

COFINANCING AGREEMENT

BETWEEN

NORDIC DEVELOPMENT FUND

AND

THE AFRICAN DEVELOPMENT BANK

AND

THE AFRICAN DEVELOPMENT FUND

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AB

**COFINANCING AGREEMENT
BETWEEN
NORDIC DEVELOPMENT FUND
AND
THE AFRICAN DEVELOPMENT BANK
AND
THE AFRICAN DEVELOPMENT FUND**

COFINANCING AGREEMENT dated as of 5th December, 1995 between NORDIC DEVELOPMENT FUND (hereinafter called "NDF"), of the one part, and the AFRICAN DEVELOPMENT BANK (hereinafter called the "Bank") and the AFRICAN DEVELOPMENT FUND (hereinafter called the "Fund"), of the other part.

WHEREAS NDF was established for the purpose of promoting economic and social development in developing countries, including regional member countries of the Bank (hereinafter called the "Regional Members") through participation in financing on concessional terms of projects of interest to member states of NDF;

WHEREAS the purpose of the Bank and the Fund is to contribute to the economic development and social progress of the Regional Members;

WHEREAS the concessional credits to be provided by NDF are intended to be offered in cofinancing with other multilateral financial institutions, regional development banks and the Nordic Investment Bank (hereinafter called "NIB");

WHEREAS it is the policy and practice of NDF that the concessional credits it provides shall not be subject to debt rescheduling operations;

WHEREAS the Bank, the Fund and NDF have cooperated in the cofinancing of development projects and programmes of mutual interest in the Regional Members;

WHEREAS the parties hereto envisage the provision of increased cofinancing for suitable development projects and programmes in

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the Regional Members in accordance with their respective lending policies;

WHEREAS the Bank, the Fund and NDF wish to intensify their efforts in promoting increased cofinancing opportunities in the Regional Members on the terms and conditions hereinafter set forth or otherwise agreed upon between NDF, the Bank and the Fund;

NOW THEREFORE the parties hereto have hereby agreed as follows:

ARTICLE I

Methods and Application of Cofinancing Resources



1. The resources to be provided by NDF for cofinancing with the Bank or, as the case may be, the Fund shall be made available pursuant to this Agreement in the form of concessional and interest-free loans for projects and programmes of mutual interest.

2. Cofinancing by NDF may be carried out on a joint or parallel basis; it being understood that such cofinancing will normally be carried out on a parallel financing basis. The loan agreement relating to the resources to be provided by NDF shall be concluded directly between NDF and the recipient Regional Member and the proceeds of the relevant loan shall be made available by NDF directly to the recipient Regional Member.

ARTICLE II

Project and Programme Selection

1. Each development project or programme to be financed by NDF pursuant to this Agreement shall be selected by NDF, in consultation with the Bank or, as the case may be, the Fund and the prospective recipient Regional Member, from a list of projects and programmes prepared and submitted at regular intervals by the Bank and the Fund to NDF for that purpose.



2. Upon receipt of a list of projects and programmes, NDF will inform the Bank and the Fund, in writing, of the projects and programmes which it considers suitable for cofinancing. NDF will indicate the amounts and timing of cofinancing proposed and the terms and conditions on which financing may be made available, including, to the extent possible, the project or programme components and the types of goods and services which may be financed, in order to enable the Bank or the Fund to design, in agreement with the recipient Regional Member, appropriate procurement packages and to formulate an adequate financing plan or plans for selected projects or programmes.

3. It shall be the responsibility of NDF to inform the prospective recipient Regional Members of its interest and intention in making funds available for cofinancing specific projects or programmes; it being understood that the decision as to the acceptance or otherwise of NDF's cofinancing proposal shall be made by the prospective recipient Regional Member in consultation with the Bank and/or the Fund.



4. NDF may bring to the attention of the Bank and the Fund other projects and programmes which may be of interest to the Bank or the Fund and make proposals concerning the extent of participation of NDF in such projects and programmes.

5. NDF may from time to time furnish the Bank and the Fund with a list of Regional Members and the specific sectors of their economy which will be given priority for purposes of this Agreement.

