

FINANCIAL PROCEDURES AGREEMENT

between

THE INTER-AMERICAN DEVELOPMENT BANK

as Implementing Entity of the Pandemic Prevention, Preparedness and Response Trust Fund

and

**THE INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT**

as Trustee of

the Pandemic Prevention, Preparedness and Response Trust Fund

FINANCIAL PROCEDURES AGREEMENT

FINANCIAL PROCEDURES AGREEMENT (hereinafter the “Agreement”) dated 17-Mar-2023, between the International Bank for Reconstruction and Development (the “World Bank”), acting as Trustee (the “Trustee”) of the Pandemic Prevention, Preparedness and Response (“PPR”) Trust Fund, MTO No. 069037 (the “Trust Fund”), and the Inter-American Development Bank (“IDB”), acting as Implementing Entity of the PPR (the “Implementing Entity” or “IE”, and together with the Trustee, collectively, the Parties, or each, a Party).

PREAMBLE

WHEREAS, following the approval by the Executive Directors of the World Bank on June 30, 2022, the PPR was established with the objective to provide a dedicated stream of additional, long-term funding for critical pandemic prevention, preparedness and response functions in International Development Association (IDA) and International Bank for Reconstruction and Development (IBRD) countries, through investments and technical support at the national level, as well as at the regional and global levels;

WHEREAS, the PPR operates in accordance with the objectives, governance arrangements and other terms and conditions set out in the “Financial Intermediary Fund for Pandemic Prevention, Preparedness and Response Governance Framework” (the “Governance Framework”) and the “Financial Intermediary Fund for Pandemic Prevention, Preparedness and Response Operations Manual” (the “Operations Manual”), each adopted by the Governing Board of the PPR (the “Governing Board”) on September 8, 2022, and as may be amended from time to time in accordance with their respective terms;

WHEREAS, the Trustee has established the Trust Fund to support the purpose and objectives of the PPR;

WHEREAS, IDB is named as an Implementing Entity of the PPR, and in such a capacity, wishes to access Trust Fund resources in accordance with the terms of this Agreement; and

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

NOW, THEREFORE, the Trustee and the IDB 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:

“Allocation” means an allocation of PPR funds provided or to be provided under the Trust Fund pursuant to the terms of the Governance Framework.

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

“Cash Transfer Request” means a request submitted by the IE to the Trustee for a transfer of Trust Fund funds to the IE.

“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.

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

“Funding Request” means a written application submitted or to be submitted by the IE to the PPR requesting an Allocation.

“Governing Board” means the Governing Board of the PPR, as defined in the Governance Framework.

“Holding Currency of the Trust Fund” means United States dollar.

“Implementing Entity” or “IE” means for the purpose of this Agreement, IDB, acting as Implementing Entity of the PPR. For the avoidance of doubt, IDB does not act on behalf or be responsible for other implementing entities of the PPR.

“IE Fees” means the amount of Trust Fund resources allocated to the IE as a fee to cover the IE’s costs in respect of services performed by the IE in connection with managing the IE Trust Fund/Account and a PPR Activity for which an Allocation is made.

“IE Trust Fund/Account” means the trust fund or account, as applicable, established and administered by the IE 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 IE under this Agreement.

“Letter of Commitment” means a letter from the Trustee to the IE confirming a commitment of Trust Fund resources allocated for the IE in accordance with a decision of the Governing Board and/or a cancellation of the previously made commitment of Trust Fund resource.

“Secretariat” means the Secretariat of the PPR, as defined in the Governance Framework.

“Trust Fund Final Closing Date” means the date that is four (4) months after the last date on which any Return of Funds is scheduled to occur as notified by the Implementing Entities of PPR consistent with the pertinent PPR funding approved by the Governing Board.

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

“PPR Activity” means any project, program or activity for which an Allocation is made, based upon a Funding Request submitted by the IE.

“PPR Activity Recipient” means any entity, which receives funding for any PPR Activity, which is funded with the Trust Fund funds and which is provided by or through the IE under a separate arrangement entered into with the IE.

“PPR Reflow of Funds” means any payments of principal, interest, fee, reimbursement or any other reflow of funds generated from the loans and any other financial products that the IE extended with Trust Fund funds for PPR Activities, and excluding Unused Funds.

