

MEMORANDUM OF UNDERSTANDING

ON COOPERATION BETWEEN

**Overseas Private Investment Corporation/DFC,
European Development Finance Institutions,
And
Development Finance Institute Canada (DFIC) Inc. (“FinDev Canada”)**

April 11, 2019

WHEREAS, the **Overseas Private Investment Corporation (OPIC)** is an independent agency of the Government of the United States of America established to mobilize and facilitate the investment of U.S. private capital and skills in the economic and social development of less developed countries and areas by offering financing and political risk insurance for investment projects,

WHEREAS, the **Association of bilateral European Development Finance Institutions (EDFI)**, currently counting 15 “bilateral” member institutions within the field of development finance for the private sector in emerging markets, supports its members to implement their vision of improving people’s lives through the engine of private sector growth and serves to inform the public and government stakeholders about their role and contribution to development, to foster EDFI members’ cooperation with European Union institutions and other development finance institutions (DFIs), to improve their efficiency and effectiveness, to provide them with common representation, and to develop and support joint policies and secure financing opportunities,

WHEREAS, the **Development Finance Institute Canada (DFIC) Inc.**, operating under the FinDev Canada brand, is Canada’s development finance institution, offering financial and technical solutions to businesses in developing countries, with the potential to develop markets, empower women and mitigate climate change.

WHEREAS, OPIC, EDFI and its 15 members, [FinDev and JBIC] (collectively referred to as the “Participants” and individually referred to as a “Participant”) recognize that increased cooperation between the Participants would serve their common objectives and missions, including, information-sharing, formulation and presentation of common positions of mutual interest, and with a focus on working together to co-finance, share risks, and other tangible initiatives that will enhance the ability of the Participants to catalyze financing and investment in sustainable projects in emerging markets and countries of mutual interest,

WHEREAS, the Participants all hold high standards for corporate governance, sustainability and impact management, which makes them role models for other investors, and are particularly well-suited to build common ground on tangible shared high standards to reinforce “race-to-top” to utilize and exemplify industry standards for practices around transparency/disclosure, and

WHEREAS, Bilateral DFIs require a coordinated voice in discussions and fora that affect and may potentially re-shape their markets and operating practices, and have lacked such a coordinated voice to date.

NOW, THEREFORE, the Participants seek to establish a framework for enhanced cooperation between them in accordance with the principles and objectives set forth below, which framework and cooperation are best served through active cooperative engagement among the Participants, hereinafter referred to as the “DFI Alliance”.

SECTION I - FORM OF COOPERATION

1.1 Consistent with their respective operational policies and the terms of this Memorandum, the Participants, in furtherance of their desire to coordinate their activities, seek mutual cooperation in the formulation and presentation of common positions in instances of mutual interest to catalyze private financing and investment for sustainable development projects that accord with the Participants’ statutory and policy objectives.

This mutual cooperation arrangement under the DFI Alliance will be focused on four types of activities:

- Transactional – Exploration of how more effectively to work together to achieve capital mobilization at demonstrable scale in common support of such transactions through co-financing, risk-sharing, and efficient mobilization of such instruments as grant financing as well as deployment of subordinated debt, partial risk guaranties, insurance/reinsurance, innovative “Blended Finance”-type approaches and other investment tools.
 - Seeking to identify areas that would promote and enhance co-investment and syndication among DFIs, along with private co-financiers (e.g., standards, legal formats, mutual reliance).
 - Exploring ways to cooperate on co-financing mechanisms, which could include direct equity and investment funds, frameworks, syndications, and pre-funded lending facilities or platforms involving participation by two or more of the Participants.
 - Endeavoring to coordinate in improving the efficiency of approval, diligence and execution on transactions involving Participants.
- Operational – Cooperation on how to establish and maintain arrangements, meetings, and communications (collectively, Arrangements) that address, *inter alia*, scope and methods for information and data sharing, formulation of joint statements, interventions, and policy positions, as well as sources of quasi-secretariat support (e.g., at EDFI offices in Brussels) among the Participants.
 - These Arrangements may include appointment and participation by each Participant of a member to an Alliance Steering Committee, which may consider to meet regularly, e.g., at least semi-annually, to review the activities and to determine all necessary decisions and approvals relating to the Alliance.
 - The Alliance Steering Committee may consider to meet annually, beginning in 2019, e.g., in October of each year, to discuss and approve the common strategic

objectives, initiatives and deliverables that the Participants expect to undertake in the following calendar year, and may memorialize those activities of mutual priority in the format of Annex 1, as outlined below.

