

MEMORANDUM OF UNDERSTANDING

BETWEEN

EUROPEAN INVESTMENT BANK

AND

ISLAMIC DEVELOPMENT BANK

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MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING (“MOU”) is made on ___/___/1433H corresponding to ___/___/2012G between the **EUROPEAN INVESTMENT BANK** (hereinafter referred to as “**EIB**”) and the **ISLAMIC DEVELOPMENT BANK** (hereinafter referred to as “**IsDB**”).

IsDB and EIB are hereinafter referred to individually as “**Party**” and collectively as “**Parties**”.

WHEREAS,

- A) IsDB is an international financial institution established by the Conference of Finance Ministers of Muslim Countries held in Jeddah in December 1973 with a view to fostering the economic and social development of its member countries and Muslim communities individually as well as jointly in accordance with the principles of Islamic Law. The functions of the Bank are to participate in equity capital and grant loans for productive projects and enterprises besides providing financial assistance to member countries in other forms for economic and social development;
- B) EIB is the financial institution of the European Union, created by the Treaty establishing the European Community. The role of the EIB is to finance investments in support of EU policy objectives, complementing the corresponding Community assistance policies, programmes and instruments in the different regions, and continuously adapting its activities to developments in EU policies. The EIB financial arm in the Mediterranean region, the Facility for Euro-Mediterranean Investment and Partnership (FEMIP), aims at fostering private sector activities in Mediterranean Partner Countries, as a way to underpin growth and generate employment opportunities;

RECOGNIZING that cooperation and collaboration between the Parties will reinforce private-sector led growth in the Mediterranean region, foster job creation and support inclusive economic development;

DESIRING to consult on the priority areas and modalities of cooperation to work together and contribute to the overall development and social progress of the Mediterranean region with initial focus on four pilot countries: Egypt, Jordan, Morocco and Tunisia (Pilot Countries).

NOW, THEREFORE, the Parties hereto express their common understanding on cooperation as follows:

Article–1 PURPOSE

The purpose of this MOU is to provide a general framework to facilitate collaboration and cooperation between the Parties in matters of common interest to extend and promote development and social progress of the Pilot Countries as well as any other countries mutually agreed upon between the Parties.

The EIB and IsDB share the principles expressed in the Deauville Partnership and commit themselves to enhance collaboration mechanisms in order to strengthen private sector-led growth in the Mediterranean region, foster job creation and support inclusive economic development.

The enhanced collaboration among the Parties shall strive to support the Deauville Partnership. It shall also contribute to the successful partnership between EIB and IsDB in the Arab Financing Facility for Infrastructure (AFFI), which EIB will participate in as a concrete next step of the FEMIP PPP initiative launched in Casablanca on 30 May 2011 to support the four Pilot Countries.

Article–2 AREAS OF COOPERATION

Without prejudice to the possibility of each Party to collaborate with other entities or parties in the same or similar fields covered by this MOU, the cooperation and collaboration between the Parties will be in areas which constitute common interest to the Parties and will take place within the scope and limits of their respective constitutional instruments, mandates, policies and priorities.

Article–3 METHOD OF COOPERATION

- 3.1 **Consultation and sharing information:** Within the limits established by their respective disclosure policies, the Parties intend to:
 - a. Consult each other and exchange views on matters and activities of mutual interest in their respective areas of operations in Pilot Countries as well as any other countries mutually agreed upon between the Parties.
 - b. Share information for the purpose of working together in order to contribute to private sector involvement in the Mediterranean region. In particular, the Parties will exchange information on events and studies in the pipeline, thus avoiding any possible overlapping and trying to complement the other Parties' views in order to increase the value added of the final outcome.
- 3.2 **Developing expertise and knowledge in the region:** The Parties intend to collaborate in the area of expertise development, notably with regards to public-private partnerships through the European PPP Expertise Centre (EPEC) funded by the EIB and the European Commission. The Parties intend to also conduct joint studies and research, notably in the frameworks of the Centre for Mediterranean Integration (CMI, Marseille), recognizing that an improved knowledge of the Mediterranean region's economic and financial characteristics will help them to better attune their policies to the countries' needs and priority projects.
- 3.3 **Network-building:** The Parties intend to reciprocally facilitate liaison with relevant institutions in the Mediterranean and Gulf regions. Notably, the EIB could facilitate contacts with EU entities and the Union for the Mediterranean Secretariat, while the IsDB could similarly facilitate contacts with Gulf Sovereign Wealth Funds.
- 3.4 **Facilitating the identification, preparation and co-financing of projects:** Since its creation in 2002, FEMIP provided more than EUR 12.6 billion in lending to Mediterranean Partner Countries and opportunities for co-financing projects could be increased in 2012-2013. The Parties thus intend to work together to facilitate the

identification and co-financing of projects (grants, loans, and blending of instruments) related to their respective mandate and areas of activities. In particular, FEMIP and IsDB intend to collaborate to promote Public-private partnerships through the Technical Assistance Facility of AFFI, in partnership with other International Financial Institutions.

