

Memorandum of Understanding
between
the Economic Cooperation Organization
and
the Islamic Development Bank

The Economic Cooperation Organization (hereinafter referred to as 'ECO') and the Islamic Development Bank (hereinafter referred to as 'the Bank');

Considering their common interest in promoting sustained economic growth in the Member-States of ECO, which are also Member-States of the Bank (hereinafter referred to as 'the States of Common Membership');

Recognizing the need for enhancing the self-reliance, economic resilience and social well-being of the peoples of the said States of Common Membership;

Recognizing, FURTHER, that cooperation between them would bring about better coordination and more and efficient implementation of their respective activities in the States of Common Membership.

HEREBY AGREE AS FOLLOWS:

Article I
Objective

The purpose of this Memorandum is to provide a general framework for and to facilitate cooperation between ECO and the Bank in promoting the economic and social development of the States of Common Membership.

Article II
Areas of Cooperation

Subject to the provisions of this Memorandum, the provisions of the Treaty of Izmir, the articles of Agreement establishing the Bank, and the resources of both parties, and without prejudice to the existing bilateral relations between the States of Common Membership and the Bank, it shall be the aim of ECO and the Bank to cooperate in the promotion and undertaking of the following activities:

- a) Implementation of the projects outlined in the Quetta Plan of Action of the ECO.
- b) Provisions of Technical assistance for the preparation of Feasibility Studies for ECO Projects in vital areas of development such as transport, communications, infrastructure, trade, energy resources, industrial promotion, agricultural production, environment, and human resources development.

- c) Promotion of intra-regional trade and export oriented activities.
- d) Co-financing of projects by the Bank and the proposed ECO Trade and Development Bank in the States of Common Membership.
- e) Provision of scholarship from IDB Scholarship Programme for students from the newly independent Republics in the educational institutions of the founder countries of ECO which are also the members of the Bank.
- f) Identification of projects that qualify for financing by the Bank and assistance to the Governments for the preparation of project documents.
- g) Exchange of views and information on projects for financing received by the Bank from any of the States of Common Membership including those presented by ECO on behalf of project sponsors.
- h) Evaluation of results achieved in projects that have been financed by the Bank in any of the States of Common Membership.
- i) Exchange of visits between personnel of both organizations to discuss matters of common concern.
- j) Regular exchange of documents and publications on economic and commercial issues and other matters of mutual interests produced by the two organizations.
- k) Exchange of information and technical expertise necessary for the establishment of data banks at the two organizations.

Article III

Methods of Cooperation

- i) ECO and the Bank will keep each other informed of, and if necessary consult one another on activities that, in their opinion, give rise to possibilities of cooperation.
- ii) After ECO and the Bank have agreed to carry out an operation under one of the activities referred to in Article II, the parties will consult with each other for defining the procedure to be followed.

Article IV

Financial Provisions

The cost of any work done under the framework of this Memorandum shall be examined by ECO and the Bank and either shared or borne by one of the two organizations according to a special agreement in each case.

Article V
Duration

- i) This Memorandum will be valid for an indefinite period on the understanding that either party is at liberty to terminate it at any time provided that notice of termination is given to the other party 6 (six) months in advance.
- ii) Should the Memorandum be terminated by either party, steps will be taken to ensure that the termination is not prejudicial to any activities and programmes within the framework of this Memorandum.

Article VI
Review

Representatives of ECO and the Bank shall meet periodically to review the progress made in achieving the objectives of this Memorandum and to consider ways in which these provisions can be more effectively and efficiently implemented.

Article VII
Amendments

The provisions of this Memorandum may be amended at any time by written agreement between the parties.

Article VIII
Entry Into Force

This Memorandum shall enter into force on the date on which it will have been signed by the Secretary General of the ECO and by the President of the Bank.

IN WITNESS WHEREOF, the Secretary General of ECO and the President of the Bank have signed this Memorandum in two original copies in English language and on the date herein below indicated.

For and on behalf of the
Economic Cooperation
Organization:

Shamshad Ahmad
Secretary General
7 July 1993

For and on behalf of the
Islamic Development Bank:

Dr. Ahmad Mohamed Ali
President
17 Muharram 1414 H