

## **MEMORANDUM OF UNDERSTANDING**

*between*

**THE INTER-AMERICAN DEVELOPMENT BANK**

*and*

**THE INTERNATIONAL LABOUR ORGANIZATION**

**22 April, 2013**

**WHEREAS**, the Inter-American Development Bank (hereinafter referred to as the “Bank”) is a public international organization, the purpose of which is to contribute to the acceleration of the process of economic and social development of its regional developing member countries in Latin America and the Caribbean, individually and collectively.

**WHEREAS**, the Multilateral Investment Fund II (hereinafter referred to as the “MIF”) was established under the administration of the Bank, by the Agreement Establishing the Multilateral Investment Fund II, dated April, 9, 2005, the purpose of which is to support economic growth and poverty reduction in the regional developing member countries of the IDB and the developing member countries of the Caribbean Development Bank by encouraging increased private investment and advancing private sector development;

**WHEREAS**, the International Labour Organization, hereinafter refer to as the "ILO", is a specialised UN agency responsible for the attainment of social justice through the promotion of decent and productive work in conditions of freedom, equity, security and human dignity. To this end the ILO works with Governments, Employers’ and Workers’ organisations in setting labour standards and promoting policies and programmes to address challenges and opportunities of the world of work.

**CONSIDERING THAT** the Bank and the ILO (hereinafter referred as the "Parties", and individually, each a "Party") are committed to the support and promotion of an inclusive and sustainable path for growth and development in Latin America and the Caribbean, with social justice and decent work.

**NOW, THEREFORE**, the Parties have decided to formalize a framework of cooperation on matters of common interest and have agreed to enter into this Memorandum of Understanding (hereinafter referred to as the “MoU”), as follows:

## ARTICLE 1

### Objective

The objective of this MoU is to formalize a non-exclusive framework of cooperation and to facilitate collaboration between the Parties to promote joint initiatives and projects to tackle low productivity, inequality and social exclusion in Latin America and the Caribbean through better jobs and the formalization of the informal economy.

## ARTICLE 2

### Areas of Cooperation

2.1 The Parties may, in particular, explore the possibility of cooperating in the following areas:

- **Job Creation and Formalization of the Informal Economy.** This may include initiatives to: (i) promote a conducive environment for private sector development and sustainable enterprises; (ii) improve productivity and working conditions in micro, small and medium enterprises in selected economic sectors; (iii) compilation, analysis and promotion of public policies for the formalization of informality; and (iv) develop comparable statistical information and indicators on informality for policy making purposes.
- **Financial Services.** Improve access to social financial services tailored to the needs of poor people in order to contribute to poverty alleviation, quality of life and economic growth. In particular, the transfer of methodologies and knowledge that allows to consolidate and expand microinsurance and micro-pensions in the region.
- **Social protection** floors and expansion of social security insurance schemes to combat poverty and inequality, and smooth consumption when unemployed or retired. This area may include initiatives to promote a social protection culture and expand coverage of social protection schemes (both contributory and non-contributory), improving their governance and financing, taking into account their impact on the labour market, with a focus on excluded and vulnerable populations.
- **Youth employment** and promotion of better working conditions for young people, including supportive macroeconomic and employment policies developing intermediation services, and linking vocational training and entrepreneurship skills to better jobs for both women and men.
- **Better skills for higher labour force productivity** through the promotion of more and better on-the-job training and life-long learning.
- Other areas of cooperation consistent with the objective of this MoU will be identified by the Parties through mutual consultation.

2.2 In their joint activities in these and other areas of cooperation and according to their own policies, procedures and working priorities, the Parties will explore the possibilities of encouraging social dialogue and gender-specific strategies. The Parties also will, make efforts to promote fundamental principles and rights at work and the strengthening of labour institutions (labour ministries, training

institutions, employment services, social security administrations, among others), as well as workers' and employers' organizations, through capacity building.

