

**Memorandum of Understanding to Strengthen Infrastructure  
Investment and Energy Cooperation between the Department of Energy  
of the United States of America and the Department of Treasury of the  
United States of America, on the one side, and the National Secretariat of  
Energy of the Republic of Panama and the Ministry of Economy and  
Finance of the Republic of Panama, on the other side**

*Whereas*, the Department of Energy of the United States of America and the Department of Treasury of the United States of America, on the one side (the "U.S. Participant"), and the National Secretariat of Energy of the Republic of Panama and the Ministry of Economy and Finance of the Republic of Panama, on the other side (the "Panamanian Participant") (hereafter, referred to individually as a "Participant" and together as the "Participants"), seek to strengthen cooperation on infrastructure investment and energy security between the two countries;

*Recognizing* that the energy security of the United States and Panama reinforce each other;

*Observing* that further integration of the North American energy market will enhance the energy security of the United States and Panama and promote economic prosperity across the continent;

*Reaffirming* the shared interest in promoting market-based economic growth;

*Mindful* that investments in energy infrastructure are expected to increase the resilience and reliability of the Participants' national energy systems, and help counter threats posed by supply disruptions from natural and manmade events, including cyber-security threats;

*Emphasizing* that open, competitive, reliable, and resilient markets enhance security, promote efficiency, and lead to environmental benefits in North and Central America, as well as globally; and

*Underscoring* that universal access to affordable, reliable energy helps eradicate poverty and stimulates economic growth.

The Participants have reached the following understandings:

## **SECTION 1**

### **OBJECTIVES AND PURPOSE**

The objectives of this Memorandum of Understanding are to strengthen energy cooperation between the United States and Panama through the promotion of infrastructure investments; training to enhance the reliability, resilience, and efficiency of their national energy systems; and cooperation on capacity building and technical collaboration in public financial management and oversight of the financial sector.

To achieve these objectives, the Participants intend to engage in the following:

- Identify opportunities to improve and expand storage, transmission, and distribution infrastructure in the hydrocarbon and power sectors;
- Identify entry barriers into their energy markets and mechanisms to remove them;
- Facilitate the development and deployment of clean energy technologies through the full energy value chain;
- Identify steps to streamline the creation of cross-border and regional energy markets;
- Promote innovative financial instruments and facilities to support infrastructure projects;
- Catalyze private capital for the development of specific infrastructure projects;
- Adjust and strengthen emergency response protocols to improve the resilience and reliability of energy systems;
- Exchange know-how in the prevention of and response to cyber-security threats;
- Undertake comparative and joint energy system modeling, planning, and forecasting;
- Exchange experiences and best practices in the organization and development of competitive processes to secure open, transparent, and efficient participation in energy projects;
- Establish programs for academic institutions and not-for-profits to develop legal, regulatory, and policy roadmaps for regulatory harmonization;
- Coordinate training and encourage professional interactions to promote the development of infrastructure projects that improve national energy systems and facilitate cross-border trade; and
- Other areas mutually identified by the Working Group (as defined below) as important to carry out the objectives of this Memorandum of Understanding.

The Participants also intend to achieve these objectives by developing financial capacity-building and technical collaboration programs, as mutually determined, including:

- Programs to strengthen financing for infrastructure development, including energy, road, rail, water, port, and airports projects, through:
  - Project finance and capital market expansion;
  - Relevant commodities market development, such as energy markets;
  - Alignment of electric power trading rules and technical systems;
  - Project preparation, tendering, vetting, and monitoring;
  - Policy and regulatory reforms to encourage investment in energy and energy infrastructure (to include unconventional oil and gas, gas pipelines, geothermal power, gas-fired power, electric power transmission and interconnection, renewable energy, and refined products);
  - Analysis of contingent government liabilities; and
  - Mobilization of private sector capital.

## **SECTION 2**

### **IMPLEMENTATION**

For the implementation of this Memorandum of Understanding, the Participants intend to establish a working group ("Working Group"), consisting of members mutually acceptable to the Participants. The Working Group is expected to be jointly coordinated by a Legal Advisor of the National Secretariat of Energy of Panama; an Advisor of the Ministry of Economy and Finance of Panama; a Chief of Staff and Senior Advisor of the Office of International Affairs at the Department of Energy of the United States; and a Deputy Assistant Secretary for International Affairs at the Department of Treasury of the United States (collectively, the "Main Coordinators").

The Main Coordinators are expected to oversee the activities of the Working Group and coordinate on issues related to its functions and organization.

The United States Department of the Treasury, Office of Technical Assistance, working jointly with the Ministry of Economy and Finance of Panama and other ministries and institutions, as appropriate, intends to develop the financial capacity-building and technical collaboration programs contemplated under this Memorandum of Understanding.

Each Participant intends to submit a work plan for achievement of the objectives of this Memorandum of Understanding to the Main Coordinators within thirty (30) calendar days of the effective date of this Memorandum of Understanding.

The Participants intend to work together and cooperate in good faith to support the programs and projects decided by the Working Group and to facilitate the implementation, authorization, and enablement of such programs and projects, consistent with their national law.