“PPR End Approval Date” means September 8, 2030, as such date may be extended in accordance with the terms of the Governance Framework.

“PPR Term” means the period ending on five (5) years (or such longer period as agreed by the Trustee) after the PPR End Approval Date, as the term is defined in the Governance Framework.

“Return of Funds” means any flow of PPR funds, which are due to be returned by an IE to the Trust Fund pursuant to this Agreement and consistent with the pertinent PPR funding approved by the Governing Board, including PPR Reflow of Funds.

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 IE, the following procedures shall apply to the commitment of Trust Fund resources by the Trustee to the IE:

(a) Allocations may be made by PPR to the IE for PPR Activities and/or IE Fees, as applicable, pursuant to the terms of the Governance Framework and the Operations Manual, based on a Funding Request submitted by the IE to PPR. The Governing Board may approve any Funding Request for Allocation until the PPR End Approval Date. The IE may submit a Funding Request at any time during the term of this Agreement until the PPR End Approval Date, in accordance with the procedures set out in the Governance 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 Secretariat to the Trustee of the amount of Allocation made to the IE for a PPR Activity and/or IE Fee, as applicable, the Trustee shall commit Trust Fund resources to the IE in the amount so notified by the Secretariat for the PPR Activity and/or IE Fee for which the Allocation has been made in accordance with a decision of the Governing Board.

(c) The Trustee shall confirm the commitment of Trust Fund resources to the IE on a semi-annual basis (or such other frequency as the Trustee and the IE may agree) 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 IE may be adjusted as follows:

(i) the amount of Trust Fund resources committed by the Trustee to the IE under Section 2.1 (b) above shall be cancelled to the extent of Unused Funds from PPR Activities. 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 IE in accordance with Section 5.1 below; and

- (ii) the amount of Trust Fund resources committed by the Trustee to the IE under Section 2.1 (b) above shall be cancelled to the extent of the amount of IE Fees that has been cancelled. The Trustee shall cancel and deduct the amount of cancelled IE Fees from the amount previously committed by the Trustee under Section 2.1.(b) above based on the information provided by the IE in accordance with 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 IE, the following procedures shall apply to the transfers of Trust Fund funds by the Trustee to the IE:

(a) The IE may request a transfer of Trust Fund funds for a PPR Activity and/or IE Fee after the Trustee has committed the Trust Fund resources for such activity and/or fee under Section 2.1(b) and (c) above. Any such request by the IE shall be submitted to the Trustee in accordance with Sections 2.2 (b) and (c) below.

(b) Every six months (or at such other frequency as the Trustee and the IE may agree), the IE 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 followings:

- (i) with respect to the PPR Activities:

- (A) the projected cash requirements for the PPR Activities;

- (B) the statement of the net cash position of the IE Trust Fund/Account (i.e., net cumulative Trust Fund funds received from the Trustee for the PPR Activities less net cumulative expenditures incurred and/or disbursements made by the IE for PPR Activities); and

- (C) the amount of cash requested to be transferred for PPR Activities;

- (ii) with respect to the IE Fees:

- (A) the net cumulative amount of Trust Fund funds received from the Trustee for IE Fees; and

- (B) the amount of cash requested to be transferred for IE Fees;

(c) The amount of cash requested for PPR Activities in a Cash Transfer Request under Section 2.2.(b)(i)(C) above shall: (i) be based on the projected cash requirements for the PPR Activities, for which the Trustee commitments have been made, for the six (6) month period (or such other frequency as the Trustee and the IE may agree) following the date of the Cash Transfer Request, as such projected cash requirements shall be indicated under Section 2.2.(b)(i)(A) above; and (ii) take into account the net cash position of the IE Trust Fund/Account as such position shall be indicated under Section 2.2.(b)(i)(B) above. In no event shall the amount of cash requested for PPR Activities under Section 2.2.(b)(i)(C) above or for the IE Fees under Section 2.2.(b)(ii)(B), respectively, exceed the amount equal to: (x) the net cumulative

amount committed by the Trustee for PPR Activities or IE Fees, as applicable, less (y) the net cumulative amount received from the Trustee for PPR Activities or IE Fees, as applicable.

