

MEMORANDUM OF UNDERSTANDING
FOR ADMINISTRATIVE ARRANGEMENTS

This memorandum of understanding (MOU)
will form the basis of cooperation between the

ASIAN DEVELOPMENT BANK

and

AGA KHAN DEVELOPMENT NETWORK

A. The Cooperation Partners

1. The Asian Development Bank (ADB) and the Aga Khan Development Network (AKDN) have a mutual interest in achieving effective and relevant policies and programming in international development. ADB, a major development institution in the Asia and Pacific region, seeks to foster economic growth, good governance, human resource development, and the reduction of poverty for the benefit of its developing member countries. The AKDN is an international group of development agencies working in economic, social and cultural development, including in several countries in the Asian region.
2. Representatives of ADB and AKDN have held discussions with a view to enhancing opportunities for collaboration. They agree that collaboration will strengthen institutional capacities in both organisations, and enhance the efficiency and effectiveness of the use of their respective resources.
3. ADB and AKDN have concluded that they should collaborate in the identified areas of mutual interest, without creating formal obligations for either party. The basis for the agreement is to allow for an expansion in collaborative activities in countries in the Asian region that are covered by both organisations. When used in this MOU, the terms "organisation" or "party" refer to either ADB or AKDN, and the terms "organisations" or "parties" refer to ADB and AKDN.

B. Aims and Guiding Principles

4. ADB and AKDN acknowledge that the collaboration they seek to foster will facilitate the realisation of their common aims of poverty reduction and promoting economic and social development. Both parties acknowledge that collaboration based on the comparative strengths of each organisation will increase their development relevance and effectiveness by managing activities on the basis of performance and results.

5. In addition, ADB and AKDN will work together to support
 - (i) poverty reduction, asset and employment creation in selected regions, sub-regions, and countries in Asia; and
 - (ii) other development goals, including the achievement of the Millennium Development Goals in these regions, sub-regions, and countries.
6. Collaboration between ADB and AKDN will be guided by the following principles:
 - (i) Local, country and regional ownership of sound development policies and programmes are necessary to ensure sustainable development;
 - (ii) Long-term approaches to sustainable development are needed;
 - (iii) Full stakeholder participation should be encouraged, consistent with available resources;
 - (iv) Development policies and programmes should be results-oriented and built on transparent relationships between development assistance providers and stakeholders in beneficiary countries;
 - (v) Creating a strong enabling environment to nurture and encourage private initiative; and
 - (vi) The necessity to find ways and undertake investments to connect the poor to the opportunities of growth and to connect services to the poor emanating from national and regional growth benefits.

C. Aspects of the Proposed Cooperation and Joint Activities

7. ADB and AKDN will focus on their shared strategic and operational priorities and use their comparative strengths and advantages. In addition, they will
 - (i) share knowledge of lessons learned and evaluations of development in Asia;
 - (ii) consult each other on regional and sub-regional policy dialogue and programming for regional, sub-regional and country activities, where feasible and appropriate;
 - (iii) explore the potential of co-financing regional, sub-regional, and country programmes and projects; and
 - (iv) consult around the preparation of relevant country and regional strategy papers and related policy directions.

8. The potential for joint activities is expected to include areas identified in the Appendix; these may be amended or developed further from time to time with the mutual written consent of the two organisations.

D. Exchange of Information

9. ADB and AKDN recognise that effective collaboration depends upon open, comprehensive, and regular exchange of information at the institutional level. They agree to make appropriate arrangements to

- (i) deposit copies of selected publications and public documents of each organisation in the main library of the partner organisation, to be maintained as reference documents; and
- (ii) give notice, through information posted on the web sites or other appropriate means of each organisation, of
 - (a) conferences, seminars, and workshops being organised or sponsored;
 - (b) regional, country, sector, and thematic policy/strategy documents;
 - (c) programme and project approval documents; and
 - (d) regional programme, country programme, sector, project, and other evaluations.

E. Attendance at Meetings

10. ADB and AKDN recognise that appropriate representation is important to emphasise their common interests, purpose, and intentions; and to facilitate all aspects of effective cooperation. Such cooperation could entail reciprocal attendance at annual meetings; and other meetings, conferences, seminars, and workshops relevant to the identified areas of cooperation.

F. Consultations

11. ADB and AKDN recognise that periodic consultations, including in headquarters and at the field level, are important to review the planning, implementation, and outcomes of their cooperation activities. Results, challenges, opportunities, and problems will be discussed. They agree to hold consultations periodically as required, and not less than once every 2 years.

