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MTO No.069030

# **Financial Procedures Agreement**

**between**

**THE INTERNATIONAL FEDERATION OF RED CROSS AND RED CRESCENT  
SOCIETIES**

**as Responding Agency for  
the Pandemic Emergency Financing Facility**

**and**

**THE INTERNATIONAL BANK FOR RECONSTRUCTION  
AND DEVELOPMENT**

**as Trustee of  
the Pandemic Emergency Financing Facility Trust Fund**

Dated April 15, 2020

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## **FINANCIAL PROCEDURES AGREEMENT**

**FINANCIAL PROCEDURES AGREEMENT** (hereinafter this “Agreement”) dated April 15, 2020, between the International Bank for Reconstruction and Development (the “World Bank”), acting as trustee (the “Trustee”) of the Pandemic Emergency Financing Facility (the “PEF”) Trust Fund, MTO No. 069030 (the “Trust Fund”), and the International Federation of Red Cross and Red Crescent Societies, acting as Responding Agency of the PEF (the “Responding Agency”, and together with the Trustee, collectively, the “Parties” and each a “Party”).

### **PREAMBLE**

**WHEREAS**, following the approval by the Executive Directors of the World Bank on May 3, 2016, the PEF has been established as a financing arrangement entailing a trust fund in the form of a financial intermediary fund administered by the World Bank as Trustee, and through which funds may be made available to governments, multilateral agencies, non-governmental organizations and others responders to support efforts to respond to high-severity infectious disease outbreaks before they turn into pandemic;

**WHEREAS**, the PEF will operate in accordance with the objectives, governance arrangements and other terms and conditions set out in the Pandemic Emergency Financing Facility Framework, which was adopted by the Steering Body of the PEF on June 27, 2017, as the same may be amended from time to time in accordance with its terms (the “PEF Framework”);

**WHEREAS**, the Trustee has established the Trust Fund to support the purposes and objectives of the PEF;

**WHEREAS**, the International Federation of Red Cross and Red Crescent Societies is an international organization headquartered in Geneva on the basis of a status agreement executed with the Swiss Federal Council. The Federation serves the world’s largest humanitarian network of 192 National Red Cross Red Crescent Societies and over 17 million volunteers that act before, during and after disasters and health emergencies to meet the needs and improve the lives of vulnerable people without discrimination as to nationality, race, religious beliefs, class or political opinions. The Federation’s objective is to "inspire, encourage, facilitate and promote at all times all forms of humanitarian activities by the National Societies, with a view to preventing and alleviating human suffering and thereby contributing to the maintenance and the promotion of peace in the world";

**WHEREAS**, the International Federation of Red Cross and Red Crescent Societies is identified as a Responding Agency of the PEF to participate in and carry out PEF activities under the Responding Implementation Modality in accordance with the PEF Framework, and in such a capacity, wishes to access to Trust Fund resources in accordance with the terms of this Agreement; and

**WHEREAS**, the Trustee and the Responding Agency now wish to enter into this Agreement relating to the arrangements for the commitment and transfer of Trust Fund resources to the Responding Agency and the administration and use of such resources by the Responding Agency.

**NOW, THEREFORE**, the Trustee and the Responding Agency hereby agree as follows:

## **1. DEFINITIONS**

**Section 1.1.** Unless the context otherwise requires, the several terms defined in the Preamble to this Agreement shall have the respective meanings set forth therein and the following additional terms shall have the following meanings:

“Agency Fee” means the amount of Trust Fund resources allocated to the Responding Agency as a fee to cover the Responding Agency’s costs in respect of services performed by the Responding Agency in connection with managing the RA Trust Fund/Account and a Response Activity for which an PEF Allocation is made. For the avoidance of doubt, the Responding Agency’s costs covered by the Agency Fee do not include direct project costs that are covered through the Allocation made for Response Activities;

“Authorized Officer” means a person who is authorized to sign in the name and on behalf of the Responding Agency for purposes of this Agreement;

“Cash Transfer Request” means a request submitted by the Responding Agency to the Trustee for a transfer of Trust Fund funds to the Responding Agency;

“Contribution Agreement” means a contribution agreement or arrangement entered into between the Trustee and a Contributor with respect to the Trust Fund;

“Contributor” means any donor that provides any financial contribution to the Trust Fund;

“Dollars” or “US\$” means the lawful currency of the United States of America;

“Eligible Activity/Activities” means an activity the payment for which meets the eligible activity requirements set out in the Operations Manual and which is consequently eligible for financing out of the Trust Fund resources provided for Response Activity;

“Holding Currency of the Trust Fund” means Dollars;

“Letter of Commitment” means a letter from the Trustee to the Responding Agency confirming a commitment of Trust Fund resources allocated for the Responding Agency and/or a cancellation of the previously made commitment of Trust Fund resources;

“Operations Manual” means the operations manual of the PEF adopted by the Steering Body, as the same may be amended from time to time in accordance with its provisions and the provisions of the PEF Framework;

“PEF Allocation” means any of PEF Cash Window Allocation and PEF Insurance Window Allocation;

“PEF Cash Window” has the meaning assigned thereto in the PEF Framework;

“PEF Cash Window Allocation” means an allocation of PEF funding under the PEF Cash Window;

“PEF Coordinator” has the meaning assigned thereto in the PEF Framework;

“PEF Eligible Country”: has the meaning assigned thereto in the PEF Framework;

“PEF Financial Reporting Year” means from July 1 to June 30 of each calendar year;

“PEF Insurance Window” has the meaning assigned thereto in the PEF Framework;

“PEF Insurance Window Allocation”: means an allocation of PEF funding under the PEF Insurance Window;

“PEF Term” has the meaning assigned thereto in the PEF Framework;

“RA Trust Fund/Account” means the trust fund or account, as applicable, established and administered by the Responding Agency in accordance with its policies and procedures for the purposes of receiving, holding in trust and administering Trust Fund funds transferred by the Trustee to the Responding Agency under this Agreement;

