COLLABORATION ARRANGEMENT

relating to

Global Infrastructure Facility Partnership Program
This Collaboration Arrangement is entered into on October 9, 2014 between:

(1) THE GOVERNMENT OF THE REPUBLIC OF SINGAPORE (the "Government of Singapore"), acting through its Ministry of Finance; and

(2) THE WORLD BANK GROUP, comprising the INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("IBRD") and INTERNATIONAL DEVELOPMENT ASSOCIATION ("IDA"), headquartered at 1818 H Street, NW, Washington, DC 20433, USA; the INTERNATIONAL FINANCE CORPORATION, ("IFC") headquartered at 2121 Pennsylvania Avenue, NW, Washington, DC 20433, USA; and the MULTILATERAL INVESTMENT GUARANTEE AGENCY, ("MIGA"), headquartered at 1818 H Street, NW, Washington, DC 20433, USA (the "World Bank Group")

(each a "Party" and together, the "Parties").

Preamble

(A) There is broad international recognition, as confirmed by the G20, the OECD, International Organizations (IOs), the G77, and the private sector represented by the B20 that investing in the infrastructure of Emerging Markets and Developing Economies (EMDEs) is needed, to expand access to basic services and raise living standards for all, and to meet global economic growth targets.

(B) Meeting this need presents a significant financing challenge. Given constraints on existing sources of infrastructure finance—particularly in the public sector—a redoubled and coordinated effort is needed to mobilize private sector finance for EMDE infrastructure.

(C) There is an absence of robust pipelines of structurally sound and bankable projects and this is understood to be the greatest barrier to achieving significantly more infrastructure investment.

(D) Governments, development finance institutions, donors, and private investors share an interest in developing the market for private infrastructure finance in EMDEs: both on the demand side, in the numbers of structurally sound and bankable projects seeking finance, and gradual emergence of EMDE infrastructure as a recognized asset class; and the supply side, in the range of private investors that actively participate in financing those projects. Achieving these goals will benefit from collective action between this range of entities—to leverage resources and knowledge to find solutions to complex infrastructure financing challenges that no single institution could achieve alone.

(E) In support of these goals, the Parties propose the establishment of a Global Infrastructure Facility Partnership Program ("GIF"). The GIF will be an open global platform aiming at leveraging the efforts of the wide range of institutions currently engaged in supporting EMDE infrastructure with the participation of private infrastructure investors, coalescing around project preparation, structuring, and risk mitigation for individual infrastructure investments. In this regard, the GIF aims to complement existing and proposed services and initiatives currently supported by the Parties and other prospective GIF partners. The GIF intends to provide resources to prepare well-structured, infrastructure projects, and to serve as an additional mechanism for accessing the expertise of the Parties and other GIF partners, in combination with guidance from prospective private sector financiers into project structures. The GIF thereby aims to achieve greater leverage of official resources in the face of substantial EMDE infrastructure needs—in particular large and complex projects with the potential to attract significant private capital.

(F) The Parties are now interested in collaborating in developing the Global Infrastructure Facility Partnership Program, together with other partners.
Accordingly, the Parties have come to the following understanding:

1 **Global Infrastructure Facility Partnership Program Framework**

1.1 The GIF is intended to be based on the preliminary objectives and principles set out in Annex 1 (Preliminary GIF Foundational Principles). The Parties acknowledge their mutual understanding that while the GIF Foundational Principles are an initial basis for their collaboration, they are of an indicative nature and will continue to be developed amongst the Parties and with other potential partners until the GIF is formally established. The final version of these objectives and principles will be agreed upon by the GIF Partners and be reflected in the agreement establishing the GIF.

1.2 The Parties intend to work together with any additional participants who may be collaborating on the GIF to further enhance their coordination, in particular by developing the GIF, with a view to formally establishing the program by December 2014.

2 **Further Collaboration**

2.1 Pursuant to the foregoing, the Parties will use reasonable endeavors to continue to collaborate in developing the GIF, including but not limited to:
   a. Nature and scope of collaboration under the GIF, such as proposed categories of partnership and the roles, rights, and responsibilities associated with each category;
   b. Governance arrangements of the GIF;
   c. Operational policies applicable to the GIF’s operations;
   d. Scope of GIF activities and sources/uses of GIF funds, including approach to project selection criteria and coordination with the Parties’ existing facilities; and
   e. Any other aspects of collaboration required to finalize the design of the GIF, including sharing best practice and experience with regard to project preparation, through the use of knowledge platforms for the infrastructure sector.

2.2 During the process of finalizing the design of the GIF, the multilateral development banks listed in Annex 2 will be invited to participate as initial Technical Partners. Once the GIF design is finalized, additional collaborative efforts are required to develop the operational details for the GIF, at all times complementing existing efforts and facilities and building upon the shared knowledge and experience of the Parties in this area. This includes determining the level of coordination between the Parties and project origination process.