## **SECTION 3**

### **RESPONSIBILITIES OF THE WORKING GROUP**

The Working Group is expected to carry out the following:

- Administer and facilitate this Memorandum of Understanding;
- Coordinate action on a U.S.-Panama Infrastructure Investment and Energy Cooperation Initiative that is based on the themes outlined in Section 1 herein and as further determined by the Working Group;
- Coordinate action on any other initiatives decided upon by the Participants;
- Establish mechanisms of coordination, as appropriate and necessary, among federal, state, and local entities to effectively carry out the identified areas of cooperation;
- Identify additional areas of cooperation that would advance the purpose and objectives of this Memorandum of Understanding;

- Adopt rules of procedure, that provide for at least three (3) meetings during the first year, the first such meeting to take place within thirty (30) calendar days of the effective date of this Memorandum of Understanding, and thereafter as determined by the Participants;
- Adopt decisions and recommendations by consensus;
- Establish subgroups or other operating modalities, as necessary for its proper functioning; and
- Any other responsibilities set out in writing between the Participants.

## **SECTION 4**

### **INFORMATION**

To the extent consistent with their national law, each Participant intends to maintain as confidential all information received from the other Participant and identified as confidential.

## **SECTION 5**

### **FUNDING AND LIABILITY**

All costs and liabilities incurred in connection with the activities contemplated by this Memorandum of Understanding are intended to be the responsibility of the Participant that incurs them.

## **SECTION 6**

### **PERSONNEL ENTRY AND DEPARTURE**

The Participants intend to facilitate the entry, stay, and departure of personnel engaged in cooperation activities under this Memorandum of Understanding, in accordance with their national law.

## **SECTION 7**

### **DISPUTES**

The Participants intend to resolve, in good faith and through consultation, any differences arising out of or in relation to this Memorandum of Understanding.

## **SECTION 8**

### **APPLICABLE LAW**

Cooperation activities under this Memorandum of Understanding are intended to be carried out by each Participant in accordance with its national law.

## **SECTION 9**

### **NOTICES/DESIGNATED REPRESENTATIVES**

All notices and communications in connection with this Memorandum of Understanding are expected to be delivered to the designated representative for each Participant, as set forth below.

For the United States:

The Office of Investment, Energy, and Infrastructure  
U.S. Department of the Treasury  
1500 Pennsylvania Avenue, NW  
Washington, DC 20220

For Panama:

Office of the Vice Minister of Economy  
Ministry of Economy and Finance  
Via España and 52nd E Street  
Ogawa Building, 3rd Floor  
Panama City, Panama

Office of the Secretary  
National Secretariat of Energy  
50 E and 74th Street  
Building 909, 11th Floor  
Panama City, Panama

## **SECTION 10**

### **GENERAL PROVISIONS**

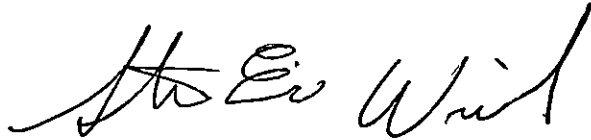
This Memorandum of Understanding is effective from the date of the final signature until it is discontinued by mutual decision of the Participants or by either Participant providing written notice to the other. The Participants may modify this Memorandum of Understanding at any time, by mutual written decision.

Discontinuation of this Memorandum of Understanding is not intended to affect the activities that the Participants had already undertaken thereunder, unless the Participants state their intent otherwise in writing.

This Memorandum of Understanding does not create binding obligations for the Participants under international law.

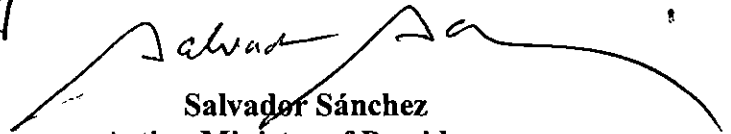
Signed on this 17th day of August 2018, in duplicate, in the English and Spanish languages. In the event of any discrepancies or inconsistencies, the Participants intend that the English version of this Memorandum of Understanding prevail in all respects.

**FOR THE DEPARTMENT OF  
ENERGY OF THE UNITED STATES  
OF AMERICA**



**Steve Winberg  
Assistant Secretary of Energy  
Department of Energy**

**FOR THE NATIONAL  
SECRETARIAT OF ENERGY OF THE  
REPUBLIC OF PANAMA**



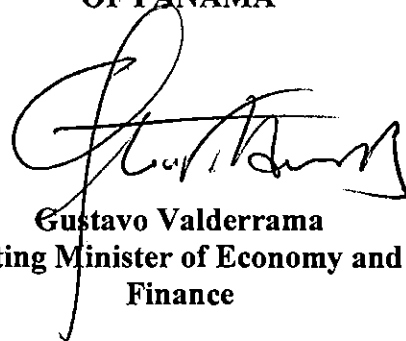
**Salvador Sánchez  
Acting Minister of Presidency**

**FOR THE DEPARTMENT OF  
TREASURY OF THE UNITED  
STATES OF AMERICA**



**David Malpass  
Under Secretary for International  
Affairs  
Department of the Treasury**

**FOR THE MINISTRY OF ECONOMY  
AND FINANCE OF THE REPUBLIC  
OF PANAMA**



**Gustavo Valderrama  
Acting Minister of Economy and  
Finance**