“Request for Funds” means a written application submitted or to be submitted by any PEF Eligible Country or Responding Agency to the PEF Coordinator, requesting a PEF Allocation;

“Response Activities” means an activity, a set of activities or a part thereof, carried out or to be carried out for the purpose of responding to the relevant infectious diseases outbreak, and for which an PEF Allocation is made;

“Responding Agency” means, for the purpose of this Agreement, the International Federation of Red Cross and Red Crescent Societies, acting as Responding Agency of the PEF. For the avoidance of doubt, the World Bank does not act on behalf or be responsible for other responding agencies of the PEF;

“Responding Agency Implementation Modality” has the meaning assigned thereto in the PEF Framework;

“Steering Body” has the meaning assigned thereto in the PEF Framework;

“Trust Fund Closing Date” means the date which falls six (6) months prior to the Trust Fund End Disbursement Date;

“Trust Fund End Disbursement Date” means the End Disbursement Date of the Trust Fund set out in the Contribution Agreements, which is April 30, 2021, as such date may be extended in accordance with the terms of the Contribution Agreements;

“Unused Funds” means any amount of Trust Fund funds, for which: (a) the Trustee has committed to the Responding Agency under this Agreement, but (b) no further expenditure or disbursement is due to be incurred or made by the Responding Agency (including, but not limited to, due to a completion, cancellation or amendment of the relevant Response Activity); and

“Window” means any of the PEF Cash Window and the PEF Insurance Window.

**Section 1.2.** References in this Agreement to Sections and Annexes are to the Sections of, and the Annexes to, this Agreement. The headings of the Sections and Annexes are inserted in this Agreement for reference only and shall not be taken into consideration in interpreting this Agreement.

## **2. COMMITMENT AND TRANSFER OF FUNDS BY THE TRUSTEE**

**Section 2.1.** Unless otherwise agreed between the Trustee and the Responding Agency, the following procedures shall apply to the commitments of Trust Fund resources by the Trustee to the Responding Agency:

(a) PEF Allocations may be made by the PEF to the Responding Agency for Response Activities under the Responding Agency Implementation Modality and/or Agency Fees, as applicable, pursuant to the terms of the PEF Framework and the Operations Manual, based on Requests for Funds submitted by the Responding Agency to the PEF Coordinator. The Responding Agency may submit a Request for Funds at any time during the term of this Agreement until one (1) month prior to the Trust Fund Closing Date in accordance with the terms of the PEF Framework and the Operations Manual.

(b) Subject to the availability of applicable resources in the Trust Fund as determined by the Trustee, and upon notification by the PEF Coordinator to the Trustee of the amount of PEF Insurance Window Allocation, or as the case may be, PEF Cash Window Allocation, to the Responding Agency for a Response Activity and/or Agency Fee, as applicable, the Trustee shall commit Trust Fund resources to the Responding Agency in the amount so notified by the PEF Coordinator for the Response Activity and/or Agency Fee for which a PEF Allocation has been made.

(c) The Trustee shall confirm the commitment of Trust Fund resources to the Responding Agency by means of a Letter of Commitment, which shall be substantially in the form attached to this Agreement as Annex A (Form of Letter of Commitment). The Trustee shall make any such commitment in the Holding Currency of the Trust Fund.

(d) The amount of Trust Fund resources committed by the Trustee to the Responding Agency may be adjusted as follows:

(i) the amount of Trust Fund resources committed by the Trustee to the Responding Agency under Section 2.1 (b) above for a Response Activity shall be cancelled to the extent of Unused Funds from that Response Activity. The Trustee shall cancel and deduct the amount of Unused Funds from the amount previously committed by the Trustee under Section 2.1.(b) above based on the information provided by the Responding Agency whether under Section 5.1 or Section 9.2.(b) below; and

(ii) the amount of Trust Fund resources committed by the Trustee to the Responding Agency for an Agency Fee under Section 2.1.(b) above shall be cancelled to the extent of the amount of the Agency Fee that has been cancelled in accordance with Section 5.5 below. The Trustee shall cancel and deduct the amount of cancelled Agency Fees from the amount previously committed by the Trustee under Section 2.1.(b) above based on the information provided by the Responding Agency under Section 5.5. below.

(e) The Trustee shall confirm the cancellation of Trust Fund resources committed by the Trustee by means of a Letter of Commitment.

**Section 2.2.** Unless otherwise agreed between the Trustee and the Responding Agency, the following procedures shall apply to the transfers of Trust Fund funds by the Trustee to the Responding Agency:

(a) The Responding Agency may request a transfer(s) of Trust Fund funds for a Response Activity and/or Agency Fee: (i) at any time after the Trustee has committed Trust Fund resources for such activity and/or fee under Section 2.1(b) above, and (ii) up to the amount committed by the Trustee in respect of that Response Activity and/or Agency Fee. Any such request by the Responding Agency shall be submitted to the Trustee in accordance with Sections 2.2 (b) and (c) below.

(b) The Responding Agency shall submit, by email, facsimile or as otherwise agreed with the Trustee, a Cash Transfer Request to the Trustee. Each Cash Transfer Request shall be substantially in the form

attached to this Agreement as Annex B (Form of Cash Transfer Request), signed by the Authorized Officer, and shall indicate *inter alia* the following:

- (i) the name of the Response Activity for which a cash transfer is requested (or with which a request is associated in the case that the request is for an Agency Fee), and the Window pertaining to that Response Activity or Agency Fee;
- (ii) the amount of cash requested to be transferred for a Response Activity or Agency Fee, as the case may be, which shall not exceed the amount equal to: (A) the net cumulative amount of Trust Fund funds committed by the Trustee for that Response Activity or Agency Fee, less (B) the net cumulative amount of Trust Fund funds previously transferred to the Responding Agency for that Response Activity or Agency Fee, as of the date of the request; and

(c) Following receipt by the Trustee of a completed Cash Transfer Request, the Trustee shall verify that the amount requested by the Responding Agency does not exceed the amount equal to: (i) the net cumulative amount of commitment by the Trustee for the relevant Response Activity or Agency Fee, less (ii) the net cumulative amount of Trust Fund funds transferred by the Trustee to the Responding Agency for that Response Activity or Agency Fee. Upon such verification and subject to the availability of applicable funds in the Trust Fund as determined by the Trustee, the Trustee shall transfer to the Responding Agency the amount of funds requested by the Responding Agency in each Cash Transfer Request.