(d) Following receipt by the Trustee of a complete Cash Transfer Request, the Trustee shall verify that the amount requested by the IE does not exceed the amount equal to: (i) the net cumulative commitments by the Trustee, less (ii) the net cumulative Trust Fund funds transferred by the Trustee to the IE in respect of the PPR Activities and the IE Fees, respectively. 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 IE the amount of funds requested by the IE in each Cash Transfer Request.

(e) Transfer of Trust Fund funds from the Trustee to the IE shall be made to the depository account designated by the IE 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 IE of each such transfer.

Section 2.3. Upon transfer of funds, neither the Trustee nor the Secretariat 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 PPR Return of Funds due to the IE from any recipient of Trust Fund funds or any other entities, and nothing in this Agreement shall be interpreted otherwise. The IE shall be responsible for reporting to the Governing Board on the use of Trust Fund funds transferred to it and its activities carried out therewith as set out in Section 10 below.

3. ADMINISTRATION OF THE IE TRUST FUND/ACCOUNT BY THE IE

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

Section 3.2. Subject to the terms of this Agreement, the IE may invest any funds in the IE Trust Fund/Account in accordance with the policies and procedures of the IE concerning the investment of funds in respect of which it acts as trustee. The IE shall not be liable for any losses, which may arise from such investments as long as the investments were made in a prudent manner as administrator or trustee of funds provided by a third party in accordance with the IE's policies and procedures. Unless additional Allocation is made by the Governing Board, the IE shall not be entitled to receive any additional funding from the Trust Fund to cover any shortfalls where, as a result of investment losses incurred by the IE, the funds prove to be insufficient to complete activities contemplated under the approved Allocation.

Section 3.3. The IE may convert funds received by it in the IE Trust Fund/Account into other currencies to facilitate their administration in accordance with the policies and procedures of the IE. Unless additional Allocation is made by the Governing Board, the IE 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 approved Allocation.

4. USE OF FUNDS BY THE IE

Section 4.1. Subject to other terms of this Agreement, the IE 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) the applicable terms and conditions under which Allocations have been made, including: (i) the purpose for which they have been provided, and (ii) the applicable decision of the Governing Board, including the approval of the relevant Funding Request, and the applicable provisions of the Governance Framework and the Operations Manual, based on which the concerned Allocation has been made. For clarity, any amendment made to the Governance Framework and the Operations Manual after the date of Allocation shall not be retroactively applied to the Allocation and related activities that had been approved prior to such date of amendment unless confirmation is received from the IE of the retroactive application of such amendment.

Section 4.2. If any change is proposed by the IE to a Funding Request with respect to a PPR Activity, which the IE determines material in accordance with its policies and procedures, the IE shall consult with the Governing Board with respect to such material change.

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

Section 4.4. The IE 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 PPR 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 IE under the anti-terrorist financing and asset control laws, regulations, rules and executive orders of an individual member country that may apply to a PPR participating country.

Section 4.5. The IE shall ensure that any financing agreement that the IE 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. The IE shall, in accordance with the IE's policies and procedures, (a) incorporate in the 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 IE 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 IE are not used in accordance with the terms of this Agreement, the IE 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 IE, the IE shall not be required to return any such funds, which are not recovered by the IE 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 PPR ACTIVITY

Section 5.1. The IE shall maintain a record of any Unused Funds from PPR Activities and report them to the Trustee in accordance with Section 10.2 below.

Section 5.2. Any Unused Funds from PPR Activities reported by the IE shall be reflected in a cancellation of commitment by the Trustee pursuant to Section 2.1(d) above.

Section 5.3. Unless otherwise requested by the Trustee in accordance with Section 5.4. below, Unused Funds from PPR Activities shall be held by the IE (following, where relevant, their return to the IE by any recipient of PPR funds) in the IE Trust Fund/Account; provided that any such Unused Funds held by the IE shall be reflected in the net cash position referred to in Section 2.2(b)(i) above, so that the amount of the Unused Funds shall be taken into account to determine the amount of Trust Fund funds transferred to the IE.

Section 5.4. If so requested by the Trustee in writing, the IE shall return to the Trustee, to such account as the Trustee may designate, any Unused Funds from PPR Activities that are held by the IE.

