

MEMORANDUM OF UNDERSTANDING

in respect of

Joint Assistance in Supporting Projects in European Regions (JASPERS)

between

THE EUROPEAN COMMISSION

The EUROPEAN INVESTMENT BANK

and

EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT

This **MEMORANDUM OF UNDERSTANDING** is entered into on this 30th day of May 2006 between

The **EUROPEAN COMMISSION** (hereinafter referred to as the "Commission"),
200 Rue de la Loi, B-1049 Brussels, represented for the purposes of the signature of this Memorandum of Understanding by Ms Danuta HÜBNER, Commissioner for Regional Policy

of the first part,

The **EUROPEAN INVESTMENT BANK** (hereinafter referred to as the "EIB"),
established at 100, Boulevard K. Adenauer, Luxembourg, Grand Duchy of Luxembourg, represented for the purposes of signature of this Memorandum of Understanding by Mr Philippe MAYSTADT, President,

of the second part, and

EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT (hereinafter referred to as the "EBRD"), with its headquarters at One Exchange Square, London EC2A 2JN, United Kingdom, represented for the purposes of signature of this Memorandum of Understanding by Mr. Jean LEMIERRE, President,

of the third part,

1. PRINCIPLES

The Commission, with the aim of supporting EU Member States and the acceding countries of Bulgaria and Romania in their identification and preparation of projects potentially eligible for assistance through the European Regional Development Fund (the "ERDF") and the Cohesion Fund (hereinafter, together with the ERDF, referred to as the "Funds"), has called on the EIB and the EBRD to contribute their specialist expertise and experience to a joint effort to assist the authorities in EU Member States and the acceding countries of Bulgaria and Romania to prepare high quality projects.

This Memorandum of Understanding has been established in the context of a joint technical assistance initiative to be known as "JASPERS – Joint Assistance in Supporting Projects in European Regions" (hereinafter referred to as "JASPERS") between the Commission, the EIB and the EBRD. JASPERS is intended to support cohesion policy by increasing the resources available for project preparation and improving the quality of technical advice available to project promoters, and will thereby enhance transition, environment, economic growth and job creation.

The parties hereto have reached a common understanding on the following principles:

- (1) JASPERS will start in 2006 and it is envisaged that it will carry on its activities until the end of the multiannual financial framework 2007-2013;
- (2) JASPERS is intended primarily to cover projects eligible for assistance under the Funds prepared in EU Member States covered by the Convergence Objective, with priority being given to large projects in Cyprus, Czech Republic, Estonia,

Hungary, Latvia, Lithuania, Malta, Poland, Slovak Republic and Slovenia and the acceding countries of Bulgaria and Romania;

- (3) it is intended that JASPERS will be managed by the EIB, in accordance with the principles set out in this Memorandum of Understanding, and the terms and conditions set out in a Contribution Agreement between the Commission and the EIB, and in a Contribution Agreement between the EIB and the EBRD which will be made available to the Commission;
- (4) in order to implement JASPERS, the EIB will set up a separate unit (the JASPERS Unit) within its own organisational structure which will be based in Luxembourg and in regional centres serving the countries requesting assistance under JASPERS;
- (5) JASPERS will be complementary to the project preparation work already carried out and will be available upon request by the national authorities in accordance with the priorities set out in annual Country Action Plans jointly agreed between the JASPERS Unit (with approval of the Steering Committee) and the relevant beneficiary country;
- (6) the parties hereto recognise there shall be no obligation for Member States or acceding countries to make use of assistance from JASPERS and there will be no obligation for a Member State or acceding country which makes use of JASPERS to borrow from the EIB or EBRD.
- (7) there shall be no obligation on the EIB or EBRD to lend to a project which is prepared with the assistance of JASPERS and, in the case of projects which have benefited from JASPERS, if the project promoter or authorities wish to borrow from the EIB or the EBRD the Commission has no objection to them doing so.
- (8) the EBRD contribution to JASPERS will be provided only in those EU Member States and acceding countries, which are also EBRD "countries of operations". In addition, EBRD's contribution will, consistent with its transition mandate, be focused on sectors in which EBRD has particular expertise and in sectors where transition challenges remain, in particular: (i) national / regional transport projects, primarily where there is a public-private partnership dimension, or a commercial company or sub-national project sponsor/beneficiary; (ii) environmental projects (water, sewerage, waste); (iii) municipal or regional public transport projects; and (iv) energy efficiency/renewable energy projects;
- (9) assistance under JASPERS, which will be provided free of charge to EU Member States and acceding countries, will concern project preparation, project appraisal, horizontal issues relevant to more than one project or more than one country and, where duly justified and on an exceptional basis, other project-related matters such as implementation support; assistance may cover any stage of project preparation from initial identification up to, but not including, the Commission decision to grant financial assistance to the project;
- (10) JASPERS will be open to the contributions, monetary or in-kind, from one or more other international financial institutions as agreed by the Steering Committee;

- (11) the intended contribution of each party to JASPERS is set out in Section 2 below.

