

Memorandum

regarding

IFIs Harmonized Development Results Indicators for Private Sector Investment Operations

among

the following International Financial Institutions:

ADB - ASIAN DEVELOPMENT BANK,

AFDB - AFRICAN DEVELOPMENT BANK,

BIO - BELGIAN INVESTMENT COMPANY FOR DEVELOPING COUNTRIES,

BOAD - BANQUE OUEST AFRICAINE DE DEVELOPPEMENT,

BSTDB - BLACK SEA TRADE AND DEVELOPMENT BANK,

CDC GROUP,

COFIDES - COMPAÑÍA ESPAÑOLA DE FINANCIACIÓN DEL DESARROLLO,

**DEG - DEUTSCHE INVESTITIONS- UND ENTWICKLUNGSGESELLSCHAFT
MBH,**

EBRD - EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT,

EIB - EUROPEAN INVESTMENT BANK,

FINNFUND - FINNISH FUND FOR INDUSTRIAL COOPERATION LTD.,

FMO - NETHERLANDS DEVELOPMENT FINANCE COMPANY,

IDB - INTER-AMERICAN DEVELOPMENT BANK,

IIC - INTER-AMERICAN INVESTMENT CORPORATION,

**ICD - ISLAMIC CORPORATION FOR THE DEVELOPMENT OF THE
PRIVATE SECTOR,**

IFC - INTERNATIONAL FINANCE CORPORATION,

IFU - INVESTMENT FUND FOR DEVELOPING COUNTRIES,

MIGA - MULTILATERAL INVESTMENT GUARANTEE AGENCY,

**NORFUND - NORWEGIAN INVESTMENT FUND FOR DEVELOPING
COUNTRIES,**

OeEB - OESTERREICHISCHE ENTWICKLUNGSBANK,

OPIC - OVERSEAS PRIVATE INVESTMENT CORPORATION,

PIDG – THE PRIVATE INFRASTRUCTURE DEVELOPMENT GROUP TRUST,

**PROPARCO - SOCIETE DE PROMOTION ET DE PARTICIPATION POUR LA
COOPERATION ECONOMIQUE,**

SIFEM - SWISS INVESTMENT FUND FOR EMERGING MARKETS,

and

SWEDFUND – SWEDFUND INTERNATIONAL AB

Dated: October 12th, 2013

MEMORANDUM

MEMORANDUM dated October 12th, 2013 between each of the undersigned **INTERNATIONAL FINANCIAL INSTITUTIONS** (hereinafter collectively referred to as the “IFIs” and singularly as an “IFI”)

WHEREAS

(A) Historically, the IFIs have used a variety of monitoring systems to track the development results of their operations. While these systems have varied in structure and process, reflecting the diversity of mandates, stakeholders, and organizational structures existing among IFIs, their common features are that they are designed to assess the development results stemming from operations and they use specifically-defined data sets, primarily referred to as indicators, as the basis for setting targets and monitoring results during implementation.

(B) While the IFIs have used similar indicators, their definitions of such indicators have not been universal, leading to variations in the data collected from clients and accordingly imposing a reporting burden on them, particularly those holding larger scale operations who frequently receive financing from more than one IFI. Such clients have found that some reporting made to multiple IFIs is therefore duplicative and sometimes redundant. Furthermore, variations in the way indicators are defined and tracked inhibit the sharing of lessons learned among the IFIs.

(C) In light of these issues, the IFIs have recognized the need to work together towards harmonizing a set of indicators that would help ease the reporting burden on shared private sector clients, as well as facilitate learning from each other, and to this end agreed to procure an external consulting firm to assist in and speed up the harmonization initiative.

(D) The consulting firm has, with input from the IFIs, put together an initial set of indicators (the “Indicators”) which has been submitted to and approved by each of the IFIs, such Indicators being set forth in Annex A to this Memorandum.

(E) The purpose of this Memorandum is to set forth the intent of the IFIs to support the principle of harmonization and to adopt the initial set of Indicators in their private sector operations in place of any existing indicators covering the results sought by the Indicators and to incorporate them into their results reporting systems.

(F) The IFIs look forward to continuing their collaboration into refining and complementing the initial list of Indicators so far referred to in this Memorandum, to better capitalise on the benefits of harmonization.

