

AGREEMENT ESTABLISHING THE AFRICAN INVESTMENT BANK

In their determination to address collectively the main development challenges facing African countries today, thereby providing financing for regional integration and private sector investment projects, governments who are signatories of this document have agreed to establish the *African Investment Bank* (hereinafter to be called “The Bank”) which shall be governed by the following provisions:

MANDATE AND MEMBERSHIP

Article 1

MANDATE AND CO-OPERATION

The mandate of the Bank shall be the fostering of economic growth and the acceleration of economic integration in Africa in line with the broad objectives of the medium-term objectives of the Strategic Plan of the African Union.

Article 2

To achieve these objectives, the Bank will carry out the following tasks:

- i. To promote investment activities of the public and private sector intended to advance regional integration of the member States of the African Union;
- ii. To utilize available resources for the implementation of investment projects contributing to the strengthening of the private sector and the modernization of rural sector activities in low-income African countries;
- iii. To mobilize resources from capital markets inside and outside Africa for the financing of investment projects in African countries;
- iv. To provide technical assistance as may be needed in African countries for the study, preparation, financing and execution of investment projects; and
- v. To undertake other activities and services that may contribute to the fulfillment of its overall mandate.

Article 3

In the pursuit of its mandate, the Bank shall seek co-operation with public regional, international organizations and other international institutions, as well as national entities whether public or private which are interested in the investment activities, and get such institutions and entities in new investment opportunities and assistance in Africa.

Article 4

Membership in the Bank shall be open to all member states of the African Union. Countries eligible for membership, which do not become members when the Bank will begin its operations, may be subsequently admitted to membership, under such terms and conditions as the Board of Governors of the Bank shall have established, upon the affirmative vote of at least four-fifths of the total number of Governors, representing not less than three-fourths of the total voting power of the members.

Capital

Article 5

The initial authorized capital stock of the Bank shall be (an amount to be determined).¹ It shall be divided into a number shares having a par value of (amount to be determined) each, which shall be available for subscription only by members in accordance with the provisions spelled out in this agreement.

The authorized capital stock shall be divided into paid-in shares and callable shares. The Board of Governors shall determine the proportion of authorized capital in paid-in shares and in callable shares from time to time.

The Board of Governors may increase the authorized capital stock of the Bank, at such time and under such terms and conditions, as it may deem advisable. The decision of the Board of Governors to increase the authorized capital shall be adopted by a vote of at least four-fifths of the total number of Governors, representing not less than three-fourths of the total voting power of the members.

Article 6

Each member shall subscribe to shares of the capital stock of the Bank. The initial subscription of each member shall consist of an equal number of paid-in

¹ / This amount will be determined after consultation with prospective members of the Bank in the framework of a feasibility study.

and callable shares. The initial number of shares to be subscribed by countries, which become members, is determined by conditions set in the annex to this agreement. If and when non-regional members will be admitted to the Bank, the number of shares to be subscribed by these countries shall be determined by the Board of Governors. However, no such subscription shall be authorized which have the effect of reducing the percentage of capital stock held by regional members below eighty (80) per cent of the total subscribed capital stock.

The Board of Governors shall at intervals of not less than five (5) years review the capital stock of the Bank. In case of an increase in the authorized capital stock, each member shall have a reasonable opportunity to subscribe, under such terms and conditions, as the Board of Governors shall determine, to a proportion of the increase of stock equivalent to the proportion which its stock theretofore subscribed bears to the total subscribed capital stock immediately prior to such increase. No member shall be obligated to subscribe to any part of an increase of authorized capital stock.

The Board of Governors may, at the request of a member, increase the subscription of such member on such terms and conditions as the Board may determine; provided, however, that no such increase in the subscription of any member shall be authorized which would have the effect of reducing the percentage of capital stock held by regional members below eighty (80) per cent of the total subscribed capital stock.

Shares of capital stock initially subscribed by members shall be issued at par. Other shares shall be issued at par unless the Board of Governors decides in special circumstances to issue them on other terms.

The liability of the members on shares shall be limited to the unpaid portion of their issue price.

No member shall be liable, by reason of its membership, for obligations of the Bank.

Shares of capital stock shall not be pledged or encumbered in any manner whatsoever, and they shall not be transferable except to the Bank.

Article 7

PAYMENTS OF SUBSCRIPTIONS

Payment of the amount initially subscribed, by each Signatory to this Agreement that becomes a member, to the paid-in capital stock of the Bank shall be made in four (4) installments of twenty five (25) percent each of such amount. Each member shall pay the first installment within thirty days after entry into effect of this Agreement, or on or before the date of deposit, on its behalf, of the instrument of ratification or acceptance. The second installment shall become due one (1) year from the entry into effect of this agreement. The remaining two installments shall each become due successively one (1) year from the date on which the preceding installment becomes due.

Payments of the amounts initially subscribed by the members of the Bank to the paid-in capital stock shall be made in convertible currency only. The Board of Governors shall determine the mode of payment of other amounts subscribed by the members to the paid-in capital stock.

Payments of the amount subscribed to the callable capital stock of the Bank shall be subject to call only as and when required by the Bank to meet its obligations incurred through borrowings, of funds for inclusion in its ordinary capital resources or on guarantees chargeable to such resources.

In the event of the calls referred to above, payment may be made at the option of the member concerned in convertible currency or in the currency required to discharge the obligations of the Bank for the purpose of which the call is made. Calls on unpaid subscriptions shall be uniform in percentage on all callable shares.

The Bank shall determine the place for any payment under this Article, provided that, until the inaugural meeting of its Board of Governors, the payment of the first installment shall be made to the Trustee for the Bank referred to *later in this Agreement*.

Article 8

ORDINARY RESOURCES

The term “ordinary capital resources” of the Bank, as used in this Agreement, shall include the following:

- i. Authorized capital stock of the Bank, comprising both paid-in and callable shares, subscribed in accordance the conditions spelled out in this Agreement;
- ii. Funds raised through borrowings of the Bank by virtue of powers conferred by Articles of this Agreement;
- iii. Funds received in repayment of loans or guarantees made with the resources indicated in this Article;
- iv. Income derived from loans made from the aforementioned funds r from guarantees to which the commitment to calls set forth in this Agreement is applicable; and
- v. Any other funds or income received by the Bank, which are not part of its special funds.

Article 9

SPECIAL FUNDS RESOURCES

The term “Special Funds Resources” of the Bank, as used in this Agreement, shall refer to the following:

- i. Resources set aside from paid-in capital to a Special Fund or otherwise initially contributed to any Special Fund;
- ii. Funds accepted by the Bank for inclusion in any Special Fund;
- iii. Funds repaid in respect of loans or guarantees financed from the resources of any Special Fund which, under the rules and regulations of the Bank governing the Special Fund, are received by such Special Fund;
- iv. Income derived from operations of the Bank in which any of the aforementioned resources or funds are used or committed if, under the rules and regulations of the Bank governing the Special Fund concerned, that income accrues to such Special Fund; and

- v. Any other resources placed at the disposal of any Special Fund.