- Policy Processes – Consideration of effective ways to cooperate on matters of common policy interest, including such actions as joint coordination and participation in policy processes and at public or private events, worktables and negotiations. This may include the OECD, MDBs, G7/G20, as well as other private sector-led activities relevant to the DFI Alliance and the Participants.

The Participants could, for example, aim to develop an efficient new platform for DFIs to provide input to the OECD and other international organizations on matters relating to development finance and the broad scope of issues relevant to the Alliance, including but not limited to:

- Appropriate balancing of transparency needs with business proprietary information
 - Statistical analysis and reporting
 - Common standards and measures on environment and social issues
 - Development impact measurement and monitoring
 - Benchmarking against market pricing intended to catalyze private capital flows
- Public Face – Exploration of joint initiatives to explain, promote and demonstrate to key shareholders the value added by bilateral DFIs. To that end, the DFI Alliance may pursue such initiatives, in 2019 and beyond, as:
 - Launching a new G7 DFI initiative, following-on from France’s G7 Presidency
 - Joint event during WB/IMF Annual Meetings in April and October (for 2019, to include the public launch of “DFI alliance” in April, and the initial Steering Committee meeting in October)
 - Joint delivery on the “2x Challenge” Women’s Initiative of the G7 DFIs, with contribution from a wider group of DFIs
 - Joint announcement of cooperation in providing Infrastructure financing initiatives as viable alternatives to State-led initiatives
 - Announcing the intent to develop and deploy a common approach to specific and tangible shared high standards to reinforce “race-to-top” for practices around transparency/disclosure, thereby engaging and mobilizing the private sector in furtherance of sustainable business driving positive social outcomes.

- Memorializing Activities of Mutual Priority for 2019 and Subsequent Years – Annex 1 to this Memorandum of Understanding is attached hereto. It lists activities and initiatives that the Participants might expect to undertake in 2019 (the initial year of this Alliance).
 - In subsequent years, this Annex 1 could be modified and updated to identify potential annual objectives, initiatives and deliverable to be considered by the Participants at an annual Steering Committee meeting.

1.2 Arrangements referred to in Subsection 1.1 above may be extended to facilitate projects (Projects) that are mutually accepted through the consultations referred to in Subsection 2.1 below.

1.3 On the basis of the general principles expressed in this Memorandum, the Participants, where they consider it to be reasonable and useful, may seek to enter cooperation agreements, as well as co-finance, co-insurance, and reinsurance agreements, between all or some of the Participants, where appropriate.

SECTION II- PROCEDURE FOR COOPERATION

Selection of Operations

2.1 The Participants may, unless otherwise agreed:

(a) Hold consultations, when they deem appropriate, by phone or in person in any place suitable to them, from time to time, to exchange – subject to applicable regulatory and confidentiality requirements - information on market developments, identify prospects for Arrangements and Projects, review current operations and related procedural arrangements and discuss any other matters pertaining to Arrangements and Projects.

(b) For the purpose of effective consultations, prior to each consultation, exchange provisional lists of discussion points, objectives, materials, documents and other information relevant to the Arrangement, issue, specific markets, or a Project that each Participant considers to be deserving of priority cooperation.

2.2 The Participants may engage in other forms of cooperation, when they deem appropriate, such as joint marketing and business development efforts toward relevant business sectors, to maximize collaboration opportunities between them.

2.3 A Participant may indicate to potential recipients of finance, insurance and guarantees (whichever is applicable), the relevant information required to execute Projects between the Participants, in the event that the consultations referred to in Subsection 2.1 above indicate that the potential exists for such Projects.

2.4 Nothing in or relating to this Memorandum may be deemed to be a waiver of any of the privileges and immunities of the Participants.

Appraisal and Processing

2.5 Consistent with Subsection 1.3 above, the Participants are willing, unless otherwise agreed:

(a) to be individually responsible for the appraisal and preparation of Projects for which each Participant has received an application for finance /insurance/guarantees. The Participants may agree to finance, co-finance, co-insure, reinsure or co-operate for the Projects, pursuant to Subsection 1.3 above, when deemed appropriate. In such circumstances, each Participant endeavors, where relevant and to the extent permitted from a regulatory and confidentiality perspective, to keep the other Participants informed on the progress of Project preparation activities.

