

December 2012

Cooperation with France: Cooperation Fund for
Project Preparation in the Greater Mekong
Subregion—Additional Contribution and Change in
Name

CURRENCY EQUIVALENTS

(as of 11 December 2012)

Currency Unit	–	euro/s (€)
€1.00	=	\$1.294099
\$1.00	=	€0.772738

ABBREVIATIONS

ADB	–	Asian Development Bank
AFD	–	Agence Française de Développement

NOTE

In this report, "\$" refers to US dollars.

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In preparing any country program or strategy, financing any project, or by making any designation of or reference to a particular territory or geographic area in this document, the Asian Development Bank does not intend to make any judgments as to the legal or other status of any territory or area.

1. The Agence Française de Développement (AFD) will make an additional contribution of €1 million to the Cooperation Fund for Project Preparation in the Greater Mekong Subregion.

2. On 10 December 2004, the Asian Development Bank (ADB) Board of Directors approved the establishment of the fund to support project preparatory technical assistance operations with a regional cooperation focus in the Greater Mekong Subregion.¹ The recipients of the fund consist of ADB developing member countries in the subregion and regional institutions in those countries. Subsequently, ADB and AFD signed a channel financing agreement on 17 March 2005. Under the agreement, the grant financing was provided on an untied basis, and the disbursement of the fund from AFD followed a staggered schedule based on performance milestones.²

3. Pursuant to the agreement, AFD made an initial contribution to the fund of €1.5 million. AFD made an additional contribution of €500,000 in 2007 for the same purpose. By an amendment dated 12 October 2011, ADB and AFD agreed to extend the validity of the agreement and the deadline for disbursement of the AFD contribution until 30 June 2013.

4. On 25 October 2012, AFD informed ADB of its additional contribution of €1 million. With this contribution, ADB and AFD agreed to expand the scope of the fund by increasing the number of eligible countries and specifying priority sectors³ to align the fund better with AFD's new regional strategy for 2013–2015.⁴ As a result, the fund is renamed the Cooperation Fund for Project Preparation in the Greater Mekong Subregion and in Other Specific Asian Countries. Further, AFD requested to (i) extend the validity of the agreement until 31 December 2015, (ii) be informed of potential bidders financed under the fund, and (iii) exchange information necessary to safeguard the fund from potential or actual use of its resources for money laundering and terrorist financing. This additional contribution is expected to be transferred to ADB in one installment in December 2012.

¹ ADB. 2004. *Cooperation with France: Cooperation Fund for Project Preparation in the Greater Mekong Subregion*. Manila.

² The milestones: 20% upon signing of the agreement, 70% upon presentation of a signed consultant contract, and 10% upon approval by ADB of the consultant's final report.

³ They include agriculture, education, health, infrastructure, urban planning and climate change.

⁴ AFD now operates in 18 ADB developing member countries. New countries include Myanmar, and selected Central Asian and Caucasus countries such as Armenia, Azerbaijan, Georgia, Kazakhstan, and Uzbekistan.