Article 10

USE OF RESOURCES

The resources of the Bank shall be used exclusively for the purpose of achieving the mandate of the Bank as defined in the Articles of this Agreement.

Article 11

ORDINARY AND SPECIAL OPERATIONS

The operations of the Bank shall consist of ordinary operations and special operations.

Ordinary operations shall be those financed from the ordinary capital resources of the Bank.

Special operations shall be those financed from the Special Funds resources referred to elsewhere in this Agreement.

Article 12

SEPARATION OF OPERATIONS

The ordinary capital resources and the Special Funds resources of the Bank shall at all times and in all respects be held, used, committed, invested or otherwise disposed of entirely separate from each other. The financial statements of the Bank shall show the ordinary operations and special operations separately.

The ordinary capital resources of the Bank shall under no circumstances be charged with, or used to discharge, losses or liabilities arising out of special operations or other activities for which Special Funds resources were originally used or committed.

Expenses appertaining directly to ordinary operations shall be charged to the ordinary capital resources of the Bank. Expenses appertaining directly to special

operations shall be charged to the Special Funds resources. Any other expenses shall be charged, as the Bank shall determine.

Article 13

RECIPIENTS AND METHODS OF OPERATION

Subject to the conditions stipulated in this Agreement, the Bank may provide or facilitate financing to any member or any agency, instrumentality or political subdivision thereof, or any entity or enterprise operating in the territory of a member, as well as to regional agencies or entities concerned with economic development of Africa. The Bank may carry out its operations in any of the following ways:

- i. By making or participating in direct loans with its unimpaired paid-in capital and, with its reserves and undistributed surplus; or with the unimpaired Special Funds resources;
- ii. By making or participating in direct loans with funds raised by the Bank in capital markets or borrowed or otherwise acquired by the Bank for inclusion in its ordinary resources;
- iii. By investment of funds referred to in this Article in the equity capital of an institution or enterprise, provided no such investment shall be made until after the Board of Governors, by a vote of a majority of the total number of Governors, representing a majority of the total voting power of the members, shall have determined that the Bank is in a position to commence such type of operations; or
- iv. By guaranteeing, whether as primary or secondary obligor, in whole or in part, loans for economic development participated in by the Bank.

Article 14

LIMITATIONS ON OPERATIONS

1. The total amount outstanding of loans, equity investment and guarantees made by the Bank in ordinary operations shall not at any time exceed the total amount of its unimpaired subscribed capital,

reserves and surplus included in its ordinary capital resources, exclusive of reserves not available for ordinary operations.

2. In the case of loans made with funds borrowed by the Bank to which the commitment to calls provided *elsewhere* in this Agreement is applicable, the total amount of principal outstanding and payable to the Bank in a specific currency shall not at any time exceed the total amount of principal outstanding in respect of funds borrowed by the Bank that are payable in the same currency.
3. In the case of funds invested in equity capital out of the ordinary capital resources of the Bank, the total amount invested shall not at any time exceed *a percentage*, fixed by the Board of Governors, of the aggregate amount of the unimpaired paid-in capital stock of the Bank actually paid up at any given time together with the reserves and surplus included in its ordinary capital resources. The amount of any equity investment shall not exceed such percentage of the equity capital of the entity or enterprise concerned, as the Board of Directors shall in each specific case determine to be appropriate. The Bank shall not seek to obtain by such an investment a controlling interest in the entity or enterprise concerned, except where necessary to safeguard the investment of the Bank.

Article 15

PROVISION OF CURRENCIES FOR DIRECT LOANS

In making direct loans, the Bank shall provide financing in any of the following ways:

1. By furnishing the borrower with currencies other than the currency of the member in whose territory the project concerned is to be implemented (the latter currency hereinafter to be called "local currency"), which are necessary to meet the foreign exchange costs of such project; or
2. By providing financing to cover the costs of local expenditures on the project concerned, where it can do so by supplying local currency without selling any of its holdings in convertible currencies. In special cases when, in the opinion of the Bank, the project causes or is likely to cause undue strain on the balance of payments of the member in whose territory the project is to be

implemented, the financing granted by the Bank to cover the costs of local expenditures may be provided in currencies other than that of such member; in such cases, the amount of financing granted by the Bank for the purpose shall not exceed a reasonable portion of the total local expenditure incurred by the borrower.

Article 16

PRINCIPLES GOVERNING THE OPERATIONS OF THE BANK

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

- i. The operations of the Bank shall provide principally for the financing of specific projects, including those forming part of a national, sub-regional or regional development scheme needed for the economic integration of Member States of the African Union. They may, however, include loans to, or guarantees of loans made to, national development financial institutions in Africa, in order that the latter may finance projects of a type serving the mandate of the Bank within the respective fields of activities of such institutions;
- ii. In selecting suitable projects, the Bank shall always be guided by the provision of article (...) of this Agreement and by the potential contribution of the project concerned to the mandate of the Bank rather than by the type of the project;
- iii. The Bank shall not finance any undertaking in the territory of a member if that member objects to such financing;
- iv. In considering an application for a loan or guarantee, the Bank shall pay due regard to the ability of the borrower to obtain financing or facilities elsewhere on terms and conditions that the Bank considers reasonable for the recipient, taking into account all pertinent factors;
- v. In making or guaranteeing a loan, the Bank shall pay due regard to the prospects that the borrower and its guarantor, if any, will be in a position to meet their obligations under the loan contract;

- vi. In making or guaranteeing a loan, the rate of interest, other charges and the schedule for repayment of principal shall be such: as are, in the opinion of the Bank, appropriate for the loan concerned;
- vii. The proceeds of any loan, investment or other financing undertaken in the ordinary operations of the Bank shall be used only for procurement in member states of goods and services produced in member states, except in any case in which the Board of Directors determines to permit procurement in a non-member country or of goods and services produced in a non-member country in special circumstances making such procurement appropriate, as in the case of a non-member country in which a significant amount of financing has been provided to the Bank;
- viii. In the case of a direct loan made by the Bank, the borrower shall be permitted by the Bank to draw its funds only to meet expenditure in connection with the project as it is actually incurred;
- ix. The Bank shall take the necessary measures to ensure that the proceeds of any loan made, guaranteed or participated in by the Bank are used only for the purposes for which the loan was granted and with due attention to considerations of economy and efficiency;
- x. The Bank shall pay due regard to the desirability of avoiding a disproportionate amount of its resources being used for the benefit of any member;
- xi. The Bank shall seek to maintain a reasonable diversification in its investments in equity capital; it shall not assume responsibility for managing any entity or enterprise in which it has an investment, except where necessary to safeguard its investments;
- xii. The Bank shall apply sound banking principles to its operations and, in particular, to its investments in equity capital;

- xiii. In guaranteeing a loan made by other investors, the Bank shall receive suitable compensation for its risk.

