



BADEA

Arab Bank
for Economic
Development
in Africa

Establishment Agreement

February 2024



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Agreement Establishing

**The Arab Bank For Economic
Development In Africa (BADEA)**

**Cairo, Monday 26 Muharram 1394 Hijri,
(18 February 1974)**

As amended by BADEA's Board of Governors Resolutions:

- ❖ N^o. 7/1988 adopted at its 14th annual meeting in “Muscat”, on Monday 17th Shaban 1408 Hijri Corresponding to 04th April 1988,
- ❖ N^o. 4/2007 adopted at its 32nd annual meeting in “Beirut”, on Wednesday 23rd Rabi Al-Awwal 1428 corresponding to 11th April 2007.
- ❖ N^o. 4/2023 adopted at its 47th annual meeting in “Rabat”, on Saturday 09th Shawwal 1444 corresponding to 29th April 2023.



**Agreement Establishing
The Arab Bank For Economic
Development In Africa
(BADEA)**





The GOVERNMENTS of the Arab League Countries signatories of this Agreement,

Believing in the need to strengthen the ties between African Countries and the Arab Countries,

Seeking to further the Economic Development of African Countries within a framework of solidarity and mutual interest,

Recognizing that coordinated effort aimed at bringing about the economic independence of African Countries is a crucial factor in achieving their national goals,

Seeking to give African-Arab solidarity a practical and effective form, based on equality and friendship,

Being convinced that the establishment of a financial institution to support the Economic Development requirements of African Countries constitutes a major step towards stimulating Arab-African cooperation, and

Pursuant to the decisions of the Sixth Arab Summit held in Algiers, taken at its session of 28th November 1973, and to the recommendations made by the Economic Council at its session on 5th December 1973,

AGREE AS FOLLOWS:



Chapter "I"

GENERAL PROVISIONS

Article (1)¹ : DEFINITIONS:

The following words and phrases, wherever used in this Agreement, unless the context otherwise requires, shall have the meanings as indicated next to each of them:

- I. **BADEA**: The Arab Bank for Economic Development in Africa.
- II. **Member Countries**: The countries that have constituted and signed this Agreement.
- III. **Board of Governors**: The Board comprised of representatives from the Member Countries.
- IV. **The Chairman of the Board of Governors** : The Governor who presides over the Board of Governors on rotational basis.
- V. **Board of Directors**: The Board of Directors of BADEA.
- VI. **Chairman of the Board of Directors**: The Chairman of BADEA's Board of Directors.
- VII. **President of BADEA**: The highest executive officer of BADEA.
- VIII. **The Arab Countries**: The Member Countries of the Arab League.
- IX. **The African Countries**: Countries that are enjoying full membership of both the United Nations and the African Union.
- X. **Private Sector Institutions**: Institutions in which the private sector owns no less than 51% of their equity, or institutions that are either wholly or partially owned by Governments and operate on a commercial basis
- XI. **Financing Arab-African Trade**: Both funded and unfunded financing provided to Arab and African institutions to facilitate the exchange of goods and services between Arab and African Countries.
- XII. **Inter-African Trade Finance**: Both funded and unfunded financing provided to African institutions to support the exchange of goods and services among African Countries.



- XIII. **The Principles of International Law:** The common principles of the most of the national legal systems as referred to in Article (38) of the Statute of the International Court of Justice, along with international customs relevant to international law.
- XIV. **Economic Development:** Developmental operations financed by BADEA to support the African Countries.
- XV. **Technical Assistance:** Financing operations aimed at exploring opportunities conducive to economic development and providing capacity building support to African Countries.
- XVI. **Liquid Assets:** The liquid assets of BADEA, including those that are convertible into cash.
- XVII. **Liquid Assets Management Policy:** Policies and procedures established by the Board of Directors for managing BADEA's liquid assets, including guidelines for investment's types and conditions.

Article (1) Repeated: ESTABLISHMENT OF BADEA

An Arab financial institution is hereby established under the name, **“THE ARAB BANK FOR ECONOMIC DEVELOPMENT IN AFRICA”** (hereinafter called “BADEA”)

Article (2): HEADQUARTERS:

The Headquarters of BADEA shall be in Khartoum.

BADEA may establish subsidiaries, agencies or offices in Member Countries or in any other country, as its operations may require.

Article (3): LEGAL STATUS

- (i) BADEA is an independent international institution enjoying full international legal status and complete autonomy in administrative and financial matters.
- (ii) BADEA is governed by the provisions of this Agreement and The Principles of International Law.



Article (4)²: OBJECTIVES AND FUNCTIONS:

The objective of BADEA is to foster economic, financial and technical cooperation between African Countries and Arab Countries. To achieve this objective, BADEA shall perform the following functions:

- (i) Participate in financing Economic Development in African Countries.
- (ii) Stimulate the contribution of Arab capital in African development.
- (iii) Participate in providing the Technical Assistance required for development in Africa.
- (iv) Support the development of Private Sector Institutions in the African Countries
- (v) Provide financing for Arab-African Trade and Inter-African Trade Finance.

Article (5)³: MEMBERSHIP

- (i) The signatory Member Countries of this Agreement are founding members of BADEA.
- (ii) Any Arab Country other than the founding Member Countries of BADEA shall have the right of joining the Agreement establishing BADEA by sending a written notice to that effect to the Chairman of the Board of Governors. The Chairman of the Board of Governors shall, after completion of accession requirements, notify the accession instrument to the Member Countries and to the Chairman of the Board of Directors.
- (iii) No member shall be considered liable, by virtue of its membership, for obligations of BADEA, beyond the limits stipulated in this Agreement. Nevertheless, each member's liability shall be restricted to the unpaid portion of its subscribed share.



Chapter "II"

FINANCIAL RESOURCES

Article (6)⁴: SUBSCRIBED CAPITAL

- (i) The initial subscribed Capital of BADEA shall be Two Hundred and Thirty-One Million US Dollars, divided into Two Thousand Three Hundred and Ten nominal shares, having a par value of One Hundred Thousand US Dollars each, to be allocated in accordance with the Subscription List attached to this Agreement.
- (ii) The value of the shares subscribed by the Member Countries shall be payable in four equal successive installments. Each Member Country, obligated by this Agreement, shall pay the amount of the first installment into the account of BADEA opened with the entity designated by the Board of Governors at its first meeting, within thirty days from the date of the Board of Governors decision in this regard.

Those Member Countries that have deposited their ratification instruments after the effective date of this Agreement shall make payment within thirty days from the date of deposit of such instruments. Subsequent installments shall be paid into BADEA's account opened with the entity designated by the Board of Directors. The Capital shall be fully paid up within a period not exceeding two years after the effective date of this Agreement.