ARTICLE III

Administration of NDF Financing

1. Unless the parties hereto shall otherwise agree, the recipient Regional Member shall be responsible for the execution of each project or programme, including the evaluation of bids, selection of consultants and award and administration of contracts concluded thereunder.



2. Procurement by the recipient Regional Member of goods and services financed by NDF pursuant to this Agreement shall be governed by the NDF Procurement Guidelines and the provisions hereinafter set forth:

(a) NDF shall cooperate with the Bank or, as the case may be, the Fund to ensure that the procurement procedures to be followed will enable the recipient Regional Member to fulfil its obligations to cause the project or programme to be executed diligently and efficiently, and that the goods and civil works to be procured:

(i) are of satisfactory quality and are compatible with the other supplies and acquisitions for the project or programme;

(ii) shall be delivered or, as the case may be, completed in a timely fashion; and

(iii) are competitively priced so as to support the economic and financial viability of the project or programme;

(b) in the case of consultancy services, NDF shall satisfy the Bank or, as the case may be, the Fund, or cause the recipient Regional Member to satisfy the Bank or, as the case may be, the Fund that the qualifications, experience and capability of the consultants or consulting firms and the terms and conditions of their engagement, including their terms of reference and technical and financial proposals, are appropriate and relevant to the assignment.

3. Pursuant to the Cooperation Agreement between NIB and NDF dated 9 March 1989, NIB provides technical and professional services to NDF relating to the execution of the following functions: drafting of loan and credit agreements; supervision

and financial administration of credit and loan agreements, including procurement procedures, disbursements and billings; and collection of debt service payments. Execution of other functions may be delegated by NDF to NIB on a case by case basis.

ARTICLE IV

Cooperation and Consultation

1. The Bank and the Fund shall, in accordance with their usual policies and procedures, be responsible for the identification, preparation, appraisal, monitoring, supervision and post-evaluation of the projects and programmes to be cofinanced by NDF pursuant to this Agreement. Should the component(s) of the project or programme to be cofinanced by NDF incorporate additional aspects not envisaged at the time the project or programme was designed, or in the event that specific tasks or services, not originally contemplated at the time of the design of the project or programme, are required to be carried out by the Bank or the Fund, the Bank or, as the case may be, the Fund shall, prior to performing the tasks or rendering the services, promptly notify NDF and obtain the concurrence of NDF on arrangements for the payment and/or reimbursement of the costs and expenses to be incurred by the Bank or the Fund.

2. The parties hereto shall keep each other informed of the progress of projects and programmes cofinanced by them and shall, at the request of each party, exchange views and information on any other matters relating thereto. The Bank or the Fund shall, subject to obtaining the consent of the recipient Regional Member, provide NDF with an opportunity to participate in the identification, preparation, appraisal, monitoring, supervision and post-evaluation missions relating to such projects and programmes and in lieu shall inform NDF of the findings of such missions.

3. The parties hereto shall promptly inform each other of any condition or development which, in its opinion, is likely to interfere with the implementation or the successful completion



of a project or programme being cofinanced hereunder, and shall consult with each other regarding the appropriate remedial action to be taken by the parties.

4. The parties hereto shall promptly inform each other of any significant modification(s) of their respective loan agreements and of any remedy applied in respect thereof. To the extent practicable, each party shall afford the other a reasonable opportunity to exchange views on the matter prior to effecting any such modification(s) or exercising any such remedy.

5. Subject to the agreement of the recipient Regional Member, the loan agreements of NDF and of the Bank or, as the case may be, the Fund concluded in connection with the projects and programmes to be cofinanced pursuant to this Agreement shall, when judged appropriate by NDF and the Bank or the Fund, include customary cross-effectiveness provisions and optional cross-default clauses.

6. Each party shall inform the other when the conditions precedent to effectiveness of its respective loan agreement have been met.

7. The parties hereto shall consult with each other from time to time on all matters arising out of, or in connection with, this Agreement. To this end and in order to promote a regular exchange of information and to ensure that the purpose of this Agreement is accomplished, the Bank, the Fund and NDF shall from time to time hold consultative meetings, at least once a year. The parties shall at such meetings review progress of projects and programmes being cofinanced hereunder and explore other ways and means of promoting increased cofinancing cooperation between the parties.