Article 17

TERMS AND CONDITIONS FOR DIRECT LOANS AND GUARANTEES

1. In the case of direct loans made or participated in or loans guaranteed by the Bank, the contract shall establish, in conformity with the principles guiding the operations of the Bank as set forth in Article (...) of this Agreement and subject to other provisions of this Agreement, the terms and conditions for the loan or the guarantee concerned, including those relating to payment of principal, interest and other charges, maturities, and dates of payment in respect of the loan, or the fees and other charges in respect of the guarantee, respectively. In particular, the contract shall provide that, all payments to the Bank under the contract shall be made in the currency loaned. Guarantees by the Bank shall also provide that the Bank may terminate its liability with respect to interest if, upon default by the borrower and guarantor, if any, the Bank offers to purchase, at par and interest accrued to a date designated in the offer, the bonds or other obligations guaranteed.
2. Where the recipient of loans or guarantees of loans is not itself a member, the Bank may, when it deems it advisable, require that the member in whose territory the project concerned is to be carried out, or a public agency or any institution of that member acceptable to the Bank, guarantee the repayment of the principal and the payment of interest and other charges on the loan.
3. The Bank shall expressly state, in the loan or guarantee contract, the currency in which all payments to the Bank under the contract concerned shall be made. At the option of the borrower, however, such payments may always be made in convertible currency or, subject to an agreement with the Bank, in any other currency; and
4. The Bank may attach such other terms and conditions, as it deems appropriate, taking into account both the interest of the member directly concerned in the project and the interests of its total membership.

Article 18

COMMISSION AND FEES²

1. The Bank shall charge, in addition to interest, a commission on direct loans made or participated in as part of its ordinary operations. This commission, payable periodically, shall be computed on the amount outstanding on each loan or participation and shall be at a rate to be determined by the Board of Directors.
2. In guaranteeing a loan as part of its ordinary operations, the Bank shall charge a guarantee fee, at a rate to be determined by the Board of Directors, payable periodically on the amount outstanding.
3. The Board of Directors shall determine other charges, any commission and fees of the Bank in its ordinary operations.

Article 19

METHODS OF MEETING LIABILITIES OF THE BANK

1. In cases of default on loans made, participated in or guaranteed by the Bank in its ordinary operations, the Bank shall take such action as it deems appropriate with respect to modifying the terms of the loan, other than the currency of repayment.
2. Whenever necessary to meet contractual payments of interest, other charges or amortization on borrowings of the Bank in its ordinary operations, or to meet its liabilities with respect to similar payments in respect of loans guaranteed by it, chargeable to its ordinary capital resources, the Bank may call an appropriate amount of the uncalled subscribed callable capital.

² / This article was deleted in the Agreement establishing the African Development Bank.

3. In cases of default in respect of a loan made from borrowed funds or guaranteed by the Bank as part of its ordinary operations, the Bank may, if it believes that the default may be of long duration, call an additional amount of such callable capital not to exceed in any one (1) year one (1) per cent of the total subscriptions of the members to such capital, for the following purposes:
 - i. To redeem before maturity, or otherwise discharge, the Bank's liability on all or part of the outstanding principal of any loan guaranteed by it in respect of which the debtor is in default; and
 - ii. To repurchase, or otherwise discharge, the Bank's liability on all or part of its own outstanding borrowing.
4. If the Bank's subscribed callable capital stock shall be entirely called, the Bank may, if necessary, use or exchange the currency of any member without restriction.

BORROWING AND OTHER POWERS

Article 20

GENERAL POWERS

In addition to the powers specified elsewhere in this Agreement, the Bank shall have the power to:

1. Borrow funds in member states of the African Union or elsewhere, and in this connection to furnish such collateral or other security therefore as the Bank shall determine provided always that:
 - a. Before making a sale of its obligations in the territory of a member state, the Bank shall have obtained its approval;
 - b. Where the obligations of the Bank are to be denominated in the currency of a member state, the Bank shall have obtained its approval;
 - c. The Bank shall obtain the approval the member states referred to in this Agreement that proceeds may be

exchanged for any other currency without any restrictions; and

- d. Before determining to sell its obligations in a particular member state, the Bank shall consider the amount of previous borrowing, if any, in that member state, the amount of previous borrowing in other member states, and the possible availability of funds in such other member states; and shall give due regard to the general principle that its borrowings should to the greatest extent possible be diversified as to member state of borrowing.
2. Buy and sell securities the Bank has issued or guaranteed or in which it has invested, provided always that it shall have obtained the approval of any member state in whose territory the securities are to be bought or sold;
 3. Guarantee securities in which it has invested in order to facilitate their sale;
 4. Underwrite, or participate in the underwriting of, securities issued by any entity or enterprise for purposes consistent with the purpose of the Bank;
 5. Invest funds, not needed in its ongoing operations, in the territories of member states in such obligations of member states or nationals thereof as it may determine, and invest funds held by the Bank for pensions or purposes in the territories of member states in marketable securities issued by member states or nationals thereof; and
 6. Exercise such other powers and establish such rules and regulations as may be necessary or appropriate in furtherance of its purpose and functions, consistent with the provisions of this Agreement.

Article 21

SPECIAL BORROWING POWERS

1. The Bank may request any member of the Bank to loan amounts of its currency to the Bank in order to cover the costs of expenditure in respect of goods and services produced in the territory of that member for the purpose of a project to be implemented in the territory of another member.
2. Unless the member concerned invokes economic and financial difficulties, which, in its opinion, are likely to be provoked or aggravated by the granting of such a loan to the Bank, that member shall comply with the request of the Bank. The loan shall be made for a period to be agreed with the Bank, which shall be in relation to the duration of the project that the proceeds of that loan are designed to finance.
3. Unless the member state agrees otherwise, the aggregate amount outstanding in respect to its loans made to the Bank pursuant to this Article shall not, at any time, exceed the equivalent of the amount of its subscription to the capital stock of the Bank.
4. Loans to the Bank made pursuant to this Article shall bear interest, payable by the Bank to the lending member, at a rate that shall correspond to the average interest rate paid by the Bank on its borrowings for Special Funds during a period of one (1) year preceding the conclusion of the loan Agreement. This rate shall in no event exceed a maximum rate that the Board of Governors shall determine from time to time.
5. The Bank shall repay the loan, and pay the interest due in respect thereof, in the currency of the lending member or in a currency acceptable to the latter.
6. All resources obtained by the Bank by virtue of the provisions of this article shall constitute a Special Fund.

