



# **MEMORANDUM OF UNDERSTANDING**

*between*

**Eastern and Southern African Trade and Development  
Bank  
(PTA Bank)**

**and**

**COMESA – Leather and Leather Products Institute  
(COMESA/LLPI)**

**in connection with**

**Furtherance of their mutual interests in supporting  
Small and Medium Enterprises (SMEs) in the COMESA  
Region and as a Contribution to Increased International  
Co-operation**

**March 2015**

**M.1 THE MEMORANDUM OF UNDERSTANDING (MoU)**

**M.1.1.** THIS Memorandum of Understanding (MoU) made between Eastern and Southern African Trade and Development Bank (hereinafter called **PTA Bank**) having its principal office at PTA Bank Headquarters, Chaussée Prince Louis Rwagasore, P.O. Box 1750, Bujumbura, Burundi, which expression shall where the context so admits include its successors and permitted assigns of one part.

AND

**M.1.2** Common Market for Eastern and Southern Africa (COMESA) – Leather and Leather Products Institute (hereinafter called **COMESA/LLPI**), having its registered office at P. O. Box. 2538, Code No.1110, Addis Ababa, Ethiopia which expression shall, where the context so admits, include its successors and permitted assigns of the other part.

**M.2 PREAMBLE**

**M.2.1** WHEREAS the COMESA/LLPI works with objectives to support and develop the leather industries in COMESA Member States.

**M.2.2** WHEREAS PTA Bank is a multilateral development financial institution established by the Charter of the Eastern and Southern African Trade and Development Bank whose objectives include, among others, cooperating with other institutions and organizations, public or private, national or international, which are interested in the economic and social development of the members states of the PTA Bank.

**M.2.3** WHEREAS both PTA Bank and COMESA/LLPI hereby agree that the purpose of this MOU is to:

- I. Recognise their mutual interests in supporting SMEs in the leather sector within COMESA Member States and as a contribution to increased international co-operation for the development of leather industry; and
- II. Acknowledge PTA Bank's support of USD75,000 to the COMESA/LLPI as more fully described in this MOU.

Now, therefore, in consideration of their mutual interests hereinafter contained, the parties hereto agree as follows:

**M.3 DEFINITIONS/ACRONYMS**

**M.3.1** "PTA Bank " means Eastern and Southern African Trade and Development Bank

**M.3.2** "COMESA/LLPI" means the Common Market for Eastern and Southern Africa – Leather and Leather Products Institute



- M.3.3** "COMESA Member States" are Burundi, Comoros, D.R. Congo, Djibouti, Egypt, Eritrea, Ethiopia, Kenya, Libya, Madagascar, Malawi, Mauritius, Rwanda, Seychelles, Sudan, Swaziland, Uganda, Zambia and Zimbabwe
- M.3.4** "IP" means Intellectual Property
- M.3.5** "MoU" means Memorandum of Understanding
- M.3.6** "Party" or "Parties" refer to the PTA Bank and/or COMESA/LLPI and other institutions that mutually agreed to by both parties.

**M.4 AREAS OF COOPERATION BETWEEN PTA BANK AND COMESA/LLPI**

- M.4.1** PTA Bank and COMESA/LLPI agree to cooperate with each other through their appropriate organs with respect to all matters of common interest that arise in the fields of leather sector in general.
- M.4.2** PTA Bank hereby provides a capacity building grant of United States Dollars Seventy five thousand (USD75,000), to support COMESA/LLPI advance industrialization and SME development in COMESA Member States. The support will go towards the following activities:
- 1) Acquisition and installation by COMESA/LLPI of equipment/tools listed under Annex 1 to be applied to an initial cluster of COMESA Member States that have a significant leather sector and leather products;
  - 2) Development and implementation strategy and business plans for the use of the equipment and tools by the concerned SME Service/incubation center/clusters.
  - 3) Training of SMEs on how to use the equipment and tools: COMESA/LLPI in collaboration with the concerned Service/incubation center/cluster will provide trainings on how to use the equipment and tools.
- M.4.3** PTA Bank and COMESA/LLPI agree that the funds will be disbursed by PTA Bank to a designated account of COMESA/LLPI and that COMESA/LLPI will carry out the procurement of goods/services in line with its own policies and procedures and will ensure that the principles of value for money and good governance are strictly observed and PTA BANK will disburse the amounts to COMESA/LLPI itself.
- M.4.5** PTA Bank and COMESA/LLPI shall engage in regular consultations with a view to determining the progress made in the utilization of the support aimed at supporting SMEs in the leather sector within COMESA Member States.
- M.4.6** PTA Bank and COMESA/LLPI may, in appropriate cases, agree to convene under their auspices, according to arrangements to be made in each particular case, joint meetings concerning matters of mutual interest,. The manner in which, measures proposed by such joint meetings may be put into effect will be determined by the two parties.

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