ANNEX 5.3

MEMORANDUM OF UNDERSTANDING

Between the

GLOBAL FUND TO FIGHT AIDS, TUBERCULOSIS AND MALARIA

and the

INTER-AMERICAN DEVELOPMENT BANK

1. Objective

The Inter-American Development Bank (the "Bank") and the Global Fund to Fight AIDS, Tuberculosis and Malaria (the "Global Fund") plan to explore opportunities for mutual cooperation and collaboration on matters of common interest so that their respective activities will be more effective and beneficial.

In particular, the Bank and the Global Fund plan to explore the possibility of cooperating to :

- Support the design and implementation of country-led projects and programs aiming at fighting AIDS, tuberculosis and malaria in the Bank's borrowing member countries;
- Supplement each other's resources for health-related projects and programs in Latin America and the Caribbean through, among other financing modalities, parallel financing;
- Share information on their operations in the Bank's borrowing member countries, including information on such countries' macroeconomic contexts; and
- Contribute institutional and country specific experiences and lessons learned with an emphasis on transfer of resources and project implementation; and

The Bank and the Global Fund may also consult with each other to identify additional areas and specific activities for collaboration.

2. Effect of this Memorandum of Understanding

This MoU does not commit any funding by either the Bank or the Global Fund or require any preferential treatment by one towards the other. Cooperation between the Bank and Global Fund is subject to their respective policies and procedures.

3. Representatives

In pursuing the cooperation described above, the Bank will generally be represented by

Carlos M. Jarque, Manager, Sustainable Development Department Inter-American Development Bank 1300 New York Avenue, N.W. Washington, D.C. 20577 USA

Tel. +1 202 623-1566 Fax +1 202 623-1708 E-mail: carlosj@iadb.org

and the Global Fund will be generally represented by

Brad Herbert Senior Portfolio Advisor The Global Fund to Fight AIDS, Tuberculosis and Malaria 53, Avenue Louis-Casaï 1216 Cointrin, Geneva Switzerland

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The Bank and the Global Fund may, by written notice to the other, designate additional representatives or substitute other representatives for those designated above.

INTER-AMERICAN DEVELOPMENT BANK

GLOBAL FUND TO FIGHT AIDS, TUBERCULOSIS AND MALARIA

Enrique V. Iglesias President Richard G.A. Feachem Executive Director

Date: _____

Date: _____