Article 23

NOTICE TO BE PLACED ON SECURITIES

Every security issued or guaranteed by the Bank shall bear on its face a conspicuous statement to the effect that it is not an obligation of any Government, unless it is in fact the obligation of a particular Government, in which case it shall so state.

CURRENCIES

Article 24

DETERMINATION OF CONVERTIBILITY

Whenever it shall become necessary under this Agreement to determine the convertibility of any given currency, the Bank shall make such determination after consultation with the International Monetary Fund.

Article 25

USE OF CURRENCIES

1. Members may not maintain or impose any restrictions on the holding or use by the Bank or by any recipient from the Bank, for payments in anywhere, of the following:
 - i. Convertible currencies received by the Bank in payment of subscriptions to its capital stock, other than that paid to the Bank by members;
 - ii. Currencies of members purchased with convertible currencies referred to in the preceding sub-paragraph;
 - iii. Currencies obtained by the Bank by borrowing, pursuant to Article (...) of this Agreement, for inclusion in its ordinary capital resources;
 - iv. Currencies received by the Bank in payment on account of principal, interest, dividends or other charges in respect of loans or investments made out of any of the funds referred to

in sub-paragraphs (i) to (iii) of this Article or in payment of fees in respect of guarantees made by the Bank; and

- v. Currencies, other than the member's own currency, received by the member from the Bank in distribution of the net income of the Bank in accordance with article (xxxx) of this Agreement.
2. Members may not maintain or impose any restriction on the holding or use by the Bank or by any recipient from the Bank, for payments anywhere, of currency of a member received by the Bank which does not come within the provisions of the preceding paragraph, unless:
 - i. That member declares that it desires the use of such currency to be restricted in whole or in part to payments for goods or services produced and intended for use in its territory; or
 - ii. Such currency forms part of the Special Funds resources of the Bank and its use is subject to special rules and regulations.
 3. Members may not maintain or impose any restrictions on the holding or use by the Bank, for making amortization or anticipatory payments or for repurchasing, in whole or in part, the Bank's own obligations, of currencies received by the Bank in repayments of direct loans made out of its ordinary capital resources.
 4. The bank shall not use currencies which it holds for the purchase of the currencies of its other members or of non-members except:
 - i. In order to meet its obligations in the ordinary course of its business; or
 - ii. Pursuant to a decision of the Board of Directors adopted by a vote of the Directors representing not less than three-quarters of the total voting power of the membership.
 5. Nothing herein contained shall prevent the Bank from using the currency of any member for administrative expenses incurred by the Bank in the territory of such member.

Article 26

MAINTENANCE OF THE CURRENCY HOLDINGS OF THE BANK

1. Whenever (a) the par value in the International Monetary Fund of the currency of a member is reduced in terms of the SDR, or (b) in the opinion of the Bank, after consultation with the International Monetary Fund, the foreign exchange value of the member's currency has depreciated to a significant extent, that member shall pay to the Bank within a reasonable time an additional amount of its currency required to maintain the value of all such currency held by the Bank on account of its subscription.
2. Whenever (a) the par value in the International Monetary Fund of the currency of a member is increased in terms of the SDR, or (b) in the opinion of the Bank, after consultation with the International Monetary Fund, the foreign exchange value of a member's currency has appreciated to a significant extent, the Bank shall pay to that member within a reasonable time an amount of that currency required to adjust the value of all such currency held by the Bank on account of its subscription.
3. The Bank may waive the provisions of this Article when a uniform proportionate change in the par value of the currencies of all its members takes place.

ORGANIZATION and MANAGEMENT

Article 27

STRUCTURE

The Bank shall have a Board of Governors, a Board of Directors, a President, an Executive Vice President, a number of Vice Presidents and such other officers and staff as may be considered necessary.

Article 28

BOARD OF GOVERNORS: COMPOSITION

1. Each member shall appoint and be represented on the Board of Governors by one Governor and one Alternate Governor. Each Governor and each Alternate Governor shall serve at the pleasure of the appointing member. No Alternate Governor shall vote except in the absence of his Governor. At its annual meeting, the Board of Governors shall designate one of the Governors as Chairman of the meeting and who shall hold office until the election of the next Chairman during the following annual meeting of the Board of Governors.
2. Governors and Alternate Governors shall serve as such without remuneration from the Bank, but the Bank may pay them reasonable expenses incurred in attending meetings of the Bank.

Article 29

BOARD OF GOVERNORS: POWERS

1. All the powers of the Bank shall be vested in the Board of Governors. In particular, the Board of Governors shall issue general directives concerning the lending policies of the Bank
2. The Board of Governors may delegate to the Board of Directors any or all its powers, except the power to:
 - i. Admit new members and/or determine the conditions of their admission;
 - ii. Increase or decrease the authorized capital stock of the Bank;
 - iii. Suspend a member;
 - iv. Authorize the conclusion of general agreements for co-operation with other international organizations;
 - v. Elect, suspend or remove the Directors and the President of the Bank from office;

- vi. Determine the remuneration of the President, the Directors and their alternates and the salary and other terms of the contract of service of the President;
 - vii. Select outside auditors to certify the General Balance Sheet and the Statement of Profit and Loss of the Bank and to select such other experts as may be necessary to examine and report on the general management of the Bank;
 - viii. Approve, after reviewing the auditor's report, the general balance sheet and the statement of profit and loss of the Bank;
 - ix. Determine the reserves and the distribution of the net profits of the Bank;
 - x. Amend the Agreement establishing the African Investment Bank;
 - xi. Decide to terminate the operations of the Bank and to distribute its assets; and
 - xii. Exercise such other powers as are expressly assigned to the Board of Governors in this Agreement.
3. The Board of Governors shall retain full powers to exercise authority over any matter delegated to the Board of Directors under paragraph 2 of this Article.

Article 30

BOARD OF GOVERNORS: PROCEDURE

1. The Board shall hold an annual meeting and such other meetings as may be provided for by the Board of Governors or called by the Board of Directors. Meetings of the Board of Governors shall be called, by the Board of Directors, whenever requested by five (5) members of the Bank, or by members having one-quarter of the total voting power of the membership.

2. A majority of the Governors representing not less than three-quarters of the total voting power of the membership shall constitute a quorum for any meeting of the Board of Governors.
3. The Board of Governors may, by regulation, establish a procedure whereby the Board of Directors may, when the latter deems such action advisable, obtain a vote of the Governors on a specific issue without calling a meeting of the Board of Governors.
4. The Board of Governors, and the Board of Directors to the extent authorized, may establish such subsidiary bodies and adopt such rules and regulations as may be necessary or appropriate to conduct the business of the Bank.

