

CONFORMED COPY

**TRANSFER AGREEMENT****GUYANA REDD-PLUS INVESTMENT FUND (GRIF)  
(MTO No. 069017)**

WHEREAS the International Development Association (“IDA”), as trustee (the “Trustee”) of the Guyana REDD-Plus Investment Fund (MTO No. 069017) (the “GRIF”) and the United Nations Development Programme (“UNDP”) (the “Partner Entity”, and together with the Trustee, the “Parties” and each a “Party”) are entering into this Transfer Agreement (the “Transfer Agreement”) for the transfer of funds by the Trustee from the GRIF to the Partner Entity;

WHEREAS the GRIF has been established through Administration Agreements (as such term is defined below);

WHEREAS, the Steering Committee (as such term is defined below) has endorsed the GRIF governance framework document which sets forth the governance framework for the GRIF (the “GRIF Governance Framework Document”), which provides for the invitation of UNDP to be a Partner Entity for the GRIF;

WHEREAS the Partner Entity may provide requests to the Trustee for the transfer of GRIF funds to finance Administrative Fees for Project Proposal Preparation (as such term is defined below), Projects and Administrative Fees, which the Trustee shall transfer under this Transfer Agreement in accordance with the terms set forth herein; and

WHEREAS the Partner Entity, in accordance with its policies and procedures and in accordance with the terms hereof, will enter into grant agreements/arrangements with Implementing Entities (as such term is defined below) to provide grants of GRIF funds to Implementing Entities for Projects approved by the Steering Committee.

NOW THEREFORE, the Parties hereto agree as follows:

1. Capitalized terms used herein, but not otherwise defined in this Transfer Agreement, shall have the meanings ascribed to them below:

**“Administration Agreement”** means an administration agreement entered into between the Trustee and a Contributor in respect of such Contributor’s Contribution;

**“Administrative Fee”** means the amount agreed by the Steering Committee with the Partner Entity for administrative and other costs, including but not limited to costs for Project preparation, Project supervision and preparation of reports and unaudited or audited financial reports and evaluations, incurred by the Partner Entity in connection with services performed by the Partner Entity in connection with a Project, excluding any Administrative Fee for Project Proposal Preparation for such Project;

**“Administrative Fee for Project Proposal Preparation”** means the amount agreed by the Steering Committee with the Partner Entity for administrative and other costs incurred by the Partner Entity in connection with the development of a Project Proposal;

**“Allocation”** means the portion of the GRIF funds that has been allocated by the Steering Committee to the Administrative Fee for Project Proposal Preparation for a proposed Project or to a Project and the Administrative Fee for such Project;

**“Calendar Year”** means January 1 through December 31 of each calendar year;

**“Contribution”** means each Contributor’s respective contribution to the GRIF, and **“Contributions”** means the aggregate of all the contributions from the Contributors to the GRIF;

**“Contributor”** means any entity that provides a Contribution to the GRIF;

**“Implementing Entity”** means Guyana or any instrumentality thereof or any other entity that is eligible to receive funding in accordance with the Partner Entity’s policies, guidelines and procedures and which Guyana has agreed to be a recipient of resources;

**“LCDS”** means Guyana’s Low Carbon Development Strategy;

**“Letter of Commitment”** means a letter from the Trustee to the Partner Entity making the commitment of an Allocation to the Partner Entity, which shall be substantially in the form attached to this Transfer Agreement as Schedule 1 and shall include in its annex the relevant decisions of the Steering Committee approving the Allocation;

**“Project”** means goods, works or services for an investment, technical assistance or capacity building activity or activities which are to be financed on a grant basis with funds from the GRIF, as approved by the Steering Committee in accordance with the GRIF Governance Framework Document;

**“Project Proposal”** means any proposal submitted by the Partner Entity to the Steering Committee seeking an Allocation from the GRIF for a Project and the corresponding Administrative Fee;

**“Secretariat”** means the administrative unit established pursuant to the GRIF Governance Framework Document to support the Steering Committee and the GRIF;

**“Steering Committee”** means the steering committee established pursuant to the GRIF Governance Framework Document to approve Administrative Fees for Project Proposal Preparation, Projects and Administrative Fees;

**“Transfer Request”** means a request submitted by the Partner Entity to the Trustee for the transfer of GRIF funds to the Partner Entity for an Administrative Fee for Project Proposal Preparation or for a Project and the corresponding Administrative Fee, which shall be substantially in the form attached to this Transfer Agreement as Schedule 2; and

**“Transferred Funds”** means any portion of an Allocation that the Trustee transfers in United States Dollars to the Partner Entity pursuant to this Transfer Agreement.

