



MEMORANDUM OF UNDERSTANDING

BETWEEN

ISLAMIC DEVELOPMENT BANK

AND

WORLD CUSTOMS ORGANIZATION

ON
COOPERATION

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MEMORANDUM OF UNDERSTANDING

This **MEMORANDUM OF UNDERSTANDING (MOU)** entered into force on 05 / 03 /2013 by and between the **Islamic Development Bank**, an international financial institution located at King Khalid Street, P.O. Box 5925, Jeddah 21432, Kingdom of Saudi Arabia (hereinafter referred to as "**IsDB**"), on the one hand and the **World Customs Organization**, an intergovernmental organisation located at Rue du Marché, 30, B-1210 Brussels, Belgium (hereinafter referred to as the "**WCO**"), on the other hand.

The IsDB and the WCO are collectively referred to herein as the "**Parties**" and individually as a "**Party**".

THE PARTIES TO THIS MOU:

ACKNOWLEDGING that customs administrations or authorities in every country are critical institutions to achieving national economic prosperity, social well-being and effective fiscal management;

RECOGNIZING that the WCO seeks to improve the efficiency and effectiveness of customs administrations to facilitate international trade, maximize revenue yield and control frontiers through the use of international instruments, adoption of best practices, capacity building and programmes of modernization;

CONSIDERING that the primary objective of IsDB is to contribute to the sustainable economic development and social progress of its Member Countries, individually and jointly (hereinafter referred to as "**IsDB Member Countries**") and Muslim communities in non-member countries;

ACKNOWLEDGING that cooperation between customs administrations and international financial institutions is essential to the economic, fiscal and social well-being of nations taking account of their respective roles and missions;

CONVINCED that cooperation between international financial institutions and customs administrations will assist the latter to enhance their capacities and effectiveness, and facilitate sound international trade; and

DETERMINED to provide, through their joint efforts and within the limitations of their respective policies, rules, procedures and resources, coordinated and harmonized services to IsDB Member Countries, in a cost-effective and efficient manner;

Now, therefore, express their common understanding on cooperation as follows:

Article-I Purpose

The purpose of this MOU is to provide a general framework for cooperation and collaboration between the Parties aimed at economic development of IsDB Member Countries by assisting their respective customs administrations in their capacity building, developmental and modernization efforts.

Article-II Scope of Cooperation

The cooperation and collaboration between the Parties under this MOU will be in the areas which constitute common interest to both Parties and will take place within the scope of their respective constitutional instruments, mandates, policies, procedures, resources and activities.

Article-III Methods of Cooperation

With the view to achieving the purposes of this MOU, and subject to the terms hereof, the Parties will:

- 3.1 Cooperate and collaborate with each other in identifying, developing and implementing joint customs capacity building programmes and projects in IsDB Member Countries to promote and facilitate customs modernization and cross-border trade, as well as customs cooperation and regional integration. A list of potential areas of cooperation is contained in the **Annex** to this MOU.
- 3.2 Pursue effectiveness of their programmes and projects by observing internationally accepted practices.
- 3.3 Further strengthen their cooperation through knowledge partnership, including research and knowledge sharing in areas of common interest.
- 3.4 Keep each other informed and, whenever necessary, consult each other on matters of common interest.
- 3.5 Maintain close institutional dialogue to ensure a coherent approach and to identify areas of comparative advantages, competence and complementarity, and meet whenever appropriate.
- 3.6 Where appropriate:
 - (i) establish a joint work programme;
 - (ii) identify specific programmes and projects for cooperation;
 - (iii) prepare an implementation plan for each identified programme and project; and
 - (iv) jointly monitor and evaluate programmes and projects implemented under this MOU.

Article-IV Exchange of Information

The Parties will exchange relevant information and data on matters of common interest and collaborate in the collection, analysis and dissemination of such information and data, subject to such arrangements as may be necessary or applicable, under any document and information restriction policies of the Parties, for safeguarding the confidential character of certain information or data.



Article-V Representation

Either Party may, as appropriate, invite the other Party to seminars, symposia, workshops or conferences of mutual interest, convened or otherwise supported by such Party.

Article-VI Implementation and Cost Sharing

- 6.1 The Parties will make available, to the extent feasible and taking into account the budgetary, financial and human resource constraints, the services of their staff for conducting programmes and projects within the framework of this MOU. The Parties may identify, as appropriate, other resource persons who could be engaged as experts, as mutually agreed by the Parties. The Parties will share the documentation and teaching materials for joint technical assistance activities to the extent appropriate.
- 6.2 Costs or expenses relating to, or arising from, any programme, project and/or activity undertaken pursuant hereto will be borne by one or both Parties, as the case may be, in accordance with supplementary agreements to be separately reached by the Parties in advance of implementation of the programme, project and/or activities concerned. For the purposes of this provision, supplementary agreements may be concluded by exchange of letters between the Parties setting out each Party's roles and responsibilities regarding each particular programme, project and/or activities or a group thereof.

