

Document: EB 2014/113/R.31  
Agenda: 14(c)  
Date: 12 November 2014  
Distribution: Public  
Original: English

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Investing in rural people

## **Memorandum of understanding with the Export-Import Bank of Korea**

### **Note to Executive Board representatives**

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Executive Board — 113<sup>th</sup> Session  
Rome, 15-16 December 2014

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**For: Approval**

## **Recommendation for approval**

The Executive Board is invited to approve the provisions of the memorandum of understanding entered into by the Export-Import Bank of Korea and IFAD on 8 May 2014.

## **Memorandum of understanding with the Export-Import Bank of Korea**

1. On 8 May 2014, IFAD entered into a memorandum of understanding with the Export-Import Bank of Korea (KEXIM) for the purpose of establishing collaboration on activities of common interest such as: the financing of country-level investments; national capacity strengthening; policy dialogue; knowledge management; and advocacy at national, regional and global levels. The memorandum will remain in force for a period of four years.
2. Information about the KEXIM is provided in annex I.
3. The memorandum of understanding includes articles on: (i) objectives and scope; (ii) topics and activities; (iii) cooperation and management; (iv) amendment, duration and termination; (v) confidentiality; (vi) effectiveness; and (vii) miscellaneous.
4. The Executive Board is invited to approve the memorandum of understanding between the KEXIM and IFAD, a copy of which is provided in annex II.

## **Export-Import Bank of Korea**

The KEXIM is a financial institution of the Government of the Republic of Korea. Established in 1976, the KEXIM supports Korea's export-led economy and facilitates economic cooperation with other countries. Its primary services include export loans, trade finance, guarantee programmes, overseas investment credit, natural resources development credit, import credit and business information services.

The KEXIM is responsible for the operation of two government development funds: (i) the Economic Development Cooperation Fund which supports the economic and social infrastructure of developing countries to promote economic growth and social welfare; and, (ii) the Inter-Korean Cooperation Fund which finances economic cooperation with the Democratic People's Republic of Korea.



**MEMORANDUM OF UNDERSTANDING**  
**between the**  
**INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT**  
**and the**  
**EXPORT-IMPORT BANK OF KOREA**

This Memorandum of Understanding (hereinafter referred to as the "MoU") is entered into between the International Fund for Agricultural Development (hereinafter referred to as "IFAD") and the Export-Import Bank of Korea (hereinafter referred to as "KEXIM").

WHEREAS IFAD is a specialised agency of the United Nations with a mandate to mobilise additional resources to be made available on concessional terms for agricultural development in its developing Member States. In fulfilling this objective, IFAD provides financing primarily for projects and programmes designed to introduce, expand or improve smallholder agriculture and food production systems to reduce rural poverty, and to strengthen related policies and institutions within the framework of national priorities and strategies, to bring about transformation in smallholder agriculture and promote equitable and resilient growth.

WHEREAS KEXIM is a governmental financial institution operating the Economic Development Cooperation Fund (hereinafter referred to as "EDCF") which supports the economic and social infrastructure of developing countries to promote economic growth and social welfare.

CONSIDERING that IFAD and KEXIM (hereinafter referred to as the "Parties") intend to cooperate with each other and to engage in a joint effort to establish a comprehensive and strategic relationship.

NOW THEREFORE, the Parties hereto agree as follows:

**ARTICLE I**  
**Objectives and Scope**

Section 1.1 The purpose of this MoU is to provide a framework for establishing collaboration on activities of common interest when such collaboration is deemed to enhance the effectiveness of each Party, including the financing of country-level investments and capacity strengthening, policy dialogue and knowledge management, as well as dialogue and advocacy at , national, regional and global levels.

Section 1.2 To this end, the Parties shall, in accordance with the provisions hereinafter set forth, act as strategic partners in matters of common concern. All activities carried out under the framework of this MoU will be undertaken in accordance with the respective rules, regulations and procedures of each Party.