- (iii) Not less than the amount of ten shares may be subscribed.
- (iv) The amount of installments due shall be paid in US Dollars.

Article (7): TRANSFERS OF SHARES

Shares shall be transferable only to BADEA, in accordance with the provisions of Article (43) regarding withdrawal procedures.



Article (8)⁵: INCREASE OF CAPITAL

- (i) The Capital of BADEA shall be increased by the value of the amounts subscribed by new Member Countries, or by the additional amounts subscribed by any Member Country in addition to its original subscription in the share Capital, after approval of the Board of Governors.
- (ii) The share Capital of BADEA may be increased as required by a decision of the Board of Governors taken by a three-fourths majority of the total votes. Such increase shall be binding upon all Member Countries that have agreed thereto. The Board of Governors is vested with the authority to determine the quantum of the authorized, subscribed, paid up and callable capital.
- (iii) The callable capital shall be paid based on the recommendation of the Board of Directors to the Board of Governors.
- (iv) In the event of an increase of Capital stock, as provided in the paragraphs (i) and (ii) of this Article, BADEA's Financial Management Regulations shall set the basis of determining the amount to be paid by each Member Country with respect to its subscription for new shares.

Article (9)⁶: BORROWING

- (i) BADEA shall endeavour to increase its resources by borrowing. For this purpose, BADEA is authorized to provide guarantees as may be determined by the Board of Directors. In all cases, BADEA shall not pledge any of its shares as security.
- (ii) BADEA may contract credits, accept deposits, and issue securities and Sukuk in both national and international financial markets. The Board of Directors shall issue the necessary regulations, guidelines, and procedures to govern the execution of such transactions. The execution of these transactions shall not jeopardize BADEA's financial soundness, or its objectives and its functions with respect to development financing and shall not breach any of the Board of Governors directives.



- (iii) The aggregate amount of funds borrowed by BADEA shall not, at any given time, exceed 200% of the sum of paid-up share capital and reserves, except as the Board of Governors may otherwise expressly resolve. This limitation is not applicable to deposits.



Chapter "III"

OPERATIONS

Article (10)⁷: OPERATIONAL PRINCIPLES

The operations of BADEA shall be conducted in accordance with the following principles:

- (i) BADEA may not take part in any operation whatsoever that is contrary to, or possibly restrict or modify, its purpose or functions.
- (ii) BADEA may not undertake any operation in an African Country if the country concerned objects to it.
- (iii) BADEA shall apply generally accepted principles for development financing on favourable terms without jeopardizing the soundness of its overall financial position.
- (iv) BADEA shall undertake its financing operations upon such terms as are deemed appropriate to the nature and circumstances of each operation.
- (v) When determining the terms and conditions governing its activities in the less developed African Countries, BADEA shall give consideration to the prevailing situation in these countries, and their need for financing on more favourable terms. In its financing operations, BADEA shall take into consideration the ability of the recipient, or, as the case may be, of the recipient's guarantor to fulfil its obligations.
- (vi) BADEA shall take any necessary measures to ensure that the amounts of its financing are used exclusively for the purposes for which they were made available, due regard being paid to economy considerations in costs and to efficiency considerations in implementation.



- (vii) Proceeds of loan or guarantee granted by BADEA to provide finance for a particular project shall be used only through public bid procedures in African and Arab Countries for the procurement of goods and services produced in those countries.

The Board of Directors may, whenever it deems it appropriate, authorize the purchase of goods and services from countries other than those mentioned, or through a direct purchase.

Article (11)⁸: TYPES OF OPERATIONS

BADEA shall conduct its operations in such forms as the Board of Directors may deem appropriate to the objectives of BADEA. That may include undertaking the following operations according to prevailing best practices:

- (i) Provision of loans, guarantees, participation in equity, and involvement in other forms of investment.
- (ii) Financing of Private Sector projects and Trade transactions.
- (iii) Co-financing of the major economic projects, in order to make up any deficit from external sources of financing.
- (iv) Technical and Financial Assistance aimed at exploring opportunities conducive to Economic Development, preparing related programmes and projects, developing financial plans and ensuring their implementation, especially those in the form of Arab-African joint ventures.
- (v) Technical and Financial Aid necessary to acquire modern production techniques and know-how.
- (vi) Any other operations approved by the Board of Directors.

Article (12)⁹: RECIPIENTS

The parties that may benefit from BADEA's operations pursuant to this Agreement are as follows:

- (i) The Governments of the African Countries, including any province, agency or organization affiliated with them.



- (ii) Public or Private Institutions, Organizations and projects licenced to carrying out their business in African Countries.
- (iii) Joint institutions in African Countries or joint institutions between the African and Arab Countries whose purpose is Economic Development in the African Countries and that need financing from BADEA.

Article (13)¹⁰: SPECIAL FUNDS

- (i) BADEA may undertake the management of any financial resources whose utilization is compatible with its objectives and functions.
- (ii) Such resources shall constitute special funds that are separate from other accounts of BADEA or independent entities with specific objectives as determined by the Board of Governors.
- (iii) The Board of Directors of BADEA shall establish the necessary rules and regulations required for the management of the independent special funds as delineated in paragraph (ii) of this Article.

Article (14)¹¹: IMPLEMENTATION OF OPERATIONS

- (i) BADEA shall conduct its operations in accordance with such terms and conditions as the Board of Directors may deem appropriate for each case, in a manner that no project shall receive financing until it has been reviewed, its programme of implementation has been completed and its importance for the national economy of the recipient country has been demonstrated.
- (ii) The Board of Directors shall establish the necessary rules and regulations for each type of operation undertaken by BADEA.



Article (15)¹²: LIQUID ASSETS

- (i) BADEA shall invest its Liquid Assets and funds not used then in financing its operations, in a diverse range of financial instruments. This may include convertible financial instruments, commercial papers, investment funds, securities, sukuk, and any other investment products, in strict adherence to the Asset Management Policy approved by the Board of Directors. Furthermore, BADEA may undertake any other financial operations related to the aforementioned activities.
- (ii) The Investment Policy shall be adopted pursuant to the authority delegated and shall be in compliance with the international best practice. The allocation of Liquid Assets shall conform to the Investment Policy as approved, designed to meet the needs of Member Countries and to promote the financial sustainability of BADEA.

Article (16)¹³: LIMITATION ON FINANCIAL OPERATIONS

In consideration of the status of BADEA's resources and in order to safeguard its financial position, the Board of Directors shall issue regulations determining the upper limit for any financing extended by BADEA. This includes stipulating the maximum thresholds for loans, sureties, equity participation, or any other forms of financial operations.



