ASIAN INFRASTRUCTURE INVESTMENT BANK

ARAB FUND FOR ECONOMIC & SOCIAL DEVELOPMENT

MEMORANDUM OF UNDERSTANDING

BETWEEN

THE ASIAN INFRASTRUCTURE INVESTMENT BANK

AND

THE ARAB FUND FOR ECONOMIC AND SOCIAL DEVELOPMENT

This **MEMORANDUM OF UNDERSTANDING** (hereinafter referred to as the "Memorandum") is between the Asian Infrastructure Investment Bank and the Arab Fund for Economic and Social Development (each a "Party" and jointly referred to as the "Parties").

WHEREAS, the Asian Infrastructure Investment Bank (hereinafter referred to as "AIIB") is a multilateral development bank, established under the Articles of Agreement of the AIIB, with the purpose to (i) foster sustainable economic development, create wealth and improve infrastructure connectivity in Asia by investing in infrastructure and other productive sectors; and (ii) promote regional cooperation and partnership in addressing development challenges by working in close collaboration with other multilateral and bilateral development institutions;

WHEREAS, The Arab Fund for Economic and Social Development (hereinafter referred to as "AFESD"), headquartered in the State of Kuwait, is a regional Arab financial institution established under an agreement among the member states of the Arab League. AFESD is dedicated to promoting economic and social development across the Arab region by financing public and private investment projects, providing technical assistance, and fostering investment opportunities.

WHEREAS, AIIB and AFESD intend to build a more ambitious cooperative relationship to effectively achieve common objectives in the field of sustainable, resilient and inclusive development. The Parties share a goal of mobilizing resources for sustainable development, which provides the basis for the Parties' intention to strengthen their institutional and operational relationship.

NOW THEREFORE, the Parties based on mutual trust and in a spirit of cooperation, hereby have reached the following understanding:

SECTION 1
PURPOSE

1.1 The purpose of this Memorandum is to formalize a comprehensive and non-exclusive framework for cooperation between the Parties, with a view to facilitating collaboration in common areas of interest to advance shared development goals.

1.2 Any activities identified and agreed upon by the Parties shall be subject to their discretion and respective mandate, policies and procedures of the Parties.

SECTION 2
AREAS OF COOPERATION

2.1 The Parties may explore the possibility of cooperating in a number of specific areas including, but not limited to:

(a) **Undertaking parallel or joint co-financing of projects,** subject to pre-determined criteria to be agreed by both Parties, in geographic areas and sectors of interest to both Parties, including energy, transport, water and sanitation, urban- and social development, and digital infrastructure. To this end, AIIB will consider providing up to USD250 million sovereign-backed financing, and AFESD will consider deploying up to USD50 million in concessional sovereign loans for potential co-financing with AIIB, in support of public sector projects that meet mutually agreed criteria. The Parties will also explore co-financing collaboration through non-sovereign backed financing for private sector projects, including the use of blended finance.

(b) **Collaborating on project related technical assistance (TA)** that includes preparation, capacity building, and implement support activities for projects to be jointly considered and/or co-financed by both Parties, capitalizing on the Party's respective strengths in providing grant funded TA and mobilizing resources.

(c) **Exploring modalities for programmatic collaboration to enhance project-level cooperation**, including to join forces on country programming and dialogue, project preparation and development, and financing of projects, that fully leverage the Parties' respective strengths as described above, and in consideration of coordination with other development partners.

(d) **Exploring joint activities and initiatives** with the Arab Coordination Group (ACG) Secretariat, which is hosted by AFESD, to join forces in addressing climate, water, and other shared challenges in geographic areas of mutual interest, in collaboration with other ACG donors and development partners.

(e) **Promoting knowledge sharing and capacity building** on climate finance, blended finance, private capital mobilization, and other sustainable infrastructure related topics or areas of mutual interest through exchanging best practices, technical support, and knowledge sharing sessions or workshops.

(f) **Collaborating on staff exchange**, including through secondment of staff and training activities, to benefit from the other Party's experience and expertise on investment operations.

(g) **Promoting collaboration through Key Regional and International Events**, including to invite each other to attend or organize public seminars, forums, and conference programs, which aim to develop bilateral cooperation and support partnership between the Parties or with which are of mutual interest.

2.2 Further to the above-mentioned specific areas and sectors, the Parties hereby reiterate their strong interest in exploring additional forms of future cooperation, which may reflect their deeper engagement, as consistent with this Memorandum.

