

[Joint Government of Kazakhstan and the Asian Development Bank
Knowledge and Experience Exchange Program, Phase 3 \(KSTA KAZ 51305-001\)](#)

**Memorandum of Understanding
between the Government of the Republic of Kazakhstan and
the Asian Development Bank
on the joint Knowledge and Experience Exchange Program**

Recognizing the value-addition of innovative knowledge products and services, and exchange of best practice development experiences to Kazakhstan as the country crosses the middle income country stage, the Government of the Republic of Kazakhstan (Government) and the Asian Development Bank (ADB) have reached mutual understanding to partner on a joint knowledge and experience exchange program (KEEP).

This Memorandum of Understanding (MoU) records the mutual understanding of the Government and ADB (further referred to as the Parties) on the KEEP, its objectives, scope, areas of cooperation, and implementation arrangements. The KEEP will be an integral part of ADB's country partnership strategy for Kazakhstan.

ARTICLE 1: OBJECTIVE AND SCOPE

1.1. The objective of the KEEP is to deepen and amplify a knowledge partnership between Government and ADB with a focus on exchange of cutting-edge knowledge, best practices, and capacity enhancement, to promote innovation and enhance efficiency of the economy.

1.2. The scope of KEEP will include 4 main themes: (i) Inclusive Growth and Economic Diversification; (ii) Institutional and Policy Development; (iii) Regional Cooperation and Integration; and (iv) Competitiveness and Efficiency Enhancement.

ARTICLE 2: AREAS OF JOINT ACTIVITIES

2.1. The KEEP will cover macro and sector level issues. It goes beyond just research to facilitate and promote local capacity development, knowledge solutions, and best practice exchanges. Exploring technology transfer options will be pursued where relevant.

2.2. Prioritization and selection of KEEP activities within the 4 themes in paragraph 1.2 above will be in the areas which the Parties consider to be of highest macro, sectoral or thematic priority and are within the competence of ADB. Specific criteria include: (i) demand-led and within the country's strategic priorities; (ii) addresses emerging development issues/opportunities; (iii) outlines clear value-addition to the national development agenda; (iv) seeks solutions for critical sector and thematic level shortcomings; and (v) ensures synergy with ADB's overall country operations, and complements other development partners' related activities.

2.3. Specific activities to be included into annual work plans will be discussed and agreed between the Parties before the beginning of each fiscal year (January 1 – December 31) and may be amended from time to time with the mutual written consent of the Parties.

2.4. Main outputs of the KEEP will be in the form of: (i) socio-economic research and recommendation reports; (ii) policy advisory notes; (iii) rapid appraisal reports; (iv) emerging development issues debate summaries; (v) eminent persons seminar summaries; (vi) secondment placement support reports; and (vii) selected study tour reports.

2.5. The envisaged impact of the KEEP is to assist the Government to achieve a more diversified, competitive and inclusive economy.

ARTICLE 3: IMPLEMENTATION ARRANGEMENTS

Administration and Responsibilities

3.1. The KEEP Coordinating Committee (KCC), comprising of representatives of relevant government agencies and ADB staff, is responsible for the overall administration and coordination of the KEEP. The KCC will be co-chaired on behalf of the Government by the Ministry of Economy and Budget Planning (MEBP) and on behalf of ADB by the Central and West Asia Regional Department (CWRD). The Parties will notify each other in writing of any changes in their names and functions concerning the implementation of this MOU.

3.2. The main functions of the KCC are to administer, coordinate and monitor the KEEP implementation, including: (i) preparing and updating annual work plans; (ii) assessing the content and quality of outputs; (iii) determining the nature of disclosure and usage of outputs; (iv) facilitating relevant meetings; and (v) storing and disseminating KEEP outputs. The ADB Kazakhstan Resident Mission in close collaboration with MEBP will act as the KCC Secretariat and will facilitate its activities.

Implementation of Activities

3.3. The KCC will meet at least once annually. Before the start of the fiscal year, it will review the areas of cooperation, prioritize and conceptualize the potential list of activities for financing and approve their inclusion in the annual work plan.

3.4. After activities have been prioritized, the terms of reference for the experts (individuals or firms) to be engaged for carrying out the activities will be prepared. The selection, engagement and administration of experts will be in accordance with ADB policies and guidelines, taking into account local content.

3.5. The KCC Secretariat will coordinate with ADB, experts, and concerned Government agencies to facilitate implementation of the activities, meetings, communication and logistical arrangements. The Government will facilitate the entry, stay and exit of external experts engaged under the KEEP activities in accordance with the Technical Assistance Framework Agreement between the Government and ADB dated October, 5 1995.

