

LETTER OF INTENT

This Letter shall form the basis of cooperation between –

ASIAN DEVELOPMENT BANK (ADB)

and

THE FEDERAL MINISTRY FOR ECONOMIC COOPERATION AND DEVELOPMENT (BMZ)

for GERMAN DEVELOPMENT COOPERATION (GDC)

I. THE COOPERATION PARTNERS

1. ADB and GDC have a mutual interest in achieving effective and relevant policies and programming in international development. ADB is a major development agency in the Asian and Pacific region which seeks to foster economic growth, good governance, human resource development and the alleviation of poverty for the benefit of its developing member countries. GDC aims to achieve a global structural and peace policy, to help resolve crises and conflicts in a peaceful manner, to help ensure that scarce resources are more equitably shared, and that the natural environment is preserved for coming generations. It also aims to help reduce poverty.

2. Representatives of ADB and GDC have held discussions with a view to enhancing their opportunities for collaboration. It is agreed that collaboration will strengthen institutional capacities in both organizations and enhance the efficiency and effectiveness of the use of their respective resources. GDC comprises at present the Federal Ministry for Economic Cooperation and Development (BMZ), KfW Development Bank, GTZ, Capacity Building International (InWEnt), German Development Service (DED), Centre for International Migration (CIM), and German Investment and Development Company (DEG).

3. ADB and GDC have concluded that they should collaborate in the identified areas of mutual interest, without creating formal obligations for either Party.

II. GUIDING PRINCIPLES

4. ADB and GDC acknowledge that the collaboration which they seek to foster shall facilitate the realization of their aims to promote economic growth, inclusive social development and improved governance. Promoting the role of the private sector in development, supporting regional cooperation and integration for development and addressing environmental sustainability are acknowledged as fundamental aims. Both Parties further acknowledge that collaboration will increase their development relevance and effectiveness by managing activities on the basis of performance results.

5. The collaboration between ADB and GDC will be based on the principle of partnership, shared responsibility, and division of labor. It shall be guided by the following principles:

- (a) Country and regional ownership of sound development policies and programs are necessary to ensure sustainable development;
- (b) Long-term approaches to sustainable development are needed;

- (c) Full stakeholder participation shall be encouraged, consistent with available resources;
- (d) Development policies and programs should be results oriented and built on transparent relationships between development assistance providers and beneficiary countries.

III. THE IDENTIFIED AREAS OF COOPERATION

6. ADB and GDC undertake to explore all possibilities for effective collaboration with respect to the following development challenges:

- (a) education, particularly vocational training;
- (b) water supply and sanitation;
- (c) energy;
- (d) transport;
- (e) health, nutrition and social protection;
- (f) finance;
- (g) urban development; and
- (h) environmental sustainability, particularly climate change and clean development mechanism.

7. Other areas for mutual collaboration and cooperation may be identified and agreed to by the Parties as appropriate.

IV. PARTICULAR ASPECTS OF COOPERATION

8. The collaboration between ADB and GDC may involve the following activities:

- (a) co-financing of investment projects and policy programs, and development of new financing instruments;
- (b) sponsoring joint seminars or conferences when and where appropriate to promote priority issues of development cooperation with particular relevance for Asia;
- (c) staff exchanges;
- (d) regular exchanges of information on their respective regional and country programs and on other areas of common interest; and
- (e) other specific technical arrangements with regard to the individual areas of cooperation, as necessary.

9. ADB and GDC agree that there is a need to strengthen international and regional networks for the generation and dissemination of knowledge and research, and agree to collaborate so as to achieve this objective.

V. REVIEW OF THE ARRANGEMENT AND DESIGNATION OF FOCAL POINTS

10. ADB and GDC propose to review this arrangement through:

- (a) periodic review meetings held as mutually agreed to;
- (b) regular exchanges of information; and
- (c) designation of focal points at each organization.

11. ADB and GDC agree that a first review of activities under this Letter of Intent will be undertaken within three months of its signing to consider further ways to facilitate its implementation.

12. The designated focal points shall be:

- (a) for ADB: Director General, Regional and Sustainable Development Department
Asian Development Bank
6 ADB Avenue
Mandaluyong City
1550 Metro Manila, Philippines
Telephone: (632) 632-4444
Fax: (632) 636-2444
Email: information@adb.org
- (b) for GDC: The German Executive Director or the Alternate Executive Director
Asian Development Bank

VI. FURTHER COOPERATIVE ARRANGEMENTS

13. ADB and GDC do not intend to create legal relations by the signing of this Letter of Intent. It is intended only that opportunities for cooperation and collaboration shall be identified and facilitated.

14. In the event that opportunities are identified for the further collaboration involving the provision or management of funds or the commitment of the resources of either Party, these shall be implemented in accordance with the provisions of a written agreement entered into by the Parties in accordance with their established practices and procedures.

Signed this 4th day of May, 2005 at Istanbul, Turkey.

ASIAN DEVELOPMENT BANK

**THE FEDERAL MINISTRY FOR ECONOMIC
COOPERATION AND DEVELOPMENT**

Haruhiko Kuroda
President

Uschi Eid
Parliamentary State Secretary