Chapter "IV"

THE BOARD OF GOVERNORS

Article (17): COMPOSITION

Each Member Country of BADEA shall appoint a Governor and an Alternate Governor to act as its representative on the Board of Governors. Alternate Governor may not participate in voting except in the absence of the Governor.

Article (18)¹⁴: POWERS

- (i) All the powers of BADEA shall be vested in the Board of Governors.
- (ii) The Board of Governors may issue to the Board of Directors directives relating to the general policy of BADEA, and may delegate to the Board of Directors some or all of its powers, except the power to:
 - (a) Increase the capital of BADEA in accordance with the provisions of Article (8) of this Agreement.
 - (b) Appoint the President of BADEA and determine his salary and emoluments.
 - (c) Appoint auditors for BADEA and determine their remuneration.
 - (d) Approve the annual audited statements of accounts of BADEA.
 - (e) Allocate BADEA's net income for the financial year.
 - (f) Interpret and amend the provisions of this Agreement.
 - (g) Suspend a member.
 - (h) Decide to suspend the operations of BADEA and to distribute its assets.
 - (i) Approve and modify the annual remuneration for the Chairman and members of the Board of Directors.
- (iii) The Board of Governors shall keep the right to exercise all the powers it shall have delegated to the Board of Directors under the preceding paragraph.



Article (19)¹⁵: MEETINGS

- (i) The Board of Governors shall hold an annual meeting during the second quarter of each year. Additional meetings may be convened whenever considered necessary. In both instances, the call to hold meeting shall be issued either by the Chairman of the Board of Directors or upon the request of five Member Countries.
- (ii) A quorum for any meeting of the Board of Governors shall be a majority of Member Countries representing not less than two-thirds of the total voting power.
- (iii) At its annual meeting, the Board of Governors shall choose one of the Governors as Chairman of the Board of Governors who shall hold office until his successor has been elected.
- (iv) The Board of Governors may establish rules authorizing the Board of Directors, when it deems appropriate, to submit a specific issue to the Board of Governors for a vote without calling a meeting of the Board of Governors.
- (v) Secretary General of the League of Arab Countries and the Head of the African Union Commission shall be invited to attend the Board of Governors' meetings as observers.

Article (20): VOTING

- (i) When voting at the Board of Governors, each Member Country shall have two hundred votes by virtue of his membership in BADEA plus one vote for every share he holds in the Capital stock. Each Governor, or Alternate Governor (in the event of the absence of the former), shall be entitled to cast the number of votes of the Member Country he represents.
- (ii) Except as otherwise expressly provided in this Agreement, all matters before the Board of Governors shall be decided by a majority of the votes represented at the meeting.



Chapter "V"

THE BOARD OF DIRECTORS

Article (21)¹⁶: COMPOSITION

- (i) The Management of BADEA shall be vested in a Board of Directors composed of eleven members: nine permanent members and two non-permanent members. The Board of Directors shall elect from amongst its members a Chairman of the Board of Directors for a term of two years, renewable. The office of the Chairman shall not be a full-time office.
- (ii) The nine Member Countries with the highest subscription in BADEA's share Capital shall be permanent members; and the other Member Countries of BADEA shall, according to their voting power in the Board of Governors, jointly select the two non-permanent members in the Board of Directors.
- (iii) Any Member Countries not represented in the Board of Directors with a representative of its nationality shall have the right to delegate a representative to attend meetings of the Board of Directors and participate in such meetings without being entitled to vote.
- (iv) In the absence of the Chairman of the Board of Directors, the Board of Directors shall select one of its members to preside over the meeting.
- (v) The President of BADEA shall attend the Board's meetings and participate in its deliberations without having the right to vote.

Article (22)¹⁷: TERM OF OFFICE OF THE DIRECTORS

- (i) Board of Directors term shall be for four years renewable. The members of the Board of Directors shall continue in office and fulfil their duties in the Board of Directors until their successors have duly assumed office.
- (ii) BADEA shall bear the reasonable costs for the participation of the members of the Board of Directors and observers in the meetings.



Article (23)¹⁸: VACANCY OF OFFICE

When a seat in the Board of Directors for the representatives of Countries who have no permanent membership becomes vacant, this seat shall be occupied by the nominee who has obtained the highest number of votes during the selection of the representatives of these Countries. If there is no such nominee, the said Countries shall jointly select the member who shall occupy the vacant seat, and the new member shall then complete the remaining term of his predecessor.

Article (24)¹⁹: MEETINGS

- (i) Meetings of the Board of Directors shall be held at the BADEA Headquarters or at any other location that the Board of Directors may designate.
- (ii) The Board of Directors shall meet every four months or whenever the business of BADEA may so require. Meetings of the Board of Directors shall be convened by the Chairman of the Board of Directors or by any two Directors.
- (iii) Presence of majority of the members of Board of Directors shall constitute the quorum for the meeting.

Article (25)²⁰: POWERS

The Board of Directors shall be vested with the necessary powers to manage BADEA, except such powers that are limited to the Board of Governors. The powers of the Board of Directors include, particularly, the following:

- (i) To lay down the general policy of BADEA and follow-up its implementation, in accordance with the provisions of this Agreement and to the directives of the Board of Governors.
- (ii) To establish rules and regulations and carry out measures necessary for running the business of BADEA, with due regard being given to the economy in expenses and efficiency in work.
- (iii) To develop operational plans identifying their scale and establishing the rules to apply to these operations.



- (iv) To approve loans, guarantees and participations granted by BADEA and any other types of investments approved by the Board of Directors.
- (v) To take decisions relating to borrowing and the issuance of securities.
- (vi) To prepare the meetings of the Board of Governors and the documents to be submitted to it, including an annual report on the activities of BADEA.
- (vii) To establish branches, subsidiaries and offices of BADEA, as required by the business of BADEA.
- (viii) To approve Financial Management Regulations of BADEA.
- (ix) Creating Board of Directors subcommittees, as required by the work interest.
- (x) The Board of Directors may, subject to following rules and limitations, delegate a portion of its powers to any of its subcommittees or to the President of BADEA:
 - a) The Board of Directors shall not delegate its entire powers.
 - b) The Board of Directors remains jointly responsible for the powers it has delegated.
 - c) The Board of Directors may revoke any delegation of authority given before, through a written notice to the party to whom such powers were delegated.