- 2.3 Further, the Parties may explore and foster cooperation in a range of aspects including: compilation of relevant statistics for policy making; exchange of information, data and knowledge on good practices, relevant experiences and flagship activities and publications; policy analysis and evaluation; training and capacity building; dialogue and consultation; implementation of technical assistance projects at regional, sub regional and country levels; as well as promotion of public-private partnerships.
- 2.4 Other related activities may also be agreed upon between the Parties from time to time.

### **ARTICLE 3**

#### **Obligations of the Parties**

This MoU does not represent any commitment with regard to funding on the part of the Parties. Any such commitment shall be reflected in separate agreements that may be entered into by the Parties under this MoU. Furthermore, this MoU shall not represent any commitment on the part of either Party to give preferred treatment to the other in any matter contemplated under this MoU or otherwise.

### **ARTICLE 4**

#### **Mutual consultation**

At least once a year, the Parties will hold a senior consultation meeting on issues of strategic importance to permit a regular review of the implementation of this Memorandum of Understanding and to discuss any additional area of work that the Parties may agree to work together beyond those included in Article 2 of this MoU which will be documented as deemed appropriate by the Parties, in accordance with each Party's policies and procedures. Similarly, the Parties will maintain regular consultations as necessary to agree upon modalities for the implementation of concrete activities. Any exchange of information between the Parties shall be subject to their respective policies and procedures on the disclosure of information.

### **ARTICLE 5**

#### **Legal regime and administrative and financial arrangements**

- 5.1 Any activity carried out by the ILO or the Bank pursuant to this MoU will be subject to each of the Parties' internal policies, rules, regulations and procedures.
- 5.2 The Bank and the ILO will work towards mutually acceptable arrangements which will enable both institutions to engage in the joint implementation of activities agreed under this MoU.
- 5.3 All specific activities to be implemented under this MoU will be the subject to prior consultations and written agreements between the Parties.

## **ARTICLE 6**

### **Channel of Communication and Notice**

6.1 For the purpose of facilitating the implementation of the working arrangements to be established by the Parties of this MoU, the channel of communication for the Parties shall be:

6.1.1 For the Bank:

Office of Outreach and Partnerships  
Inter-American Development Bank  
1300 New York Avenue, NW  
Washington, D.C. 20577 U.S.A.  
Attention: Manager, Office of Outreach and Partnerships  
Tel.:+1(202) 623-1583  
Fax: +1 (202) 623-2543  
E-mail: [partnerships@iadb.org](mailto:partnerships@iadb.org)

6.1.2 For the ILO:

Regional Office for Latin America and the Caribbean  
Av. Las Flores 275  
San Isidro, Lima - Peru  
Telephone: +(511) 6150300  
Facsimile: +(511) 6150400  
Attention: Regional Director  
E-mail: [DIRECCION\\_REGIONAL\\_LIMA@oit.org.pe](mailto:DIRECCION_REGIONAL_LIMA@oit.org.pe)

6.2 Either Party hereto may, by notice in writing to the other Party, designate additional representatives or substitute other representatives for those designated in this Article.

## **ARTICLE 7**

### **Effectiveness, Amendment, Termination, and Other Matters**

7.1 This MoU shall enter into force on the date of its signature by both Parties and will remain in effect for three years unless terminated by either Party with a written notice to the other Party. No such termination shall affect contractual obligations already entered into by either Party under this MoU.

7.2 This MoU may be amended only by written consent of the Parties hereto.

7.3 Nothing in this MoU or relating thereto shall be construed as constituting a waiver of the privileges and immunities enjoyed by the Bank or by the ILO.

7.4 Any dispute between the Parties arising out of or relating to this MoU including interpretation or application of any provision therein will be settled amicably by the Parties

7.5 Subject to the Parties' rules, policies and procedures with respect to the disclosure of information, the Parties may make this MoU publicly available.

**IN WITNESS WHEREOF**, the Parties hereto, each acting through its duly authorized representative, have signed this Memorandum of Understanding in two (2) original counterparts in the English language Washington DC, United States of America, on this 22<sup>nd</sup> day of April, 2013.

**INTER-AMERICAN  
DEVELOPMENT BANK**

**INTERNATIONAL LABOUR  
ORGANIZATION**

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Luis Alberto Moreno  
President

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Guy Ryder  
Director General