(d) Transfer of Trust Fund funds from the Trustee to the Responding Agency shall be made to the depository account designated by the Responding Agency in the relevant Cash Transfer Request, and shall be made in the same currency as indicated in the Letter of Commitment unless otherwise agreed by the Trustee. The Trustee shall notify the Responding Agency of each such transfer.

**Section 2.3.** Upon transfer of funds by the Responding Agency, neither the Trustee nor the PEF Coordinator shall have any responsibility, fiduciary or otherwise, for the use of Trust Fund funds transferred and activities carried out therewith, nor shall it have any responsibility for collection of any funds due to the Responding Agency from any recipient of Trust Fund funds or any other entities, and nothing in this agreement shall be interpreted otherwise. The Responding Agency shall be responsible for reporting to the Steering Body on the use of Trust Fund funds transferred to it (including any collection of funds from any recipient of Trust Fund funds or any other entities) and its activities carried out therewith as set out in Section 10.2 below.

### **3. ADMINISTRATION OF THE RA TRUST FUND/ACCOUNT BY RESPONDING AGENCY**

**Section 3.1.** The Responding Agency shall, in accordance with the terms of this Agreement and the policies and procedures of the Responding Agency, establish and maintain the RA Trust Fund/Account to receive, hold in trust and administer Trust Fund resources (other than Agency Fees) transferred to it by the Trustee under this Agreement. In administering the RA Trust Fund/Account, the Responding Agency agrees that the resources held in the RA Trust Fund/Account shall be kept separate and apart from the funds of the Responding Agency. The Responding Agency shall maintain separate records and ledger accounts in respect of the funds transferred to the RA Trust Fund/Account and disbursements made therefrom.

**Section 3.2.** The Responding Agency may convert funds received by it in the RA Trust Fund/Account into other currencies to facilitate their administration in accordance with the policies and procedures of the Responding Agency, but unless additional PEF Allocation is made by the Steering Body, shall not be entitled to receive any additional funding from the Trust Fund to cover any shortfalls where, as a result of

exchange rate fluctuations the funds prove to be insufficient to complete activities contemplated under the approval PEF Allocation.

#### **4. USE OF FUNDS BY RESPONDING AGENCY**

**Section 4.1.** Subject to other terms of this Agreement, the Responding Agency shall be responsible for the use of funds transferred by the Trustee and the activities carried out therewith in accordance with:

- (a) its policies and procedures, including but not limited to its procurement, financial management, disbursement and safeguard policies, its framework to prevent and combat fraud and corruption and its screening procedures to prevent the use of Trust Fund funds to finance terrorist activities, and
- (b) applicable terms and conditions under which funding from the PEF are made, including: (i) for the purpose for which they have been provided, and (ii) the applicable decision of the Steering Body, including the approval of the relevant Request for Funds, the applicable provisions of the PEF Framework and the Operations Manual, including Eligible Activities, based on which the concerned PEF Allocation has been made. For clarity, any amendment made to the PEF Framework and the Operations Manual after the date of Allocation shall not be retroactively applied to the PEF Allocation and related activities that had been approved prior to such date of amendment unless confirmation is received from the Responding Agency of the retroactive application of such amendment.

**Section 4.2.** If any change is proposed by the Responding Agency to a Funding Request with respect to Response Activities, which the Responding Agency determines it material in accordance with its policies and procedures, the Responding Agency shall consult with the Steering Body with respect to such material change.

**Section 4.3** The Responding Agency confirms that it has received a copy of the PEF Framework and the Operations Manual. If any amendment has been made to the PEF Framework and/or the Operations Manual after the date of this Agreement, the Trustee shall promptly notify the Responding Agency of such amendment. In case of a direct conflict between the terms of the PEF Framework or the Operations Manual and any specific requirements under the Responding Agency's applicable policies and procedures, the terms of the Responding Agency's applicable policies and procedures shall prevail, it being understood that the Responding Agency shall disclose to the Steering Body any inability to follow the PEF Framework or the Operations Manual, as the case may be.

**Section 4.4.** The Responding Agency:

- (a) shall use reasonable measures, in accordance with its policies and procedures, to ensure that the Trust Fund funds provided to it are used for intended purposes and not used for the purpose of any payment, if such payment is prohibited by a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations. Such measures shall include its screening procedures to prevent the use of Trust Fund funds to finance terrorist activity, in line with PEF participating countries obligations to give effect to the relevant decisions of the Security Council taken under Chapter VII of the Charter of the United Nations. The Parties acknowledge that this provision does not create any obligations of the Responding Agency under the anti-terrorist financing and asset control laws, regulations, rules and executive orders of an individual member country that may apply to a PEF participating country; and

- (b) acknowledges that the Trustee reserves the right to withhold any transfer of funds to the Responding Agency under this Agreement if a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations prohibits or restricts, in the Trustee's determination following consultation with the Responding Agency where practicable, a member State of the United Nations to make a payment to the Responding Agency.

**Section 4.5.** The Responding Agency shall ensure that any financing agreement that the Responding Agency may enter into with any recipient of Trust Fund resources is consistent with the terms and conditions under which such Trust Fund resources are provided under this Agreement. In accordance with its policies and procedures, the Responding Agency shall: (a) incorporate in such relevant financing agreement provisions requiring such recipient to ensure the use of Trust Fund funds for the intended purpose; and (b) be responsible for the monitoring, evaluation and reporting as set forth in this Agreement.

