MEMORANDUM OF UNDERSTANDING

BETWEEN

ASIAN DEVELOPMENT BANK

AND

WORLD CUSTOMS ORGANIZATION

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This Memorandum of Understanding (MOU) will form the basis of cooperation between the Asian Development Bank (ADB) and World Customs Organization (WCO) (hereinafter referred together as the Organizations and either of them individually as the Organization).

A. The Cooperation Partners

1. ADB and WCO have a mutual interest in supporting effective and relevant policies and activities in international development in the Asia and Pacific region.

2. ADB is an international development finance institution whose mission is to help its developing member countries reduce poverty and improve the quality of life of their people. ADB was established under the Agreement Establishing the Asian Development Bank which came into force on 22 August 1965. Its headquarters was established in 1966 in Manila.

3. ADB's focus and strategic directions are set out in *Strategy 2020.* Under this Strategy, ADB will refocus its operations into five core specializations that best support its agenda, reflect developing member country needs and ADB's comparative strengths, and complement efforts by development partners: (i) infrastructure; (ii) environment, including climate change; (iii) regional cooperation and integration; (iv) financial sector development; and (v) education. In other areas, ADB will continue operations only selectively in close partnership with other agencies. Strategy 2020 envisages a significant engagement with the private sector.

4. WCO, established in 1952 as the Customs Cooperation Council, is an independent intergovernmental body whose mission is to enhance the effectiveness and efficiency of Customs administrations. Today, WCO represents 176 Customs administrations across the globe that collectively process approximately 98% of world trade. As the global center of Customs expertise, WCO is the only intergovernmental organization with competence in Customs matters. With its worldwide membership, WCO is now recognized as the voice of the global Customs community. It is particularly noted for its work in areas covering the development of global standards, the simplification and harmonization of Customs procedures, trade supply chain security, the facilitation of international trade, the enhancement of Customs enforcement and compliance activities, anti-counterfeiting and piracy initiatives, public-private partnerships, integrity promotion, and sustainable global Customs capacity building programs. WCO also maintains the international Harmonized System goods nomenclature, and administers the technical aspects of the World Trade Organization Agreements on Customs Valuation and Rules of Origin.

5. ADB and WCO have worked together in trade facilitation in Asia and the Pacific, particularly in the Central Asia region and the Greater Mekong Subregion, in conjunction with ADB's regional cooperation programs, and ADB–WCO joint activities have been increasing.

6. ADB and WCO have held discussions to pursue more systematic collaboration between

the two Organizations. They agree that enhanced collaboration will strengthen institutional capacities of both Organizations, and improve the efficiency and effectiveness of the use of their respective resources.

7. ADB and WCO have concluded that they should collaborate in identified areas of mutual interest in supporting international development in the Asia and Pacific region.

B. Guiding Principles

8. ADB and WCO agree that:

(i) Sustainable and inclusive economic growth in the Asia and Pacific region is essential;

(ii) Country and regional ownership of sound development policies and programs is necessary to ensure sustainable and inclusive development;

(iii) Full stakeholder participation should be encouraged, consistent with available resources;

(iv) Development policies and programs should be evidence–based, results–oriented, cost–effective and built on transparent relationships between development assistance providers and beneficiary countries;

(v) ADB–WCO cooperation should focus on their shared strategic and operational priorities and use their comparative strengths and advantages to yield combined added value; and

(vi) ADB–WCO cooperation should facilitate the building of partnerships and leveraging of resources for investing in agreed areas of common interest using the MOU as a platform for strengthened operational partnership between ADB and WCO.

C. Impact and Outcome

9. Building from the above guiding principles, the expected impact of the cooperation between ADB and WCO described in this MOU is enhanced capacities of ADB and WCO to deliver long-term sustainable and inclusive development. The resulting expected outcome would be improved ADB-WCO partnership with synergies for greater added value.