Section 5.5. Any cancellation of the amount of IE Fee, due to a cancellation or amendment of the PPR Activity for which such Fee is provided, shall be calculated consistent with the IE's policies and procedures, and shall be reported by the IE to the Trustee in accordance with Section 10.2.(c) below. Any cancellation of IE Fees reported by the IE 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 IE with respect to the amount of IE Fee that the IE reported as cancelled, the IE 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

Section 6.1. If, pursuant to the relevant decision of the Governing Board, any Trust Fund funds transferred to the IE for a PPR Activity are used to provide financing and/or other services, which generates any PPR Reflow of Funds, and such PPR Activity Reflow of Funds are required to be returned to the Trust Fund according to the terms of relevant Funding Request and the Operations Manual under which the Allocation has been made, then the IE shall credit and hold the PPR Activity Reflows in the IE Trust Fund/Account (following their receipt by the IE), until such time that the funds are returned to the Trustee in accordance with Section 6.2 below. The IE shall maintain a record of any such PPR Activity Reflow of Funds and report them to the Trustee in accordance with Section 10.2. below.

Section 6.2. Unless otherwise agreed with the Trustee, the IE shall, within thirty (30) calendar days after the receipt of a notice from the Trustee, return to the Trustee to such account as the Trustee may designate, any PPR Activity Reflow of Funds that are received and held by it in the IE Trust Fund/Account since the previous return, if applicable, of PPR Activity Reflow of Funds to the Trustee.

Section 6.3. For the avoidance of doubt, subject to Section 8.1 below, and absent gross negligence or willful misconduct on the part of the IE, the IE shall have no liability for any non-payment of PPR Activity Reflow of Funds from the PPR Activity Recipients. The risk of such non-payment by the PPR Activity Recipients in respect of or arising under any agreements entered into between the IE and the PPR Activity Recipients in connection with the Trust Fund resources shall be borne by the Trust Fund.

7. INVESTMENT INCOME ON FUNDS TRANSFERRED TO THE IE

Section 7.1. Income earned on the investment of Trust Fund funds transferred to the IE (except for income earned on the investment of funds transferred as the IE Fees) shall be held by the IE in the IE Trust Fund/Account until the Trustee requests the IE to return it to the Trustee to such account as the Trustee may designate. The IE shall maintain a record of any such income and report to the Trustee pursuant to Section 10.2 below.

Section 7.2. Income earned on the investment of Trust Fund funds transferred as IE Fee may be retained by the IE for its own account and is not required to be reported or returned to the Trustee.

8. EXERCISE OF CARE

Section 8.1. The IE 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 third party funds administered by the IE.

Section 8.2. Subject to the terms of this Agreement and in accordance with the IE's policies and procedures, the IE shall do any and all such acts as may be necessary or appropriate for the proper administration of the IE Trust Fund/Account, and shall be responsible for reporting to the Governing Board through the Secretariat and Trustee on the use of Trust Fund funds transferred to it (including on any collection of funds from any recipient of Trust Fund funds or any other entities) and delivery of activities financed by them, in accordance with the terms of the Agreement.

Section 8.3. The IE acknowledges and agrees that:

- (a) if the Governing Board reasonably determines through its decision and after consultation with the IE that: (i) the IE failed to comply with its obligations under this Agreement to a material extent, and (ii) the IE and the Governing Board fail to agree on measures to be taken, or the IE fails to take relevant measures, as may be agreed between the Governing Board and the IE in connection with (i) above, then after the expiry of the grace period notified by the Governing Board to the IE (which shall not be shorter than thirty (30) calendar days), the Governing Board may decide to suspend any future 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 IE until such time as the measures have been taken to resolve the matter;
- (b) (i) if the Governing Board reasonably determines through its decision after consultation with the IE that: (x) the IE failed to comply with its obligations under this Agreement to a material extent, and (y) the IE failed to initiate, before the expiry of the grace period notified by the Governing Board to the IE (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 (ii) if the

Trustee has notified the Governing Board, after the expiry of the grace period set out in Section 10.6, of the IE's non-compliance under the said Section; then, in addition to Section 8.3(a) above, the Governing Board may instruct the Trustee to suspend any further cash transfer of Trust Fund resources to the IE. Upon such instruction by the Governing Board, the Trustee will, notwithstanding Section 2 above, suspend cash transfer of Trust Fund resources to the IE, until such time that the Trustee is notified by the Governing Board of its agreement with the IE 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 IE for PPR Activities, which are unaffected by IE's non-compliance;