3 **General**

3.1 This Collaboration Arrangement is not a legally binding agreement or commitment by the Parties to enter into or provide support for any specific activity or project. The Parties acknowledge that the provisions of this Collaboration Arrangement represent their common understanding and intentions only and that the Parties do not intend to create or impose any legal obligations or liabilities on any Party.

3.2 This Collaboration Arrangement is valid and effective for a period of one year from the date thereof, unless superseded at an earlier date by the establishment of the GIF.

3.3 The Parties expect that this document and information with respect to the collaborative activities contemplated herein will be publicly disclosed. Such disclosure will be made in accordance with the Parties’ respective disclosure policies. The Parties plan to consult with each
other concerning the manner and form of any acknowledgment of the other Party's support regarding the activities.

3.4 Nothing in this arrangement will constitute or be construed as a waiver, renunciation or other modification of any of the privileges, immunities and exemptions granted to any of the Parties under their constituent documents, international conventions and any applicable laws.

In witness whereof, each of the Parties has caused this Collaboration Arrangement to be executed in two (2) counterparts of equal content and form by a duly authorized representative of each Party at the date first set forth above.
FOR THE GOVERNMENT OF THE REPUBLIC OF SINGAPORE

By: THARMAN SHANMUGARATNAM
DEPUTY PRIME MINISTER & MINISTER OF FINANCE
REPUBLIC OF SINGAPORE
THE WORLD BANK GROUP, comprising the INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT, the INTERNATIONAL DEVELOPMENT ASSOCIATION, the INTERNATIONAL FINANCE CORPORATION and the MULTILATERAL INVESTMENT GUARANTEE AGENCY

By: JIM YONG KIM, PRESIDENT
Annex 1

Preliminary GIF Foundational Principles

1 Objectives

1.1 The objective of the GIF is to promote private sector investment in infrastructure projects in emerging markets and developing economies (EMDEs) through robust project preparation, provision of appropriate risk mitigation instruments, and thereby increasing the commercial and institutional investor engagement in the EMDE infrastructure market. It is focused on collaboration in complex public-private partnerships and projects with potential for commercial viability which require project preparation resources, policy dialogue and eventual infrastructure financing solutions that no single institution could achieve alone.

1.2 To this end, the GIF aims to create a global platform to provide financial and coordination resources in collaboration with the project preparation, advisory, and financing efforts of the wide range of donor and development finance institutions currently engaged in supporting EMDE infrastructure, with the input and ideas of private infrastructure investors. GIF’s engagement could stretch from upstream support on project definition, preparation, and investment feasibility assessment, through to downstream transaction preparation, financial structuring, and risk mitigation/credit enhancement.

1.3 Over the longer term, by contributing to the stock of high quality and well-structured infrastructure projects, the GIF can be expected to help in the development of EMDE infrastructure as an asset class attractive to a wide range of private investors seeking long term assets in faster growing economies, but which until now have been presented only limited infrastructure investment opportunities that meet their risk tolerance and investment profiles.

2 Operating Principles

2.1 The GIF intends to operate according to the following core principles, to be finalized upon agreement among GIF partners:

(i) Leveraging the private sector—specializing in project financing modalities that will draw together comparative advantages of public and private sectors;

(ii) Addressing public goods—focusing on core infrastructure; particularly those infrastructure projects that are climate friendly or trade enabling;

(iii) Promoting sustainability and inclusiveness—ensuring projects adhere to best practice standards for social and environmental responsibility; and

(iv) Collaborating, complementing and partnering for solutions—mobilizing technical and financial resources of all partner entities—World Bank Group entities, multilateral development institutions, other public institutions, and private investors—in an innovative and flexible way, to complement existing capacities, achieve greater leverage and address the complex infrastructure financing challenges that are beyond the resources of any individual partner.

3 Institutional Arrangements and Governance

3.1 The GIF is expected to involve a wide range of stakeholders who are involved in the development and implementation of infrastructure projects, both public and private. GIF partners are expected to fall into one or more of the following categories:
(i) **Funding Partners**—Partners that provide financial contributions to the GIF will be considered Funding Partners.

(ii) **Technical Partners**—Partners that can and who will agree to provide specific technical advice and support to GIF activities including execution of GIF-funded activities and/or provision of GIF-backed credit enhancement or liquidity support instruments.

(iii) **Advisory Partners**—Private investors or entities that represent the voice of commercial and/or institutional investment, whether pension funds, insurance companies, sovereign wealth funds, banks or other financial institutions, as well as other multilateral or bilateral agencies engaged in supporting private sector infrastructure projects, to be invited into discussions related to project preparation, optimal approaches to financial structuring, and the design and use of risk instruments, with a view to ensure suitability of projects for commercial and/or institutional investment.