**Section 4.6.** The Responding Agency shall, consistent with its policies and procedures, take all appropriate measures to prevent corrupt, fraudulent, collusive, coercive and obstructive practices in connection with the use of the Trust Fund funds.

**Section 4.7.** If any Trust Fund funds transferred to the Responding Agency are not used in accordance with the terms of this Agreement, the Responding Agency shall take necessary actions within its control to address the matter in accordance with its policies and procedures, including using reasonable efforts to recover, and return to the Trustee, the funds that were misused. For the avoidance of doubt, , absent gross negligence or willful misconduct on the part of the Responding Agency, the Responding Agency shall not be required to return any such funds which are not recovered by the Responding Agency from a third party notwithstanding its reasonable efforts in accordance with its policies and standard procedures and without prejudice to or requiring waiver of its privileges and immunities.

## **5. UNUSED FUNDS FROM RESPONSE ACTIVITY**

**Section 5.1.** The Responding Agency shall notify the Trustee in writing of the amount of any Unused Funds, substantially in a form attached hereto as Annex C (Form of Notice of Unused Funds from Response Activity), as promptly as practicable after the relevant Response Activity is financially closed or cancelled.

**Section 5.2.** Any Unused Funds reported by the Responding Agency, whether under Section 5.1 or Section 9.2.(b), shall be reflected in cancellation of commitment by the Trustee pursuant to Section 2.1.(d). above

**Section 5.3.** If no further expenditure or disbursement is due to be incurred or made by the Responding Agency for any Trust Fund funds transferred to the Responding Agency in respect of any Response Activity under Section 2.2 above, the Responding Agency shall as promptly as practicable return to the Trustee any such Unused Funds (following, where relevant, their return to the Responding Agency by any recipient of PEF funds); provided that if so agreed with the Trustee, the Responding Agency may hold such Unused Funds in the RA Trust Fund/Account until such time that the Trustee requests the Responding Agency to return such Unused Funds.

**Section 5.4.** Any return of Unused Funds by the Responding Agency to the Trustee under Section 5.3 shall be made to such account as the Trustee may designate from time to time.

**Section 5.5.** Any cancellation of the amount of Agency Fee due to a cancellation or amendment of the Response Activity for which the Agency Fee is provided shall be calculated consistent with the Responding Agency's policies and procedures, and be reported by the Responding Agency to the Trustee in accordance with Section 9.2(b) below. Any cancellation of Agency Fee reported by the Responding Agency shall be



reflected in cancellation of commitment by the Trustee pursuant to Section 2.1.(d). above. If the Trust Fund funds have been transferred to the Responding Agency with respect to the cancelled amount of Agency Fee, the Responding Agency shall, in accordance with its policies and procedures, return the relevant amount to the Trustee, to such account as the Trustee may designate.

## **6. REFLOW OF FUNDS FROM RESPONSE ACTIVITY**

**Section 6.1.** If applicable to the Responding Agency, if any Trust Fund funds transferred to the Responding Agency for a Response Activity are used to provide financing, which generates any reflow of funds, and such reflow of funds are required to be returned to the Trust Fund pursuant to the terms of Request for Funds under which the PEF Allocation has been made, then the Responding Agency shall credit and hold the funds in the RA Trust Fund/Account (following their receipt by the Responding Agency), until the Trustee requests the Responding Agency to return them to the Trustee to such account as the Trustee may designate. The Responding Agency shall maintain a record of any such reflow of funds and report them to the Trustee in accordance with Section 9.2.(f). For the avoidance of doubt, the reflow of funds does not include Unused Funds.

## **7. EXERCISE OF CARE**

**Section 7.1.** The Responding Agency shall perform its functions as contemplated in this Agreement, and shall exercise the same degree of care and diligence in the discharge of its functions under this Agreement as it exercises with respect to the administration and management of [its own resources or any other funds administered by the Responding Agency as trustee, as applicable.

**Section 7.2.** Subject to the terms of this Agreement and in accordance with the Responding Agency's policies and procedures, the Responding Agency shall do any and all such acts as may be necessary or appropriate for the proper administration of the RA Trust Fund/Account, and shall be responsible for reporting to the Steering Body on the use of Trust Fund funds transferred to it and delivery of activities financed by them, in accordance with the terms of the Agreement.

**Section 7.3.** The Responding Agency acknowledges and agrees that:

(a) if the Steering Body reasonably determines through its decision by consensus after consultation with the Responding Agency, that (i) the Responding Agency failed to comply with its obligations under this Agreement to a material extent, and (ii) the Responding Agency and the Steering Body fail to agree on the measures to be taken or the Responding Agency fails to take relevant measures as may be agreed between the Steering Body and the Responding Agency in connection with (i) above, then after the expiry of the grace period notified by the Steering Body to the Responding Agency (which shall not be shorter than thirty (30) calendar days), the Steering Body may decide to suspend any future PEF Allocation or, as the case may be, any future commitment of Trust Fund resources (by providing an instruction to the Trustee, and upon such instruction, the Trustee will, notwithstanding Section 2, suspend any further commitment), to the Responding Agency until such time as the measures have been taken to resolve the matter;

(b) if (i) the Steering Body reasonably determines through its decision after consultation with the Responding Agency that: (x) the Responding Agency failed to comply with its obligations under this Agreement to a material extent, and (y) the Responding Agency failed to initiate, before the expiry of the grace period notified by the Steering Body to the Responding Agency (which shall not be shorter than thirty (30) calendar days), any relevant steps within its control in accordance with its policies and procedures to address such failure; or

if (ii) the Trustee has notified the Steering Body, after the expiry of the grace period set out in Section 9.6, of the Responding Agency's non-compliance under the said Section; then, in addition to Section 7.3(a) above, the Steering Body may instruct the Trustee to suspend any further cash transfer of Trust Fund resources to the Responding Agency. Upon such instruction by the Steering Body, the Trustee will, notwithstanding Section 2 above, suspend cash transfer of Trust Fund resources to the Responding Agency, until such time that the Trustee is notified by the Steering Body of its agreement with the Responding Agency that the non-compliance is reasonably addressed; provided always that the Trustee shall not suspend any cash transfer for any Cash Transfer Request that is made by the Responding Agency for PEF Activities, which are unaffected by Responding Agency's non-compliance.