- (c) the Governing Board may review or evaluate activities financed by the IE Trust Fund/Account resources transferred to the IE at any time up to closure of the IE Trust Fund/Account; provided that: (i) the Governing Board shall have agreed with the IE on the scope, rationale and conduct of such review or evaluation, (ii) unless otherwise agreed by the IE, the IE has received confirmation from the Governing Board that all associated costs, including any costs incurred by the IE, will be borne by the Trust Fund, and (iii) the IE shall provide all relevant information within the limits of the IE's applicable policies and procedures, subject to IE'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 IE Trust Fund/Account. Any findings resulting from the review and evaluation shall be shared with the IE. In no event shall such reviews and evaluation create an undue burden on the IE's or a PPR Activity Recipient's regular operations;
- (d) notwithstanding Section 10.2(g) below, if the Governing Board wishes to request, on an exceptional basis, a separate external audit of a financial statement of the IE Trust Fund/Account by the IE's external auditor, the IE and the Governing Board shall first consult as to whether such an external audit is necessary. Following: (i) agreement between the IE and the Governing Board on the scope and terms of reference of such audit, and (ii) unless otherwise agreed between the Governing Board and the IE, receipt by the IE of confirmation from the Governing Board that the costs of such audit, including the internal costs of the IE with respect to such audit, will be borne by the Trust Fund; the IE shall arrange for such external audit in accordance with the IE's policies and procedures; and
- (e) if any Contributor becomes aware of information that indicates that any Trust Fund resources transferred to the IE are not used for intended purposes, such Contributor may notify the Governing Board and the Trustee of such information so that the Governing Board may consult with the IE and/or take an action as set forth in Section 8.3.

Section 8.4. For the avoidance of doubt, notwithstanding any suspension of any further Allocation, commitment and/or cash transfer of Trust Fund resources to the IE under Sections 8.3 and 10.6, all the provisions of this Agreement shall continue in full force and effect except as specifically provided in this Agreement.

9. VERIFICATION OF INFORMATION BY THE TRUSTEE

Section 9.1. 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 Secretariat or the IE as appropriate, and shall use such information by the Secretariat to verify the information provided by the IE, as necessary.

10. RECORDS AND REPORTING

Section 10.1. Unless the Trustee and the IE agree otherwise, all financial accounts and reports related to the Trust Fund funds shall be expressed in Dollars.

Section 10.2. The IE shall provide the following financial information to the Trustee, prepared in accordance with the accounting and reporting procedures of the IE and provided in a form and means agreed upon with the Trustee:

- (a) *Disbursements by the IE:* Within thirty (30) days after the end of each Financial Reporting Year (or such other frequency agreed upon with the Trustee), the amounts of disbursements made or expenditures incurred by the IE in respect of each PPR Activity, for the period reported, broken down by each PPR Activity, substantially in the form attached to this Agreement as Annex C (*Report on Project Disbursements*);
- (b) *Financing Terms of PPR Activities:* Within thirty (30) days after the end of each Financial Reporting Year (or such other frequency agreed upon with the Trustee), (i) the principal financing terms for PPR Activities (including expected PPR Activity Reflow of Funds, if any), which are used by the IE, and (ii) any revisions to such terms previously reported to the Trustee, during the period reported, substantially in the form attached to this Agreement as Annex D (*Report on Principal Financing Terms*);
- (c) *Cancellations by the IE:* Within thirty (30) days after the end of each Financial Reporting Year (or such other frequency agreed upon with the Trustee), the dates and amounts of cancellations by the IE of PPR Activity and IE Fees, for the period reported, broken down by each PPR Activity, substantially in the form attached to this Agreement as Annex E (*Report on Cancellation of Projects and Fees*);
- (d) *PPR Activity Reflow of Funds:* 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 PPR Activity Reflow of Funds received by the IE, if any, and (ii) the amounts of PPR Activity Reflow of Funds returned to the Trustee, for the period reported, broken down by each PPR Activity, substantially in the form attached to this Agreement as Annex C (*Report on Project Disbursements and Reflows*);
- (e) *Activity Closures by the IE:* Within thirty (30) days after the end of each Financial Reporting Year (or such other frequency agreed upon with the Trustee), the dates on which PPR Activities are financially closed, the final amounts disbursed and/or expended, and the amounts of any unused funds from such PPR Activities, for the period reported, broken down by each PPR Activity, substantially in the form attached to this Agreement as Annex F (*Report on Closures and Unused Funds*);
- (f) *Investment income earned:* Within sixty (60) days after the end of each Financial Reporting Year (or such other frequency agreed upon with the Trustee), investment income earned on the Trust Fund funds transferred to the IE Trust Fund/Account (other than the IE Fees); and investment income returned to the Trustee, substantially in the form attached to this Agreement as Annex G (*Investment Income Report*);
- (g) *Financial statements:* Within six (6) months after the end of the fiscal year of the IE, an annual financial statement of the IE Trust Fund/Account, together with an annual single audit report for trust funds managed by the IE;