Article (26)²¹: DECISIONS

The Board of Directors decisions shall be taken by majority of votes of the members present, except as otherwise provided in this Agreement. Each member, including the Chairman of the Board of Directors, shall have one vote. In case of equality of votes, the side for which the Chairman of the Board of Directors votes, shall prevail.



Chapter "VI"

STAFF MEMBERS

Article (27)²²: THE PRESIDENT OF BADEA

- (i) The President of BADEA shall be appointed from candidates who are not members of the Board of Directors for a term of five years renewable for a maximum of one term. The President of BADEA shall remain in office until his successor succeeds him in office.
- (ii) The President of BADEA shall be the highest executive officer of BADEA and shall be responsible for the conduct of the business of BADEA under the supervision of the Board of Directors in accordance with the directives of the Board of Governors and Board of Directors.
- (iii) The President of BADEA shall be the legal representative BADEA.

Article (28)²³: VICE PRESIDENT OF BADEA

The Board of Directors shall have the power, on the recommendation of the President of BADEA, to appoint one or more Vice President of BADEA who shall not be from the members of the Board of Directors. The Board of Directors shall determine the powers and duties of each Vice President of BADEA.

Article (29): STAFF MEMBERS

- (i) The members of staff of BADEA shall be subject to the rules and regulations issued by the Board of Directors concerning them.
- (ii) Subject to the paramount importance of securing the highest standards of efficiency and technical competence, due regard shall be paid, in appointing the staff of BADEA, to the importance of making maximum use of Arab and African capabilities, on as wide a geographical basis as possible.



Article (30): INTERNATIONAL STATUS OF STAFF MEMBERS

- (i) The staff members of BADEA, in discharging their functions, owe their loyalty entirely to BADEA and to no other authority. They shall refrain from any act that is contrary to the international character of their jobs or to their independence.
- (ii) All member and beneficiary countries of BADEA should respect the international character of the said duty and refrain from any attempt to influence any staff member in the discharge of his duties.

Article (31): SALARIES AND COMPENSATION

When establishing the level of the salaries and compensation for the personnel of BADEA, the Board of Directors shall pay due regard to the need of BADEA to attract the personnel it requires.



Chapter "VII"

FINANCIAL PROVISIONS

Article (32): FINANCIAL YEAR

The financial year shall start on the first of January and end on the thirty first of December of each calendar year.

The Board of Directors shall determine the duration of the first financial year.

Article (33)²⁴: ADMINISTRATIVE BUDGET

The President of BADEA shall submit to the Board of Directors, not later than 15th November of each year, estimates of the Administrative Budget for the next financial year.

Article (34)²⁵: ACCOUNTS AND ANNUAL REPORT

- (i) The President of BADEA shall ensure that proper accounting records reflecting the true position of BADEA and showing its operations are maintained.
- (ii) The Board of Directors shall submit to the annual meeting of the Board of Governors an annual report containing an audited statement of BADEA 's accounts, including a summary statement of its general budget, a statement of the origin and utilization of its resources and a profit and loss account. The Board of Directors shall determine the forms of this statement and the extent of detail in each such statement. A copy of this report shall be sent to the Secretary General of the League of Arab Countries for submission to the appropriate bodies of the League.



Article (35): AUDITING

BADEA's accounts shall be audited by a reputable auditing firm, designated annually by the Board of Governors. The auditor's report shall be submitted to the annual meeting of the Board of Governors for consideration and approval.

Article (36): PROFITS AND RESERVES

The Board of Governors shall, on the recommendation of the Board of Directors, allocate BADEA's net income by transferring them to reserves, or integrating them into the capital account proportionately to each member's stockholding, or in any other manner conducive to the objectives of BADEA.



Chapter "VIII"

IMMUNITIES AND PRIVILEGES

Article (37): IMMUNITY OF BADEA'S ASSETS

BADEA, its funds and assets shall enjoy immunity, in the territories of its members, from nationalization, confiscation, expropriation, sequestration, search and any other form of seizure by any act of the executive or legislative authority.

The funds of BADEA shall be free from any foreign exchange controls.

The immunities set forth above shall be applicable to the deposits with BADEA.

Article (38): IMMUNITIES OF RECORDS

The records of BADEA shall enjoy complete immunity.

Article (39): IMMUNITIES AND PRIVILEGES OF CORRESPONDENCES

The correspondences of BADEA shall enjoy immunity in the territory of each Member Country and shall enjoy the same privileges enjoyed by official correspondence of other Member Countries in that country.

Article (40): IMMUNITIES FROM TAXATION

- (i) The subscriptions of the Member Countries in the Capital stock of BADEA, BADEA 's assets, funds, monies, income, operations, and the deposits it receives and the securities it issues, by whomsoever held, as well as the transactions authorized by this Agreement, shall be immune from all taxation and from all customs duties in the territories of Member Countries. BADEA shall also be exempt from restrictions on imports of goods necessary to carry out its functions and from any customs duties in respect thereof; however, this shall not apply to any fees paid for services actually rendered to BADEA.



- (ii) BADEA shall also be exempt from liability for the collection or payment of any tax or duty.

Article (41): JUDICIAL PROCESS

Actions may be brought against BADEA in courts of competent jurisdiction in the territory of any Country in which BADEA has a branch, an agency or an office, or has issued or guaranteed securities.

Article (42): PERSONAL IMMUNITIES AND PRIVILEGES

- (i) In the territories of all Member Countries, the Governors, Alternate Governors, Members of the Board of Directors and BADEA employees shall enjoy the following immunities and privileges:
 - (a) Immunity from legal process with respect to acts performed by them in their official capacity.
 - (b) Exemption from immigration restrictions, foreigner registration requirements and exchange control restrictions in the Member Countries, in as much scope as enjoyed by the representatives of Member Countries equal to them in rank in that Country.
 - (c) Shall be exempt from taxation on or in respect of salaries and emoluments paid by BADEA.
 - (d) Shall be granted the same treatment in respect of travelling facilities as is accorded to the representatives of comparable rank of other Member Countries.
- (ii) The privileges, immunities and facilities set forth in this Article shall be accorded exclusively in connection with the discharge of the BADEA's official functions.



Chapter "IX"

WITHDRAWAL AND SUSPENSION OF MEMBERSHIP

Article (43): WITHDRAWAL

- (i) No Member Country may withdraw from membership in BADEA until five years have elapsed since the date it became a member of BADEA.

Withdrawal is effected by transmitting a notice in writing to BADEA at its Headquarters. Withdrawal shall become effective either upon the date such notice is received, or upon any later date fixed by such notice, which shall in any event be within six months thereof.