NOW, THEREFORE, each IFI hereby acknowledges its intentions with respect to the Indicators as follows:

1. Adoption of Indicators

If an IFI tracks development results along the terms covered by the Indicators listed, it will use the definitions and units of measurement as set forth in Annex A with respect to each Indicator, and, if such IFI has a results tracking system in place that already features indicators aimed at monitoring development results along the same terms covered by the Indicators, it will replace such indicators with the Indicators.

2. No Obligation to Use Indicators and Reporting

Nothing in this Memorandum shall create any obligation for any IFI to start tracking and reporting development results along the terms covered by the Indicators if, based on its internal protocols and procedures, it does not wish to track those development results.

3. Tracking Additional Indicators

An IFI may, in addition to the Indicators, continue to employ other indicators already in use that focus on collecting data that goes beyond what is captured by the Indicators.

4. Data Collection

Each IFI intends to incorporate the Indicators within its development results system within one (1) year from the signing of this Memorandum.

5. Distribution

Each IFI may distribute this Memorandum as it deems appropriate, including by publishing it on its website in accordance with its respective rules, regulations and procedures.

6. No Commitment

Each IFI acknowledges and agrees that this Memorandum shall be regarded as an administrative arrangement between the IFIs and is therefore not legally binding, and it acknowledges that it is not the IFIs' intention to create, and nothing herein shall be construed as creating, legal rights and obligations, any commitment or incurrence of legal liability whatsoever. Each IFI shall have the discretionary right to terminate at any time its relationship with respect to the subject matter and scope of this Memorandum with all other IFIs under this Memorandum.

7. Implementation Costs

Unless otherwise provided in a supplementary agreement in advance of implementation of related activities, each of the IFIs will incur its own expenditures arising as the result of its implementation of the Indicators that are the subject of this Memorandum.

8. Other Arrangements/Modifications to Indicators List/Additional Parties

- (a) Nothing in this Memorandum will limit the right of, or prevent any of the IFIs from entering into memoranda or arrangements with other parties with respect to the subject matter and scope of this Memorandum.
- (b) The IFIs intend to continue their collaboration with respect to the Indicators, to consult with each other regarding the implementation of and results obtained from application of the Indicators, and to discuss modifications of, additions to and deletions from the list of Indicators set forth in Annex A.
- (c) Any international financial institution that is not a party to this Memorandum may indicate its willingness to use the Indicators in writing addressed to all the IFIs.

9. Privileges, Immunities and Exemptions

Nothing in this Memorandum will constitute or be construed as a waiver, renunciation or other modification of privileges, immunities and exemptions, if any, enjoyed by each IFI.

10. Communications

Any notice or other communication to be given or made under this Memorandum will be addressed and sent to the following contact points or at such other address as any party designates by notice to the other parties:

For ADB - Asian Development Bank

Address: Private Sector Operations Department, Asian Development Bank, 6 ADB Avenue,
Metro Manila 1550, Philippines

Attention of: Philippe Leclercq
E-mail: pleclercq@adb.org

For AfDB - African Development Bank

Address: 13 rue de Ghana B.P. 323, EPI C,
Tunis - Belvedere, Tunisia

Attention of: Issa Faye
E-mail: I.FAYE@AFDB.ORG

For BIO - Belgian Investment Company for Developing Countries

Address: Avenue de Tervueren 188A b4
1150 Brussels, Belgium

Attention of: Eric Suttor
E-mail: eric.suttor@bio-invest.be

For BOAD - Banque Ouest Africaine de Developpement

Address: 68, Av. De la Libération
B.P. 1172 Lomé, Togo

Attention of: Patrice Gbaguidi
E-mail: pgbaguidi@boad.org

For BSTDB - Black Sea Trade and Development Bank

Address: 1, Komninon str., GR 54624
Thessaloniki, Greece

Attention of: Mircea Cojocaru
Fax: +30 2310 290589
E-mail: mcojocaru@bstdb.org

For CDC Group

Address: 123 Victoria Street, London
SW1E 6DE, United Kingdom

Attention of: Alex MacGillivray
E-mail: amacgillivray@cdcgroupp.com

For COFIDES - Compañía Española de Financiación del Desarrollo

Address: C/ Príncipe de Vergara, 132 · 12th floor
28002 Madrid Spain

Attention of: Regina Palla Sagüés
Fax: +34 91 745 16 56
E-mail: regina.palla@cofides.es