- (h) *Final financial statement:* Within six (6) months after termination of this Agreement or in the case of early termination of this Agreement, the completion of winding-up activities under Section 14.3 below, a final financial statement of the IE Trust Fund/Account, together with an annual single audit report for trust funds managed by the IE; and
- (i) Such other financial information related to the Trust Fund resources transferred to the IE, as may be reasonably requested by the Trustee from time to time; provided that such information is available in accordance with the policies and procedures of the IE.

Section 10.3. In the case that the IE and the Governing Board agree to the auditing of a financial statement of the IE Trust Fund/Account under Section 10.2(g) or (h) above, unless otherwise agreed between the IE and the Governing Board, the IE shall arrange for such external audit in accordance with the IE's policies and procedures, but subject to confirmation from the Governing Board that the costs of such audit, including the internal costs of the IE with respect to such audit, will be borne by the Trust Fund.

Section 10.4. The IE shall, in accordance with the Governance Framework and the Operations Manual, report to the Governing Board through the Secretariat on the use of Trust Fund funds transferred to it and activities financed by them, and provide them with annual progress reports for PPR Activities with reference to the agreed results framework and in a format agreed with the Governing Board.

Section 10.5. The IE shall provide the Trustee with a list containing the names and signatures of the Authorized Officers of the IE, substantially in the form attached to this Agreement as Annex H (*Form of Authorized Signatories*), as such list shall be revised from time to time as necessary and kept current at all times.

Section 10.6. If the IE fails to provide to the Trustee any financial information in accordance with Section 10.2 (a) through (h) above, the Trustee shall promptly notify the IE 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 Governing Board, through the Secretariat, of the non-compliance by the IE. The IE acknowledges and agrees that the Governing Board may consult with the IE and/or take an action as set forth in Section 8.3.

11. NOTICES

Section 11.1. 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 Prevention, Preparedness and Response Trust Fund
1818 H Street, NW
Washington, DC 20433
U.S.A.

Attention: Director
Trust Funds and Partner Relations

Development Finance

Telephone: +1 (202) 458-9312
E-mail: ppprtrustee@worldbank.org

(b) For the IE:

Inter-American Development Bank
1300 New York Avenue, N.W.
Washington, D.C. 20577
U.S.A.

Attention: Manager, Office of Outreach and Partnerships

Telephone: +1 (202) 623-2107
E-mail: partnerships@iadb.org

12. DISPUTE RESOLUTION

Section 12.1. The IE and the Trustee, in coordination with the Governing Board and the Secretariat, as applicable, shall use their best efforts to amicably settle any dispute, controversy or claim arising out of or relating to this Agreement.

13. EFFECTIVENESS; AMENDMENT

Section 13.1. This Agreement shall become effective as of the date it has been signed by the Parties.

Section 13.2. This Agreement may be amended at any time by the written agreement of the Trustee and the IE.

14. TERMINATION

Section 14.1. Unless otherwise agreed by the Trustee, the Trustee may not transfer Trust Fund resources to the IE under this Agreement beyond the end of the PPR Term.

Section 14.2. This Agreement shall terminate on the Trust Fund Final Closing Date. Either Party may terminate this Agreement at any time before such date upon sixty (60) calendar days' prior written notice to the other.