- (ii) BADEA shall redeem the shares of Capital stock of the withdrawing member at a price equal either to their net book value at the end of the year preceding the date of notice of withdrawal or to their value at par, whichever is less.
- (iii) The Board of Directors shall determine the period of payment of the value of the shares repurchased, taking into account the financial position of BADEA; such period shall not exceed ten years from the date of the notice of withdrawal, subject to the provisions of paragraph (5) of this Article. Any amount due to the withdrawing Member Country shall not be paid until at least six months have passed after the date of its withdrawal.
- (iv) The payment of the price of the Capital stock shall be made in US dollars.
- (v) Payment shall be withheld so long as the withdrawing member or any of its agencies remains liable to BADEA as a debtor or a guarantor. In that event, BADEA may deduct the amounts due to the member from any obligations to BADEA as it becomes due.



Article (44): SUSPENSION

- (i) The Board of Governors may, in the event of a Member Country default of its' obligations towards BADEA, decide to suspend by two thirds majority of the total voting power, that Member Country's membership.
- (ii) The Member Country so suspended shall automatically cease to be a member one year from the date of its suspension, unless a decision is taken by the same majority of the Board of Governors to restore the member to good standing.
- (iii) A suspended member shall not be entitled to exercise any rights under this Agreement, except the rights specified in the special provisions on withdrawal and the settlement of disputes. However, it shall remain subject to all its obligations to BADEA, whether as a member, debtor, guarantor, or otherwise.
- (iv) The provisions regarding redemption of the Capital stock of a withdrawing member shall be applicable to a suspended member who has ceased to be a member.



Chapter "X"

SUSPENSION OF OPERATIONS AND LIQUIDATION

Article (45): PROVISIONAL SUSPENSION OF OPERATIONS

The Board of Directors may, under exceptional circumstances, provisionally suspend BADEA's activities relating to new operations, until the Board of Governors has had an opportunity to look into the matter and take a decision in respect thereof.

Article (46): LIQUIDATION

- (i) The Board of Governors may, after notifying the Member Countries for a period of not less than four months, adopt a resolution, by the majority of three-fourths of the total of votes, to terminate BADEA's operations and liquidate it.
- (ii) The Board of Directors shall take all necessary actions for the liquidation either by itself or through a committee of liquidators to be appointed by the Board of Governors on the recommendation of the Board of Directors.
- (iii) No distribution of assets shall be made to the Member Countries until all liabilities of BADEA have been discharged or necessary arrangements for fulfilment of these liabilities have been made.
- (iv) BADEA shall distribute its assets to the Member Countries pro rata to Capital stock held by each of them. Such distribution shall be made on the dates and the terms as the Board of Governors may determine.



Chapter "XI"

MISCELLANEOUS

Article (47)²⁶: INTERPRETATION AND APPLICATION

Any question of interpretation or application of the provisions of this Agreement arising between any Member Country and BADEA or between two or more Member Countries shall be settled by the Board of Governors.

Article (48)²⁷: ARBITRATION

- (i) If a disagreement arises between BADEA and a country which has ceased to be a member, or between BADEA and any Member Country after the decision to suspend the operations of BADEA has been taken, such disagreement shall be submitted to a panel of three arbitrators. These arbitrators shall possess a minimum of ten years of professional experience in international arbitration and shall be knowledgeable in the subject matter of the dispute. The claimant shall notify the other party to the dispute of the nature of the dispute and of the name of the arbitrator appointed by it; and the defendant shall appoint the second arbitrator within thirty days from the date of the notice. If either of the two parties fail to appoint the arbitrator within the specified period, the Secretary General of the League of Arab Countries may appoint the second arbitrator upon request of either party.

The third arbitrator shall be appointed by agreement of the two parties in the dispute within sixty days of the date of said notice. In the event that the parties do not agree upon his appointment within the period stipulated, the Secretary General of the Arab League shall appoint the third arbitrator at the request of either party.

- (ii) The decisions of the arbitration tribunal shall be taken by a majority of votes. Such decisions shall be final and binding upon the parties.



- (iii) The third arbitrator shall have full power to settle all procedural issues in any case where the parties are in disagreement with respect thereto.
- (iv) The dispute shall be governed by The Principles of The International Law.

Article (49): AMENDMENTS TO THE AGREEMENT

- (i) The provisions of this Agreement may be amended by decision of the Board of Governors, taken by a majority of three fourths of the total voting power.
- (ii) Any Member Country, or the Board of Directors, may make a proposal to amend this Agreement. The proposal shall be communicated to all members not less than three months prior to the date of the meeting of the Board of Governors dealing with the proposed amendment.
- (iii) Amendments shall enter into force for all Member Countries three months after the date of their adoption by the Board of Governors.

Article (50): CHANNEL OF COMMUNICATION

Each Member Country shall designate an appropriate official authority with which BADEA may communicate in connection with any matter arising under this Agreement, and all data provided by such authority to BADEA shall be deemed to have been issued by the Member Country concerned.

Article (51): WORKING LANGUAGE:

The official working language of BADEA shall be Arabic, and the use of French and English alongside Arabic, as circumstances may require, shall be permitted.



Article (52): PROHIBITION OF POLITICAL ACTIVITY

BADEA and all its officers and staff are prohibited to interfere in the political affairs of any Member Country, of any country benefiting from BADEA's operations or of any country in which BADEA is carrying out its activity.

Article (53): RELATIONS WITH OTHER ORGANIZATIONS

- (i) BADEA shall, within the limits of the powers specified in this Agreement, cooperate with national, regional, and international organizations in the fields of development and international assistance.
- (ii) BADEA may, pursuant to the decisions of the Board of Directors, enter into agreements with such organizations aimed at fostering such cooperation.



Chapter "XII"

FINAL PROVISIONS

Article (54): SIGNATURE AND DEPOSIT

- (i) This Agreement shall be drawn up in one-original copy in Arabic language, ready to be signed on behalf of the Governments of the countries shown on the Subscription List attached to this Agreement. This Agreement shall be deposited with the General Secretariat of the Arab League and remain open for signature not later than the 13th of March, 1974.
- (ii) The General Secretariat of the Arab League shall deliver an original copy of the Agreement to each Member Country and to any other country which joins the membership of BADEA.

Article (55): RATIFICATION, ACCEPTANCE, ADOPTION

This Agreement shall be subject to acceptance or adoption from the side of signatory countries.

The instruments of ratification, acceptance or adoption shall be deposited with the General Secretariat of the League of Arab States within not later than thirty days of the date of ratification, acceptance or adoption.

The General Secretariat of the Arab League shall notify all other members of each instrument deposited and of the date of such deposit.