For DEG - Deutsche Investitions- und Entwicklungsgesellschaft mbH

Address: Kämmergasse 22,
50676 Cologne, Germany

Attention of: Elleke Maliepaard
Fax: +49 221 4986 1292
E-mail: Elleke.Maliepaard@deginvest.de

For EBRD - European Bank for Reconstruction and Development

Address: One Exchange Square, London
EC2A 2JN, United Kingdom

Attention of: Anita Taci
Fax: +44 20 7338 6110
E-mail: tacia@ebrd.com

For EIB - European Investment Bank

Address: 98-100, boulevard Konrad Adenauer
L-2950 Luxembourg

Attention of: Bernard Ziller
Fax: +352 43 79 67799
E-mail: b.ziller@eib.org

For Finnfund - Finnish Fund for Industrial Cooperation Ltd.

Address: Uudenmaankatu 16 B,
00120 Helsinki Finland

Attention of: Helena Arlander
Fax: +358 3484 3346
E-mail: helena.arlander@finnfund.fi

For FMO - Netherlands Development Finance Company

Address: PO Box 93060
2509 AB The Hague The Netherlands

Attention of: Nico Mensink
E-mail: N.Mensink@fmo.nl

For ICD - Islamic Corporation for the Development of the Private Sector

Address: P.O. Box 54069
Jeddah, 21514, Kingdom of Saudi Arabia

Attention of: Majid Sabbagh Kermani
Fax: +966 2 644 4427
E-mail: MKermani@isdb.org

For IDB - Inter-American Development Bank

Address: 1300 New York Ave., N.W., Stop 1214
Washington, DC 20577, USA

Attention of: Sandra Darville
Fax: +1 202 312 4135
E-mail: sandrad@iadb.org

For IIC - Inter-American Investment Corporation

Address: 1350 New York Avenue, N.W.
Washington, DC 20577, USA

Attention of: Maria Kronsteiner
Fax: +1 202 623 3802
E-mail: mariakr@iadb.org

For IFC - International Finance Corporation

Address: 2121 Pennsylvania Avenue, NW - F2P-170
Washington, DC20433, USA

Attention of: Nigel Twose
Fax: + 1 202 522 2942
E-mail: ntwose@ifc.org

For IFU - Investment Fund for Developing Countries

Address: Fredericiagade 27, 1310 Copenhagen K,
Denmark

Attention of: Henrik Jepsen
Fax: +45 33 63 75 99
E-mail: HJ@ifu.dk

For MIGA - Multilateral Investment Guarantee Agency

Address: 1818 H Street, NW
Washington, DC 20433, USA

Attention of: Paul Barbour
E-mail: pbarbour@worldbank.org

For Norfund - Norwegian Investment Fund for Developing Countries

Address: Støperigata 2
N-0250 Oslo
Norway

Attention of: Maria Frengstad
Fax: +47 2201 9394
E-mail: maria.frengstad@norfund.no

For OeEB - Oesterreichische Entwicklungsbank

Address: Strauchgasse 3,
1011 Vienna, Austria

Attention of: Judith Pauritsch
Fax: 0043/1/5331200-5252
E-mail: judith.pauritsch@oe-eb.at

For OPIC - Overseas Private Investment Corporation

Address: 1100 New York Avenue, NW
Washington, D.C. 20527

Attention of: Margaret L. Kuhlow
E-mail: margaret.kuhlow@opic.gov

For PIDG - The Private Infrastructure Development Group Trust

Address: St. Nicholas House,
St. Nicholas Road, Sutton, Surrey
SM1 1EL United Kingdom

Attention of: Smita Biswas
E-mail: smita.biswas1@gmail.com

For PROPARCO - Société de Promotion et de Participation pour la Coopération Economique

Address: 151, rue Saint Honoré
75001 Paris France

Attention of: Jeanne Hénin
E-mail: heninj@proparco.fr

For SIFEM - Swiss Investment Fund for Emerging Markets

Address: SIFEM AG c/o Obviam DFI AG
Bubenberplatz 11
3011 Bern Switzerland

Attention of: Florence Derron
Fax: +41 31 310 09 39
E-mail: fderron@obviam.ch

For Swedfund - Swedfund International AB

Address: Sveavägen 24-26
P.O. Box 3286
SE-103 65 Stockholm
Sweden

Attention of: Niclas During
Fax: +46 8 20 30 93
E-mail: niclas.during@swedfund.se

IN WITNESS WHEREOF, the parties, each acting through its duly authorized representative, have caused this Memorandum to be signed in their respective names as of the date first above written.

