

**MEMORANDUM OF UNDERSTANDING**

**BETWEEN**

**EUROPEAN BANK FOR  
RECONSTRUCTION AND DEVELOPMENT**

**AND**

**THE AFRICAN DEVELOPMENT BANK**

**AND**

**THE AFRICAN DEVELOPMENT FUND**

**MEMORANDUM OF UNDERSTANDING**  
**BETWEEN EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT**  
**AND THE AFRICAN DEVELOPMENT BANK**  
**AND THE AFRICAN DEVELOPMENT FUND**

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MEMORANDUM OF UNDERSTANDING dated this 10<sup>th</sup> day of September 2011 between the **European Bank for Reconstruction and Development** (hereinafter referred to as "**EBRD**"), of the one part, and the **African Development Bank** (hereinafter referred to as "**ADB**") and the **African Development Fund** (hereinafter referred to as "**ADF**", and unless the context otherwise requires the ADB and ADF shall hereinafter be collectively referred to as the "**Bank Group**"), of the other part.

**THE PARTIES TO THIS MEMORANDUM OF UNDERSTANDING:**

**CONSIDERING** that the primary objective of the ADB is to contribute to the sustainable economic development and social progress of its African member States (hereinafter referred to as "**Regional Members**") – individually and jointly; and the objective of the ADF is to assist the Bank Group in fulfilling its objective, as well as the promotion of cooperation, including regional and sub-regional cooperation and increased international trade, particularly among the Regional Members;

**FURTHER CONSIDERING** that the mandate of EBRD is to foster the transition of its recipient countries towards open market-oriented economies and promote private and entrepreneurial initiative;

**RECOGNISING** that the changes underway in North Africa are historic and arise from the widespread and deep-seated desire of the peoples of the region for justice, democratic government and sustainable and equitable growth;

**FURTHER RECOGNISING** that to meet these aspirations, the economies of the region must address the challenges of high unemployment, weak institutions, low levels of regional integration, poor infrastructure and an over-reliance on the public sector;

**NOTING** the May 2011 Deauville G8 Declaration on the Arab Springs, calling on the Bank Group and EBRD, along with other multilateral development banks, to deliver frontloaded and coordinated support to the countries of the Middle East and North Africa; in this respect the Deauville G8 summit identified five key areas: (a) catalysing foreign direct investment, (b) supporting domestic private sector corporations, (c) supporting the transformation of banking sectors, (d) promoting private sector investment in infrastructure and services and (e) improving the investment climate.

**FURTHER NOTING** the proposed geographical extension of EBRD's mandate endorsed by the EBRD's Board of Governors in May 2011 and the need to support as early as possible the transition in North Africa;

**RECALLING** the long history of informal contact and cooperation between the Bank Group and EBRD;

**DETERMINED** therefore to strengthen and deepen that cooperation and in so doing to enhance each institution's ability to achieve its objective and mandate;

**HAVE REACHED THE FOLLOWING UNDERSTANDING:**

## **ARTICLE I PURPOSE**

The purpose of this Memorandum of Understanding is to set out a framework for cooperation between the Bank Group and the EBRD on matters of common interest in their efforts to support the countries of Northern Africa, and identify the likely areas of and modalities for that cooperation.

## **ARTICLE II SCOPE**

The Parties to this Memorandum of Understanding hereby intend to maintain a continuous working relationship for the achievement of their common objectives within the limitations of their respective resources, allocated budget, mandates and policies.

## **ARTICLE III AREAS OF COOPERATION**

3.1 Given EBRD's experience in supporting transition economies and its know-how in fostering the development of the private sector, it is anticipated that it will in particular bring expertise in areas such as: (i) syndication, trade finance and mobilisation of commercial co-financing; (ii) SMEs support facilities; (iii) equity and quasi-equity assessment, structuring and management; and (iv) support for restructuring programs and privatisation process.

3.2 In relation to the Bank Group, it has been operating in North Africa since 1966 and has a long experience in financing for the private sector and state owned enterprises in Africa. The areas in which this experience could potentially best be shared with EBRD include: (i) country/sector knowledge and policy approaches; (ii) network of established relationship with government, central banks, financial institutions, large private and public owned enterprises and private equity funds; (iii) experience in infrastructure, agriculture and energy; and (iv) experience in financial and technical support for the financial institutions and private equity.

3.3 The Bank Group and EBRD will explore ways in which they can cooperate in the co-financing of private sector transactions, including coordinating due diligence to avoid duplication of effort and maximise synergies. Such transactions may in particular be pursued in the context of the five target areas identified in the joint paper prepared in May 2011 by the Bank Group, EBRD and other international financial institutions on "Supporting private-led growth and developing job opportunities in North Africa".

3.4 The Bank Group and EBRD will liaise in the preparation of each institution's country and sector strategies. They will also identify opportunities for joint analytical studies and capacity building (technical assistance/cooperation) projects.

3.5 The Bank Group and EBRD will endeavour to support suitable temporary assignments or secondment of staff between the Parties as well as information exchange visits and participation in each other's training programmes in order to facilitate the 'on the job' exchange of skills and experiences.