Article (56): ENTRY INTO FORCE

This Agreement shall enter into force when the instruments of ratification, acceptance or adoption have been deposited on behalf of not less than five countries whose subscriptions comprise not less than 50% of the Capital stock of BADEA. The Secretary General of the Arab League shall declare that this Agreement has entered into force upon the fulfilment of this requirement.



Article (57): RESERVATIONS

No reservations may be made to this Agreement whether at signature, ratification, acceptance or accession or when a country joins BADEA.

Article (58): FIRST MEETING OF THE BOARD OF GOVERNORS

The Secretary General of the Arab League shall call for the first meeting of the Board of Governors within thirty days from the date this Agreement shall have been declared to have entered into force.

Article (59): COMMENCEMENT OF OPERATIONS

The Board of Directors shall notify all Member Countries of the date of commencement of BADEA's operations.



**IN WITNESS WHEREOF, the duly authorized
Representatives of the following Governments
have hereunto set their hands:**

- › The Hashemite Kingdom of Jordan
- › The United Arab Emirates
- › The State of Bahrain (Kingdom of Bahrain)
- › The Republic of Tunisia
- › The People's Democratic Republic of Algeria
- › The Kingdom of Saudi Arabia
- › The Democratic Republic of Sudan (Republic of Sudan)
- › The Syrian Arab Republic
- › The Republic of Iraq
- › The Sultanate of Oman
- › The State of Palestine
- › The State of Qatar
- › The State of Kuwait
- › The Republic of Lebanon
- › The Libyan Arab Republic (State of Libya)
- › The Arab Republic of Egypt
- › The Kingdom of Morocco
- › The Islamic Republic of Mauritania



This Agreement was drawn up on Monday 26th Muharram 1394 Hijri corresponding to 18th February 1974 A.D. in a single original copy in the Arabic language which shall remain deposited with the General Secretariat of the League of Arab Countries, and of which a true copy has been issued to each party.

As amended according to BADEA's Board of Governors Resolutions:

- ❖ N°. 7/1988 adopted at its 14th annual meeting in "Muscat", on Monday 17th Shaban 1408 Hijri Corresponding to 04th April 1988,
- ❖ N°. 4/2007 adopted at its 32nd annual meeting in "Beirut", on Wednesday 23rd Rabi Al-Awwal 1428 corresponding to 11th April 2007.
- ❖ No. 4/2023 adopted at its 47th annual meeting in "Rabat", on Saturday 09th Shawwal 1444 corresponding to 29th April 2023.



Annex inclusive of footnotes showing the previous versions of the amended texts of the establishment agreement

- 1- **Article (1):** is a new article which is meant to provide definitions for some terms used in the Agreement. It is added according to the Board of Governors Resolution No. 4/2023 , 47th Annual Meeting held in Rabat on Saturday, 9th of Shawwal 1444, corresponding to the 29th of April, 2023.

- 2- **Article (4):** Amended according to the Board of Governors Resolution No. 4, dated 2023, the previous text read as follows:
“The objective of BADEA is to foster economic, financial and technical cooperation between African countries and Arab World countries. To achieve this objective, BADEA shall:
 - (i) Participate in financing Economic Development in African Countries.
 - (ii) Stimulate the contribution of Arab Capital in African development.
 - (iii) Participate in providing the Technical Assistance required for development in Africa.”

- 3- **Article (5):** Amended according to the Board of Governors Resolution No. 4, dated 2023, the previous text read as follows:
“(i) The countries signatories, of this Agreement, are establishing members of the Bank.
 - (ii) Any Arab Country other than the establishing members of BADEA shall have the right of joining the Agreement establishing BADEA by sending a written notice to that effect to the Chairman of the Board of Governors. The Chairman of the Board of Governors shall, after completion of joining requirements, notify the joining



instrument to member Countries and to the Chairman of the Board of Directors.

- (iii) No member shall be liable, by reason of its membership, for obligations of the Bank, except within the limits provided in this Agreement. Nevertheless, each member's liability extends to the unpaid portion of its subscription."

Paragraph (ii) is amended as well according to the Board of Governors Resolution No. 4, dated 2007, the previous text read as follows:

- "(ii) Any Arab Country is entitled to become a party to the Agreement establishing BADEA by sending a notice to that effect in writing to the Secretary General of the League of Arab Countries. The Secretary General shall notify the member countries and the Chairman of the Board of Directors of BADEA of such membership instrument."**

4- Article (6) Paragraph (ii): Amended according to the Board of Governors Resolution No. 4, dated 2023, the clause is stated as follows:

- "(ii) The price of the shares subscribed by members shall be payable in four equal successive instalments. Each member bound by this Agreement shall pay the amount of the first instalment into the account of BADEA opened with the party designated at the first meeting of the Board of Governors, within thirty days from the date the Board of Governors shall have made such designation. Those countries that have deposited their ratification instruments after the effective date of this Agreement shall make payment within thirty days from the date of deposit of such instruments. Subsequent instalments shall be paid into the Bank's account opened with the party designated by the Board of Directors. The Capital shall be fully paid up within a period not exceeding two years after the effective date of this Agreement."**



5- Article (8) paragraph (i): Amended according to the Board of Governors Resolution No. 4, dated 2007, the previous text read as follows:

“(i) The Capital of BADEA shall be increased by the amount of the subscriptions of new members or by the amount of additional subscriptions by any member, in addition to such member’s initial subscriptions.”

Article (8) paragraph (ii): Amended according to the Board of Governors Resolution No. 4, dated 2023, the previous text read as follows:

“(ii) The share Capital of BADEA may be increased as required by a decision of the Board of Governors taken by a three-fourths majority of the total votes. Such an increase shall be binding upon all members that have agreed thereto.”

A newly added paragraph (iii) of article 8 read as follows:

“(iii) The callable capital shall be paid based on a recommendation of the Board of Directors to the Board of Governors.”

Article (8) paragraph (iii) (which become paragraph (iv)): Amended according to the Board of Governors Resolution No. 4, dated 2023, the previous text read as follows:

“(iv) In the event of an increase of Capital stock as provided in the two preceding paragraphs, the Bank’s financial system shall set the basis of determining the amount to be paid by each member with respect to its subscription for new shares.”

6- Article (9) Paragraph (i): Amended according to the Board of Governors Resolution No. 4, dated 2023, the previous text read as follows:

“(i) BADEA shall endeavour to increase its resources by borrowing, obtaining sureties and long and medium-term deposits, issuing securities in national and international financial markets, at such times as it becomes possible for it to start this type of



transactions without jeopardizing its solvability or its objectives and its functions with respect to development financing.”