2. The Partner Entity shall ensure that each Project Proposal it submits to the Steering Committee (i) is consistent with the LCDS and the overall results framework of the GRIF once such framework is approved by the Steering Committee; (ii) includes a robust results framework for the Project, as agreed between Guyana and the Partner Entity; and (iii) discloses any proposed waiver of the Partner Entity’s policies and procedures.

3. (a) Subject to the availability of resources in the GRIF, once the Steering Committee has approved an Allocation for an Administrative Fee for Project Proposal Preparation for a proposed Project or for a Project and the corresponding Administrative Fee and the Secretariat has notified the Trustee and the Partner Entity of such approval, the Trustee will commit to the Partner Entity the Allocation as approved by the Steering Committee.

(b) Commitments of Allocations by the Trustee under Paragraph 3(a) above shall be made on a monthly basis (or such other period as agreed between the Trustee and the Partner Entity) by means of a Letter of Commitment.

4. Once a Letter of Commitment has been issued by the Trustee in accordance with Paragraph 3 above, the Partner Entity may request the Trustee to transfer the full amount of the GRIF funds that has been committed by the Trustee in such Letter of Commitment.

All requests for transfers of GRIF funds shall be made by the Partner Entity by means of submission to the Trustee, by e-mail, facsimile or as otherwise agreed with the Trustee, a Transfer Request.

5. Upon receipt of a Transfer Request, the Trustee shall transfer such funds to the Partner Entity to the account specified in such Transfer Request; provided that: (i) the amount to be transferred is no more than the amount committed by the Trustee in the relevant Letter of Commitment; and (ii) the amount of available funds in the GRIF equals or exceeds the amount specified in the Transfer Request.

6. The Trustee shall not disburse any GRIF funds to the Partner Entity after December 31, 2016 unless the Contributors so approve.

7. Subject to Paragraph 25, the Partner Entity may retain Administrative Fees for Project Proposal Preparation for a proposed Project and Administrative Fees for a Project from the Transferred Funds in the amount agreed by the Steering Committee with the Partner Entity.

8. Except as the Trustee shall otherwise agree, unused funds from Projects for which no further disbursements are due to be made, shall be returned on an annual basis by the Partner Entity to the GRIF, to such account as the Trustee may designate (following their return to the Partner Entity by the Implementing Entity or other party). The Partner Entity will maintain a record of any such unused funds and report to the Trustee.

9. For the purposes of verifying amounts in connection with the commitment of GRIF funds by the Trustee under this Transfer Agreement, the Trustee shall rely upon the information provided by the Secretariat to the Trustee indicating:

(a) the amount of each Administrative Fee for Project Proposal Preparation for a proposed Project approved by the Steering Committee as payable to the Partner Entity;

(b) the amount of GRIF funds approved by the Steering Committee as allocated to the Partner Entity for each Project; and

(c) the amount of each Administrative Fee approved by the Steering Committee as payable to the Partner Entity.

10. Upon the transfer of the Transferred Funds, the Trustee shall have no responsibility, fiduciary or otherwise, for the use of such funds or activities carried out therewith. The Partner Entity will be responsible for reporting to the Steering Committee on its activities carried out with the GRIF funds.

11. The Partner Entity agrees that any Transferred Funds shall be used in accordance with: (i) the Partner Entity's regulations, rules, policies and procedures (including those in respect of the procurement of goods and services, financial management, environmental and social safeguards, reporting arrangements and its framework to combat fraud and corruption); (ii) the applicable decisions of the Steering Committee, including the purpose for which the Allocations have been approved; (iii) the LCDS and the overall results framework of the GRIF once such framework is approved by the Steering Committee; (iv) the results framework for the Project, as agreed between Guyana and the Partner Entity; and (v) the project document of the Partner Entity, as agreed between Guyana and the Partner Entity.

12. The Partner Entity shall be responsible for the supervision of a Project's adherence to the criteria set out in Paragraph 11 above. This supervision shall be in accordance with the Partner Entity's own fiduciary, safeguards and operational policies and procedures.

13. The Partner Entity agrees that the Transferred Funds shall be kept separate and apart from the funds of the Partner Entity in one or more dedicated accounts pending their use for the purposes for which the specific Allocation has been approved by the Steering Committee. The Transferred Funds in these dedicated accounts may be commingled and may be freely exchanged by the Partner Entity into other currencies as may facilitate their further disbursement and investment. The Partner Entity agrees that it shall provide funding to a third party only in United States Dollars.