2. RESOURCES OF JASPERS

During the life of JASPERS, the intended contributions of the parties hereto to JASPERS are as follows:

- (1) a cash contribution by the Commission intended to cover:
- (i) the full cost of thirty (30) person years of professional staff annually and ten (10) person years of support staff annually, including their respective overhead costs, such as offices, equipment and working facilities, and travel and subsistence costs;
 - (ii) the costs of external consultants to support JASPERS activities;
 - (iii) the costs of travel, subsistence and, where necessary, relocation of staff incurred by the EIB and by the EBRD in relation to JASPERS.

The indicative Commission contribution to JASPERS will be as follows:

2006	EUR 7,800,000
2007	EUR 14,100,000
2008	EUR 14,100,000
2009	EUR 14,100,000
2010	EUR 14,100,000
2011	EUR 14,100,000
2012	EUR 14,100,000
2013	EUR 14,100,000

The Commission's contribution will be subject to signature of corresponding legal commitments (annual contribution agreements) between the Commission and the EIB. In addition, the Commission's contribution is subject to budgetary availability and will only be made available to the extent that the budgetary authority of the European Community makes available the necessary appropriations. The Commission will seek to ensure that there shall be sufficient funds allocated to JASPERS, subject to the appropriations made available in the annual budget of the Community;

- (2) a contribution by the EIB, in the form of personnel equivalent to sixteen (16) years of professional staff time annually, when JASPERS is fully operational, together with their equipment, office facilities and related overhead costs. The

EIB's contribution will be subject to signature of the corresponding legal commitments with the EC and with the EBRD;

- (3) a contribution by the EBRD, in the form of (i) personnel equivalent to a minimum of five (5) and a maximum of eight (8) years of professional staff time annually, together with their equipment, office facilities and related overhead costs; and (ii) occasional use of EBRD Resident Office facilities, subject to space availability and agreement with relevant EBRD country managers, in those countries where JASPERS does not have a regional office. The EBRD's contribution will be subject to signature of corresponding legal commitments between the EIB and the EBRD.

3. GOVERNANCE AND CONSULTATION

Implementation of JASPERS will be supervised by a Steering Committee, consisting of two members appointed by the Commission, two members appointed by the EIB, and two members appointed by the EBRD.

The Steering Committee will act by unanimity. It should meet at least four times yearly. The Commission will hold the office of Chair of the Steering Committee, with the EIB, through the JASPERS Unit, providing the Secretariat of the Steering Committee.

The Steering Committee will:

- (a) review and decide on all strategic and major policy issues including, but not limited to, eligibility of a new country for JASPERS support; joining of JASPERS by a new partner; location of JASPERS regional offices; recruitment policy; issues involving national authorities at a high level; communication policy;
- (b) review and approve significant operational outputs, in particular Country Action Plans and other activities of JASPERS; modifications to Country Action Plans; JASPERS progress reports; and provide guidance on any significant operational issues arising;
- (c) at the request of the Commission, the EIB or the EBRD, review the implementation of JASPERS with a view to proposing improvements to its supervision or management;
- (d) review and approve the annual reports and annual financial statements of JASPERS, as well as any other publications reporting on the operations of JASPERS.

The Director of the JASPERS Unit shall manage JASPERS.

The Director of the JASPERS Unit will consult with DG Regional Policy and with the EBRD on operational matters concerning JASPERS; if necessary, matters may be raised by any party at the Steering Committee.

4. STATUS OF MEMORANDUM OF UNDERSTANDING, WITHDRAWAL

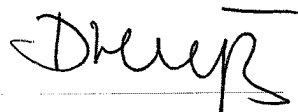
This Memorandum records the understandings of the parties hereto and does not create legally binding obligations.

Any party hereto has the unconditional right to withdraw from this Memorandum of Understanding at any time by giving the other parties hereto written notice to this effect.

IN WITNESS WHEREOF, each of the parties hereto has caused this Memorandum of Understanding to be signed in their respective names and to be executed in four originals, one for the Commission, two for the EIB and one for the EBRD, as of the date written below.

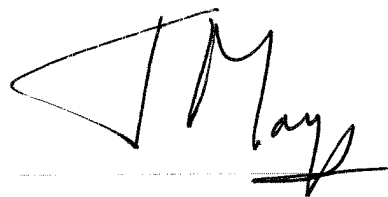
Brussels, this 30th day of May 2006

Signed for and on behalf of
THE EUROPEAN COMMISSION



Danuta HÜBNER
Commissioner for Regional Policy

Signed for and on behalf of
THE EUROPEAN INVESTMENT BANK



Philippe MAYSTADT
President

Signed for and on behalf of
**EUROPEAN BANK FOR RECONSTRUCTION
AND DEVELOPMENT**



Jean LEMIERRE
President