3.2 A GIF Governing Council is proposed to oversee the GIF’s strategic programming, management and use of funds, and development of operational policies and procedures; and hold the GIF Management Unit (see section 4.1) accountable for delivering on the facility’s objectives and principles, with advice and support from the Advisory Partners. The composition of the Governing Council will be agreed between IBRD and prospective partners, but is proposed to comprise representatives of Funding and Technical Partners.

3.3 An Advisory Council comprised of all GIF partners, chaired by the Managing Director and Chief Financial Officer of the World Bank Group, will be periodically convened to facilitate coordination of GIF activities and support GIF operations. This Advisory Council will serve as a sounding board, providing guidance and support for GIF Management, and in particular with a view to ensuring suitability of projects for private sector investment.

4 Management

4.1 The GIF will be administered by the World Bank Group, through a small, dedicated team established for this purpose (the GIF Management Unit). The GIF Management Unit will function as a coordinating body as projects are identified for inclusion in the pipeline, and then move toward technical support and financing phases. The GIF Management Unit will not lead individual projects.

4.2 GIF activity implementation teams will be led by selected staff of Technical Partner institutions, coordinated by the GIF Management Unit in consultation with client governments, according to specific project requirements and the project origination processes. Composition of the implementation teams may vary according to the need of individual projects and governments.

5 Activities and Projects

5.1 **Project selection criteria and processes** could be developed to reflect the following principles:

   (i) **Development Impact**—projects that support the development goals of the GIF partner institutions;

   (ii) **Alignment**—projects that are aligned with recipient/sponsor country priorities and strategies;

   (iii) **Complexity**—projects that require multiple parties to come together to provide structuring, arranging and financial support, and/or projects which require a blend of financial instruments; and
(iv) **Catalytic Impact**—projects that have significant potential to achieve financial viability, leverage public funds, and attract private sector and/or institutional investors—such as through Public-Private Partnership (PPP) modalities—while still meeting government's service delivery objectives.

The GIF will focus on infrastructure investments that have global public good characteristics such as **climate friendly**—projects that are low emitting or encourage efficiency in the provision of infrastructure services; and **trade enabling**—projects that facilitate or enhance interconnectivity and trade.

5.2 The **scope of support** provided to a particular project will be defined flexibly, with a view to complementing the resources and support already available from partner entities and other funding mechanisms. During the GIF pilot phase, this support may include the following activities, corresponding to major project development stages:

(i) Project definition and enabling environment - sector planning and investment prioritization; project definition, including needs analysis and pre-feasibility screening; and legal, regulatory, or institutional reforms;

(ii) Project preparation and investment feasibility - feasibility studies, investment appraisal, and PPP structuring;

(iii) Transaction support and financial structuring - preparing and implementing transactions, and design of risk mitigation/credit enhancement packages; and

(iv) Financial arranging and credit enhancement - arranging and mobilizing financing packages from a range of sources and partners.

6 **Operational Policies**

Sound operational policies—including in particular the management of environmental and social impacts and risks, and transparency in procurement—are critical to the success of infrastructure projects in supporting sustainable, inclusive development; as well as for investors in those projects to manage financial, reputational and legal risks. In developing the appropriate framework for GIF-supported operations, the GIF could draw upon existing arrangements for external implementing entities under World Bank Partnership Programs. GIF partners will collaborate to establish an approach to fiduciary, environmental and social safeguards and other standards and policies, and develop, manage and oversee an accreditation process for GIF Technical Partners who are expected to function as implementing entities for GIF activities.
Annex 2

Multilateral Development Banks (MDBs) and their Respective Project Preparation Resources and Initiatives

During the process of finalizing the design of the GIF, the following MDBs will be invited to participate as initial Technical Partners. The operational details for the GIF will at all times complement the existing efforts and facilities of these MDBs, which include but are not limited to the infrastructure project preparation resources and initiatives listed below:

a. African Development Bank (AfDB) - NEPAD Infrastructure Project Preparation Facility (NEPAD-IPPF) as well as the project development business segment of Afrexco and various support efforts for Africa-focused PPFs;

b. Asian Development Bank (ADB) - Office of Public-Private Partnership and its proposed Asia Pacific Project Preparation Facility (AP'PFF) as well as several dedicated national PPFs;

c. European Bank for Reconstruction and Development (EBRD) - Legal Transition Programme, and the proposed EBRD Infrastructure Project Preparation Facility (IPPF);

d. European Investment Bank (EIB) - European PPP Expertise Centre (EPEC);

e. Inter-American Development Bank (IADB) - ‘InfraFund’ project preparation facility;

f. Islamic Development Bank (IsDB) - Arab Financing Facility for Infrastructure Technical Assistance Facility (AFFI TAF), co-managed with the International Finance Corporation (IFC); and

g. World Bank Group (WBG) comprising the International Bank for Reconstruction and Development (IBRD), the International Development Association (IDA), the International Finance Corporation (IFC), and the Multilateral Investment Guarantee Agency (MIGA).