(c) the Steering Body may review or evaluate activities financed by the RA Trust Fund/Account resources transferred to the Responding Agency at any time up to closure of the RA Trust Fund/Account; provided that: (a) the Steering Body shall have agreed with the Responding Agency on the scope, rationale and conduct of such review or evaluation, (b) unless otherwise agreed by the Responding Agency, the Responding Agency has received confirmation from the Steering Body that all associated costs, including any costs incurred by the Responding Agency, will be borne by the Trust Fund, and (c) the Responding Agency shall provide all relevant information within the limits of the Responding Agency's applicable policies and procedures, subject to Responding Agency's privileges and immunities. It is understood that any such review or evaluation will not constitute a financial, compliance or other audit of the Trust Fund or the RA Trust Fund/Account. Any findings resulting from the review and evaluation shall be shared with the Responding Agency. In no event shall such reviews and evaluation create an undue burden on the Responding Agency's or a Response Activity recipient's regular operations;

(d) if any Contributor becomes aware of information that indicates that any Trust Fund resources transferred to the Responding Agency are not used for intended purposes, such Contributor may notify the Steering Body and the Trustee of such information so that the Steering Body may consult with the Responding Agency and/or take an action as set forth in Section 7.3 above.

**Section 7.4.** For the avoidance of doubt, notwithstanding any suspension of any further PEF Allocation, commitment and/or cash transfer of Trust Fund resources to the Responding Agency under Sections 7.3 and 9.6, all the provisions of this Agreement shall continue in full force and effect except as specifically provided in this Agreement.

## **8. VERIFICATION OF INFORMATION BY THE TRUSTEE**

**Section 8.1.** For the purposes of verifying the amounts in connection with the commitment and transfer of Trust Fund funds by the Trustee under this Agreement, the Trustee shall rely upon the information provided in writing to the Trustee by the PEF Coordinator, and shall use any such information provided by the PEF Coordinator to verify the information provided by the Responding Agency, as necessary.

## **9. RECORDS AND REPORTING**

**Section 9.1.** Unless the Trustee and the Responding Agency agree otherwise, all financial accounts and reports related to the Trust Fund funds shall be expressed in Dollars.

**Section 9.2.** The Responding Agency shall provide the following financial information to the Trustee, prepared in accordance with the accounting and reporting procedures of the Responding Agency and provided in a form and means agreed upon with the Trustee:

- (a) *Disbursements by the Responding Agency:* Within forty-five (45) days after the end of each semester of each Financial Reporting Year (or such other frequency agreed upon with the Trustee), the amounts of disbursements made or expenditures incurred by the Responding Agency in respect of each PEF Allocation, for the period reported, broken down by each Window and each PEF Allocation, substantially in the form attached to this Agreement as Annex D (Form of Report on Disbursements of PEF Funds);
- (b) *Cancellations and Closures of PEF Activities:* Within thirty (30) days after the end of each Financial Reporting Year (or such other frequency agreed upon with the Trustee), (i) the dates and amounts of cancellations of PEF Activities and Agency Fee, if applicable, and the amounts of Unused Funds from the relevant PEF Allocations , and (ii) the dates on which PEF Activities are financially closed, the final amounts disbursed and/or expended, and the amounts of Unused Funds from the relevant PEF Allocations, both for the period reported, broken down by each Window and each PEF Allocation, substantially in the form attached to this Agreement as Annex E (Form of Annual Report on Cancellations and Closures of PEF Activities);
- (c) *Investment income earned:* Within thirty (30) days after the end of each PEF Financial Reporting Year (or such other frequency agreed upon with the Trustee), investment income earned on the Trust Fund funds credited to the RA Account(s); and investment income returned to the Trustee, substantially in the form attached to this Agreement as Annex F (Form of Annual Investment Income Report);
- (d) *Financial reports:* Within six (6) months after the end of the fiscal year of the Responding Agency, an annual financial report of the RA Trust Fund/Account, audited or unaudited as agreed to with the Responding Agency and the Steering Body;
- (e) *Final financial report:* Within six (6) months after the later of the termination of this Agreement and the completion of winding up activities under Section 13.2 below, a final financial report of the RA Trust Fund/Account, audited or unaudited as agreed to by the Responding Agency and the Steering Body; and
- (f) Such other financial information related to the Trust Fund resources transferred to the Responding Agency, as may be reasonably requested by the Trustee from time to time; provided that such information are available in accordance with the policies and procedures of the Responding Agency.

**Section 9.3.** The Responding Agency shall, in accordance with the PEF Framework and the Operations Manual, report to the Steering Body through the PEF Coordinator on the use of Trust Fund funds transferred to it and activities financed by them, and provide them with narrative implementation reports for Response Activities.

**Section 9.4** In the case that the Responding Agency and the Steering Body agree to the auditing of a financial statement of the Responding Agency Trust Fund/Account under Section 9.2(d) or (e) above, unless otherwise agreed between the Responding Agency and the Steering Body, the Responding Agency shall arrange for such external audit in accordance with the Responding Agency's policies and procedures, but subject to confirmation from the Steering Body that the costs of such audit, including the internal costs of the Responding Agency with respect to such audit, will be borne by the Trust Fund.

**Section 9.5.** The Responding Agency shall provide the Trustee with a list containing the names and signatures of the Authorized Officers of the Responding Agency, substantially in the form attached to this

Agreement as Annex G (Form for Authorized Signatories), as such list shall be revised from time to time as necessary and kept current at all times.

