and problems. In this respect, the Parties agree to use their best efforts to hold high level consultations/retreats at executive level at locations to be mutually selected, if possible on an alternating basis between both institutions.

13. Institutional consultations will be the primary mechanisms to:
- a) review the implementation of the MoU;
 - b) review current joint activities and identify new opportunities for collaboration;
 - c) consider any amendments or additions to the MoU; and
 - d) set joint priorities and a corresponding work program for the following annual period.

B. Planning, Implementation, Reporting and Evaluation of Activities

14. ADB and CAF will use their best efforts to prepare, on or before the last working day of each calendar year:
- (a) A list of all current operational cooperation activities and summary status of implementation based on the key results as depicted in the agreed collaboration framework (Appendix B) and progress in the annual workplan for the concluding year; and
 - (b) A joint work program, including a list with brief description of all planned cooperation activities for the next 12-24 months.
15. The designated focal points of ADB and CAF will prepare a joint report after 2.5 years from the date hereof on the status of implementation of the joint cooperation activities. The reporting format will be agreed upon by ADB and CAF and, to the extent possible, it will be based upon existing reports produced by both institutions.
16. In respect of evaluation of their joint activities,
- a) ADB and CAF share a commitment to strengthening, monitoring and evaluation of their development assistance efforts and their engagement with other donors and development partners; and
 - b) As part of their consultations, the Parties will monitor and assess their respective performance in implementing their commitments under this MoU. ADB and CAF will also monitor and evaluate the effectiveness of this MoU in achieving agreed outcome and outputs.

C. Confidentiality

17. ADB and CAF recognize that the joint cooperation arrangements should be publicized, both within each of their organizations and in the general community, in accordance with their respective policies on disclosure of information and with the limits of legal regulations under which they operate, if applicable. Nevertheless, unless otherwise previously agreed in writing or as required to be disclosed by law, all information received by each party from the other party shall be subject to the treatment of confidentiality by said receiving party. The information supplied by CAF or ADB shall remain the property of such corresponding entity and not of the receiving party. Confidential information disclosed by one Party to the other Party shall be handled by the receiving Party with no lesser standard of care than it would use in handling its own confidential information.

Subject to the aforementioned terms and conditions, the Parties, therefore, agree to:

- a) Acknowledge the role and contribution of each Party to the joint cooperation activities in all relevant public information documentation relating to instances of such cooperation; and
- b) Use each Party's name and emblem in documentation related to the joint cooperation activities in accordance with the current policies of each institution, subject to prior written agreement of each such institution on a case-by-case basis.

ARTICLE 4 Obligations of the Parties

18. The present MoU is not intended to impose formal obligations on the Parties. In particular, this MoU does not represent any commitment to provide funding and/or other resources on the part of the Parties in regards to any matters contemplated herein. Any such commitment, if desirable by both Parties, shall be reflected in separate agreements that may be entered into by the Parties under the auspices of this MoU. Furthermore, this MoU shall not represent any commitment on the part of either Party to give preferred treatment to the other in any matter contemplated under this MoU or otherwise.

ARTICLE 5 Channel of Communications and Notice

19. Any notice or other communication under this MOU shall be in writing and shall be deemed to have been duly given or made when it has been delivered by hand, internationally recognized courier, e-mail or telefax, as the case may be, by either Party to the other at the appropriate address specified below or such other address as either party may hereafter notify in writing to the other party:

For CAF:

Corporacion Andina de Fomento
Ave. Luis Roche, Torre CAF
Altamira, Caracas - Venezuela
Attention: Carolina España - Director of Institutional Funding
Phone: +58 (212) 209-2363
Fax: +58 (212) 209-2328
e-mail: cespana@caf.com

For the ADB:

Asian Development Bank
6 ADB Avenue, Mandaluyong City
1550 Metro Manila
PHILIPPINES

Attention: Kazu Sakai - Director General Strategy and Policy
Department
Tel: +632 632 4444
Fax: +632 636 2182
e-mail:ksakai@adb.org

20. Either Party hereto may, by prior notice in writing to the other Party, designate additional representatives or substitute other representatives for those designated in clause 19 above.