Section 14.3. Notwithstanding termination of this Agreement, and unless the Trustee and the IE agree on another course of action:

- (a) if there are outstanding financial rights and/or obligations incurred by the IE for the 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/or obligations have been fully satisfied;

- (b) the IE 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 10.2, including a final financial statement of the IE Trust Fund/Account under Section 10.2(h) above;
- (c) the IE shall continue to receive in the IE Trust Fund/Account, any amounts due to the IE under any Allocation, including any PPR Activity Reflow of Funds, until all relevant rights and/or obligations have been satisfied. The IE will hold in the IE Trust Fund/Account Unused Funds, and a PPR Activity Reflow of Funds from any Allocation and investment income earned on the IE Trust Fund/Account until all outstanding financial obligations incurred in the implementation of the activities have been satisfied; and
- (d) The IE shall return to the Trustee, in a manner agreed to with the Trustee, (i) any portion of the IE 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 IE after the termination of this Agreement, which are otherwise due to be returned to the Trustee under the terms of this Agreement.

15. DISCLOSURE

Section 15.1. The Trustee and the IE 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 IE under this Agreement.

Section 15.2. If the IE provides any information to the Trustee in confidence under this Agreement in accordance with the IE's policy on disclosure of information, the IE 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 IE has given its prior written consent to such disclosure. The Trustee may share any such information with the Governing Board and/or any Contributor only with the understanding that the Governing Board 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 IE 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 IE provides any information to the Trustee under this Agreement the IE also notifies the Trustee in writing that any such information may not be shared with the Governing Board and/or any Contributor in accordance with the IE's policies, then the Trustee may not share such information with the Governing Board and/or the Contributor, unless the IE has given its prior written consent to such sharing.

Section 15.3. It is understood that the IE will share information with the Governing Board and/or any Contributor in accordance with its policies and procedures.

16. ENTIRE AGREEMENT

Section 16.1. 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 16.2. Nothing in this Agreement shall be considered a waiver of any privileges or immunities of the World Bank or the IE under their respective constituent document, international convention or any applicable law, all of which are expressly preserved.

17. EXECUTION IN COUNTERPARTS

Section 17.1. 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 as of the day and year first above written.

**INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT, AS TRUSTEE OF THE
PANDEMIC PREVENTION, PREPAREDNESS AND
RESPONSE TRUST FUND**

Brice J.M. Quesnel

Date: 13-Mar-2023

Brice Jean Marie Quesnel
Acting Director
Trust Funds and Partner Relations, Development Finance

**INTER-AMERICAN DEVELOPMENT BANK, AS
IMPLEMENTING ENTITY OF THE PANDEMIC
PREVENTION, PREPAREDNESS AND RESPONSE
TRUST FUND**

Matias Bendersky

Matias Bendersky
Manager, Office of Outreach and Partnerships

Annex A
Form of Letter of Commitment

[Date]

[Name of IE]
[Title]
[Address]

Dear [Mr./Ms.] [_____]:

Pandemic Prevention, Preparedness and Response Trust Fund
Commitment and Cancellation of Commitment of Funds to [Name of IE] as IE

Reference is made to the Financial Procedures Agreement dated [xxx], between the International Bank for Reconstruction and Development (the "Bank"), as Trustee of the Pandemic Prevention, Preparedness and Response ("PPR") (the "Trustee") and the [Name of IE], as Implementing Entity of [PPR] (the "IE") (the "Agreement").

A. Commitment of Funds

In accordance with the terms of the Agreement, the Trustee hereby commits the sum of [US\$ _____] to the IE for the [activities] listed in Attachment 1 attached hereto.

Funds will be transferred by the Trustee to the IE 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 [activities] 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 Prevention, Preparedness and
Response Trust Fund

[Name]
[Title]

Attachments

Annex B
Form of Cash Transfer Request

PANDEMIC PREVENTION, PREPAREDNESS AND RESPONSE

[IMPLEMENTING ENTITY NAME]

**CASH TRANSFER REQUEST FOR PROJECTS AND
CASH TRANSFER REQUEST FOR IE FEES**

As of [DATE]

[CASH TRANSFER REQUEST REFERENCE NUMBER]

CASH TRANSFER REQUEST FOR PROJECTS **in US Dollars**

Net Cumulative Cash received from the Trustee in the IE Trust Fund/Account	Net Cumulative Disbursements from the IE Trust Fund/Account /a	Net Cash Position		Projected Cash Requirements for Next 6 Months	Projected Net Cash Position	Amount of Cash Transfer Request
(1)	(2)	(3) = (1) - (2)		(4)	(5) = (3) - (4)	(6)

a/ This column represents the cumulative amount disbursed from [IE Name] less subsequent return of funds by project recipients to [IE name]