ARTICLE V

Channel of Communications and Notices

1. For the purposes of this Agreement, the representatives of the parties shall be:

(a) For NDF: Regional Manager; and

(b) For the Bank and the Fund: (i) The Head of the Cooperation Unit for general coordination matters; and (ii) The Director of the relevant Country Programmes Department, for operational matters.

2. Either party may, by notice in writing to the other party, designate additional representatives or substitute other representatives for those designated in paragraph 1 of this Article V.

3. Any notice, or other communication under this Agreement shall be in writing and shall be deemed to have been duly given or made when it has been delivered by hand, mail, cable, telex or telefax, as the case may be, by either party to the other at the appropriate address specified below or such other address as either party may hereafter notify in writing to the other party.

FOR NDF

Mail Address:

NORDIC DEVELOPMENT FUND

P.O. BOX 185

SF-00171 HELSINKI

FINLAND

Telex: 124 704 nib sf

Telefax: 358-0-6221-491

FOR THE BANK AND THE FUND

Mail Address:

AFRICAN DEVELOPMENT BANK

AFRICAN DEVELOPMENT FUND

01 B.P. 1387

ABIDJAN 01

Côte d'Ivoire

Telex: 23717/23498

Telefax: (225) 20.49.49

(225) 20.40.70

ARTICLE VI

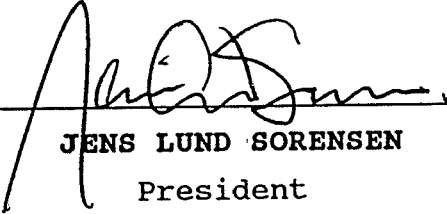
Final Provisions

1. This Agreement shall enter into force upon its signature by the authorised representatives of the parties hereto.
2. The parties to this Agreement may, by a simple exchange of letters, amend any of the provisions of this Agreement or enter into supplementary arrangements designed to record their mutual understanding of the manner in which this Agreement shall be implemented.
3. Any dispute over the interpretation or application of any provision herein contained shall be settled amicably through negotiations or by such other means as the parties shall mutually agree.
4. Any matter for which no provision is made herein shall be determined in a manner mutually acceptable to the parties and, in this regard, each party shall give sympathetic consideration to any proposal advanced by the other party.
5. Either party may terminate this Agreement by giving not less than six (6) months' advance notice, in writing, to the other party; provided that such termination shall become effective only on the date specified in the termination notice, and provided further that termination as aforesaid shall not, unless the parties otherwise agree, affect any ongoing project

or programme or any non-cancellable commitment entered into under this Agreement with a third party prior to the date of termination. In the event of termination by either party, both parties shall cooperate to ensure that all arrangements made hereunder are settled in an orderly manner.

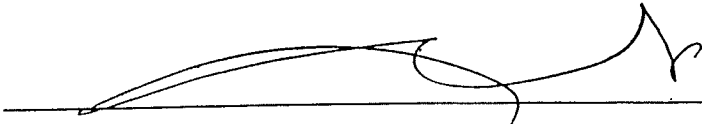
IN WITNESS WHEREOF the parties hereto, each acting through its representative duly authorised thereunto, have signed this Agreement on the date first above written in two original counterparts in the English Language.

FOR NORDIC DEVELOPMENT FUND



JENS LUND SORENSEN
President

FOR THE AFRICAN DEVELOPMENT BANK
AND THE AFRICAN DEVELOPMENT FUND



OMAR KABBAJ
President

AFRICAN DEVELOPMENT BANK GROUP

13, AVENUE DU GHANA
ANGLE AV. HEDI NOUIRA ET PIERRE DE COUBERTIN
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THE PRESIDENT

Mr. PASI HELLMAN
MANAGING DIRECTOR
NORDIC DEVELOPMENT FUND
P.O. BOX 185
SF-00171 HELSINKI
FINLAND

Dear Mr. Hellman,

RE: **AMENDMENT TO THE CO-FINANCING AGREEMENT
BETWEEN THE NORDIC DEVELOPMENT FUND AND THE
AFRICAN DEVELOPMENT BANK AND THE AFRICAN
DEVELOPMENT FUND**

It will be recalled that under a co-financing agreement made on 5 December 1995 (the "Agreement"), the Nordic Development Fund (the "NDF") and the African Development Bank and the African Development Fund (collectively referred to herein as the "Bank") agreed to cooperate in the co-financing of development projects and programs of mutual interest in regional member countries of the Bank.