Article 31

BOARD OF DIRECTORS: COMPOSITION

1. The Board of Directors shall be composed of (*a number to be determined by the Governors. However I propose 20*), members who shall not be Governors or Alternate Governors. The Board of Governors, in accordance with the rules and procedures set in annex to this Agreement, shall elect the Directors. In electing the Board of Directors, the Board of Governors shall have due regard to relevant experience and high competence in national and international economic and financial issues for the office.
2. The Board of Governors may decide to change the number of the members of the Board of Directors only by a three-quarters majority of the total voting power of the membership.
3. Each Director shall appoint an alternate Director who shall act for him in his absence. Directors and alternate Directors shall be nationals of member countries. An alternate Director may participate in meetings of the Board of Directors but may vote only when he is acting in place of his Director.
4. Directors shall be elected for a term of two (2) years and may be re-elected. They shall remain in office until their successors have been elected. If the office of a Director becomes vacant more than one hundred eighty (180) days before the end of his term, a successor

shall be elected (or chosen) in accordance with Annex II to this Agreement, for the remainder of the term, by the Board of Governors at its next meeting. While the office remains vacant, the alternate Director of the former Director shall exercise the powers of the latter except that of appointing an alternate.

Article 32

BOARD OF DIRECTORS: POWERS

Without prejudice to the powers of the Board of Governors, as provided in Article 29 of this Agreement, the Board of Directors shall be responsible for the conduct of the general operations of the Bank and, for this purpose, shall, in addition to the powers assigned to it expressly in this Agreement, exercise all the powers delegated to it by the Board of Governors, and in particular:

- i. Prepare the work of the Board of Governors;
- ii. In conformity with the general directions of the Board of Governors, take the decisions concerning loans, guarantees, investments in equity capital, borrowing and other operations by the Bank;
- iii. Determine the rates of interest for direct loans and of commissions for guarantees;
- iv. Submit the accounts for each financial year and an annual report for approval to the Board of Governors at each annual meeting; and
- v. Approve the annual budgets of the Bank.

Article 33

BOARD OF DIRECTORS: PROCEDURE

1. The Board of Directors shall function in continuous at the headquarters of the Bank and shall meet as often as the business of the Bank may require.

2. A quorum for any meeting of the Board of Directors shall be a majority of the total number of Directors representing not less than seventy five (75) per cent of the total voting power of the membership.
3. The Board of Governors shall adopt regulations under which, if there is no Director of its nationality, a member may send a representative to attend, without right to vote, any meeting of the Board of Directors when a matter particularly affecting that member is to be considered by the Board.

Article 34

VOTING POWERS

1. The total voting power of each member of the Bank shall consist of the sum of its basic votes and proportional votes.
 - i. The basic votes of each member shall consist of such number of votes as results from the equal distribution among all the members of twenty-five (25) per cent of the total voting power of the membership.
 - ii. The number of the proportional votes of each member shall be equal to the number of shares of the capital stock of the Bank held by that member, provided, however, that in connection with any increase in the authorized capital stock, the Board of Governors may determine that the capital stock authorized by such increase shall not have affect the existing voting rights of individual members.
2. In voting in the Board of Governors, each Governor shall be entitled to cast the votes of the member that such Governor represents. Except as otherwise expressly provided in this Agreement, all matters before the Board of Governors shall, in general, be decided by a majority of the voting power represented at the meeting.
3. In voting in the Board of Directors, each Director shall be entitled to cast the number of votes that counted towards his election which votes need not be cast as a unit. Except as otherwise expressly provided in this Agreement, all matters before the Board of Directors

shall be decided by a majority of the voting power represented at the meeting.

Article 35

THE PRESIDENT OF THE BANK

1. The Board of Governors shall appoint, by a majority of the total voting power of the membership (*including a majority of the total voting power of the regional members, if and when membership will be open to non-regional countries*), the President of the Bank. She/He shall be a national of a Member State of the African Union. While holding office, the President shall not be a Governor, a Director or alternate for either.
2. The term of office of the President shall be five (5) years. It may be renewed, provided, however, that no President may serve for more than three consecutive terms of five years each. If the office of the President, for any reason, becomes vacant more than one hundred eighty (180) days before the end of the incumbent President's term, a successor shall be elected for the remaining portion of such term by the Board of Governors in accordance with the provisions of paragraph 1 of this Article. If the office of the President, for any reason, becomes vacant one hundred and eighty (180) days or less before the end of the incumbent President's term, an Acting President may be appointed by the Board of Governors until a new President is elected for a full five-year term.
3. The President shall be suspended or removed from office if the Board of Governors so decides by a majority of the total voting power of the members (*including a majority of the total voting power of the regional members, if and when membership will be open to non-regional countries*). The Board of Governors shall, upon the suspension or removal of the President from office, appoint an Acting President or, as the case may be, elect a new President.
4. The Chairman of the Board of Governors, upon a written request by Governors, including those representing at least fifty (50) per cent of the total voting power of the regional members, shall convene a meeting of the Board of Governors to consider the suspension or removal of the President.

5. The President shall be Chairman of the Board of Directors but shall have no vote, except a deciding vote in case of an equal division of votes. He may participate in meetings of the Board of Governors but shall not vote.
6. The President shall be the legal representative of the Bank.
7. The Bank shall adopt regulations, which shall determine who shall legally represent the Bank and perform the other duties of the President in the event that she/he is absent or that her/his office should become vacant.
8. The President shall be chief of the staff of the Bank and shall conduct, under the direction of the Board of Directors, the current business of the Bank. She/He shall be responsible for the organization, appointment and dismissal of the officers and staff of the Bank, including the Executive Vice-President and the Vice-Presidents, whom she/he shall appoint, fix their terms of employment, in accordance with the rules and regulations adopted by the Bank. In the exercise of her/his powers of appointment and release of the Executive Vice-President and Vice-Presidents, the President shall act in consultation with the Board of Directors.
9. In appointing the officers and staff of the Bank, the President shall, subject to the paramount requirement of securing the highest standards of efficiency and technical skills, pay due regard to the recruitment of personnel on as wide a regional representation as possible.

Article 36

EXECUTIVE VICE-PRESIDENT AND VICE-PRESIDENTS

1. The Board of Directors on the recommendation of the President shall appoint one Executive Vice-President and a number of Vice-Presidents. The Executive Vice-President and the Vice-Presidents shall hold office for such term, exercise such authority and perform such functions in the administration of the Bank, as may be determined by the Board of Directors. In the absence of or incapacity of the President, the Executive Vice-President shall exercise the authority and perform the functions of the President. In the absence

of the Executive Vice-President, a designated Vice-President shall exercise the functions and perform the functions of the President.

2. The Executive Vice-President and the Vice-Presidents may participate in meetings of the Board of Directors but shall no vote at such meetings, except that the Executive Vice-President shall cast the deciding vote when acting on behalf of the President.