**Section 9.6.** If the Responding Agency fails to provide to the Trustee any financial information in accordance with Section 9.2 (a) through (e) above, the Trustee shall promptly notify the Responding Agency in writing of such non-compliance. If the non-compliance has continued for a period of not less than thirty (30) calendar days after the written notification from the Trustee, the Trustee may inform the Steering Body, through the PEF Coordinator, of the non-compliance by the Responding Agency. The Responding Agency acknowledges and agrees that the Steering Body may consult with the Responding Agency and/or take an action as set forth in Section 9.4 above.

## 10. NOTICES

**Section 10.1.** All communications concerning this Agreement shall be made to the relevant person at the address, facsimile number, telephone number or electronic mail address as set out below, or at such other addresses or numbers as may be designated from time to time by that Party to the other in writing for that purpose.

(a) For the Trustee:

International Bank for Reconstruction and Development, as Trustee of the Pandemic  
Emergency Financing Facility (PEF) Trust Fund  
1818 H Street, NW  
Washington, DC 20433  
U.S.A.

Attention: Dirk Reinermann  
Director, Trust Funds and Partnerships  
Development Finance Vice Presidency

Telephone: +1 (202) 473-7414  
Facsimile: +1 (202) 522-0739  
E-mail: [peftrustee@worldbank.org](mailto:peftrustee@worldbank.org)

(b) For the Responding Agency:

International Federation of Red Cross and Red Crescent Societies  
Chemin des Crêts 17  
1209 Petit-Saconnex |  
Geneva  
Switzerland

Attention: Petra Demarin  
Senior Officer, Multilateral & IFI Partnerships

Telephone: + 41 22 730 4235  
Facsimile: +41 22 733 4200  
E-mail: [petra.demarin@ifrc.org](mailto:petra.demarin@ifrc.org)

## **11. DISPUTE RESOLUTION**

**Section 11.1.** The Responding Agency and the Trustee, in coordination with the Steering Body and the PEF Coordinator, as applicable, shall use their best efforts to amicably settle any dispute, controversy or claim arising out of or relating to this Agreement.

## **12. EFFECTIVENESS; AMENDMENT**

**Section 12.1.** This Agreement shall become effective as of the date it has been signed by the Parties.

**Section 12.2.** This Agreement may be amended at any time by the written agreement of the Trustee and the Responding Agency.

## **13. TERMINATION**

**Section 13.1.** Unless otherwise agreed by the Trustee, the Trustee may not transfer Trust Fund resources to the Responding Agency under this Agreement after the Trust Fund Closing Date.

**Section 13.2.** This Agreement shall terminate upon the occurrence of any of the following: (a) the expiry of the Trust Fund End Disbursement Date, or (b) unless otherwise agreed between the Trustee and the Responding Agency, sixty (60) days after the date of a decision by the Steering Body to terminate the Responding Agency's access to Trust Fund resources for any reason. Either Party may terminate this Agreement at any time before such date upon sixty (60) calendar days' prior written notice to the other.

**Section 13.3.** Notwithstanding termination of this Agreement, and unless the Trustee and the Responding Agency agree on another course of action:

- (a) if there are outstanding financial rights and/or obligations incurred by the Responding Agency in the implementation of activities for which Trust Fund funds have been committed or transferred by the Trustee under this Agreement prior to the termination of this Agreement, the provisions of this Agreement shall, subject to subparagraphs (b), (c) and (d) below, continue to apply to any such Trust Fund funds committed or transferred until the outstanding financial rights and obligations have been fully satisfied;
- (b) the Responding Agency shall take any appropriate actions for winding up their affairs in relation to the outstanding financial rights and/or obligations in an expeditious, practicable and reasonable manner, and furnish to the Trustee all outstanding financial reports under Section 9.2, including a final financial statement of the RA Trust Fund/Account under Section 9.2(e) above;
- (c) the Responding Agency shall continue to receive and credit to the RA Trust Fund/Account, any amounts due to the Responding Agency under any PEF Allocation until all relevant rights and/or obligations of the Responding Agency have been satisfied. The Responding Agency will credit to and hold in the RA Trust Fund/Account Unused Funds from any PEF Allocation and investment income earned on the RA Trust Fund/Account until all outstanding financial obligations incurred in the implementation of the activities have been satisfied; and
- (d) The Responding Agency shall return to the Trustee, in a manner agreed to with the Trustee, (i) any portion of the funds credited to the RA Trust Fund/Account and any investment income earned thereon remaining after all such financial obligations have been satisfied, and (ii) any other Trust Fund funds received by the Responding Agency after the termination of this Agreement, which are otherwise due to be returned to the Trustee under the terms of this Agreement.

## **14. DISCLOSURE**

**Section 14.1.** The Trustee and the Responding Agency agree that this Agreement will be made publicly available in accordance with their respective policies and procedures. Subject to Section 15.2, the Trustee may also disclose, in accordance with the World Bank Policy on Access to Information, any other information related to this Agreement submitted to the Trustee by the Responding Agency under this Agreement.

**Section 14.2.** If the Responding Agency provides any information to the Trustee in confidence under this Agreement in accordance with the Responding Agency's policy on disclosure of information, the Responding Agency shall clearly indicate or mark it in writing as confidential. The Trustee shall not disclose to the public such information indicated or marked in writing as confidential, unless the Responding Agency has given its prior written consent to such disclosure. The Trustee may share any such information with the Steering Body and/or any Contributor only with the understanding that the Steering Body and/or any Contributors shall not publicly disclose such information that has been indicated or marked in writing as confidential unless prior written consent has been obtained from the Responding Agency or the Contributors are otherwise obligated to do so under applicable laws with respect to information in their possession. Notwithstanding the foregoing, if at the time the Responding Agency provides any information to the Trustee under this Agreement the Responding Agency also notifies the Trustee in writing that any such information may not be shared with the Steering Body and/or any Contributor in accordance with the Responding Agency's policies, then the Trustee may not share such information with the Steering Body and/or the Contributor, unless the Responding Agency has given its prior written consent to such sharing.