14. (a) Subject to the terms of this Transfer Agreement, the Partner Entity shall invest all Transferred Funds pending their disbursement in accordance with the Partner Entity's policies and procedures concerning the investment of funds including those applicable to funds for which the Partner Entity acts as a trustee. The Partner Entity shall not be held liable for any losses, which may arise from such investment save to the extent provided for in Paragraph 23 below.

(b) Except for investment income earned on Administrative Fees for Project Proposal Preparation or on Administrative Fees, any investment income earned on the Transferred Funds will be returned from the Partner Entity to the Trustee annually or such other frequency as may be agreed between the Trustee and the Partner Entity.

(d) Income earned on the investment of Transferred Funds as Administrative Fees for Project Proposal Preparation or on Administrative Fees may be retained by the Partner Entity and is not required to be reported or returned to the Trustee.

15. The Partner Entity, in accordance with its policies and procedures, shall: (i) maintain books, records, documents, and other evidence in accordance with its usual accounting procedures to sufficiently substantiate the use of the Transferred Funds; (ii) provide periodic financial reports including annual unaudited or audited financial reports, as agreed with the Steering Committee; and (iii) provide any other relevant financial information in United States dollars to the Trustee for distribution to the Steering Committee, as agreed with the Steering Committee.

16. The Partner Entity shall prepare and submit to the Trustee for each Project: (i) no later than one hundred fifty (150) days after the end of each Calendar Year annual reports on implementation results; (ii) mid-year progress narrative reports if agreed with the Steering Committee; and (iii) no later than six (6) months after termination of this Transfer Agreement, a final financial statement for the dedicated account(s) referred to in Paragraph 13 above.

17. Unless otherwise agreed between the Trustee and the Partner Entity, the Partner Entity's external auditors shall audit the financial statements of the dedicated account(s) referred to in Paragraphs 16 above. The costs of such audits shall be borne by the Partner Entity and may be included in the Administrative Fee.

18. The Partner Entity shall report to the Steering Committee, through the Secretariat, annually on the progress of implementation of its activities, results achieved compared to planned results as well as to its contribution to the achievement of the planned results of the GRIF as such and the financial status of Projects and activities under its responsibility and will, within six months of the completion date of the Project, provide the Steering Committee with a final report of such Project.

19. Any grant agreement/arrangement that the Partner Entity enters into with an Implementing Entity shall provide that:

(a) if the Partner Entity determines that GRIF funds are used in a manner inconsistent with the corresponding grant agreement/arrangement, the Implementing Entity shall promptly refund the GRIF funds to the Partner Entity and the Partner Entity shall promptly return such funds to the GRIF; and

(b) the Partner Entity shall only be obligated to make funds available under any grant agreement/arrangement with the Implementing Entity to the extent the Partner Entity has received funding from the Trustee and that neither the Partner Entity nor the Trustee shall have any personal liability to the Implementing Entity for any shortfall in funding under such grant agreement/arrangement.

20. (a) A Contributor shall notify the Trustee if the Contributors have determined, in consultation with the Partner Entity and Guyana, that with respect to a Project: (i) there has been a substantial deviation from the Project's concept and budget approved by the Steering Committee; (ii) the Partner Entity has failed to comply with any of the terms of this Transfer Agreement; or (iii) the Partner Entity has engaged in financial mismanagement, as determined in accordance with the Partner Entity's policies and procedures. The Trustee shall then notify the Partner Entity in writing that (i), (ii) or (iii) above has occurred and request the Partner Entity to remedy or cause such event to be remedied within thirty (30) calendar days of the notification by the Trustee.

(b) If following receipt of the Trustee notification referred to in Paragraph 20(a), the Partner Entity fails to remedy or cause such event to be remedied within the specified time period to the satisfaction of the Contributors, the Trustee may suspend any further commitment and/or disbursement of the Transferred Funds for such Project and/or require the Partner Entity to return the funds transferred to the Partner Entity for such Project as instructed by the Contributors.

21. Recognizing the obligations of the Partner Entity's member countries under various United Nations Security Council Resolutions to take measures to prevent the financing of terrorists, the Partner Entity undertakes to use reasonable efforts, consistent with its policies and procedures, to ensure that the GRIF funds provided to it by the Trustee are used for their intended purposes and are not diverted to terrorists or their agents. The Partner Entity will include provisions corresponding to the above in any grant agreements/arrangements that it enters into with Implementing Entities.