**ARTICLE II**  
**Topics and Activities**

Section 2.1 The collaboration will focus on the following activities:

- (a) sharing of knowledge and information to benefit from each other's experiences, resources and expertise; this may cover economic and business information on target countries, proposed project investments, management and implementation modalities, and risk mitigation;
- (b) identification of appropriate common priority sectors and specific projects of target countries to be co-financed by IFAD and KEXIM with available financial resources of the Parties and with coordination of related activities;
- (c) exchange of personnel in accordance with the established arrangements and the human resource policies and implementing procedures of the Parties;
- (d) exploring of possible innovative financing instruments to mobilise additional resources for scaling up of both Parties' operations.

Section 2.2 The Parties will, in the context of the formulation and implementation of their respective country or regional programmes, explore possibilities for joint or parallel cofinancing. To this effect, the Parties will share information on their country strategies and programme formulation, supervision and implementation support.

**ARTICLE III**  
**Cooperation and Management**

Section 3.1 In order to foster cooperation, the Parties may, subject to their respective policies and procedures:

- (a) consult each other on any matters arising out of the MoU;
- (b) establish any appropriate administrative arrangements, as are deemed appropriate between the Parties and the mobilisation of relevant financial contributions from public and private entities to be used to finance programmes and projects in line with the objectives of the MoU.

Section 3.2 The Parties will hold consultative meetings as part of regular exchanges of information between the Parties in order to:

- (a) provide overall strategic guidance for the implementation of the MoU and explore options for coordinated interventions as deemed appropriate;
- (b) take stock of progress made in the implementation and results achieved, exchange views on the lessons learned, identify outstanding matters and agree on appropriate follow up action at the relevant levels of intervention.

**ARTICLE IV**  
**Amendment, Duration and Termination**

Section 4.1 This MoU may be amended by written agreement between the Parties.

Section 4.2 This MoU shall remain in force for a period of four years from its effective date, except as the Parties may otherwise agree in writing.

Section 4.3 Three months prior to the termination of this MoU, the Parties shall consult with each other in order to determine whether this MoU should be terminated or extended.

ARTICLE V  
**Confidentiality**

Section 5.1 For the purpose of this Article 5, "Confidential Information" shall mean, in respect of any Party, any confidential or proprietary information obtained from or through collaboration with another Party (the "Disclosing Party") that is provided to a Party (the "Recipient") in connection with the execution or performance of this MoU.

Section 5.2 Each of the Parties agrees that it shall not, without the prior written consent of the Disclosing Party, disclose to any third party or the public any Confidential Information during the execution or performance of this MoU, except to Recipient officers, directors, employees, professional advisers, auditors and those of any of its branches or representative officers or affiliates (collectively the "Recipient's Representatives"). However, if required by any applicable law or regulation or regulatory or government authorities or judgement or order of court or any tribunal, the Recipient may disclose such Confidential Information.

Section 5.3 Notwithstanding the foregoing, the term "Confidential Information" shall not apply to public information and information available to the Recipient irrespective of the Disclosing Party. In the event the Recipient discloses the Confidential Information to the Recipient's Representatives, the Recipient shall cause the Recipient's Representatives to be bound by the same confidentiality obligations as provided herein.

ARTICLE VI  
**Effectiveness**

Section 6.1 This MoU shall come into effect on the day of receipt of the last notification by a Party of the completion of its relevant internal approval procedures. In the case of IFAD, the internal approval procedure will be completed upon approval of the MoU by IFAD's Executive Board.

ARTICLE VII  
**Miscellaneous**

Section 7.1 The following addresses are specified for all notices, requests, reports and other communications given or made under this MoU:

FOR IFAD

International Fund for Agricultural Development  
Via Paolo di Dono, 44  
00142 Rome  
Italy  
Telephone: +39-06-54591

FOR KEXIM

The Export-Import Bank of Korea  
16-1, Yeouido-Dong Yeongdeungpo-Gu  
Seoul 150-996  
Korea  
Telephone: +822-3779-6572

Section 7.2 All notices, requests, reports, documents, information and communication related to this MoU shall be in the English language.

IN WITNESS WHEREOF, the Parties, acting through their duly authorised representatives, have signed this MoU in English in two original copies, in Rome, Italy, on 8 May 2014.

INTERNATIONAL FUND FOR  
AGRICULTURAL DEVELOPMENT



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Michel Mordasini  
Vice President  
On behalf of  
Kanayo F. Nwanze  
President

EXPORT-IMPORT BANK OF KOREA



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Shim Seop  
Senior Executive Director