Article 37

PROHIBITION OF POLITICAL ACTIVITY: THE INTERNATIONAL CHARACTER OF THE BANK

1. The Bank shall not accept loans or assistance that may in any way limit, prejudice, deflect or otherwise alter its purpose or functions.
2. The Bank, its President, Executive Vice-President, Vice-Presidents, officers and staff shall not interfere in the political affairs of any member state, nor shall they be influenced in their decisions by the political character of the member state concerned. Only economic considerations shall be relevant to their decisions. Such considerations shall be weighed impartially in order to achieve and carry out the purpose and functions of the Bank.
3. The President, Executive Vice-President, Vice-Presidents, officers and staff of the Bank, in the discharge of their duties, owe their duty entirely to the Bank and to no other authority. Each member of the Bank shall respect the international character of this duty and shall refrain from all attempts to influence any of them in the discharge of their duties.

Article 38

OFFICE OF THE BANK

1. The principal office of the Bank shall be located in Tripoli, Libya.
2. The Bank may establish agencies or branch offices in other regional economic communities (RECs).

Article 39

CHANNEL OF COMMUNICATIONS, DEPOSITORIES

1. Each member state shall designate an appropriate official entity with which the Bank may communicate in connection with any matter arising under this Agreement.
2. Each member shall designate its central bank, or such other agency as may be agreed upon with the Bank, as a depository with which the Bank may keep its holdings of currency of that member state as well as other assets of the Bank.
3. The Bank may hold its assets with such depositories as the Board of Directors shall determine.

Article 40

PUBLICATION OF THE AGREEMENT, WORKING LANGUAGES, PROVISION OF INFORMATION AND REPORTS

1. The Bank shall endeavor to make available the text of this Agreement and all its important documents in all official languages of the African Union. However, the working languages of the Bank shall be English and French.
2. Members shall provide the Bank with all information it may request of them in order to facilitate the conduct of its operations.
3. The Bank shall publish and transmit to its members an annual report containing an audited statement of its accounts. It shall also transmit quarterly to the members a summary of its financial position and a profit and loss statement showing the results of its operations.
4. The Bank may also publish such other reports as it deems desirable to carry out its mandate and functions. They shall be transmitted to the members of the Bank.

Article 41

ALLOCATION OF NET INCOME

1. The Board of Governors shall determine annually what part of the net income of the Bank shall be allocated, after making provision for reserves, to surplus and what part, if any, shall be distributed to the members.
2. The distribution referred to in the preceding paragraph shall be made in proportion to the number of shares held by each member.
3. Payments shall be made in such a manner and in such currency as the Board of Governors shall determine.

WITHDRAWAL AND SUSPENSION OF MEMBERS, TEMPORARY SUSPENSION AND TERMINATION OF OPERATIONS OF THE BANK

Article 42

WITHDRAWAL

1. Any member may withdraw from the Bank at any time by delivering a notice in writing to the Bank at its principal office.
2. Withdrawal by a member shall become effective, and its membership shall cease, on the date specified in its notice but in no event less than six (6) months after the date the Bank has received that notice. However, at any time before the withdrawal become finally effective, the member may notify the Bank in writing of the cancellation of its notice of intention to withdraw.
3. A withdrawing member shall remain liable for all direct and contingent obligations to the Bank to which it was subject at the date of delivery of the withdrawal notice. If the withdrawal becomes finally effective, the withdrawing member shall incur any liability for obligations resulting from operations of the Bank effected after the date on which the withdrawal notice was received by the Bank.

Article 43

SUSPENSION OF MEMBERSHIP

1. If a member fails to fulfill any obligation to the Bank, the Board of Governors may suspend such member by a number of Governors, representing not less than three-quarters of the total voting power of the membership.
2. The member so suspended shall automatically cease to be a member of the Bank one (1) year from the date of its suspension unless the Board of Governors, during the one-year period, decides by the same majority necessary for suspension to restore the member to good standing.
3. While under suspension, a member shall not be entitled to exercise any rights under this Agreement, except the right of withdrawal, but shall remain subject to all its obligations.

Article 44

SETTLEMENT OF ACCOUNTS

1. After the date on which a country ceases to be a member, it shall remain liable for its direct obligations to the Bank and for contingent liabilities to the Bank so long as any part of the loans or guarantees contracted before it ceased to be a member is outstanding, but it shall not incur liabilities with respect to loans and guarantees entered into thereafter by the Bank nor share either in the income or the expenses of the Bank.
2. At the time a country ceases to be a member, the Bank shall arrange for the repurchase of such country's shares by the Bank as a part of the settlement of accounts with such country in accordance with the provisions of paragraphs 3 and 4 of this Article. For this purpose, the repurchase price of the shares shall be the value shown by the books of the Bank on the date the country ceases to be a member.
3. The payment for shares repurchased by the Bank under this Article shall be governed by the following:

- i. Any amount due to the country concerned for its shares shall be withheld so long as that country, its central bank or any of its agencies, instrumentalities or political subdivisions remains liable, as borrower or guarantor, to the Bank and such amount may, at the option of the Bank, be applied on any such liability as it matures. No amount shall be withheld on account of the contingent liability of the country for future calls on the subscription for shares. In any event, no amount due to a member for its shares shall be paid until six (6) months after the date on which the country ceases to be a member.
 - ii. Payments for shares may be made from time to time, upon surrender by the Government of the country concerned, to the extent by which the amount due as the repurchase price in accordance with paragraph 2 of this Article exceeds the aggregate amount of liabilities, on loans and guarantees referred to in sub-paragraph (i) of this paragraph, until the former member has received the full repurchase price.
 - iii. Payments shall be made in such available currencies as the Bank determines, taking into account its financial position.
 - iv. If losses are sustained by the Bank on any guarantees or loans which were outstanding on the date when the country ceased to be a member and the amount of such losses exceeds the amount of the reserve provided against losses on that date, the country concerned shall repay, upon demand, the amount by which the repurchase price of its shares would have been reduced if the losses had been taken into account when the repurchase price was determined. In addition, the former member shall remain liable on any call for unpaid subscriptions in accordance with Article 47 of this Agreement, to the same extent that it would have been required to respond if the impairment of capital had occurred and the call had been made at the time the repurchase price of its shares was determined.
4. If the Bank terminates its operations pursuant to Article 46 of this Agreement within six (6) months of the date upon which any country ceases to be a member, all rights of the country concerned shall be determined in accordance with the provisions of Article 47 and 48 of

this Agreement. Such country shall be considered as still a member for purposes of such Articles but shall have no voting rights.

Article 45

TEMPORARY SUSPENSION OF OPERATIONS

In an emergency situation, the Board of Directors may temporarily suspend the operations of the Bank in respect of new loans and guarantees pending an opportunity for further consideration and action by the Board of Governors.