SECTION 3
IMPLEMENTATION

3.1 To advance the implementation of this Memorandum, the Parties intend to jointly develop a non-binding action plan ("Action Matrix") based on the areas outlined in Section 2 above. The Action Matrix may contain the following information: (a) scope of activities and an estimated timeline for their completion and (b) financial and non-financial resources that may be committed, subject to the internal policies, procedures, and approvals of each Party. Any engagements that the Parties may decide to pursue jointly under the Action Matrix will be subject to separate arrangements or agreements that would be discussed and concluded separately from this Memorandum, in accordance with the practices, policies and procedures of the Parties. In accordance with this Memorandum, it is understood that the list of planned activities provided herein is non-exhaustive and may be subject to further additions or modifications as mutually agreed upon by the Parties.

3.2 Each Party designates the following focal points to support the implementation of this Memorandum:

For **AIIB:**

Rodrigo Salvado, Director General, Operational Partnership Department
Asian Infrastructure Investment Bank
AIIB Headquarters, Tower A, Asia Financial Center,
No. 1 Tianchen East Road, Chaoyang District, Beijing 100101, China
Email: rodrigo.salvado@aiib.org; - CC: xiao.wang@aiib.org, partnerships@aiib.org;

For **AFESD:**

Merza Hasan, Senior Advisor to the Chairman
Arab Fund for Economic & Social Development
P.O. Box: 21923 Safat; Zip code: 13080; State of Kuwait
Email: merza.hasan@arabfund.org; - CC: m.alsharif@arabfund.org, info@arabfund.org

3.3 Any notice or other communication to be made under this Memorandum will be addressed to the focal points above, or such other focal points as either Party may designate by written notice to the other Party.

SECTION 4
CONFIDENTIALITY, DISCLOSURE AND PUBLICITY

4.1 The disclosure of information with respect to the activities contemplated herein will be made in accordance with, and to the extent permitted by, the Parties' respective policies on access to information. Except when required by applicable law, any confidential information shared pursuant to this Memorandum shall not be disclosed to any third party, without the prior written consent of the other Party.

4.2 The Parties may disclose this Memorandum and information related to this Memorandum in accordance with their respective policies in effect at the time of such disclosure. The Parties will consult with each other concerning the manner and form of any acknowledgement of the other Party's support regarding any activities undertaken pursuant to this Memorandum.

4.3 Neither Party will use the name, logo or trademarks of the other Party, or any abbreviation thereof, without the express prior written approval of the other Party in each case.

SECTION 5
GENERAL PROVISIONS

5.1 This Memorandum reflects the views and intentions of the Parties to cooperate on a non-exclusive basis, expressed in good faith, but without the creation of any binding obligation or the incurrence of any liability on the part of either of them. Nor shall any third party obtain any legal benefit from this Memorandum.

5.2 This Memorandum shall not represent any commitments on the part of either Party to give preferred treatment to the other in any matter contemplated under this Memorandum or otherwise. 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 covered by this Memorandum.

5.3 Any activity that may be identified by the Parties under this Memorandum will, as appropriate, be subject to separate supplementary arrangements or agreements to be concluded between the Parties on a case-by-case basis which will detail the specific form and content of the activities, address the responsibilities and rights of each Party in relation to those activities and the terms and conditions applicable thereto.

5.4 Any dispute arising out of or in connection with the interpretation or application of any provision contained in this Memorandum shall be settled amicably through consultations.

5.5 Nothing in this Memorandum, or relating thereto, shall be construed as constituting a waiver, renunciation or other modification of any of the rights, privileges, immunities and exemptions enjoyed by either Party pursuant to their respective constituent instrument, organizational documents, any international convention, or any applicable law.

5.6 The Parties acknowledge that nothing in this Memorandum is intended to grant a Party the right to use intellectual property owned or controlled by the other Party, without the prior written consent of the other party.

5.7 The Parties may jointly agree on the coordination of any media plan.

SECTION 6
EFFECTIVENESS, DURATION, TERMINATION AND AMENDMENT

6.1 This Memorandum shall become effective on the date it is signed by the last of the two Parties and will remain in effect for three (3) years, unless terminated earlier by either Party upon giving six months advance written notice to the other Party. Subject to satisfactory implementation, this Memorandum may be renewed for a period of the same length by signature of an addendum.

6.2 Any termination of this Memorandum shall be without prejudice to the orderly completion of any ongoing cooperation activity and any other rights or obligations of the Parties under any legal instrument executed pursuant to this Memorandum.

6.3 The Parties shall consult each other on any amendment required regarding the terms of this Memorandum. Any such amendment shall be made in writing and shall become effective after signature by both Parties.

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

FOR THE ASIAN INFRASTRUCTURE INVESTMENT BANK	FOR THE ARAB FUND FOR ECONOMIC AND SOCIAL DEVELOPMENT
Name: Jin Liqun	Name: Bader M. Alsaad
Title: President	Title: Director General
Date: June 30, 2025	Date: 30.6.2025