- 3.5 **Developing new and innovative financing instruments:** To further increase the financing depth and width of both institutions in the Pilot Countries, the Parties intend to encourage the development of adapted financing tools and instruments in accordance with their respective mandates, policies and procedures.
- 3.6 **Staff exchange:** The Parties intend to support close collaboration between their respective concerned staff and intend to explore potential staff exchange and secondment opportunities to ensure the successful implementation of this MOU.
- 3.7 **Joint Programmes:** The Parties may, through special arrangements, decide to act jointly in the implementation of any programme or activity in the areas of common interest. The special arrangements will, in each case, define the modalities of participation, roles and responsibilities of each Party, including their respective contributions to the costs, if any, of any programme or activity to be undertaken in accordance with such special arrangements subject to the Parties' respective policies and procedures.
- 3.8 **Increase visibility:** The Parties agree to raise the profile of their collaboration, without prejudice to other collaboration agreements which might have concluded with other institutions. To this end, IsDB might contribute to FEMIP conferences and seminars organized by the EIB. Reciprocally, the EIB might also take part in those events organized by IsDB which might be related to the activity of the EIB in the Mediterranean region.
- 3.9 The Parties intend to share visibility on those programmes/activities where both institutions work together. The logos of both IsDB and EIB will be displayed on all programmes/activities-related documents, press release, official documents and publications.

Article–4 CONFIDENTIALITY

Notwithstanding anything to the contrary in this MOU, the Parties agree that for the duration and after the termination of this MOU, they will keep in confidence and will not disclose to third parties any confidential information obtained hereunder by either Party from the other Party without obtaining prior written consent of the concerned Party. Further, no Party will make public statements on behalf of the other Party, nor will any Party claim to represent the other Party, except in specific cases where express consent is given in writing by the concerned Party.

This MoU may be made public by the Parties in accordance with their respective disclosure policies.

Article-5 ADMINISTRATIVE NATURE OF THE MOU

- 5.1 This MOU is strictly limited to expressing a desire of the Parties for mutual cooperation, and is not intended to create legal relations between the Parties or to impose any legal and/or formal obligation of any nature on either Party.
- 5.2 In keeping with the administrative nature of the arrangements hereunder, no provision of this MOU will be construed to interfere in any way with the independent decision making autonomy of the Parties with regard to their respective affairs and operations. In particular, nothing in this MOU is intended to run counter to or modify the terms of each Party's specific mandates or their policies, rules and procedures.

Article-6 AMENDMENT TO THE MOU

The Parties may amend the provision herein or enter into supplementary arrangements by mutual agreement between the Parties through exchange of letters.

Article-7 ENTRY INTO FORCE, DURATION AND TERMINATION

- 7.1 This MOU will come into force after the approval of the concerned authorities within each Party and upon notification by each Party to the other of the MOU's approval by its concerned authorities. This MOU will remain valid for an indefinite period of time effective from the date of the last approval notification given by either Party.
- 7.2 Notwithstanding Article 7.1 above, either Party is at liberty to terminate this MOU by giving three (3) months advance notice of termination to the other Party. Should the MOU be terminated by either Party, steps will be taken to ensure that termination is not prejudicial to any programme or activities implemented within the framework of this MOU.

Article-8 REVIEW

The Parties will, within two years of the entry into force hereof, review the results achieved under this MOU and consult each other with a view to deciding on possible revisions to the MOU and/or other future courses of action.

Article-9 COMMUNICATIONS

For the purpose of facilitating the implementation of this MOU, the Parties will contact each other at the addresses indicated herein below:

For Islamic Development Bank:

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[END OF ARTICLES]

[EXECUTION PAGE]

IN WITNESS WHEREOF, this MOU was signed by duly authorized representatives of the Parties on the day and year first above written.

**FOR AND ON BEHALF OF
ISLAMIC DEVELOPMENT BANK**

**FOR AND ON BEHALF OF
EUROPEAN INVESTMENT BANK**

Claudio Cortese
Deputy Director General

Nicola Barr
Director