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Investing in rural people

Memorandum of understanding between the International Fund for Agricultural Development and the European Bank for Reconstruction and Development

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For: Information

Memorandum of understanding between the International Fund for Agricultural Development and the European Bank for Reconstruction and Development

1. At its 112th session, held in September 2014, the Executive Board authorized the President to negotiate and finalize a memorandum of understanding (MoU) with the European Bank for Reconstruction and Development (EBRD) to pursue innovative financing mechanisms and partnerships; leverage private-sector investments in agriculture that are additional, inclusive, equal and sustainable; and collaborate on multilateral initiatives on development and financial effectiveness.
2. The MoU between IFAD and EBRD was signed on 11 October 2014. A scanned copy of the signed MoU is herewith attached for information.

MEMORANDUM OF UNDERSTANDING

BETWEEN

THE INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT

AND

THE EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT

11-3-1-235

MEMORANDUM OF UNDERSTANDING (hereinafter referred to as the "**Memorandum**") between the International Fund for Agricultural Development (hereinafter referred to as "**IFAD**") and the European Bank for Reconstruction and Development (hereinafter referred to as "**Bank**" or "**EBRD**"), hereinafter separately referred to as a "**Party**" and jointly referred to as the "**Parties**".

WHEREAS the Bank is an international financial institution established under public international law pursuant to the Agreement Establishing the Bank dated 29 May 1990 (the "**Agreement**"), as amended. The Bank supports projects in over 30 countries, from Eastern Europe to Central Asia and the Southern and Eastern Mediterranean. Investing primarily in private sector clients whose needs cannot be fully met by the market, the Bank promotes private and entrepreneurial initiatives and fosters transition towards open-market oriented economies in the countries in Central and Eastern Europe and the Southern and Eastern Mediterranean committed to and applying the principles of multiparty democracy, pluralism and market economics.

WHEREAS IFAD, a specialized agency of the United Nations, is an international financial institution with the objective to mobilize additional resources to be made available on concessional terms for agricultural development in developing Member States. In fulfilling this objective the Fund shall provide financing primarily for projects and programmes specifically designed to introduce, expand or improve food production systems and to strengthen related policies and institutions within the framework of national priorities and strategies.

WHEREAS the Parties have the following areas of common interest:

- Agriculture and food security in their common countries of operation;
- Innovative financing mechanisms and partnerships; and
- Multilateral initiatives on development effectiveness.

WHEREAS the Parties wish to establish a strategic partnership ('the Partnership') in order to jointly strengthen their cooperation in areas of common interest and make a more decisive impact towards the shared goal of agriculture sector development by capitalizing on their comparative advantages, and increasing complementarities and synergies;

The Parties have come to the following understanding:

Section 1- Purpose

The Purpose of the Memorandum is to provide a framework for cooperation and facilitate collaboration between the Parties, on a non-exclusive basis, in areas of common interest. In particular, the partnership will seek to ensure that investments in agriculture and food security contribute to the achievement of the common goal of sustainable economic growth in the common countries of operation of the EBRD and IFAD.

Section 2- Areas of Cooperation

Under this Memorandum the Parties will seek opportunities for collaboration in the following areas:

- Agribusiness development, including value-chains and inclusive business models with smallholders and other stakeholders where joint EBRD-IFAD actions in agriculture and food security can leverage EBRD's experience with private investors and IFAD's experience in value chains and in mobilizing producers and local authorities;
- Climate-resilient agriculture and the sustainable management of natural resources;
- Economic diversification and job creation, including for rural populations and synergies between rural, peri-urban and urban economies;
- Policy analysis and contribution to global policy dialogue on food security and agricultural development;
- Coordination and alignment on MDB/IFI programmes and initiatives for development effectiveness;
- Mobilization of financial resources; and
- Results management at corporate and programme levels, impact evaluation and reporting

Section 3 – Modes of Cooperation

The Parties are committed to working together to maximize the impact of their actions in the aforementioned areas through the following means:

1. Sharing of knowledge, ideas, and expertise across all areas of common interest, and in particular with regard to instruments, initiatives, and approaches for agriculture investments, food security, and strengthening value chains;
2. Consultation on country- and sector-level priorities, needs, and opportunities;
3. Coordinating, directly or through other relevant international organizations, policy messages in areas of common concern;
4. Participation in knowledge-sharing high-level events and mutually organized meetings;
5. Staff secondment.

Section 4 – Communications

1. The Parties may consult on matters arising out of this Memorandum and on other matters of common interest.
2. Subject to their respective policies, including policies on the competitive procurement of goods and services, conflict of interest, disclosure of information and sharing information with outside parties, the Parties may exchange information and collaborate through other means to enable them to realize the purposes of this Memorandum.
3. For the implementation of this Memorandum, the Parties agree to each appoint a liaison officer who will channel communications and information.

4. Any notice or other communication to be given or made under this Memorandum will be addressed and sent to the following contact points or at such other address as either Party designates by notice to the other Party:

For IFAD :

On institutional issues: Director for Partnership and Resource Mobilization Office
 On business issues: Associate Vice President for Programme Management Department;
 and Director for Near East, North Africa and Europe Division

For the Bank:

On institutional issues: Head of External Policy Coordination Unit;
 On business issues: Director for Agribusiness Banking Department.

Section 5 – Final Provisions

1. This Memorandum reflects the views and intentions of the Parties to co-operate on a non-exclusive basis, expressed in good faith but without the creation of any legal obligation or the incurrance of any liability on the part of either of them. Nor shall any third party obtain any legal benefit from this Memorandum.
2. It is understood and agreed that nothing in this Memorandum will constitute, or be construed as, an offer, promise or undertaking by either Party to finance all or part of any activity or project identified in or pursuant to this Memorandum.
3. In the event that opportunities are identified, specific arrangements for any such activity or project would need to be agreed upon between the Parties and agreements concluded, as and when necessary, setting out the arrangements agreed. Each of the Parties will incur its own expenditures arising as the result of the implementation of this Memorandum, unless otherwise specified in relevant separate agreements.
4. Nothing in this Memorandum will limit the right of, or prevent the Parties from entering into memoranda or arrangements with other parties with respect to any activity, project or area of co-operation covered by this Memorandum.
5. Nothing in this Memorandum will constitute nor be construed as a waiver, renunciation or other modification of any of the privileges, immunities and exemptions granted to the EBRD and IFAD, respectively under the Agreement Establishing the European Bank for Reconstruction and Development and the Agreement Establishing IFAD, international conventions, or any applicable laws.
6. Any dispute arising out of, or in connection with, the interpretation or application of any provision of this Memorandum of Understanding will be settled amicably through consultations or by another mutually agreed mode of settlement.
7. This Memorandum will become effective on the date of its signing of the completion by each Party of the necessary requirements according to their applicable internal laws for giving effect to such memorandums, whichever occurs later, and will remain in effect until its termination by either Party by giving a thirty (30) days written notice to the other Party.
8. This Memorandum may be amended by mutual written consent of the Parties.

IN WITNESS WHEREOF, IFAD and the Bank, each acting through its duly authorized representative, have signed this Memorandum of Understanding in two copies, in the English language.

**FOR THE
INTERNATIONAL FUND
FOR AGRICULTURAL
DEVELOPMENT**



Name: Kanayo E. Nwanze
Title: President
Date: 11 Oct 2014

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



Name: Suma Chakrabarti
Title: President
Date: 11 Oct 2014

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