

## **TRANSFER AGREEMENT**

### **DEBT MANAGEMENT FACILITY PHASE III (DMF III) MULTI-DONOR TRUST FUND (Trust Fund No. 073419; TF Disbursing Account No. TF0B3596)**

**TRANSFER AGREEMENT** (the “Agreement”) between the International Bank for Reconstruction and Development and the International Development Association (collectively, the “Bank”), acting as trustee of the Debt Management Facility Phase III (DMF III) Multi-Donor Trust Fund (Trust Fund No. 073419) (the “Trust Fund”), and the International Monetary Fund (the “IMF”, and together with the Bank, the “Parties” and each a “Party”).

#### **PREAMBLE**

**WHEREAS**, the Trust Fund has been established through trust fund administration agreements/arrangements (the “Administration Agreements”) between the Bank and each of the donors (collectively, the “Donors”) contributing funds to the Trust Fund;

**WHEREAS**, the relationships between the IMF, Bank and the Donors to the Trust Fund are governed by the DMF III Charter adopted on November 22, 2019, as may be amended from time to time in accordance with its terms (the “DMF III Charter”);

**WHEREAS**, pursuant to the Administration Agreements and the DMF III Charter, the IMF may access Trust Fund resources to carry out activities to help achieve the Trust Fund’s objectives, by providing requests to the Bank for the transfer of funds from the Trust Fund; and

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

**NOW, THEREFORE**, the Bank and the IMF hereby agree as follows:

#### **1. DEFINITIONS**

1.1. Capitalized terms used herein, but not otherwise defined in this Agreement, shall have the meanings ascribed to them in the Administration Agreements and the DMF III Charter.

#### **2. TRANSFER OF FUNDS BY THE BANK**

2.1. Upon receipt by the Bank of each Installment and submission by the IMF to the Bank of a cash transfer request (the “Cash Transfer Request”) substantially in the form attached to this Agreement as Annex A (Form of Cash Transfer Request), the Bank shall transfer, from the Trust Fund through its disbursing account No. TF0B3596, to the Funding Account (as defined in paragraph 3.1 below) the Transfer Funds. Each Cash Transfer Request shall (i) contain all necessary information therein; and (ii) be signed by an Authorized Signatory(-ies) (as defined below).

2.2. Upon receipt of a complete Cash Transfer Request from the IMF, and subject to availability of resources in the Trust Fund, the Bank shall transfer the amount requested in United States dollars from the Trust Fund to the IMF in one lump sum.

2.3. Transfer of Trust Fund funds from the Bank to the IMF under this Section 2 shall be made to the depository account designated by the IMF in the relevant Cash Transfer Request in United States dollars unless otherwise agreed between the Bank and the IMF. The Bank shall notify the IMF of each such transfer.

2.4. Upon transfer of funds, the Bank shall have no 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 IMF from any recipient of Trust Fund funds or any other entities. The IMF shall be responsible for reporting to the Steering Committee 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 its activities carried out therewith as set out in paragraph 5.2 below. The Bank does not assume any responsibility or liability towards any third party as a result of the use by the IMF of, or implementation of any activities funded with, the Trust Fund funds transferred to the IMF.

### **3. ADMINISTRATION OF THE FUNDING ACCOUNT BY THE IMF**

3.1. Except as provided under paragraph 3.2 below, the IMF agrees that the Trust Fund funds transferred to it under this Agreement shall be kept separate and apart from the funds of the IMF in one or more dedicated accounts maintained and administered by the IMF (collectively, the “Funding Account”) in accordance with its policies and procedures. The IMF shall maintain separate records and ledger accounts in respect of the funds deposited in the Funding Account and disbursements made therefrom.

3.2. In order to assist in the defrayment of the costs of administration and other expenses incurred by the IMF under this Agreement, the IMF may charge a fee equivalent to seven percent (7%) of expenditures of any Transfer Funds, and retain funds deducted from the Transferred Funds through this charge for IMF’s own account.

