

MEMORANDUM OF AGREEMENT
between
ASIAN DEVELOPMENT BANK (ADB)
and
DEUTSCHE GESELLSCHAFT FÜR TECHNISCHE ZUSAMMENARBEIT
OF THE GOVERNMENT OF THE FEDERAL REPUBLIC OF GERMANY (GTZ)
on
Coordination of Assistance to the Brunei Darussalam – Indonesia – Malaysia –
Philippines East ASEAN Growth Area

1. On 4 May, 2005, the President of ADB, Haruhiko Kuroda, and the Parliamentary State Secretary in the Federal Ministry for Economic Cooperation and Development (BMZ), Uschi Eid, acting for the German Development Cooperation (GDC), Federal Republic of Germany, signed a Letter of Intent to form the basis of cooperation between the ADB and GDC. That Letter of Intent, which is an attachment to this Memorandum of Agreement, established guiding principles, possible areas of cooperation, particular aspects of cooperation, and other aspects of a framework for further cooperation agreements between the two organizations. This Memorandum of Agreement seeks to enhance, consistent with the aforementioned Letter of Intent, cooperation of ADB and GDC in the Brunei-Indonesia-Malaysia-Philippines East ASEAN Growth Area (BIMP-EAGA).

2. ADB has provided support to the BIMP-EAGA through numerous projects and technical assistance since its creation in 1994. In 2001, ADB was asked to serve as the regional development adviser to BIMP-EAGA. Since then, ADB projects in the BIMP-EAGA had the following scope:

- a) Expanding the Strategy for SME Development in the East ASEAN Growth Area;
- b) Coordinating the Revival of Cooperation Activities in BIMP-EAGA
- c) Prioritizing Strategic Directions for BIMP-EAGA;
- d) SME Business Information Exchange for the BIMP-EAGA Region;
- e) Capacity Building of the Philippine Coordinating Office for BIMP-EAGA;
- f) Capacity Building of Mindanao Economic Development Council to Enhance Private Sector Activity in the Philippine-EAGA;
- g) Developing a Database on Cross-Border Trade and Investment in BIMP-EAGA (under preparation);
- h) Support for Strengthening the Indonesia National Secretariat for Subregional Cooperation

3. Support for subregional initiatives is one of the four pillars of ADB's new Southeast Asia Department (SERD) Regional Cooperation Strategy and Program, which states that "the SERD Regional Program will focus its support for subregional cooperation on BIMP-EAGA."

4. In recognition of BIMP-EAGA's potential for economic growth and development thereby also contributing to the peace and security situation in the region, the GTZ was commissioned in 2004 by BMZ to implement the project "Promoting Economic Cooperation in BIMP-EAGA". The overall goal of the project is to strengthen institutions relevant to the development of cross-border trade in selected areas of the BIMP-EAGA region, and to promote economic cooperation between its member countries. The project seeks to (i) enhance investment in the region, (ii) strengthen institutions at a regional and national level, both in the private and public sectors and (iii) create a supporting environment for intra-regional and inter-regional cross-border trade of goods and services, through capacity building in the BIMP-EAGA Facilitation Center and BIMP-EAGA Business Council, enhanced coordination between BIMP-EAGA and ASEAN, and support for business development in key sectors. The planned project duration is from January 2005 until December 2008 (i.e. four years).

5. With the growing and renewed interest in the BIMP-EAGA, an integrated effort of Donors is needed to ensure the effectiveness and efficiency of their activities. For this reason, the ADB and GTZ have agreed to enhance their cooperation in the BIMP-EAGA.


6. Toward that end, ADB and GTZ (hereinafter called "the Parties") agree on the following administrative arrangements facilitating coordination, implementation and monitoring of their activities:

- a) The Parties will aim at achieving, through the design of their projects in the BIMP-EAGA, synergies between their respective projects and will seek to collaborate in project implementation.
- b) The Parties recognize that their effective coordination of their activities in the BIMP-EAGA depends on open and regular exchange of information. They will extend to each other invitations to meetings, conferences, seminars and workshops, as appropriate, and will seek to collaborate in monitoring Project impacts together with in the appropriate national authorities in the BIMP-EAGA.
- c) GTZ will assign a Project Manager for the duration of the German BIMP-EAGA project. This project manager will report to and work under the overall guidance and supervision of the Head of the GTZ office in the Philippines and shall coordinate closely with the relevant staff of ADB specifically from the Southeast Asia Department.
- d) ADB will provide to the GTZ Project Manager, and if so agreed by ADB and GTZ, to another GTZ staff member assisting the Project Manager, office space, use of office equipment and supplies, and access to relevant publicly-available information and databases necessary to effectively carry out his/her tasks as BIMP-EAGA project manager.
- e) ADB will invite the GTZ Project Manager, where feasible and appropriate, to participate in meetings, seminars or workshops regarding BIMP-EAGA. The Project Manager will be given the opportunity to speak to broader ADB audiences, by giving

brown bag presentations or through other arrangements, as agreed upon by ADB and GTZ.

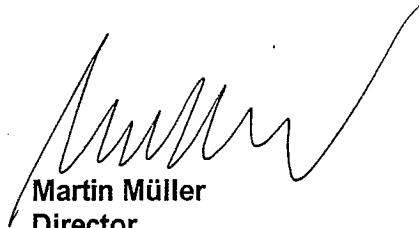
DATED this 23rd day of June, 2005.

ASIAN DEVELOPMENT BANK



Shamshad Akhtar
Director General
Southeast Asia Department

GTZ PHILIPPINES



Martin Müller
Director
Philippines, Papua New Guinea
and Pacific Island States, GTZ