(b) seek to gain efficiencies, where mutually appropriate and within their respective mandates, through a coordinated effort by the Participants to maximize their respective abilities as well as internal process efficiencies, and endeavor to share resources deemed necessary to support such Projects.

Other Activities

2.6 The Participants will endeavor to cooperate in such other activities as may be mutually agreed from time to time. In this regard, the Participants may enter into agreements designed to achieve the implementation of the agreed activities.

SECTION III- MANAGEMENT OF OPERATIONS

3.1 With respect to any Arrangement or Project on which the Participants will cooperate pursuant to this Memorandum, the Participants are committed to consult with each other concerning any conditions that could delay or impede the accomplishment of the Arrangement or Project. Under such circumstances, the Participants will share relevant information to the extent permitted by law or policy and consult with each other the remedial measures that may be taken.

3.2 Information provided by a Participant to another under this Memorandum is on an 'as-is' basis and all warranties in respect of such information are expressly disclaimed.

SECTION IV- OTHER PROVISIONS

4.1 This Memorandum shall enter into force on the date when it is signed by all Participants.

4.2 Any difference in opinion arising from or in connection with this Memorandum shall be settled by the Participants through consultations on a cooperative basis.

4.3 This Memorandum shall remain in effect unless terminated by one of the Participants upon six (6) months' prior written notice to that effect to the other Participants. The Participants agree that each other Participant shall have no liabilities in connection with the termination of this Memorandum in accordance with this Subsection 4.3.

4.4 Should this Memorandum be terminated by a Participant, steps will be taken to ensure that the termination does not prejudice activities in progress initiated within the framework of this Memorandum.

4.5 This present Memorandum may be amended at any time by agreement between the Participants.

4.6 All written communications required or permitted by this Memorandum shall be directed to the following addresses:

for OPIC
Overseas Private Investment
Corporation:
1100 New York Ave., NW
Washington, DC 20527

Telephone: +1-202-336-8400
Facsimile: +1-202-336-7949
Email: info@opic.gov
Attention: President & CEO

for EDFI
EDFI ASBL
Rue de la Loi 81
Brussels, 1040, Belgium

Telephone: +32 2 230 23 69
Facsimile: +32 2 230 0405
Email: edfi@edfi.eu
Attention: General Manager

for FinDev Canada
Development Finance Institute
Canada (DFIC) Inc.
1, Place Ville-Marie, suite 2950
Montreal, Canada
H3B 2B6

Email: info@findevcanada.ca
Attention: Managing Director

4.7 Notwithstanding anything herein to the contrary, the Participants acknowledge and recognize that this Memorandum is not legally binding and enforceable, and does not create or represent any financial or legal obligation of or commitment by either Participant.

IN WITNESS WHEREOF, the Participants hereto have hereunto executed this Memorandum in two originals in the English language, one for each of the Participants, on the day and year first above written.



President & CEO
FOR AND ON BEHALF OF
Overseas Private Investment Corporation

DATE: Apr 11, 2019



Chairman
FOR AND ON BEHALF OF
Association of European Development
Finance Institutions

DATE: Apr 11, 2019



Managing Director
FOR AND ON BEHALF OF
Development Finance Institute Canada
(DFIC) Inc.

DATE: Apr 11, 2019

Annex 1 -
Potential Activities of Mutual Priority for 2019

1. Launching a new G7 DFI initiative/following-up around French G7 Presidency
2. Joint event during WB/IMF Annual Meetings in April and October (to include the public launch of “DFI alliance” in April, and the initial Steering Committee meeting in October).
3. Joint delivery on the G7 DFIs “2x Challenge” Women’s Initiative with contribution from a wider group of DFIs.
4. Announcing the intent to cooperate on a common approach to develop and deploy specific and tangible shared high standards to reinforce “race-to-top” drive for practices around transparency/disclosure.
5. Joint announcement of cooperation in providing Infrastructure financing initiatives as viable alternatives to State-led initiatives.
6. Common Pricing strategies and practices -- Benchmarking as key element for catalyzing/”crowding in” private capital.
7. Alliance Participants may sign the Principles for Impact Management and participate in the working group formed pursuant to those Principles
8. Alliance Participants may sign the Principles for Blended Finance and participate in the working group formed pursuant to those Principles.