Article-VII Other Matters

Any matter relevant to the purposes of this MOU but not provided for herein will be determined in a manner mutually acceptable by the Parties, and will be included within the scope of this MOU by way of an amendment in accordance with Article X hereof.

Article-VIII Entry into Force, Duration and Termination

- 8.1 This MOU, once signed, will enter into force upon endorsement by the relevant authorities of the Parties, and will remain in effect for five (5) years from the date of last endorsement by the relevant authorities of either Party. Thereafter, it will be automatically renewed every third year, unless terminated in accordance with paragraph 8.2 hereof.
- 8.2 This MOU may be terminated by either Party by giving six (6) months' advance notice to the other Party. Such termination shall take effect as of the date specified in the termination notice, provided that the provisions herein contained will remain in effect to the extent necessary to permit an orderly settlement of all arrangements made with respect to on-going cooperation activities within the framework of this MOU and in accordance with the relevant supplementary agreements.

Article-IX Channels of Communication and Notices

- 9.1 For the purpose of facilitating the implementation of this MOU, the focal points of the respective Parties are as follows:

- (a) **For IsDB:** Cooperation and Capacity Development Complex
King Khalid Street, P.O. Box 5925, Jeddah 21432,
Kingdom of Saudi Arabia
Tel: +966 2 636 6612
Fax: + 966 2 636 6871
- (b) **For WCO:** External Relations Coordinator
Office of the Secretary General
Rue du Marché 30, B-1210 Brussels, Belgium
Tel.: 32-2209-9645
Fax : 32-2209-9292

- 9.2 Either Party may, by notice in writing to the other Party, designate additional representatives or substitute other focal points for those designated in this Article.
- 9.3 Any notice, request or other communication under this MOU will be in writing and will be deemed to have been duly given when it has been delivered by hand, mail, fax, or email, as the case may be, by either Party to the other at the address specified above or in the supplementary agreement or such other address as either Party may notify to the other Party.

Article-X Amendment and Settlement of Disputes

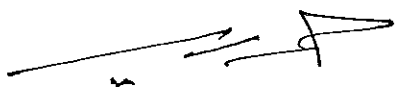
- 10.1 This MOU may be amended by mutual written agreement of the Parties. Any amendment will be without prejudice to any rights or obligations accruing or incurred under this MOU or supplementary agreements thereto reached pursuant to Article VII, prior to the effective date of such amendment.
- 10.2 Any dispute over the interpretation or application of any provision herein contained shall be settled amicably through consultations or by such other means as the Parties shall mutually agree.

[End of Articles]

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In witness whereof, the undersigned legal representatives of the Parties hereto have duly affixed their signatures on the two originals of this Memorandum of Understanding in the English language on the date first above written.

FOR AND ON BEHALF OF
ISLAMIC DEVELOPMENT BANK

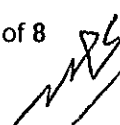


DR. AHMAD MOHAMED ALI
President

FOR AND ON BEHALF OF
WORLD CUSTOMS ORGANIZATION



DR. KUNIO MIKURIYA
Secretary General



The following is a non-binding and non-exhaustive, illustrative list of areas which the Parties may consider for potential joint technical cooperation activities:

1. Strategic assistance to the IsDB's Member countries in respect of customs modernization with a view to enhancing revenue collection, protection of civil society, trade facilitation and supply chain security.
2. Cooperation in the delivery of capacity building in the IsDB's Member Countries including organization of workshops, seminars, or other events related to customs capacity building for customs modernization at the regional, sub-regional, or national levels on topics such as :
 - (i) Enhanced economic competitiveness through the implementation of the WCO Economic Competitiveness Package.
 - (ii) Facilitation of seamless movement of goods through secure international trade supply chains to promote certainty and predictability.
 - (iii) Fair and efficient revenue collection by customs including implementation of the WCO Revenue Package and related instruments such as the Harmonized System Convention and WTO Valuation Agreement.
 - (iv) Protection of civil society (fights against drug smuggling, pirated and counterfeit goods including fake medicines, and environmentally hazardous goods).
 - (v) Human resource and organizational development, and good governance.
3. Support cooperation between national and sub-regional customs administrations to address issues of common interest and promote concerted customs modernization.
4. Training of personnel to promote uniform understanding of customs policies and procedures; develop regional customs training modules, guidelines and manuals; and support the emergence of academic programmes related to customs.
5. Collaboration in the area of research on customs and international trade matters of common interest to both parties.
6. Other areas as may be agreed upon between the Parties from time to time.