3.3. Subject to the terms of this Agreement, the IMF may invest all funds in the Funding Account in accordance with the policies and procedures of the IMF concerning the investment of funds in respect of which it acts as trustee. Any investment income earned shall be used for the same purposes for which the transfer is made.

3.4. The IMF may convert Trust Fund funds received by it in the Funding Account into other currencies to facilitate their administration in accordance with the policies and procedures of the IMF; provided that the IMF 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 transferred prove to be insufficient to complete activities for which the transfer has been made.

### **4. USE OF FUNDS BY THE IMF**

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

- (a) the policies and procedures of the IMF, 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 the relevant transfer has been made, including: (i) the purpose for which they have been provided, and (ii) any applicable decisions of the Steering Committee for the transfer of funds.

4.2. The IMF shall use reasonable measures, in accordance with its policies and procedures to ensure that the Trust Fund funds provided to it are: (i) 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, and (ii) used for intended purposes and not diverted to terrorists or their agents in line with United Nations member 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 IMF under the anti-terrorist financing and asset control laws, regulations, rules and executive orders of an individual member country.

4.3. If any Trust Fund funds transferred to the IMF are not used in accordance with the terms of this Agreement, the IMF shall take necessary actions within its control to address the matter, including, in accordance with its policies and procedures, using reasonable efforts to recover, and return to the Bank, the funds that were misused. For the avoidance of doubt, if any such funds were misused due to the action of a third party without gross negligence or willful misconduct on the part of the IMF, the IMF shall not be required to return any such funds, which are not recovered by the IMF notwithstanding the IMF's reasonable efforts.

4.5. Except as the Bank shall otherwise agree, the IMF shall promptly return to the Bank, to such account as the Bank may designate, any remaining Trust Fund funds, which were transferred to the IMF under this Agreement, but for which no further expenditure or disbursement is due to be incurred or made by the IMF (including, but not limited to, due to a completion, cancellation or amendment of relevant activities for which the relevant transfer was made) ("Unused Funds"). Pending return to the Bank, the IMF shall hold any Unused Funds in the Funding Account and report them to the Bank under Section 6 below.

## **5. EXERCISE OF CARE**

5.1. The IMF 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 IMF, as applicable.

5.2. Subject to the terms of this Agreement, the IMF shall do any and all such acts as may be necessary or appropriate for the proper administration of the Funding Account, and shall be responsible for reporting to the Steering Committee on the use of Trust Fund funds transferred to it and delivery of activities financed by them, in accordance with the terms of this Agreement.

5.3. The IMF acknowledges and agrees that:

- (a) if the Donors acting through the Steering Committee reasonably determine through its decision by consensus and after consultation with the IMF, that the IMF has failed to comply with its obligations under this Agreement to a material extent, the IMF and the Donors acting through the Steering Committee shall agree on timely and appropriate measures to be taken to resolve this matter. If the Donors acting through the Steering

Committee and the IMF fail to agree on the measures to be taken or the IMF fails to take relevant measures as may be agreed between the Donors acting through the Steering Committee and the IMF, the Donors acting through the Steering Committee may instruct the Bank, upon thirty (30) days prior written notice, to suspend cash transfer of Trust Fund funds to the IMF, until such time as the measures has been taken;

- (b) any Donor may review or evaluate activities financed by the Trust Fund resources transferred to the IMF at any time up to closure of the IMF's Funding Account; provided that: (i) the Donor shall have agreed with the IMF on the scope, and conduct of such review or evaluation, (ii) unless otherwise agreed by the IMF, the IMF has received confirmation from the relevant Donor that all associated costs, including any costs incurred by the IMF, will be borne by the Donor, and (iii) the IMF shall provide all relevant information within the limits of the IMF's applicable policies and procedures. It is understood that any such review or evaluation will not constitute a financial, compliance or other audit of the Funding Account;
- (c) notwithstanding paragraph 6.2. below, if any Donor wishes to request, on an exceptional basis, a separate external audit of a financial statement of the Funding Account by the IMF's external auditor, the IMF and the requesting Donor shall first consult as to whether such an external audit is necessary. Following: (i) agreement between the IMF and the Donor on the scope and terms of reference of such audit, and (ii) unless otherwise agreed between the Donor and the IMF, receipt by the IMF of confirmation from the Donor that the costs of such audit, including the internal costs of the IMF with respect to such audit, will be borne by the Donor; the IMF shall arrange for such external audit in accordance with the IMF's policies and procedures; and
- (d) if any Donor becomes aware of information that indicates that any Trust Fund resources transferred to the IMF are not used for intended purposes, such Donor may notify the Steering Committee of such information so that the Donors acting through the Steering Committee may consult with the IMF and/or take an action as set forth in paragraph 5.3 (a) above.