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ANNEX A

List of Harmonized Indicators, Definitions, and Units of Measurement

Indicator	Definition	Units
Cross Sector		
Direct Employment – Operations and Maintenance	Number of full-time equivalent employees as per local definition working for the client company or project at the end of the reporting period. This includes directly hired individuals and individuals hired through third party agencies as long as those individuals provide on-site services related to the operations of the client company. Also, this includes full-time equivalent worked by seasonal, contractual and part time employees. Part-time jobs are converted to full-time equivalent jobs on a pro rata basis, based on local definition (e.g., if working week equals 40 hours, a 24 hr/week job would be equal to 0.6 FTE job). Seasonal or short-term jobs are prorated on the basis of the portion of the reporting period that was worked (e.g., a full-time position for three months would be equal to a 0.25 FTE job if the reporting period is one year). If the information is not available, the rule-of-thumb is two part-time jobs equal a full-time job. <i>Note: employment for the purpose of the construction of the client company's hard assets is not to be included in this indicator. For such jobs, please use the indicator Direct Employment – Construction Phase.</i>	# FTE
Direct Employment – Construction Phase	Number of full-time equivalent construction workers employed for the construction of the company or project's hard assets during the reporting period. Part-time jobs for construction are converted to full-time equivalent jobs on a pro rata basis, based on local definition (e.g., if working week equals 40 hours, a 24 hr/week job would be equal to 0.6 FTE job; a full-time position for three months would be equal to a 0.25 FTE job if the reporting period is one year). If the information is not available, the rule-of-thumb is two part-time jobs equal a full-time job. <i>Note: employment for the client company's operations and maintenance is not to be included in this indicator. For such jobs, please use the indicator Direct Employment – Operations and Maintenance.</i>	# FTE
Payment to Gov't	All transfers to the government made by client company over the reporting period. At a minimum, this includes payments to the government in the form of corporate income or profit taxes. Additional forms of transfer to be reported as appropriate include (i) sales taxes, (ii) net VAT, (iii) royalties, (iv) dividends and related taxes, (v) management and/or concession fees, (vi) license fees, (vii) tax on payment of interest, and (viii) other material payments net of any direct subsidies received.	# currency
Agribusiness		
Farmers Reached	Number of farmers that are linked to the client company as suppliers, buyers, contractors or farming employees during the reporting period	#
Total Sales	Unit count (as applicable) and gross value of sales over the reporting period.	# & # currency

Indicator	Definition	Units
Students Enrolled	Number of students enrolled at the end the reporting period, both full-time and part-time, where each discrete student is counted regardless of number of courses	#
<i>Energy</i>		
Power Production	Energy delivered to offtaker(s) during the reporting period. Include footnote about energy type(s).	# GWh
<i>Financial Intermediation</i>		
Number & Amount of Outstanding Microfinance Loans¹	Number & amount of outstanding microfinance loans (as defined by each IFI) in client company portfolio at the end of the reporting period.	# & # currency
Number & Amount of Outstanding SME Loans²	Number & amount of outstanding Loans to SMEs (as defined by each IFI) in client company portfolio at the end of the reporting period.	# & # currency
Number & Amount of Outstanding Housing Loans	Number & amount of outstanding housing loans in a client company portfolio at the end of the reporting period. Housing loans include all mortgage instruments issued for the purchase or re-financing of housing, housing construction loans and home improvement loans where the housing serves as the collateral to which the financing relates.	# & # currency
<i>PE & Investment Funds</i>		
Investments	Number of investments and volume of invested capital on a cost at investment basis at the end of the reporting period	# & # currency

¹ An ongoing and separate study to determine global best practices for defining Microenterprises and SMEs is being undertaken by the Microfinance Exchange (MIX). Until a final recommendation arises from this ongoing study, the harmonization work recommends that the definition of Microenterprises and SMEs be left up to the IFI undertaking results tracking. This applies to both indicators for Microenterprise Loans and SME Loans.