ARTICLE 6
Effectiveness, Amendment, Termination, and Other Matters

21. This MoU shall enter into force on the date of its signature by both Parties and will remain in effect until December 31, 2015 unless terminated by either Party with a 60-day prior written notice to the other Party. The termination of this MoU shall not affect contractual obligations that have been separately entered into by either or both Parties under this MoU.
22. This MoU may be amended only by written consent of both Parties hereto.
23. Notwithstanding clause 17 herein, subject to the compliance with their respective policies and procedures, each Party may make this MoU publicly available.
24. In the event of controversies or disputes in regards to this MOU, the Parties hereto shall take appropriate action to reach an amicable resolution.

IN WITNESS WHEREOF, the Parties hereto, each acting through its duly authorized representative, have signed this MoU in two (2) original counterparts in the English language, in Manila, Philippines, on this 20th of January, 2011.

ASIAN DEVELOPMENT BANK

CORPORACION ANDINA DE FOMENTO

Haruhiko Kuroda
President and Chairperson of the Board of
Directors

L. Enrique García
Executive President

Appendix A
ADB-CAF Memorandum of Understanding

The Parties may, in particular, explore the possibility of joint cooperation in the following areas of activity:

1. Promote exchange of best practices in the areas of infrastructure (sustainable energy, IT, and transport), social development (water, urban development, education, and governance), environment (carbon/clean energy and disaster risk management), financial policies and finance (particularly for Small and Medium Enterprises ("SME")).
2. Collaborate in capacity building initiatives, policy research, networking activities and inter-regional forums to promote knowledge management, trade and investment between Latin America and Asia and the Pacific, particularly in areas related to infrastructure (sustainable energy, IT, and transport), social development (water, urban development, education, and governance), environment (carbon/clean energy and disaster risk management) and finance (SME).
3. Enhance policy and private sector dialogue and South-South Cooperation between the two regions to promote inter-regional economic and cooperation linkages.

Appendix B
DESIGN AND MONITORING FRAMEWORK FOR
ADB-CAF MEMORANDUM OF UNDERSTANDING

Design Summary	Performance Targets and/or Indicators	Data Sources and/or Reporting Mechanisms	Assumptions and Risks
<p>Impact</p> <p>1. Poverty reduction and sustainable development in the Parties' respective regions.</p> <p>2. Enhancement of capacities of ADB and CAF to deliver long-term strategic objectives of sustainable development and regional integration.</p> <p>3. Effective ADB-CAF partnership supporting sustainable development and regional integration</p>	<p>By end of 2015:</p> <p>2 or more new collaborations directly or indirectly contributing to poverty reduction and sustainable development.</p> <p>2 or more piloted/employed new approaches used by the other organization.</p>	<p>Partnership completion assessment</p>	<p>Assumptions</p> <p>Synergies in long term strategic frameworks of both Institutions retained and/or expanded.</p>
<p>Outputs</p> <p>1. Promote exchange of best practices.</p> <p>2. Collaborate in capacity building initiatives, policy research, networking activities and inter-regional forums, knowledge sharing and South-South cooperation.</p> <p>3. Enhance policy and private sector dialogue between the Parties' respective regions.</p>	<p>From beginning of 2011 to end of 2015:</p> <p>(i) strategic and operational work, (ii) policy and knowledge work for no less than 3 years and evaluated by both organizations by 2015, (iii) at least 1 study visit every 2 years, and (iv) Joint South-South cooperation activities.</p> <p>Number of (i) collaborations, (ii) policy researches, (iii) networking activities, and (iv) forums (at least 1 forum organized by 2015).</p>	<p>ADB's partnership repository system.</p> <p>ADB-CAF annual and biannual joint reports.</p> <p>ADB-CAF annual joint workplans.</p> <p>Midterm reports and reviews, when applicable.</p>	<p>Assumptions</p> <p>Consultations are timely taken.</p> <p>ADB and CAF program continuation in agreed countries and/or sectors.</p> <p>Staff allocated for joint cooperation; relation and trust developed.</p> <p>Budgeted resources for joint collaboration properly allocated.</p>

Activities with Milestones

To be determined on an annual basis as part of (i) consultations, and (ii) agreed workplans.
Activities and milestones will be linked to outputs through an updated results framework.

Inputs

To be properly budgeted .