D. Scope of Proposed Cooperation and Joint Activities

10. ADB and WCO intend to:

(i) Build operational cooperation in the form of joint technical assistance and/or project/program–based work;

(ii) Enhance information and knowledge sharing; and

(iii) Provide an enabling environment that promotes staff cooperation and undertakes joint analytical work including publications in areas of common interest.

11. ADB and WCO acknowledge their partnership's value, with potential gains in the areas of sharing knowledge, competencies, resources, and connections; and building trust, reciprocity, diversity, and/or complementarities.

12. ADB and WCO recognize that the potential for cooperation will vary significantly in different countries depending on the nature of development challenges, the needs of the country and the scope of the respective country programs of ADB and WCO in each particular case.

13. ADB and WCO agree that the terms of their new cooperation, to start in 2010, will focus on those activities identified in the Appendix attached to this MOU. ADB and WCO intend to agree on a design and monitoring framework of the MOU within six months from the MOU's Effective Date as specified in paragraph 25. The Appendix and the design and monitoring framework may be updated from time to time with the mutual written consent of ADB and WCO without the need to formally amend this MOU.

E. Exchange of Information

14. ADB and WCO recognize that effective collaboration depends upon open, comprehensive, and regular exchange of information at the institutional and country levels.

15. Any sharing of information between the Organizations will be subject to their respective policies and procedures relating to disclosure of information.

16. Confidential information of one Organization shall be handled by the other Organization with no lesser standard of care than it would use in handling its own confidential information, and shall not be disclosed without prior consent of the Organization concerned.

17. ADB and WCO agree to share information relevant to their cooperation such as that pertaining to conferences, seminars, and workshops; knowledge products; and regional and national programs.

F. Participation

18. ADB and WCO recognize that appropriate representation is important to emphasize their common interests, purpose and intentions, as well as to facilitate all aspects of cooperation. To encourage this, the two Organizations agree to extend reciprocal invitations, where feasible, appropriate, and relevant to the identified areas of cooperation, to attend meetings, conferences, seminars and workshops. Moreover, each Organization will publicize joint activities, including in documentation and signage, subject to each Organization's applicable confidentiality policy.

G. Consultations

19. ADB and WCO recognize that periodic consultations are important to review the planning, implementation, and outcomes of their cooperation activities and discuss results, challenges, opportunities, and problems. They agree to hold consultations periodically as provided in paragraph 23.

H. Focal Points

20. ADB and WCO agree that the focal points at the institutional level for the activities under this MOU will be:

(i) For ADB: Director, Office of Regional Economic Integration; and

(ii) For WCO: External Relations Coordinator, Office of the Secretary General.

21. The focal points will be responsible for:

(i) Establishing effective communication and liaison between ADB and WCO;

(ii) Facilitating the implementation of all institutional and regional aspects of this MOU and the opportunities identified for such cooperation;

(iii) Proactively and regularly publicizing this MOU and the cooperation undertaken under it within their respective Organizations;

(iv) Seeking out opportunities to leverage synergies with other partnership arrangements in their respective Organizations with existing or envisaged partners;

(v) Facilitating the attendance of representatives of the other Organization at meetings, workshops, seminars, and other events where the subject matter is of mutual interest;

(vi) Convening the periodic consultations as agreed above to review implementation of this MOU and other matters of mutual interest;

(vii) Monitoring implementation of this MOU and reviewing activities undertaken by the two Organizations in accordance with this MOU; and

(viii) Preparing a design and monitoring framework and annual reports on implementation of ADB-WCO activities and planned cooperation activities.

I. Planning, Implementation, Reporting, and Evaluation of Joint Activities

22. ADB and WCO will make every effort to prepare an annual report, on or before the last working day of each calendar year, covering:

(i) A list of existing operational cooperation activities and a report on the implementation status of such activities; and

(ii) A list with a brief description of planned cooperation activities involving the two Organizations for the next 12–24 months.