² An ongoing and separate study to determine global best practices for defining Microenterprises and SMEs is being undertaken by the Microfinance Exchange (MIX). Until a final recommendation arises from this ongoing study, the harmonization work recommends that the definition of Microenterprises and SMEs be left up to the IFI undertaking results tracking. This applies to both indicators for Microenterprise Loans and SME Loans.

Indicator	Definition	Units
Investee Direct Employment - Operations and Maintenance	Number of full-time equivalent employees as per local definition working for the investor's client company or project at the end of the reporting period. This includes directly hired individuals and individuals hired through third party agencies as long as those individuals provide on-site services related to the operations of the client company. Also, this includes full-time equivalent worked by seasonal, contractual and part time employees. Part-time jobs are converted to full-time equivalent jobs on a pro rata basis, based on local definition (e.g., if working week equals 40 hours, a 24 hr/week job would be equal to 0.6 FTE job). Seasonal or short-term jobs are prorated on the basis of the portion of the reporting period that was worked (e.g., a full-time position for three months would be equal to a 0.25 FTE job if the reporting period is one year). If the information is not available, the rule-of-thumb is two part-time jobs equal a full-time job. <i>Note: employment for the purpose of the construction of the hard assets of an investor's client company is not to be included in this indicator. For such jobs, please use the indicator Investee Direct Employment – Construction Phase.</i>	#
Investee Direct Employment - Construction Phase	Number of full-time equivalent construction workers employed for the construction of the investor's client company or project's hard assets during the reporting period. Part-time jobs for construction are converted to full-time equivalent jobs on a pro rata basis, based on local definition (e.g., if working week equals 40 hours, a 24 hr/week job would be equal to 0.6 FTE job; a full-time position for three months would be equal to a 0.25 FTE job if the reporting period is one year). If the information is not available, the rule-of-thumb is two part-time jobs equal a full-time job. <i>Note: employment for the operations and maintenance of an investor's client company is not to be included in this indicator. For such jobs, please use the indicator Direct Employment – Operations and Maintenance.</i>	#
Health		
Patients Served	Number of patient consultations provided by the client company during the reporting period	#
Housing		
New Dwellings	Number of new residential dwellings (≥1 family per unit) constructed by the client company at the end of the reporting period	#
Improved Dwellings	Number of residential dwellings (≥1 family per unit) refurbished by the client company at the end of the reporting period	#
Information & Communication Technologies		
Number of Mobile Subscriptions	Number of mobile subscriptions (GSM, CDMA, BGAN, VSAT, EDGE, UMTS, WiMax, 3G, 4G, LTE, etc.) including voice and/or data at the end of the reporting period. Includes both post-pay and pre-pay subscriptions.	#
Number of Fixed Data Subscriptions	Number of fixed data subscriptions (ADSL, Broadband, Fibre, etc.) at the end of the reporting period. Includes both post-pay and pre-pay subscriptions.	#

Indicator	Definition	Units
Number of Fixed Voice Subscription	Number of fixed voice (telephone) subscriptions at the end of the reporting period. Includes both post-pay and pre-pay subscriptions.	#
<i>Industries & Services</i>		
Domestic Purchases	Value of company's purchases of goods and services from domestic suppliers (including raw materials, security, gardening, cleaning and marketing & research from local companies) during the reporting period.	# currency
Total Sales	Unit count (as applicable) and gross value of sales over the reporting period.	# & # currency
Export Sales	Value of export sales of the product or service over the reporting period.	# currency
<i>Transportation</i>		
Containers Handled	Twenty foot equivalent units of cargo containers transported through the road/railway/port/airport over the last reporting period.	# TEUs
Bulk Cargo Handled	Tonnes of bulk cargo transported through the road/railway/port/airport over the last reporting period.	# tonnes
Passenger Use	Passengers using transportation service over the reporting period	#
<i>Waste & Sanitation</i>		
Waste Disposed	Amount of waste disposed over the reporting period.	# t
Wastewater Treated	Volume of wastewater treated over the reporting period.	# m ³
<i>Water</i>		
Potable Water Produced	Volume of potable water produced during the reporting period	# m ³