22. The Partner Entity shall be responsible only for performing its functions specifically set forth in this Transfer Agreement and shall not be subject to any other duties or responsibilities, including, without limitation, any duties or obligations that might otherwise apply to a fiduciary or a trustee under general principles of law, including trust or fiduciary law.

23. In performing its functions in accordance with the terms of this Transfer Agreement, the Partner Entity shall not be liable for any loss, costs or damages that may result from any direct act or omission on the part of the Partner Entity other than those caused by its gross negligence or willful misconduct.

24. Nothing in this Transfer Agreement shall be considered a waiver of any privileges or immunities of IDA and the Partner Entity under their respective constituent documents or any applicable law, all of which are expressly reserved. Nothing in this Transfer Agreement shall be considered as an acceptance by the Partner Entity of the jurisdiction of any national courts or the application of any domestic law.

25. This Transfer Agreement may be terminated by either Party upon three (3) months prior written notice. Following termination, the Trustee and the Partner Entity shall, in consultation with the Steering Committee to the extent possible, take all necessary actions for winding up their affairs in relation to the Project(s) in an expeditious manner, and for meeting the commitments already made by the Trustee and the Partner Entity under this Transfer Agreement prior to the date of the abovementioned termination notice. In the event of any such termination, unless the Parties agree on another course of action, (i) any agreement entered into prior to the termination between the Partner Entity and any consultants and/or other third parties will remain in effect and be unaffected by the termination, and (ii) the Partner Entity shall continue to disburse the Transferred Funds in respect of such agreements to the extent necessary to fulfill the Partner Entity's obligations thereunder as if this Transfer Agreement had not been terminated. All other Transferred Funds remaining with the Partner Entity including any investment income earned on the Transferred Funds (excluding investment income earned on Administrative Fees for Project Proposal Preparation or on Administrative Fees) and any unused amount of the Administrative Fees for Project Proposal Preparation or the Administrative Fees shall be returned to the Trustee.

26. The Partner Entity agrees that the Contributors, who shall act collectively and not individually through one of the Contributors who shall interact on behalf of all of the Contributors, shall have the right to seek direct recourse against the Partner Entity with respect to any alleged unmet or breached obligations of the Partner Entity stated in this Transfer Agreement; provided that the procedures specified in Paragraph 20 above have been exhausted. If as a result of the Contributors' recourse the Partner Entity makes any payment, such payment will be made only to the Trustee and only for the benefit of the GRIF. If a breach relates only to one Project, any payment from the Partner Entity shall be limited to such amount of Transferred Funds attributable to the breach of its obligations with respect to that Project. The Contributors may not seek recourse against the Partner Entity for alleged unmet or breached obligations valued in an amount that exceeds the Contributions made by the Contributors seeking such recourse. The Partner Entity and the Contributors shall use their best efforts to amicably resolve any disputes, controversy or claims arising out of or relating to this Transfer Agreement.

27. The Partner Entity shall invite the Contributors to participate in its supervision missions related to the activities funded by the Partner Entity with the GRIF funds. Any Contributor shall have the right to request or initiate an interim or final evaluation of the activities of the Partner Entity financed by the GRIF, in consultation with the Partner Entity and to be carried out in accordance with the Partner Entity's evaluation policy. It is understood that any such evaluation will not constitute a financial, compliance or other audit of the GRIF. All associated costs will be borne by the Contributor, unless otherwise agreed.

28. The persons listed below (the "Trustee Contact" and the "Partner Entity Contact", respectively, and each a "Contact"), or any other authorized person identified by written notice from one Party to the other Party, may take any action required or permitted to be taken, and execute any documents required or permitted to be executed, pursuant to this Transfer Agreement on behalf of its respective organization. Any notice or request to be given or made under this Transfer Agreement by a Contact shall be in writing and sent to the address (including an email address) set forth below or such other address, as either Contact may provide by written notice.

Trustee Contact:

Ms. Susan McAdams  
Director  
Multilateral Trusteeship and Innovative Financing Department  
  
The World Bank  
1818 H Street, NW  
Washington, DC 20433  
U.S.A.  
  