23. In respect of evaluation,

(i) ADB and WCO share a commitment to strengthen monitoring and evaluation of their development assistance efforts and their engagement with other donors and development partners;

(ii) As part of their annual consultations, the Organizations will monitor and assess the performance in implementing their commitments under this MOU. ADB and WCO will also monitor and evaluate the effectiveness of this MOU in achieving agreed outcome and outputs;

(iii) ADB and WCO will conduct a joint mid-term review of the cooperation under this MOU as part of the annual consultation during the third year after the Effective Date to decide on the need for continuation, expansion, or adjustments in areas of cooperation; and

(iv) The designated focal points will undertake an overall review of the implementation and continued value of this MOU, in collaboration with relevant departments and offices, to be completed as part of the annual consultation not later than the end of the fourth year after the Effective Date. This overall review is to take into account conclusions of the review of development results and impact of cooperation and provide an input in consideration of any possible extension of the MOU.

J. Promotion of the Cooperation Arrangements

24. ADB and WCO recognize that the cooperation activities should be publicized, within each of their Organizations and to the general public. They therefore agree to:

(i) Acknowledge the role and contribution of each Organization to their cooperation in all public information documentation relating to instances of cooperation; and

(ii) Use each Organization's name and emblem in documentation related to their cooperation in accordance with the current policies of each Organization.

K. Effectiveness, Term, and Termination

25. This MOU will take effect from the date of signing by the authorized representatives of the two Organizations (the Effective Date).

26. This MOU will expire five years after the Effective Date, unless it is extended through mutual agreement in writing by the two Organizations.

27. Notwithstanding the provisions of paragraph 26 above, this MOU may be terminated by either Organization by giving six months notice in writing to the other Organization.

L. Resolution of Problems

28. During the term of this MOU, the focal points will be promptly notified of all problems that impact adversely on the potential of the two Organizations to collaborate effectively. The focal points will take appropriate action to seek an amicable resolution.

29. If the focal points are unable to resolve the problem to the satisfaction of both Organizations, the Organizations will take whatever action they consider appropriate to achieve an amicable resolution.

M. Miscellaneous

30. Notwithstanding any provisions to the contrary in this MOU, this MOU constitutes an expression of mutual good faith and is not intended to create legally binding obligations on either Organization. This MOU does not commit any of the Organizations to enter into or provide support for any specific activity or project/program. This MOU does not represent any commitment on the part of either Organization to give preferred treatment to the other in any matter contemplated under this MOU.

31. Any specific activities identified under this MOU as opportunities for cooperation between the two Organizations will be the subject of additional written agreements entered into in accordance with the internal and respective objectives, functions, policies and procedures, funding constraints and the formal approval of the Organizations' relevant decision-making bodies as appropriate.

32. 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 Organizations with regard to their respective affairs and operations.

33. Nothing in this MOU shall be construed as creating a joint venture, an agency relationship, or a legal partnership between the Organizations or an exclusive commitment for either Organization.

34. Nothing in this MOU is intended to be, or should be construed as, a waiver of the privileges and immunities of either Organization or its officers and employees, whose privileges and immunities are hereby specifically reserved.

DATED this 4th of May 2010

ASIAN DEVELOPMENT BANK

Haruhiko Kuroda
President

WORLD CUSTOMS ORGANIZATION

Kunio Mikuriya
Secretary General

Appendix

PROPOSED AREAS FOR COOPERATION BETWEEN

ASIAN DEVELOPMENT BANK AND WORLD CUSTOMS ORGANIZATION

1. Customs modernization and reform in areas such as:

   (i) Security and facilitation of international trade supply chain;

   (ii) Trade facilitation;

   (iii) Compliance and enforcement;

   (iv) The World Trade Organization valuation agreement;

   (v) The International Convention on Harmonized Commodity Description and Coding System;

   (vi) Rules of origin; and

   (vii) Logistics development.

2. Capacity building and technical assistance;

3. Research and analysis including knowledge products; and

4. Other areas for mutual collaboration and cooperation may be identified and agreed to by the Organizations during the term of this MOU.