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# **DRAFT MEMORANDUM OF UNDERSTANDING**

for

## **PPP FINANCING PARTNERSHIP**

between

**PUBLIC PRIVATE PARTNERSHIP AUTHORITY, PRIME MINISTER'S  
OFFICE, GOVERNMENT OF THE PEOPLE'S REPUBLIC OF  
BANGLADESH**

and

**[INSERT THE NAME OF THE BANK/FINANCIAL INSTITUTION]**

Dated: \_\_\_\_\_, 2016

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## DRAFT MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding is made on \_\_\_\_\_, 2016 by and between:

**PUBLIC PRIVATE PARTNERSHIP AUTHORITY**, PRIME MINISTER'S OFFICE, GOVERNMENT OF THE PEOPLE'S REPUBLIC OF BANGLADESH, an authority established under the Bangladesh Public-Private Partnership Act, 2015 having its office at Green Delta AIMS Tower, Level 13, 51-52, Mohakhali, Dhaka-1212, Bangladesh (hereinafter referred to as "**PPP Authority**" which expression shall unless repugnant to the context and contrary to the meaning thereof include its successors and assigns);

**AND**

[INSERT THE NAME OF THE BANK/FINANCIAL INSTITUTION], a [scheduled bank/financial institution] in Bangladesh incorporated under [Insert the name of the statute] and carrying out its banking business under [Insert the name of the statute] having its head office at [Insert the address] (hereinafter referred to as the "**Bank**"<sup>1</sup> which expression shall unless repugnant to the context and contrary to the meaning thereof include its successors and assigns).

The PPP Authority and the Bank are hereinafter, individually referred to as a "**Party**" and collectively as the "**Parties**".

### WHEREAS:

- (A) The PPP Authority has launched a programme known as the PPP Financing Partnership to ensure quick and easy access to project information for lenders so as to facilitate access to financing for selected PPP projects (the "**Projects**") with the objective to shorten the timeframe for achieving financial close.
- (B) The Bank wishes to participate in the PPP Financing Partnership and obtain priority access to key project information prior to finalisation of the Invitation for Bid ("**IFB**") or the Request for Proposal ("**RFP**"), as the case may be, for each Project with the intention to provide comments thereon to ensure that each Project meets its investment parameters and to enable it to provide an indicative term sheet for circulation to bidders or shortlisted bidders, as the case may be.
- (C) The Parties have agreed to enter into this Memorandum of Understanding (hereinafter referred to as "**MOU**") containing their agreement regarding the terms and conditions for participating in the PPP Financing Partnership.

NOW THEREFORE, THIS MOU WITNESSETH AS FOLLOWS:

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<sup>1</sup> Note: In case of a financial institution, the term "**Bank**" should be replaced with "**Financial Institution**" here and everywhere else in this MOU.

## 1. INFORMATION SHARING

- 1.1. Prior to issuing the IFB or RFP for each Project, the PPP Authority shall send the Bank summary details of the Project and notice of its intention to issue the IFB or RFP. Within ~~fifteen (15)~~~~seven (7)~~ days of receipt of such notice, the Bank shall notify the PPP Authority whether or not it wishes to participate in the PPP Financing Partnership in respect of such Project.
- 1.2. If the Bank notifies the PPP Authority in accordance with clause 1.1 above of its interest to participate, the PPP Authority shall issue to the Bank, prior to finalisation of the IFB or RFP, an information pack in relation to such Project. Such information pack shall include a feasibility study in respect of such Project, the draft PPP Contract/Concession Agreement and such other information as the PPP Authority shall determine to be appropriate.
- 1.3. Within four (4) weeks of receipt of the information pack, the Bank shall provide in writing to the PPP Authority:
  - (a) confirmation that it is comfortable with; or
  - (b) specific requested amendments to,
  - ~~(b)~~ the terms of the draft IFB or RFP and the PPP Contract/Concession Agreement.
- 1.4. The PPP Authority shall review any amendments proposed in accordance with clause 1.3 and may, in its absolute discretion, determine whether to include such amendments in the final IFB or RFP documentation which shall also include the PPP Contract/Concession Agreement.
- 1.5. Following receipt by the Bank of the final draft of the IFB or RFP, it shall confirm to the PPP Authority whether it wishes to continue its participation. If it wishes to continue its participation it shall, within two (2) weeks of receipt of the final IFB or RFP, submit to the PPP Authority an indicative non-binding term sheet setting out the terms on which it would be willing to provide financing for the Project based upon the information contained in the information pack and the final IFB or RFP. The Bank shall have the right to discontinue its participation without assigning any reason and without incurring any liability whatsoever.
- 1.6. The PPP Authority shall send any term sheet provided by the Bank in accordance with clause 1.5 above to each bidder or shortlisted bidder for the relevant Project.
- 1.7. If the Bank has provided a term sheet in accordance with clause 1.5 above, it shall be invited to each pre-bid meeting hosted by the PPP Authority in relation to that Project. Each bidder or shortlisted bidder shall also be invited to such meetings. At such meetings, the Bank shall be introduced to the bidders or shortlisted bidders and shall have the opportunity to consult with the bidders or shortlisted bidders regarding the Project.

## 2. TRAINING AND DEVELOPMENT

- 2.1. The Parties shall collaborate in an open manner within the framework of the PPP Financing Partnership and share knowledge and experience on all relevant aspects

of designing, financing and operating a successful PPP project. Specific areas of knowledge and information sharing shall also include credit analysis, risk management, good corporate governance, security and guarantee structures and the design and implementation of financial products for PPP projects in Bangladesh.

- 2.2. The Bank shall provide opportunities for its staff and executives to participate in training programs, workshops and seminars relating to PPPs and project financing. The Bank shall also provide opportunities for its staff and executives to visit successful PPP projects.
- 2.3. The PPP Authority may facilitate a number of such sessions and/or visits.

### 3. GENERAL

- 3.1. The Parties acknowledge that implementation of and participation in any of the abovementioned activities shall be voluntary and subject to the laws and regulations of Bangladesh.
- 3.2. Each Party may freely opt to collaborate on any of the abovementioned areas of cooperation according to their institutions' interest, other commitments, prevailing market and economic conditions, or other possible limitations.
- 3.3. The Parties agree that this MOU is an expression of intention among the Parties to make reasonable efforts to cooperate in the areas set out in this MOU, and that this MOU contains no legally binding obligations on the Parties.
- 3.4. This MOU shall be valid for one (1) year from the date of this MOU whereafter it will be renewable for one (1) or more additional annual periods by the mutual agreement of both ~~the~~ Parties.
- 3.5. This MOU may be terminated by either Party for any reason whatsoever by giving one (1) months' prior written notice to the other Party.
- 3.6. This MOU shall be governed by and construed in accordance with the laws of Bangladesh.

**IN WITNESS WHEREOF the Parties have executed this MOU by their duly authorized representatives as of the day and year first herein written.**

### PUBLIC PRIVATE PARTNERSHIP AUTHORITY

By : \_\_\_\_\_  
Name : \_\_\_\_\_  
Title : \_\_\_\_\_

[INSERT THE NAME OF THE BANK/FINANCIAL INSTITUTION]

By : \_\_\_\_\_

Name : \_\_\_\_\_

Title : \_\_\_\_\_