Article 46

TERMINATION OF OPERATIONS

1. The Bank may terminate its operations by a resolution of the Board of Governors approved by a majority of Governors representing not less than three-quarters of the total voting power of the membership.
2. After such termination, the Bank shall forthwith cease all activities, except those incident to the orderly realization, conservation and preservation of its assets and settlement of its obligations.

Article 47

LIABILITY OF MEMBERS AND PAYMENT OF CLAIMS

1. In the event of termination of the operations of the Bank, the liability of all members for uncalled subscriptions to the capital stock of the Bank and in respect of the depreciation of their currencies shall continue until all claims of creditors, including all contingent claims shall have been discharged.
2. All creditors holding direct claims shall first be paid out of the assets of the Bank and then out of payments to the Bank or unpaid or callable subscriptions. Before making any payments to creditors holding direct claims, the Board of Directors shall make such arrangements as are necessary, in its judgment, to ensure a *pro rata* distribution among holders of direct and contingent claims.

Article 48

DISTRIBUTION OF ASSETS

1. In the event of termination of the operations of the Bank, no distribution of assets shall be made to members on account of their subscriptions to the capital stock of the Bank until all liabilities to creditors have been discharged or provided for. Moreover, such distribution must be approved by the Board of Governors by a vote of Governors representing not less than three-quarters of the total voting power of the membership.
2. After a decision has been taken to distribute the assets of the Bank, in accordance with the preceding paragraph, the Board of Directors may decide to make successive distribution of such assets. This distribution shall be subject to the prior settlement of all outstanding claims of the Bank against each member.
3. Any distribution of the assets of the Bank to the members shall be in proportion to the capital stock held by each member and shall be effected at such times and under such conditions, as the Bank shall deem fair and equitable. The shares of assets distributed need not be uniform as to type of asset.
4. The Board of Directors shall value the assets to be distributed at the date of distribution and then proceed to distribute in the following manner:
 - i. Each member shall be paid an amount equivalent in value to its proportionate share of the total amount to be distributed.
 - ii. Any balance due to a member after payment has been made in accordance with the preceding sub-paragraph shall be paid in its currency, to the extent that the Bank, up to an amount equivalent to such balance, holds it.
 - iii. Any balance due to a member after payment has been made in accordance with sub-paragraphs (i) and (ii) of this paragraph shall be paid, up to an amount equivalent to such balance, in gold or in a currency acceptable to that member, to the extent that they are held by the Bank.

- iv. Any remaining assets held by the Bank after payments have been made to members in accordance with sub-paragraphs (i) to (iii) of this paragraph shall be distributed *pro rata* among the members.
5. Any member receiving assets distributed by the Bank in accordance with the preceding paragraph shall enjoy the same rights with respect to such assets as the Bank enjoyed before their distribution.

STATUS, IMMUNITIES, EXEMPTIONS AND PRIVILEGES

Article 49

STATUS

To enable the Bank to fulfill its mandate and carry out the functions entrusted to it, the Bank shall possess full juridical personality in the territory of each member state of the African Union. In particular, it shall have full capacity:

- i. To contract;
- ii. To acquire, dispose of, immovable and movable property; and
- iii. To institute legal proceedings.

Article 50

JUDICIAL PROCEEDINGS

1. The Bank shall enjoy immunity from every form of legal process except in cases arising out of or in connection with the exercise of its powers to borrow financial resources, to guarantee obligations, or to buy and sell or underwrite the sale of securities, in which cases actions may be brought against the Bank in a court of competent jurisdiction in the territory of a country in which the Bank has its principal or a branch office, or has appointed an agent for the purpose of accepting service or notice of process, or has issued or guaranteed securities. No actions shall, however, be brought by members or persons acting for or deriving claims from members.

2. Notwithstanding the provisions of paragraph 1 of this Article, no action shall be brought against the Bank by any member, or by any agency or instrumentality of a member, or by any entity or person directly or indirectly acting for or deriving claims from a member or from any agency or instrumentality of a member. Members shall have recourse to such special procedures for the settlement of controversies between the Bank and its members as may be prescribed in this Agreement, in the by-laws and regulations of the Bank, or in contracts entered into with the Bank.
3. The property and assets of the Bank, shall, wherever located and by whomsoever held, be immune from all forms of seizure, attachment or execution before the delivery of final judgment against the Bank.

Article 51

IMMUNITY OF ASSETS AND ARCHIVES

1. The property and assets of the Bank, wherever located and by whomsoever held, shall be immune for search, requisition, confiscation, expropriation or any other form of taking or foreclosure by executive or legislative action.
2. The archives of the Bank, and, in general, all documents belonging to it, or held by it, shall be inviolable, wherever located.

Article 52

FREEDOM OF ASSETS FROM RESTRICTIONS

To the extent necessary to carry out the mandate and functions of the Bank and subject to the provisions of this Agreement, all property and other assets of the Bank shall be exempt from restrictions, regulations, controls and moratoria of any nature.

Article 53

PRIVILEGE FOR COMMUNICATIONS

Official communications of the Bank shall be accorded by each member the same treatment that it accords to the official communications of other members.

Article 54

IMMUNITIES AND PRIVILEGES OF BANK PERSONNEL

All Governors, Directors, alternates, officers and employees of the Bank, including experts performing missions for the Bank:

- i. Shall be immune from legal process with respect to acts performed by them in their capacity, except when the Bank waives their immunity;
- ii. Where they are not local citizens or nationals, shall be accorded the same immunities from immigration restrictions, alien registration requirements and national service obligations, and the same facilities as regards exchange regulations, as are accorded by members to the representatives, officials and employees of comparable rank of other members; and
- iii. Shall be granted the same treatment in respect of traveling facilities as is accorded by members to representatives, officials and employees of comparable rank of other members.

Article 55

EXEMPTION FROM TAXATION

1. The Bank, its property, other assets, income and its operations and transactions, shall be exempt from all taxation and from all customs duties. The Bank shall also be exempt from any obligation for the payment, withholding or collection of any tax or duty.
2. No tax shall be levied on or in respect of salaries and emoluments paid by the Bank to Directors, alternates, officers or employees of the Bank,

- including experts performing missions for the Bank, except where a member deposits with its instrument of ratification or acceptance a declaration that such member retains for itself and its political subdivisions the right to tax salaries and emoluments paid by the Bank to citizens and nationals of such member.
3. No tax of any kind shall be levied on any obligation or security issued by the Bank, including any dividend or interest thereon, by whomsoever held:
 - i. Which discriminates against such obligation or security solely because it is issued by the Bank; or
 - ii. If the sole jurisdictional basis for such taxation is the place or currency in which it is issued, made payable or paid, or the location of any office or place of business maintained by the Bank.

