
Multilateral Cooperation Center for Development Finance (MCDF)
Frequently Asked Questions
July 2020

1. What is the MCDF?

The Multilateral Cooperation Center for Development Finance (MCDF) is a multilateral initiative to increase high-quality infrastructure and connectivity investments in developing countries in compliance with International Financial Institution (IFI) standards by encouraging other investors and financial institutions to adopt such standards. It will build capacity to implement these standards by financing project preparation activities for connectivity infrastructure and through capacity building and information sharing activities.

The MCDF is designed to reinforce the numerous existing global, regional and sectoral initiatives established in response to the need for more connectivity infrastructure in the world. These present a range of inter-governmental arrangements, frameworks, mechanisms and funding instruments.

The MCDF is also intended to support implementation of the G20 Quality Infrastructure Principles, the UN Agenda 2030 and its Sustainable Development Goals (SDGs), as well as the Paris Climate Agreement.

2. How is the MCDF structured?

The MCDF is comprised of:

- a. An **MCDF Collaboration Platform** to promote communication and collaboration among the IFIs and other development partners about their plans and activities relating to infrastructure and connectivity investment. The Collaboration Platform will promote information sharing and exchange of best practices and will benefit from a suite of collaborative tools and data.
- b. An **MCDF Finance Facility** supported by grants from contributors to support activities of the MCDF. Activities funded by the Finance Facility will be carried out by IFIs that are accredited by the MCDF. The IFIs will carry out all funded activities in accordance with their respective policies and procedures, which include IFI standards.
- c. A **Secretariat** to support the day to day operations of the MCDF.

- d. An **Administrator** to provide other, mainly financial, services to the MCDF, including the establishment and hosting of the MCDF Secretariat and establishing and managing an MCDF Account to hold the funds contributed to the MCDF Finance Facility.

3. Who is participating in the MCDF?

IFIs and Implementing Partners: Interested IFIs will be Implementing Partners of the MCDF if they have been accredited as a technical partner of the Global Infrastructure Facility or are accredited in accordance with a process and criteria to be approved by the Governing Committee in concurrence with the Administrator.

Contributors of Finance Facility: Any sovereign member of an accredited IFI Implementing Partner can contribute to the Finance Facility. Any other entity that shares the mission and the approach of the MCDF, including private sector entities, can also contribute, subject to approval by the Governing Committee of the Finance Facility and the Administrator.

Beneficiary Countries: MCDF-financed activities will provide financing for activities that promote the economic development and welfare of low- and middle-income countries. Financing can also be carried out for the benefit of countries that have an active country program with an IFI Implementing Partner.

New Partners financial institutions as well as investors, state-owned or private, that are not currently generally applying accredited IFI standards, and are based in recipient countries of the IFI Implementing Partners.

4. What types of activities will the MCDF finance?

The following categories of activities will be financed to support high-quality infrastructure and connectivity investments:

- a) information sharing activities.
- b) capacity building activities to enhance relevant know-how, institutional capacity, and regulatory reform of developing countries and their development partners in areas including, but not limited to:
 - (i) anti-corruption.
 - (ii) debt sustainability.
 - (iii) environmental and social frameworks.

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- (iv) financial and operational performance improvements.
 - (v) gender equality.
 - (vi) inclusion.
 - (vii) investment climate.
 - (viii) investment cycle capacity building that enhances the integration of standards.
 - (ix) procurement.
 - (x) risk management, including risks related to environment and greenhouse gas emissions.
 - (xi) trade facilitation.
- c) project preparation activities including, but not limited to:
- (i) pre-feasibility and feasibility activities and studies.
 - (ii) debt sustainability assessments.
 - (iii) environmental and social assessments.

5. How will the MCDF contribute to the global recovery from the impacts of COVID-19?

IFIs have agreed that the MCDF can make a significant contribution to post-COVID-19 pandemic recovery. The Secretariat will encourage IFIs to prepare project proposals that are integrated with recovery efforts. IFIs have already begun to consider how to maximize the tools offered by the MCDF in their COVID-19 recovery investments, and they are expected to develop these ideas into proposals for MCDF funding.

6. How does a country/organization make a contribution to the MCDF Finance Facility?

Any country that is a member of an accredited IFI Implementing Partner may contribute grant resources to the MCDF Finance Facility. Other entities, including the private sector, interested in making a contribution to the MCDF should approach the Secretariat to discuss its contribution. New contributors are subject to approval by the Governing Committee, in concurrence with the Administrator.