**Section 14.3.** It is understood that the Responding Agency will share information with the Steering Body and/or any Contributor in accordance with its policies and procedures.

## **15. ENTIRE AGREEMENT**

**Section 15.1.** This Agreement constitutes the entire agreement and understanding of the Parties with respect to its subject matter and supersedes all oral communication and prior writings with respect thereto.

**Section 15.2.** a) Each of the Trustee and the Responding Agency shall be responsible only for performing their respective functions specifically set forth in this Agreement and will not be subject to any other duties or obligations that might otherwise apply to a fiduciary or trustee under general principles of trust or fiduciary law.

b) The Responding Agency acknowledges and accepts that this Agreement applies only to PEF Allocations allocated to the Responding Agency of and shall not apply to financing provided to the IFRC by the World Bank or the International Development Association (the "Association") out of their own resources or standard trust fund resources, which shall continue to be subject to the World Bank's and the Association's applicable policies and procedures.

**Section 15.2.** Nothing in this Agreement shall be considered a waiver of any privileges or immunities of the World Bank or the Responding Agency under their respective constituent document, international convention or any applicable law.

**16. EXECUTION IN COUNTERPARTS**

**Section 16.1.** This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument.

**IN WITNESS WHEREOF**, the undersigned, being duly authorized thereto, have signed this Agreement.

**INTERNATIONAL BANK FOR RECONSTRUCTION  
AND DEVELOPMENT, AS TRUSTEE OF THE  
PANDEMIC EMERGENCY FINANCING FACILITY  
TRUST FUND**



Dirk Reinermann  
Director  
Trust Funds and Partner Relations  
Development Finance

Date: 16-Apr-2020  
\_\_\_\_\_

**THE INTERNATIONAL FEDERATION OF RED CROSS  
AND RED CRESCENT SOCIETIES, AS RESPONDING  
AGENCY FOR THE PANDEMIC EMERGENCY  
FINANCING FACILITY**



Melker Mabeck  
Director  
Partnerships & Resource Development

Date: 20-Apr-2020  
\_\_\_\_\_

**Annex A**  
**Form of Letter of Commitment**

*[Date]*

*[Name of Responding Agency]*  
*[Title]*  
*[Address]*

Dear [Mr./Ms.] [\_\_\_\_\_]:

**The Pandemic Emergency Financing Facility (the “PEF”) Trust Fund (MTO No. 069030)**  
**Commitment and Cancellation of Commitment of Funds to [Name of Responding Agency] as**  
**Responding Agency of the PEF**

Reference is made to the Financial Procedures Agreement dated [xxx], between the International Bank for Reconstruction and Development (the “IBRD”), as Trustee of the Pandemic Emergency Financing Facility Trust Fund (the “Trust Fund”) (the "Trustee") and the *[Name of Responding Agency]*, as Responding Agency of the PEF (the “Responding Agency”) (the "Agreement").

**A. Commitment of Funds**

[In accordance with the terms of the Agreement, the Trustee hereby commits the sum of [US\$ \_\_\_\_\_] to the Responding Agency for the items listed in Attachment 1 attached hereto.

Funds will be transferred by the Trustee to the Responding Agency in accordance with the procedures set out in the Agreement.

**B. Cancellation of Commitment of Funds**

[In accordance with the terms of the Agreement, the Trustee hereby notifies you of commitment cancellations in the sum of [US\$ \_\_\_\_\_] for the items listed in Attachment 2 attached hereto.

Please inform us within [x] calendar days of receipt of this letter if any of the information provided herein is incorrect.

International Bank for Reconstruction and Development,  
as Trustee of the Pandemic Emergency Financing Facility  
Trust Fund

\_\_\_\_\_  
*[Name]*  
*[Title]*

Attachments



**Annex B**  
**Form of Cash Transfer Request**

**Pandemic Emergency Financing Facility Fund**

*[Responding Agency Name]*

**Cash Transfer Request for PEF [Response Activity / Agency Fees]**

As of [date] \_\_\_\_\_  
(in [US dollars])

| Trustee ID | [Responding Agency] ID | Response Activity Title | [Insurance or Cash] Window | Type a/                              | Net Trustee Commitment Amount b/ | Amount Transferred to date c/ | Amount of Cash Transfer Request |
|------------|------------------------|-------------------------|----------------------------|--------------------------------------|----------------------------------|-------------------------------|---------------------------------|
| (1)        | (2)                    | (3)                     | (4)                        | (5)                                  | (6)                              | (7)                           | (8)                             |
|            |                        |                         |                            | [Response Activity]<br>[Agency Fees] |                                  |                               |                                 |

**Total Cash Transfer Amount** \_\_\_\_\_

*a/ Cash transfers for the Response Activity and Agency Fees must be broken down by line item.*

*b/ This column represents the committed amount less cancelled amount of Trustee commitment.*

*c/ This column represents the cumulative amount transferred to the [Responding Agency Name] less amount of funds returned to the Trustee for the concerned Response Activity.*

**Bank Account Details**

Bank account name:

Bank account number:

Bank name:

Bank address:

Bank SWIFT code:

Bank code:

Routing instructions:

Signed \_\_\_\_\_ Date \_\_\_\_\_

Name \_\_\_\_\_

Title \_\_\_\_\_

**Annex C**  
**Form of Notice of Unused Funds from Response Activity**

**Pandemic Emergency Financing Facility Fund**

*[Responding Agency Name]*

**Notice of Unused Funds from PEF Activity**

As of [date] \_\_\_\_\_  
*(in [US dollars])*

| Trustee ID | [Responding Agency] ID | Response Activity Title | [Insurance or Cash] Window | Beneficiary Country or region | Type                                 | Net Trustee Commitment Amount<br>a/ | PEF Funding Transferred to Responding Agency | Used Amount | Final Unused Amount to be Returned | Activity Status<br>b/ | Activity Closure / Cancellation Date |
|------------|------------------------|-------------------------|----------------------------|-------------------------------|--------------------------------------|-------------------------------------|--|-------------|------------------------------------|-----------------------|--------------------------------------|
| (1)        | (2)                    | (3)                     | (4)                        | (5)                           | (6)                                  | (7)                                 | (8)  | (9)         | (10) = (8) - (9)                   | (11)                  | (12)                                 |
|            |                        |                         |                            |                               | [Response Activity]<br>[Agency Fees] |                                     |  |             |                                    |                       |                                      |

a/ This column represents the committed amount less cancelled amount of Trustee commitment.  
b/ Indicate if Financially Closed or Cancelled.