 4. No tax of any kind shall be levied on any obligation or security guaranteed by the Bank, including any dividend or interest thereon, by whomsoever held:
 - i. Which discriminates against such obligation or security solely because it is guaranteed by the Bank; or
 - ii. If the sole jurisdictional basis for such taxation is the location of any office or place of business maintained by the Bank.

Article 56

IMPLEMENTATION

Each member, in accordance with its juridical system, shall promptly take such action as is necessary to make effective in its own territory the provisions set forth in this Chapter and shall inform the Bank of the action taken on the matter.

Article 57

WAIVER OF IMMUNITIES, EXEMPTIONS AND PRIVILEGES

The immunities, exemptions and privileges provided in this Chapter are granted in the interest of the Bank. The Board of Directors may waive, to such extent and upon such conditions as it may determine, the immunities and exemptions provided in articles 54 and 55 of this Agreement in cases where its action would in its opinion further the interests of the Bank. The President of the Bank shall have the right and the duty to waive the immunity of any official in cases where, in his opinion, the immunity would impede the course of justice and can be waived without prejudice to the interests of the Bank.

AMENDMENTS, INTERPRETATION, ARBITRATION

Article 58

AMENDMENTS

1. This Agreement may be amended only by a resolution of the Board of Governors approved by a vote of the Governors representing not less than three-quarters of the total voting power of the membership.
2. Notwithstanding the provisions of paragraph 1 of this Article, the unanimous agreement of the Board of Governors shall be required for the approval of any amendment modifying:
 - i. The right to withdraw from the Bank;
 - ii. The limitations on liability provided in paragraphs xx and xxx of Article (XX); and
 - iii. The rights pertaining to purchase of capital stock provided in paragraph xxx of Article (XX).
3. Any proposal to amend this Agreement, whether emanating from a member or the Board of Directors, shall be communicated to the Chairman of the Board of Governors, who shall bring the proposal before the Board of Governors. When an amendment has been adopted, the Bank shall so certify in an official communication addressed to all members. Amendments shall enter into force for all

members three (3) months after the date of the official communication unless the Board of Governors specifies therein a different period.

Article 59

INTERPRETATION OR APPLICATION

1. Any question of interpretation or application of the provisions of this Agreement arising between any member and the Bank, or between two or more members of the Bank, shall be submitted to the Board of Directors for decision. If there is no Director of its nationality on the Board, a member particularly affected by the question under consideration shall be entitled to direct representation in the Board of Directors during such consideration; the representative of such member shall, however, have no vote. The Board of Governors shall regulate such right of representation.
2. in any case where the Board of Directors has given a decision under paragraph 1 of this Article, any member may require that the question be referred to the Board of Governors, whose decision shall be final. Pending the decision of the Board of Governors, the Bank may, so far as it deems necessary, act on the basis of the decision of the Board of Directors.

Article 60

ARBITRATION

In case of dispute between the Bank and a former member, or between the Bank and a member after the Bank has ceased its operations, such dispute shall be submitted to arbitration by a tribunal comprising three arbitrators. Each party shall appoint one arbitrator, and the two appointed arbitrators should appoint the third, who shall be the Chairperson. If within 30 days of the request for arbitration the third has not been appointed or if within 15 days of the appointment of two arbitrators the third arbitrator has not been appointed, either party may request the President of the International Court of Justice, or such other authority as may have been prescribed by regulations adopted by the Board of Governors, to appoint an arbitrator. A majority vote of the arbitrators shall be sufficient to reach a decision, which shall be final and binding for both parties. The third arbitrator shall be empowered to settle all questions of

procedure in any case where the parties are in disagreement with respect thereto.

Article 61

APPROVAL BY MEMBERS

Whenever the approval of any member is required before the Bank may do an act, approval shall be deemed as having been given unless the member presents an objection within such reasonable period as the Bank may fix in notifying the member of the proposed act.

FINAL PROVISIONS

Article 62

SIGNATURE AND DEPOSIT

1. The original of this Agreement, in official languages of the African Union, shall remain open for signature at the African Union Commission in Addis Ababa, until March 31, 2006, by Governments of the countries listed in Annex A to this Agreement. This document shall thereafter be deposited with the Chairperson of the African Union Commission (hereinafter to be called the “Depository”).
2. The Depository shall send certified copies of this Agreement to all the Signatories and other member states or countries which become members of the Bank.

Article 63

RATIFICATION OR ACCEPTANCE

1. This Agreement shall be subject to ratification or acceptance by the Signatories. Instruments of ratification or acceptance shall be deposited with the Depository not later than December 31, 2006. The Depository shall duly notify the other Signatories of each deposit and the date thereof.
2. A Signatory whose instrument of ratification or acceptance is deposited before the date, on which this Agreement enters into force,

shall become a member of the Bank, on that date. Any other Signatory, which complies with the provisions of the preceding paragraph, shall become a member of the Bank on the date on which its instrument of ratification or acceptance is deposited.

3. Member States of the African Union, which do not become members of the Bank in accordance with the provisions of paragraph 1 of this Article, may acquire membership after this Agreement has entered into force by accession thereto on such terms, as the Board of Governors shall determine. The Government of any such member state shall deposit, on or before a date chosen by that Board, an instrument of accession with the Depository who shall notify such deposit and the date thereof to the Bank and to other Signatories of this Agreement. Upon the deposit, the Member State shall become member of the Bank on the chosen date.

Article 64

ENTRY INTO FORCE

This Agreement shall enter into force upon the deposit of instruments of ratification or acceptance by a number of signatory Governments whose initial subscriptions to the authorized capital stock, as indicated in the relevant annex to this Agreement, in aggregate total not less than seventy-five (75) per cent of the authorized capital stock of the Bank. However, the earliest date on which this Agreement may enter into force in accordance with the provisions of this Article shall be January 1, 2007.

Article 65

BEGINNING OF BANK OPERATIONS

1. As soon as this Agreement enters into force, each member shall appoint a Governor, and the Chairperson of the African Union Commission shall call the inaugural meeting of the Board of Governors.
2. At its inaugural meeting, the Board of Governors:
 - i. Shall make arrangements for the election of the members of the Board of Directors of the Bank in accordance with paragraph (x) of Article (xxx) of this Agreement; and

- ii. Shall make arrangements for the determination of the date on which the Bank shall begin its operations.
3. The Bank shall notify its members of the date of the beginning of its operations.

DONE at the City of SYRTE, Libya, on July xx, 2005, in a single copy in the English and French languages, which shall be brought to the African Union Commission, in Addis Ababa, Ethiopia, and thereafter deposited with the Chairperson of the African Union Commission in accordance with Article 62 of this Agreement.

ANNEX II

ELECTION OF DIRECTORS