

**Memorandum of Understanding**

between

**Association of Banks in Jordan (ABJ)**

and

**Sustainable Achievement of Business  
Expansion and Quality (SABEQ)**

9 March 2008

# Memorandum of Understanding

**Association of Banks in Jordan (ABJ)**, represented by its Director General, and,

The USAID-funded **Sustainable Achievement of Business Expansion and Quality (SABEQ)** Program, represented by its Chief of Party

Hereinafter referred to as "Partner(s)", agree to cooperate in several issues of significance for enhancing productivity and creating jobs in Jordan.

## 1. Introduction and Background

The USAID-funded **Sustainable Achievement of Business Expansion and Quality (SABEQ)** program is a broad economic development initiative implemented by BearingPoint, Inc. comprising a team of international and Jordanian partner firms. By both supporting improvements in the business environment and providing assistance to expand innovation and productivity in well established and high potential Jordanian businesses, SABEQ supports the private sector—Jordan's companies, innovators and entrepreneurs—to become a powerful engine of economic growth.

The support to be orchestrated by SABEQ during the project period will be delivered in close coordination with a select group of Jordanian partner organizations. Initial partners were chosen based on their actual or potential contribution to SABEQ's overarching goals. Organizational partners for subsequent SABEQ activities will be selected based on demonstrated results.

**The Association of Banks in Jordan (ABJ)** was officially established in November 1978 as an ordinary association pursuant to the provisions of the Associations & Social Commissions Law No. (33), for the year 1966 and its subsequent amendments, and in accordance with article (95) of the Banks Law No. (28) for the year 2000. The general assembly of the association consists of all 23 licensed banks, including eight branches of foreign banks; it is responsible for setting up the strategy of the association, electing the board of directors and following up on its current activities. The Association also has three committees whose members are from banks to deal with hot issues; these are the legal committee, the investment and treasury committee and the public relations committee. ABJ was established with the objective to serve member banks in advancing the banking sector in Jordan, enhancing and modernizing banking sector services, coordination among member banks for the benefit of the banking sector, and emphasizing the importance of standardized concepts and procedures among bankers in Jordan. To establish these goals the association activities include holding workshops and seminars, and issuing publications to develop the bankers' capabilities.

### **Priorities of the SABEQ - ABJ MoU:**

The Partners agree that their cooperation aims at improving the services provided by the ABJ to its members and thus improving the quality of products and services provided by the banking sector in Jordan. Through the technical assistance that SABEQ provides, it is hoped that the positioning of the ABJ is empowered, resulting in a better advocate for the banking sector in Jordan.

## 2. Specific Areas of Cooperation and Partnership Roles

The activities that will be covered and the commitment of each partner are outlined in the following table.

### A. Public Outreach:

Title	Description	SABEQ Commitment	Counterpart Commitment	Time Frame
ABJ Website	Assisting ABJ in upgrading its current website to a modern one that allows for better information dissemination of banking sector news, studies and material used in workshops to better serve the sector and the public in general.	Procurement	Allocating time, staff and members to work with SABEQ and its subcontractor, and future updating of the information available on the website. Placing SABEQ-generated training materials and other resources on the website for easy access by all banks in Jordan.	Nov 2007—April 2008

### B. Market Intelligence Research:

Title	Description	SABEQ Commitment	Counterpart Commitment	Time Frame
Toolkit	Providing ABJ with a toolkit that helps them conduct regular market intelligence research	Technical assistance	ABJ to allocate time and staff to be trained on the use of the toolkit and to be committed to conducting the market research using the toolkit in the future	May 2008 – August 2008
Focus Group Concept	Assist ABJ in setting up a consumer focus group mechanism to analyze the market and provide feedback that ABJ can use in improving the standards of service, product offerings, and overall image of the banking sector	Technical assistance	ABJ to allocate time and staff to be trained on conducting consumer focused market research and to be committed to repeating the experience in the future using ABJ resources	June 2008
Focus Group Sessions	Conducting two sessions of market research based on focused consumer groups	Event	ABJ to handle the logistics of events and prominently communicate the	Feb 2008



			results of the focus group sessions to the members, initiating a dialogue with them with the aim of producing an industry response to the findings	
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**C. Training Capacity:**

<b>Title</b>	<b>Description</b>	<b>SABEQ Commitment</b>	<b>Counterpart Commitment</b>	<b>Time frame</b>
Training Plan	Assist ABJ in developing a two-year strategic training plan that incorporates the needs of the banking sector, and the latest issues and topics in banking. The assistance will include guidance on seeking members' input, reviewing competitive offerings to avoid duplication, pricing rationally, and sourcing quality instructors and materials.	Technical assistance	Provide necessary data and information to develop the plan, then adopt and execute the final plan, including improved organizational methods to maximize attendance by the desired audiences at training events.	Nov 2007— May 2008
Facility Upgrade	Upgrade ABJ training facility and equipment to be better able to hold training workshops and seminars (procurement from 1 October 2007 to 30 September 2008 to be limited to USD 7,500 or equivalent)	Procurement	Assist SABEQ in identifying priorities in upgrading equipment needs according to allocated budget	Mar 2008
Seminars and workshops	SABEQ will coordinate holding seminars and workshops on subjects affecting the banking industry in Jordan as required by commercial banks and the industry, and as detailed in 2008 workplan	Technical assistance and event management and procurement	ABJ to provide the venue where these seminars and workshops will be held with prior notice from SABEQ, and to assist in handling the logistics, including issuing invitations and following up with the necessary bank personnel to ensure optimum turnout.	Through out 2008

#### 4. Contingencies and Other Areas of Potential Collaboration

SABEQ will provide support on the basis of ABJ's willingness to act in good faith in fulfilling its commitments. Should ABJ not be willing or is unable to deliver on these commitments the Partners understand that SABEQ may re-evaluate its continued support under this memorandum of understanding.

Should this partnership prove highly beneficial towards the overall goals of enhancing productivity and creating jobs in Jordan, the partnership may be expanded through an addendum or additional MoU. Such an addendum or MoU would reflect the additional roles and responsibilities of both partners in an expanded partnership.

This MoU will expire on 30 September 2008, and will, if the partnership proves beneficial in the manner described above, be superseded by another MoU to be in effect from 1 October 2008 through 30 September 2009.

#### 5. Signatures

**Agreed to by:**

For the **Association of Banks**



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NAME, Title

For the **SABEQ Program**



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NAME, Title

**Witnessed by: USAID - Jordan**



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NAME, Title

Dated on, 9th of March, 2008