Paragraph (ii) of article (9) read as follows “BADEA shall always secure the prior approval of any country in which territory BADEA proposes to obtain additional financing” **was cancelled.**

7- Article (10) paragraph (vii): Amended according to the Board of Governors Resolution No. 4, dated 2023, the previous text read as follows:

“(vii) Any loan granted by BADEA to provide finance for a particular project shall be subject to public bid procedures in African and Arab countries for the procurement of goods and services produced in those countries. The Board of Directors may, whenever it deems it appropriate, authorize the purchase of goods and services from countries other than those mentioned, or through a method other than the public bid requirement.”

8- Article (11): Introduction of this article and paragraphs (i) and (ii) are amended according to the Board of Governors Resolution No. 4, dated 2023, the previous text read as follows:

“BADEA shall conduct its operations in such forms as the Board of Directors may deem appropriate to the purposes of the Bank.

Priority shall be given to the following operations:

- (i) Loans and sureties granted to local, mixed or regional development financing institutions.**
- (ii) Participation in the financing of major economic projects, especially in industrial and agricultural fields, in order to make up any deficit from external sources of financing.”**

A new paragraph was added to Article (11) sub-article (vi) read as follows:

“Any other operations approved by the Board of Directors.”



9- Article (12) paragraph (ii): Amended according to the Board of Governors Resolution No. 4, dated 2023, the previous text read as follows:

“(ii) Public or private companies, organizations and projects carrying out their business in African countries and in which capital the governments or citizens of those countries have a majority holding.”

10- Article (13) paragraph (ii): Amended according to the Board of Governors Resolution No. 4, dated 2023, the previous text read as follows:

“(ii) Such resources shall constitute special funds that are distinct from other accounts.”

11- Article (14) paragraph (i): Amended according to the Board of Governors Resolution No. 4, dated 2023, the previous text read as follows:

“(i) BADEA shall conduct its operations in accordance with such conditions as the Board of Directors may deem appropriate for each case, in such manner that no project shall receive financing until it has been reviewed and its programme of implementation has been completed and until its importance for the national economy of the recipient country has been demonstrated.”

12- Article (15) paragraph (i): Amended according to the Board of Governors Resolution No. 4, dated 2023, the previous text read as follows:

“(i) BADEA shall invest its liquid assets in commercial papers and BADEA deposits, pursuant to a decision taken by the Board of Directors. Such investments shall, to the extent possible, be made in Arab and African countries, with due regard being paid to satisfy liquidity, convertibility and diversification and to the best possible returns.”



13- Article (16): Amended according to the Board of Governors Resolution No. 4, dated 2023, the previous text read as follows: -

“The Board of Directors shall establish the rules for the maximum amount of the loans and guarantees granted, at any given time, as well as the rules for the maximum level of each individual financing granted, with due regard being paid to the situation of the Bank’s resources and maintaining the safety of its financial position.”

14- Article (18): Amended according to the Board of Governors Resolution No. 4, dated 2023, the previous text read as follows:

“(i) All the powers of BADEA shall be vested in the Board of Governors.

(ii) The Board of Governors may issue to the Board of Directors directions relating to the general policy of the Bank, and may delegate to the Board of Directors some or all of its powers, except the power to:

- (a) increase the capital of BADEA in accordance with the terms of Article 8 of this Agreement.**
- (b) appoint the Director General of BADAЕ and determine his salary and emoluments.**
- (c) approve the Bank’s financial management system as proposed by the Board of Directors.**
- (d) appoint auditors for BADEA and determine the amount of their remuneration.**
- (e) approve the budget of BADEA and its revenues and expenses accounts, after having taken cognizance of the Board of Directors’ report and Auditors’ report.**
- (f) allocate the Bank’s net income for the financial year.**
- (g) interpret and amend the provisions of this Agreement.**
- (h) suspend a member.**
- (i) decide to suspend the operations of BADEA and to distribute its assets.”**



Paragraph (a) was Amended according to the Board of Governors Resolution No. 4, dated 2007, the previous text read as follows:

“increase the Capital stock of BADEA pursuant to paragraph (ii), Article (8).”

Paragraph (b) was amended according to the Board of Governors Resolution No. 7, dated 1988, the previous text read as follows:

“appoint the Chairman of the Board of Directors and President of BADEA of the Bank.”

(iii) The Board of Governors shall keep the right to exercise all the powers it shall have delegated to the Board of Directors under the preceding paragraph.”

15- Article (19) paragraph (i): Amended according to the Board of Governors Resolution No. 4, dated 2023, the previous text read as follows:

“(i) The Board of Governors shall hold an annual meeting and such other meetings as it may decide to hold or as called by the Board of Directors. The Board of Directors shall call a meeting of the Board of Governors whenever five members of BADEA shall so request.”

Article (19) paragraph (v): Amended according to the Board of Governors Resolution No. 4, dated 2007, the previous text read as follows:

“(v) The Secretary General of the League of Arab Countries shall, as an observer, attend the meetings of the Board of Governors. The Secretary General or his delegate shall have the right to participate in the deliberations of the Board of Governors but shall not vote at such meetings. All decisions of the Board of Governors shall be notified to the secretary general.

(vi) The Secretary General of the Organization of African Unity shall attend, as an observer, the meetings of the Board of Governors. He or his delegate shall be entitled to participate in the debates of the Board of Governors but shall not vote at such meetings.”



16- Article (21) was subject to three amendments: The amendment of paragraph (i) according to the Board of Governors resolution No.4 /2007 as follows:

“(i) The Management of BADEA shall be vested in a Board of Directors composed of eleven members; nine permanent members and two non-permanent members. The Board shall elect from amongst its members a Chairman for a term of two years, renewable. The office of the Chairman shall not be a full-time office.”

According to the Board of Governors Resolution No/7/1988 as follows:

“(i) The Bank’s management shall be carried by a Board of Directors composed initially of eleven members. The Board shall elect from amongst its members a Chairman for a term of two years, renewable. The office of the Chairman shall not be a full-time office.”

Paragraph (ii) was amended pursuant to the Board of Governors resolution No/4/2007. the previous text as amended according to the Board of Governors resolution 7/1988 read as follows:

“(ii) For each member subscribing in the Share Capital by two hundred share or more, one seat in the Board of Directors. The other members in BADEA shall jointly-in accordance with their voting power in the Board of Governors- select the remaining number of the members of the Board of Directors.”

Paragraph (iii) was amended according to the Board of Governors Resolution No. 4, dated 2023. The previous text read as follows:

“(iii) Any BADEA member not represented in the Board of Directors shall have the right to delegate a representative to attend meetings of the Board of Directors and participate in such meetings without being entitled to vote thereat.”