3.6. The KCC Secretariat will coordinate closely with other development partners conducting similar work to ensure consistency, synergy and complementarity, for a consolidated body of accumulated knowledge for the Government.

3.7. If at any time the Government or ADB considers that any of the agreed activities cannot be carried out in whole or in part, the Parties will notify each other in writing at least 30 calendar days before a final decision is taken. For ongoing activities, where experts have been engaged and are under contractual obligations, the Parties will consider redeploying the services of the expert to a similar task with similar terms and conditions. Any allocated resources would be redeployed in accordance with relevant ADB procedures.

Treatment of Outputs and Disclosure

3.8. Outputs of the KEEP activities will be formally submitted in a final report form to the co-chairs of the KCC. The KCC will assess the content and quality and determine the disclosure of the final reports. Use of the recommendations or suggestions emanating from the KEEP activities will be at the discretion of the Government.

3.9. The Parties acknowledge the importance of publicizing the outputs of the KEEP to the extent agreed by, and subject to applicable laws, policies and procedures of the Parties, including those pertaining to intellectual property rights.

Resource Allocation and Cost-sharing

3.10. The financing of activities under the KEEP will be equally cost-shared between the Parties during 2013-2015. In 2013 the Parties will allocate a total of \$500 000 and in 2014-2015 the total financing of KEEP will increase to \$1.0 million annually. Unutilized balance shall be carried over to the next annual period in addition to the planned budget.

Period / Phase	Total Budget (US\$)	ADB (US\$)	Government (US\$)
2013: Phase 1	500 000	250 000	250 000
2014: Phase 2	1 000 000	500 000	500 000
2015: Phase 3	1 000 000	500 000	500 000
Total	2 500 000	1 250 000	1 250 000

3.11. The Government will contribute its share into an ADB designated account in accordance with the payment schedule to be sent out in the annual work plan for the respective fiscal year.

3.12. ADB Kazakhstan Resident Mission will provide quarterly and annual reports to MEBP on the use of funds and services in each fiscal year in line with the requirements agreed by the Parties. These reports will be submitted within two months after each reporting period.

3.13. In case of comments from the beneficiaries on the reports, ADB Kazakhstan Resident Mission will provide revised reports to MEBP within 30 calendar days after receipt of those comments.

ARTICLE 4: MONITORING AND EVALUATION

4.1. The Parties will monitor and evaluate the performance of joint projects and activities undertaken pursuant to this MoU as well as the effectiveness in achieving agreed outcomes of the KEEP.

4.2. The activities of the KEEP will be monitored by the KCC through its Secretariat. The KCC Secretariat will coordinate closely with all agencies carrying out activities under the KEEP to ensure issues arising are addressed at an early stage. Annual consultations of the KEEP co-chairs will be the primary mechanism to: (i) review the implementation of the MoU; (ii) review current joint KEEP activities and identify new opportunities for collaboration; (iii) consider any amendments or additions to the MoU; and (iv) set joint priorities and prepare annual work plans for the following annual period.

4.3. Evaluation of KEEP activities shall be initiated by the KCC co-chairs. The evaluation of an activity shall be conducted 2 months after an activity has been completed. It would begin with the KCC Secretariat preparing the evaluation outline with full collaboration and statistical or data inputs from the ministry/agency concerned.

ARTICLE 5: MISCELLANEOUS

5.1. This MoU outlines the mutual intention of the Parties to collaborate in good faith towards the objectives stated herein but does not impose legal obligations on any of the Parties.

5.2. Any notice or other communication under this MoU will be in writing and delivered by hand or by mail, as the case may be, by either Party to the other at the appropriate address specified below or such other address as either party may hereafter notify in writing to the other Party:

Government of the Republic of Kazakhstan:
Ministry of Economy and Budget Planning of the Republic of Kazakhstan
010000, 8 Orynbor Street, House of Ministries, Astana, Kazakhstan
Attention: Minister of Economy and Budget Planning of the Republic of Kazakhstan
Telephone: +7 7172 743801; Facsimile: +7 7172743824

The Asian Development Bank:
Central and West Asia Regional Department
Asian Development Bank
6 ADB Avenue, Mandaluyong City
1550 Metro Manila, Philippines
Attention: Director General, CWRD
Telephone: +6 32 632-5369; Facsimile: +63 2 632-6318

5.3. This MoU will become effective upon signing by both Parties and is effective until 31 December 2015. In the event of any differences between the Parties in regards to this MoU, the Parties hereto shall take appropriate action to reach an amicable resolution.

In witness whereof, the Parties hereto, each acting through its duly authorized representative, have signed this MoU in two original counterparts in the English language, in Astana, on this 18 day of June 2013.

For
Government of the Republic of
Kazakhstan



For
Asian Development Bank

