

**MEMORANDUM OF UNDERSTANDING  
BETWEEN  
THE ASIAN DEVELOPMENT BANK  
AND  
THE SOUTH ASIAN ASSOCIATION FOR REGIONAL COOPERATION**

The Memorandum of Understanding (hereinafter referred to as "MOU") is entered into by the Asian Development Bank, (hereinafter referred to as "ADB") and the South Asian Association for Regional Cooperation (hereinafter referred to as "SAARC") dated 12 April 2004. ADB and SAARC are hereinafter collectively referred to as the "Parties".

WHEREAS, the overarching goal of the ADB is poverty reduction; and the objective of SAARC is to promote the welfare and improve the quality of life of the people in South Asia;

WHEREAS, the Parties are desirous of supporting and promoting regional cooperation and development in and amongst People's Republic of Bangladesh, Kingdom of Bhutan, Republic of India, Republic of Maldives, Kingdom of Nepal, Islamic Republic of Pakistan, Socialist Democratic Republic of Sri Lanka (hereinafter the "Countries");

WHEREAS, the Parties hereby agree to enter into a cooperative relationship, consistent with the *Charter of SAARC* (hereinafter the "SAARC Charter") as well as the *Agreement Establishing the ADB* (hereinafter the "ADB Charter"), to pursue the following:

**I. AIMS AND PURPOSES**

The Parties shall:

- (i) Support the efforts of the Countries to attain a sustainable reduction in poverty by (a) promoting programs and activities that will accelerate broad-based economic growth, social development, and good governance; and (b) promoting cross-border movements of goods, services and people through regional cooperation amongst the Countries; and
- (ii) Promote programs and activities designed to establish institutional linkages with other regional cooperation initiatives, such as the Association of South East Asian Nations ("ASEAN") and the ADB's Greater Mekong Subregion ("GMS") program, with the aim of exchanging experience and knowledge of best practices.

## II. AREAS OF COOPERATION

The Parties agree to collaborate as follows:

- (iii) ADB shall explore the possibility of augmenting the South Asia Development Fund (SADF), through project-specific cooperation and interventions, so as to facilitate the implementation of projects to alleviate poverty in the Countries;
- (iv) The Parties shall support and strengthen the SAARCFINANCE process, an initiative of a group of the central banks and finance ministries of the Countries.

## III. CONSULTATION AND EXCHANGE OF INFORMATION

- (v) The Parties agree to inform each other of their initiatives and plans of regional relevance and to undertake periodic consultations to identify and elaborate joint activities in mutually agreed fields;
- (vi) The Parties shall conduct and disseminate studies based on mutually-agreed priority concerns as identified by the Countries, such as poverty reduction, environment, employment, trade and investment, social services, governance, private sector development, and gender issues; and
- (vii) The Parties shall exchange, on a regular basis, analytical reports, technical publications, and other relevant documentation.

## IV. TERMINATION AND MODIFICATION

- (viii) The proposed cooperation under this MOU is non-exclusive. Either party may terminate the arrangements described in this MOU upon three months notice in writing to the other party. In the event of termination, the Parties will take steps to bring activities being conducted as a result of this MOU, if any, to a prompt and orderly conclusion.
- (ix) The arrangements described in this MOU may be modified upon the mutual agreement of the Parties reflected in writing.

## V. SETTLEMENT OF DISPUTES

- (x) Any dispute, controversy, or claim between the Parties arising out of this MOU, or any agreement concluded hereunder, will be settled by negotiation between the Parties or in such other manner as the Parties may agree.

VI. ADDRESSES

- (xi) Any written communications between the Parties pursuant to this MOU may be sent to the address specified below, or to such other address as the party concerned may specify:

For ADB: Asian Development Bank  
No. 6 ADB Avenue  
Ortigas Center  
Mandaluyong City, Philippines

For SAARC: SAARC Secretariat  
P.O. Box 4222  
Kathmandu, Nepal

VI. PRIVILEGES AND IMMUNITIES

- (xii) Nothing in or relating to this MOU shall be deemed a waiver, express or implied, of any of the privileges and immunities of either party.

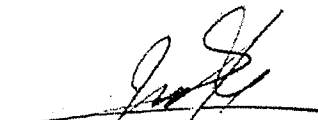
This MOU shall become effective upon its execution by the Parties.

For the South Asian  
Association for  
Regional Cooperation



Mr. Q.A.M.A. Rahim  
Secretary General

For the Asian Development Bank



Mr. Liqun Jin  
Vice President (Operations 1)