CASH TRANSFER REQUEST FOR IE FEES **in US Dollars**

Net Cumulative Cash for IE Fees received from the Trustee in the IE Trust Fund/Account	Amount of Cash Transfer Request for Fees

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
Report on Project Disbursements and Reflows

PANDEMIC PREVENTION, PREPAREDNESS AND RESPONSE

[IMPLEMENTING ENTITY NAME]

**ANNUAL REPORT ON IE PROJECT DISBURSEMENTS AND REFlOWS FOR THE PERIOD
 ENDED [DATE]
 (in [US Dollars])**

Trustee ID	[IE] ID	Activity Title	Beneficiary Country	Financing Instruments	GB Approval Date	GB Approved Amount	Disbursed by IE	Reflows Received by IE	Activity Execution/ Implementation Status
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)

Signed: _____

Date: _____

Name: _____

Title: _____

Annex D
Report on Principal Financing Terms

PANDEMIC PREVENTION, PREPAREDNESS AND RESPONSE

[IMPLEMENTING ENTITY]

ANNUAL REPORT ON PRINCIPAL FINANCING TERMS OF PPR ACTIVITIES

For the period ended [DATE]
(in [US dollars])

Trustee ID
IP ID
Project Title
Effective Date of the [Loan]/[Guarantee]
[Loan]/[Guarantee] Currency and Amount
Financing Product
[Interest Rate]/[Guarantee Fees]
[Interest Payment]/[Guarantee Fees] Dates/Interval

Principal Repayment Schedule

Principal Repayment Date	Principal Repayment Amount	Remaining Outstanding Loan Balance after Principal Repayment Date
(1)	(2)	(3)

Signed _____ Date _____

Name _____

Title _____

Annex E
Report on Cancellation of Projects and Fees

PANDEMIC PREVENTION, PREPAREDNESS AND RESPONSE

[IMPLEMENTING ENTITY]

**ANNUAL REPORT ON CANCELLATIONS OF PROJECTS AND
 RELATED ADMINISTRATIVE FEES**

**For the period ended [DATE]
 (in [US dollars])**

Trustee ID	[IE] ID	Activity Title	Financing Instruments	Funding Type (Project/Fee)	Funding approved by the GB	Approved by the IE	Project Amount Cancellation	Net Project Amount	Cancellation Date
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9) = (7) - (8)	(10)

Signed: _____

Date: _____

Name: _____

Title: _____

Annex F
Report on Closures and Unused Funds

PANDEMIC PREVENTION, PREPAREDNESS AND RESPONSE

[IMPLEMENTING ENTITY]

ANNUAL REPORT ON CLOSURES, UNUSED FUNDS FOR PROJECTS AND ADMINISTRATIVE FEES

As of [DATE]
(in [US dollars])

Trustee ID	(IE) ID	Activity Title	Financing Instruments	Funding Type (Project/Fee)	Funding approved by the GB	Funding approved by the IE	Final Disbursed Amount	Final Unused Amount	Final Project Closure Date
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9) = (7) - (8)	(10)

Signed: _____

Date: _____

Name: _____

Title: _____

PANDEMIC PREVENTION, PREPAREDNESS AND RESPONSE

[IMPLEMENTING ENTITY]

ANNUAL INVESTMENT INCOME REPORT

As of [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
(1)	(2)	(3)	(4) = (2) - (3)

Signed: _____

Date: _____

Name: _____

Title: _____

Annex H
Form for Authorized Signatories

[Date]

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

Attention: Director
Trust Funds and Partner Relations
Development Finance

Dear Director:

Re: Financial Procedures Agreement between the Trustee of the Pandemic Prevention,
Preparedness and Response Trust Fund, and [Name of IE] as IE

Reference is made to the Financial Procedures Agreement between the International Bank for Reconstruction and Development, as Trustee of the Pandemic Prevention, Preparedness and Response (“PPR”) Trust Fund (“the “Trustee”) (the “Trust Fund”) and [Name of IE], as Implementing Entity of PPR (the “IE”), 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 IE 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]