A new Paragraph (v) of the article was added pursuant to the Board of Governors resolution No/7/1988 which stated the following:

“(v) The Director General shall attend the Board’s meetings and participate in its deliberations without having the right to vote.”



- 17- Article (22):** Amended according to the Board of Governors Resolution No. 4, dated 2023, the previous text read as follows: -
- “(i) **Board of Directors membership period shall be for four years renewable. Directors shall continue in office until their successors have duly assumed office.**
 - (ii) BADEA shall bear the reasonable costs for the participation of the Directors and Observers in the meetings of the Board.”**
- 18- Article (23):** Amended according to the Board of Governors Resolution No. 4, dated 2007, the previous text read as follows:
- “**If a seat on the Board of Directors becomes available for those countries whose individual capital stock holding is less than two hundred shares, the candidate who shall have received the largest number of votes at the election of the representatives of those countries, shall occupy the said seat. Should there be no such candidate; the countries referred to above shall designate a representative to occupy the vacant seat.”**
 - “**A Director that is appointed to replace another shall hold office only for the remainder of the term of his predecessor.”**
- 19- Article (24) paragraph (ii) and (iii):** Amended according to the Board of Governors Resolution No. 4, dated 2023, the previous text read as follows:
- “(ii) **The Board of Directors shall meet every four months or whenever the business of BADEA may so require. Meetings of the Board shall be convened by its Chairman or by two Directors.**
 - (iii) A quorum shall be a majority of its members.”**
- 20- Article (25):** Amended according to the Board of Governors Resolution No. 4, dated 2023, the previous text read as follows: -
- “**The Board of Directors shall be vested with the necessary powers to conduct the business and affairs of the Bank, except such powers that are limited to the Board of Governors.**



The powers of the Board of Directors include, particularly, the following:

- (i) To lay down the general policy of BADEA and follow-up its implementation, pursuant to the provisions of this Agreement and to the directions of the Board of Governors.
- (ii) To establish rules and regulations and carry out measures necessary to the driving of the business of the Bank, with due regard being given to the economy considerations in expenditures and efficiency considerations in implementation.
- (iii) To develop a plan of operations identifying the level of transactions and procedures to be followed.
- (iv) To approve loans and assistance granted by the Bank.
- (v) To take decisions relating to borrowing and the issuance of securities.
- (vi) To prepare the meetings of the Board of Governors and the documents to be submitted to it, including an annual report on the activity of the Bank.
- (vii) To establish branches, subsidiaries and offices of the Bank, as required by the business of the Bank.”

21- Article (26): Amended according to the Board of Governors Resolution No. 7, dated 1988, the previous text read as follows:

- “(i) The decisions of the Board of Directors shall be taken by a majority of the members present, except as otherwise provided in this Agreement. Each member shall have one vote only.
- (ii) The Chairman of the Board of Directors shall have no vote, except a deciding vote in case of an equal division.”



22- Article (27): Amended according to the Board of Governors Resolution No 4 dated 2023 and No. 7, dated 1988, the previous texts read as follows:

Before 2023 amendment the text read as follows:

- “(i) **The Director General shall be appointed from non-members of the Board of Directors for a term of three years renewable for a maximum of two terms. The Director General shall remain in office until his successor succeeds him in office.**
- (ii) The Director General shall be the Chief Executive of the staff of BADEA and shall be responsible for the conduct of the business of BADEA under the supervision of the Board of Directors in accordance with the rules and regulations of BADEA and directives of the Board of Governors and Board of Directors.**
- (iii) The Director General shall be the legal representative of the Bank.”**

Before 1988 amendment the text read as follows:

- “(i) **The Chairman of the Board of Directors shall be the President of BADEA of the Bank. He shall be appointed for a period of five years renewable. He shall hold office until his successor duly takes over.**
- (ii) The President of BADEA shall be the Chief of the operating staff of the Bank. Under the direction of the Board of Directors, he shall conduct the ordinary business of the Bank. The President of BADEA shall be responsible for the organization, appointment and dismissal of the operating staff, in accord with the regulations that the Board of Directors may make in this respect.**
- (iii) The President of BADEA shall be the legal representative of BADEA.”**



23- Article (28): Amended according to the Board of Governors Resolution No 4 dated 2023 and No. 7, dated 1988, the previous text read as follows: -

Before 2023 amendment the text read as follows:

“The Board of Directors shall have the power, on the recommendation of the Director-General, to appoint one or more deputies of the Director General who shall not be from the members of the Board of Directors. The Board of Directors shall determine the powers and duties of each such deputy.”

Before 1988 amendment the text read as follow:

“(i) The Board of Directors shall have the power, on the recommendation of the President of BADEA Director General, to appoint Vice-President of BADEA (s) for him from outside those who are Board Directors. The Board of Directors shall determine the powers of each of them.

(ii) Vice-President of BADEA may participate in the meetings of the Board of Directors but shall not vote at such meetings.”

24- Article (33): Amended according to the Board of Governors Resolution No.7, dated 1988, the previous text read as follows:

“The President of BADEA shall submit to the Board of Directors, no later than 30th September of each year estimates of the operating accounts for the next financial year.”

25- Article (34): Amended according to the Board of Governors Resolution No. 7, dated 1988, the previous text read as follows:

“(i) The President of BADEA shall cause to be kept true books of account faithfully reflecting the financial position of BADEA and showing its operations in detail.”



26- Article (47): Paragraph (ii) was cancelled. The text read before the Board of Governors Resolution No.4, dated 2023 as follows:

“(ii) For the purposes of interpretation and implementation of the provisions of this Agreement, the term “Arab State” shall mean any country that is a member of the Arab League; and the term African State” shall mean any other country that is a member of the Organization of African Unity.”

27- Article (48): paragraph (i) amended according to the Board of Governors Resolution No. 4, dated 2023, the previous text read as follows:

“(i) When a disagreement arises between BADEA and a country which has ceased to be a member, or between BADEA and any member after the decision to suspend the operations of BADEA has been taken, such disagreement shall be submitted to a tribunal of three arbitrators. The claimant shall advise the other party to the dispute of the nature of the dispute and of the name of the arbitrator appointed by it; and the defendant shall appoint the second arbitrator within thirty days from the date of the notice. If the defendant fails to do so, the claimant shall have the right to request the Secretary General of the League of Arab Countries to appoint the second arbitrator.”

A new paragraph (iv) has been added read as follows:

“(iv) The dispute shall be governed by the principles of the international law.”



BADEA

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Development
in Africa

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