Following discussions between NDF and the Bank, the parties wish to cooperate in promoting additional co-financing, particularly in the area of development and climate change and accordingly, the parties wish to amend the Agreement.

Pursuant to paragraph 2 of Article VI of the Agreement, the parties may, by a simple exchange of letters, amend the Agreement. The objective of this exchange of letters is, therefore, to reflect the decision reached between the parties concerning the amendment of the Agreement in order to facilitate additional co-financing in accordance with NDF's current mandate.

Accordingly, the Agreement is hereby amended as follows:

1. Definitions

1.1 All references in the Agreement to:

- (a) *credits* shall be read as *NDF financing*;
- (b) *loan agreement(s)* shall be read as *financing agreement(s)*; and
- (c) *Agreement* shall include the Co-financing Agreement and this Amendment.

2. Article I: Methods and Application of Co-financing Resources

2.1 Section 1 of Article I shall be amended to read as follows:

Any resources to be provided by NDF for co-financing with the Bank, or as the case may be, the Fund, shall be made available pursuant to this Agreement for projects and programmes that: (i) are implemented in or benefitting countries eligible for financing by NDF and the Bank and/or the Fund; (ii) fulfil NDF's criteria for project selection; and (iii) otherwise are of mutual interest to the Parties. Subject to NDF's selection and approval process, NDF financing will be made available in the form of grants or in another form permitted by the statutes of NDF.

2.2 Section 2 of Article I shall be amended to read as follows:

Co-financing by NDF may be carried out:

- (a) *on a parallel co-financing basis, where the Parties will finance specific identifiable projects or program components or contracts under separate financing agreement(s) entered into by the Parties with the recipient of the funds relating to the financing of their respective component(s);*
- (b) *on a joint co-financing basis, where the funds provided by NDF for a particular project shall be administered by the Bank on terms agreed upon separately between NDF and the Bank, or as the case may be, the Fund; or*
- (c) *by such other financing modalities that the Parties to this Agreement shall agree upon.*

3. Article III: Administration of NDF Financing

3.1 Section 3 of Article III is hereby deleted.

4. Article V: Channel of Communications and Notices

4.1 Section 1 of Article V shall be amended to read as follows:

For the purpose of this Agreement, the representative of the parties shall be:

- (a) *For NDF: the Managing Director; and*
- (b) *For the Bank and the Fund: (i) the Head of the Cooperation Unit, for general coordination matters; and (ii) the Director of the relevant Country Programmes Department, for operational matters.*

5. Article VI: Final provisions

5.1 The following section 6 shall be added to Article VI:

NDF, the Bank and the Fund may disclose the Agreement and information with respect to it only in accordance with the Parties' policies and legislative obligations.

If the foregoing records faithfully the agreement reached between the parties, I would like to propose that this Letter and your confirmation of acceptance thereof shall be regarded as constituting an understanding between the NDF and the Bank, which shall have full force and effect as of the date of your confirmation of acceptance.

Yours sincerely,

AFRICAN DEVELOPMENT BANK GROUP
PRESIDENT

FOR THE AFRICAN DEVELOPMENT BANK
AND THE AFRICAN DEVELOPMENT FUND



By: DONALD KABERUKA

Title: President

Date: 24/4/2013

ACCEPTED AND CONFIRMED FOR AND ON BEHALF OF
THE NORDIC DEVELOPMENT FUND



By: PASI HELLMAN

Title: Managing Director

Date: 17/5/2013



By: LEENA KLOSSNER

Title: Deputy Director

Date: 17/5/2013