Tel: (202) 458-0019  
Fax: (202) 614-0795  
E-mail: Smcadams@worldbank.org

Partner Entity Contact:

Mr. M. Kiari Liman-Tinguiri  
Resident Representative  
UNDP Guyana  
42 Brickdam  
Stabroek  
Georgetown, Guyana  
  
Tel: (592) 225-9333  
Fax: (592) 223-6567  
E-mail: kiari.liman-tinguiri@undp.org

29. The Trustee and/or the Partner Entity will make this Transfer Agreement and any related information on the GRIF publicly available in accordance with their policies and procedures with respect to the disclosure of information, in effect at the time of such disclosure.
30. The Partner Entity acknowledges that the Governance Framework Document may be amended from time to time by the Steering Committee, provided that any amendments that would affect the rights or obligations of the Partner Entity shall only be effective upon the agreement of the Partner Entity.
31. The Trustee will consult with the Partner Entity before entering into any administration agreement with an entity other than a government or its instrumentality.
32. This Transfer Agreement may be amended only by written agreement between the Trustee and the Partner Entity.
33. This Transfer Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument.
34. The Trustee and the Partner Entity agree that upon receipt by the Trustee of the copy of this Transfer Agreement countersigned by the Partner Entity, this Transfer Agreement will become effective as of the date of the Partner Entity's countersignature.

**INTERNATIONAL DEVELOPMENT ASSOCIATION  
AS TRUSTEE OF THE GUYANA REDD-PLUS INVESTMENT FUND**

/s/ Susan McAdams

Name: Susan McAdams

Title: Director, Multilateral Trusteeship and Innovative Financing

Date: February 24, 2011

**UNITED NATIONS DEVELOPMENT PROGRAMME**

/s/ Kiari Liman-Tingui

Name: Kiari Liman-Tingui

Title: UNDP Resident Representative, Guyana

Date: March 2, 2011



LETTER OF COMMITMENT

[date]

[Name]  
[Title]  
as Partner Entity Contact pursuant to the  
Transfer Agreement

**Guyana REDD-Plus Investment Fund**  
**Commitment of Funds to the [Partner Entity Full Name]**

Dear Sir or Madam:

Reference is made to the Transfer Agreement between the International Development Association (the “Association”) as trustee (the “Trustee”) of the Guyana REDD-Plus Investment Fund MTO No. 069017) (the “GRIF”) and the \_\_\_\_\_ (the “Partner Entity”), dated \_\_\_\_\_ (the “Transfer Agreement”), in which the Trustee has agreed to transfer funds to the Partner Entity for the GRIF.

Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Transfer Agreement.

In accordance with Paragraph 3 of the Transfer Agreement, the Trustee hereby commits the sum of US\$ - [amount] to [Partner Entity Name], such amount reflecting the amounts approved by the GRIF Steering Committee for [the Partner Entity’s Administrative Fee for Project Proposal Preparation for the proposed Project][the Partner Entity activities to be carried out in connection with the Project and Administrative Fee] listed in Annex attached hereto.

International Development Association, as Trustee of the  
Guyana REDD-Plus Investment Fund

\_\_\_\_\_  
Name:

Title:

Attachments

**Form of Partner Entity Transfer Request**

[Partner Entity's letterhead]

[Date]

[name]

[title]

Trustee Contact pursuant to the  
Transfer Agreement

**RE: Guyana REDD-Plus Investment Fund (MTO No. 069017)**

Dear [name]:

Reference is made to the Transfer Agreement between the International Development Association (the "Association") as trustee (the "Trustee") of the Guyana REDD-Plus Investment Fund MTO No.069017 ("GRIF") and the \_\_\_\_\_ (the "Partner Entity"), dated \_\_\_\_\_ (the "Transfer Agreement"), in which the Trustee has agreed to transfer funds to the Partner Entity for the GRIF.

Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Transfer Agreement.

Pursuant to Paragraph 4 of the Transfer Agreement, the Partner Entity hereby requests you to transfer \_\_\_\_\_ *[insert amount]* United States Dollars from the GRIF for the Partner Entity's use consistent with the terms of the Transfer Agreement for [the Administrative Fee for Project Proposal Preparation][the Project and Administrative Fee] set forth below:

[Administrative Fee for Project Proposal Preparation Amount:]

[Project Amount:

Administrative Fee Amount:]

Bank Account Details

Bank account name:

Bank account number:

Bank name:

Bank address:  
Bank SWIFT code:  
Routing instructions:

Sincerely,

NAME OF PARTNER ENTITY

[Name]  
[Title]  
as Partner Entity Contact pursuant to the  
Transfer Agreement