Signed \_\_\_\_\_ Date \_\_\_\_\_  
Name \_\_\_\_\_  
Title \_\_\_\_\_

**Annex D**  
**Form of Report on Disbursements of PEF Funds**

**Pandemic Emergency Financing Facility Fund**

*[Responding Agency Name]*

**Report on Disbursements of PEF Funds by Responding Agency**

**For the Semester Ended [date] \_\_\_\_\_**

*(in [US dollars])*

| Trustee ID | [Responding Agency] ID | Response Activity Title | [Insurance or Cash] Window | Beneficiary Country or region | Net Trustee Commitment Amount<br>a/ | PEF Funding Transferred to Responding Agency<br>b/ | Cumulative Disbursements since Inception<br>b/ | Disbursements during the Reporting Period<br>b/ | Funds not yet disbursed<br>b/ | Status |
|------------|------------------------|-------------------------|----------------------------|-------------------------------|-------------------------------------|--|--|---|-------------------------------|--------|
| (1)        | (2)                    | (3)                     | (4)                        | (5)                           | (6)                                 | (7)  | (8)  | (9)   | (10) = (7) - (8)              | (11)   |
|            |                        |                         |                            |                               |                                     |  |  |   |                               |        |

*a/ This column represents the committed amount less cancelled amount of Trustee Commitment.*

*b/ Excluding Agency Fees.*

Signed \_\_\_\_\_ Date \_\_\_\_\_

Name \_\_\_\_\_

Title \_\_\_\_\_

**Annex E**  
**Form of Annual Report on Cancellations and Closures of PEF Activities**

**Pandemic Emergency Financing Facility Fund**

*[Responding Agency Name]*

**Annual Report on Cancellations and Closures of PEF Activities**

**For the Year Ended [date] \_\_\_\_\_**  
*(in [US dollars])*

| Trustee ID | [Responding Agency] ID | Response Activity Title | [Insurance or Cash] Window | Beneficiary Country or region | Type                                 | Net Trustee Commitment Amount<br>a/ | PEF Funding Transferred to Responding Agency | Used Amount | Final Unused Amount | Amount Returned to the Trustee | Final Unused Amount to be Returned | Activity Status<br>b/ | Activity Closure / Cancellation Date |
|------------|------------------------|-------------------------|----------------------------|-------------------------------|--------------------------------------|-------------------------------------|--|-------------|---------------------|--------------------------------|------------------------------------|-----------------------|--------------------------------------|
| (1)        | (2)                    | (3)                     | (4)                        | (5)                           | (6)                                  | (7)                                 | (8)  | (9)         | (10) = (8) - (9)    | (11)                           | (12) = (10) - (11)                 | (13)                  | (14)                                 |
|            |                        |                         |                            |                               | [Response Activity]<br>[Agency Fees] |                                     |  |             |                     |                                |                                    |                       |                                      |

a/ This column represents the committed amount less cancelled amount of Trustee commitment.

b/ Indicate if Financially Closed or Cancelled.

Signed \_\_\_\_\_ Date \_\_\_\_\_  
 Name \_\_\_\_\_  
 Title \_\_\_\_\_

**Pandemic Emergency Financing Facility Fund**

*[Responding Agency Name]*

**Annual Investment Income Report**

**For the Year Ended [date] \_\_\_\_\_**  
*(in [US dollars])*

| Investment Income Earned for the Reporting Period | Cumulative Investment Income Earned to date | Cumulative Investment Income Transferred to Trustee to date | Balance payable to Trustee |
|---|---|---|----------------------------|
| (1)   | (2)   | (3)   | (4) = (2) - (3)            |
|   |   |   |                            |

Signed \_\_\_\_\_ Date \_\_\_\_\_  
Name \_\_\_\_\_  
Title \_\_\_\_\_

**Annex G**  
**Form for Authorized Signatories**

*[Date]*

International Bank for Reconstruction and Development,  
As Trustee of the Pandemic Emergency Financing Facility Trust Fund  
1818 H Street, NW  
Washington, DC 20433  
United States of America

Attention:        Director  
                    Trust Funds and Partnerships  
                    Development Finance Vice Presidency

Dear Director:

Re:        Financial Procedures Agreement between the Trustee of the Pandemic Emergency  
            Financing Facility Trust Fund (MTO No. 069030) and *[Name of Responding Agency]*

I refer to the Financial Procedures Agreement between the International Bank for Reconstruction and Development, as Trustee (the “Trustee”) of the Pandemic Emergency Financing Facility (the “PEF”) Trust Fund (the “Trust Fund”) and *[Name of Responding Agency]*, as Responding Agency for the PEF, dated \_\_\_\_\_ (the “Agreement”). For the purposes of the Agreement, any one of the persons whose authenticated specimen signatures appear below is authorized on behalf of the Responding Agency to sign any request or report under the Agreement:

*[Name], [Position]*                      Specimen Signature: \_\_\_\_\_

*[Name], [Position]*                      Specimen Signature: \_\_\_\_\_

*[Name], [Position]*                      Specimen Signature: \_\_\_\_\_

Yours truly,

\_\_\_\_\_  
*[Name]*  
*[Position]*