3.6 The Bank Group will endeavour to share its office facilities and resources in any of the countries of its operations until EBRD establishes its own office in any such countries, should the EBRD require such assistance.

#### **ARTICLE IV EXCHANGE OF INFORMATION**

EBRD and the Bank Group will exchange relevant information and data on matters of common interest and collaborate in the collection, analysis and dissemination of such information and data, subject to such arrangements as may be necessary or advisable, subject to any document and/or information protection policies and procedures of the Parties and/or other arrangements agreed between the Parties, in place for the purpose of safeguarding the confidential or internal nature of certain information or data.

#### **ARTICLE V IMPLEMENTATION**

5.1 The Bank Group and EBRD will each nominate a focal point to (i) support the implementation of this Memorandum of Understanding, (ii) identify opportunities for joint policy and analytical work, (iii) facilitate information sharing and mutual understanding (iv) coordinate monitoring and reporting on the implementation of the Deauville G8 summit on private sector development and job creation in Northern Africa, (v) explore modalities for co-financing and (vi) generally, conduct any other tasks as may be identified and agreed upon by the Parties from time to time or as may be provided by a supplementary arrangement in accordance with Article 6 hereto.

5.2 For the purpose of information exchange in the course of implementation of this Memorandum of Understanding, the channel of communications for the Parties shall be:

**For EBRD:**

The Senior Counsellor  
Institutional Strategy Department  
European Bank for Reconstruction and Development  
1, Exchange Square  
London EC2A 2JN, United Kingdom  
Tel: 44-20-73386559  
Fax: 44-20-73386112

**For the Bank Group:**

The Head  
Partnerships and Cooperation Unit  
African Development Bank  
Temporary Relocation Agency  
B. P. 323 – 1002 Tunis Belvédère  
Tunisia  
Tel: 216-71-102134  
Fax: 216-71830172

**ARTICLE VI  
SUPPLEMENTARY ARRANGEMENTS**

Within the scope of this Memorandum of Understanding, the Parties may, by a simple exchange of letters, enter into any supplementary arrangements as they deem necessary for the furtherance of the purpose of this Memorandum of Understanding.

**ARTICLE VII  
ENTRY INTO FORCE, DURATION AND TERMINATION**

7.1 This Memorandum of Understanding shall enter into force subject to the approval by the EBRD Board of Governors of appropriate resolutions which would allow the EBRD to undertake activities in countries of the Eastern and Southern Mediterranean region. The EBRD shall promptly inform the Bank Group, if and when such approval has been obtained and the date of the EBRD's notification shall constitute the date of entry into force of this Memorandum of Understanding. The Memorandum of Understanding shall remain in effect for a period of two (2) years from the date of its entry into force. This period may be extended by mutual written agreement between the Parties.

7.2 This Memorandum of Understanding may be terminated by either Party by giving three (3) months' advance notice to the other Party. Such termination shall take effect as of the date specified in the termination notice, provided that the provisions herein contained shall remain in effect to the extent necessary to permit an orderly settlement of all arrangements made with respect to on-going joint activities.

**ARTICLE VIII  
AMENDMENT AND SETTLEMENT OF DISPUTES**

8.1 This Memorandum of Understanding may be amended by mutual written agreement of the Parties, including through an exchange of letters.

8.2 Any dispute over the interpretation or application of any provision herein contained shall be settled amicably through consultations or by such other means, as the Parties shall mutually agree.

**ARTICLE IX  
NATURE OF THE MEMORANDUM OF UNDERSTANDING  
AND PRIVILEGES AND IMMUNITIES**

9.1 This Memorandum of Understanding reflects the views and intentions of the Parties, expressed in good faith but without the creation of any legal obligation or the incurrance of any liability on the part of any of them. Nor shall any third party obtain any legal benefit from this Memorandum of Understanding.

9.2 Nothing in this Memorandum of Understanding shall constitute a waiver, or be construed as constituting a waiver of the immunities, privileges and exemptions enjoyed by the EBRD and the Bank Group, their respective Directors, Alternates, Officers, employees and experts.

9.3 It is further understood that nothing in this Memorandum of Understanding shall be construed as allowing or compelling the Parties to exceed in any way the limitations of their respective resources, allocated budget, mandates and policies.

**IN WITNESS WHEREOF**, EBRD and the Bank Group, each acting through its representative duly authorized thereunto, have signed this Memorandum of Understanding on the date first above written in two original counterparts in English.

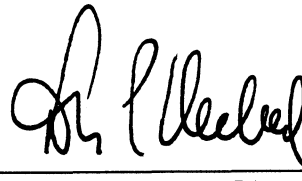
**FOR THE EUROPEAN BANK FOR  
RECONSTRUCTION AND  
DEVELOPMENT**



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**THOMAS MIROW  
PRESIDENT**

**FOR THE AFRICAN DEVELOPMENT BANK  
AND THE AFRICAN DEVELOPMENT FUND**



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**DONALD KABERUKA  
PRESIDENT**