G. Focal Points

12. ADB and AKDN designate the following focal points for all purposes associated with this MOU:

- (i) for ADB: Director General, Strategy and Policy Department
- (ii) for AKDN: Deputy Chairman, AKDN

13. The respective focal points will be responsible for
- (i) establishing effective communication and liaison with the other focal point;
 - (ii) facilitating the implementation of all aspects of this MOU and promoting the cooperation activities undertaken under it within the respective organisation;
 - (iii) facilitating the attendance of representatives of each organisation at the meetings, workshops, and seminars held by the other organisation;
 - (iv) convening the periodic consultations to be held in accordance with this MOU including around the preparations of Country Strategy Papers; and
 - (v) monitoring MOU implementation and evaluating instances of cooperation undertaken by the two organisations in accordance with this MOU.

H. Preparation, Implementation, and Evaluation of Joint Work Activities

14. ADB and AKDN will prepare
- (i) a list of all current operational cooperation activities and a report on the implementation status; and
 - (ii) an indicative list of planned cooperation activities for 2 subsequent years.
15. ADB and AKDN agree that
- (i) the relevant programme managers in the organisations will be responsible for the implementation of cooperation activities within their areas of responsibility;
 - (ii) the relevant programme managers will provide brief reports as necessary to the designated focal points on the status of implementation of all cooperation activities that are within their areas of responsibility;
 - (iii) the designated focal points will prepare joint reports when they deem it necessary, detailing the implementation status of the cooperation activities;
 - (iv) the relevant programme managers will prepare annual assessments of the results achieved from the cooperation activities;
 - (v) the assessments will be reviewed by the designated focal points when considering further cooperation activities; and
 - (vi) the designated focal points will conduct joint evaluations of the overall development effectiveness of the cooperation undertaken under this MOU.

I. Promotion of the Cooperative Arrangements

16. ADB and AKDN recognise that the involvement of both organisations in joint cooperation activities should be publicised, both within their organisation and in the general community. They therefore agree to
- (i) acknowledge the role and contribution of each organisation to the cooperation projects and activities in all public information documentation relating to the instances of cooperation; and
 - (ii) use the organisations' emblems in documentation related to the cooperation projects and activities in accordance with the current policies of each organisation.

J. Term and Review

17. This MOU will take effect from the date on which it is signed by the authorized representatives of the two organisations.
18. This MOU will have effect until the organisations agree in writing to terminate it.
19. Notwithstanding anything to the contrary in paragraph 18 above, this MOU may be terminated by one or the other of the organisations giving six months notice of termination in writing to the other organisation.
20. The designated focal points will undertake a review of this MOU on an annual basis. A meeting will be arranged between the two representatives for this purpose within three months of the signing of the MOU, and annually thereafter in order to review progress and resolve any issues that have been encountered.

K. Resolution of Problems

21. During the course of this MOU, the respective focal points will be promptly notified of all problems that impact adversely on the potential of the two organisations to collaborate effectively. The focal points will take appropriate action to seek an amicable resolution. If the focal points are unable to resolve the problem to the satisfaction of both parties, the representatives of the two organisations who are signatories to this MOU will take whatever action they consider appropriate to achieve an amicable resolution.

L. Miscellaneous

22. This MOU is not intended to create legal relations between the two organisations or to impose formal obligations on them.

23. Any specific activities identified under this MOU as opportunities for collaboration between the two organisations will be the subject of additional written agreements entered into in accordance with the practices and procedures of the two organisations and their respective implementation agencies.
24. In keeping with the administrative nature of these arrangements, no provision of this MOU will be construed to interfere in any way with the independent decision-making autonomy of the two organisations with regard to their respective affairs and operations.

DATED this 30th day of January 2008.

ASIAN DEVELOPMENT BANK

AGA KHAN DEVELOPMENT NETWORK

HARUHIKO KURODA
PRESIDENT

CHAIRMAN
HIS HIGHNESS THE AGA KHAN
49TH HEREDITARY IMAM
OF THE SHIA ISMAILI MUSLIMS

Appendix

PROPOSED AREAS FOR COOPERATION BETWEEN ASIAN DEVELOPMENT BANK AND THE AGA KHAN DEVELOPMENT NETWORK

1. ADB and AKDN envisage joint research, analysis, feasibility or pre-feasibility studies and programming activities in several areas of mutual interest.
2. ADB and AKDN envisage intensifying collaboration in the area of regional and sub-regional cooperation.
3. ADB and AKDN will explore the additional potential of co-financing private sector investments as well as joint public-private schemes.
4. ADB and AKDN will explore possibilities for joint investment in higher education and capacity building, in potential collaboration with the Aga Khan University and the University of Central Asia.
5. ADB and AKDN will explore the possibilities for collaborating in the expansion of microfinance services.
6. ADB and AKDN will explore new potential areas and modalities of implementation, collaboration and partnership, including through blended financing, third-party and parallel financing, public-private partnerships, technical assistance and grant trust funds.
7. ADB and AKDN will explore options for utilising established trust funds to achieve joint priorities.