5.4. For the avoidance of doubt, notwithstanding any suspension of the cash transfer of Trust Fund funds to the IMF under paragraph 5.3 (a) and/or paragraph 6.6, all of the provisions of this Agreement shall continue in full force and effect except as specifically provided in this Agreement.

## **6. RECORDS AND REPORTING**

6.1. The IMF shall, in accordance with its policies and procedures, maintain books, records, documents and other evidence in accordance with its usual accounting procedures, to substantiate sufficiently the use of the Trust Fund funds transferred to it.

6.2. The IMF shall provide the following financial information to the Steering Committee, through the Bank, prepared in accordance with the IMF's accounting and reporting procedures and provided in a form and means agreed upon with the Bank:

- (a) Within thirty (30) calendar days after June 30 of each year, an annual unaudited financial report for the activities for which the transfer was made.

- (b) Within thirty (30) calendar days after June 30 of each year, an annual unaudited financial report of the Funding Account.
- (c) Within thirty (30) calendar days after June 30 of each year, annual audited financial statements of the IMF, conducted under single audit principle for all trust funds of the IMF;
- (d) Within four (4) months after the End Date or in case of early termination of this Agreement, a final financial report of the Funding Account;
- (e) Such other periodic financial information for the activities for which the transfer was made, as may be agreed upon the Bank and the Donor acting through the Steering Committee following consultation with the IMF.

6.3. Unless the Bank and the IMF agree otherwise, all financial reports provided under this Agreement shall be expressed in United States dollars.

6.4. The IMF shall provide the Steering Committee, through the Bank, with progress reports for activities funded with Trust Fund funds as follows:

- (a) No later than (30) calendar days before the date of the annual Steering Committee meeting as notified by the Secretariat, an annual report on the progress of the implementation of IMF-Executed Activities during the previous year, with reference to the results framework for the Trust Fund agreed by the Steering Committee; and
- (b) No later than four (4) months following the completion of the implementation of IMF-Executed Activities under this Transfer Agreement, the End Date, or termination of this Transfer Agreement, whichever is earlier, a final report on the implementation of IMF-Executed Activities.

6.5. The IMF shall provide the Bank with a list containing the names and signatures of the authorized officers of the IMF (each, a “Authorized Signatory”), substantially in the form attached to this Agreement as Annex B (Form of Authorized Signatory Letter), as such list shall be revised from time to time as necessary and kept current at all times.

6.6. If the IMF fails to provide to the Bank any financial information in accordance with paragraphs 6.2 and 6.4 above, the Bank shall promptly notify the IMF 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 Bank, the Bank shall inform the Donors acting through the Steering Committee of the non-compliance by the IMF. The IMF acknowledges and agrees that the Donors acting through the Steering Committee may, following consultation with the IMF where appropriate, instruct the Bank to suspend any further cash transfer of Trust Fund resources to the IMF. Upon such instruction by the Donors acting through the Steering Committee, the Bank will, notwithstanding Section 2 above, suspend any further cash transfer of Trust Fund resources to the IMF, until such time that the Donors acting through the Steering Committee confirms with the Bank that the non-compliance is reasonably resolved or addressed.

## 7. NOTICES

7.1. 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 Bank:

Lea Hakim  
Senior Economist  
Global Macro and Debt Analytics Unit  
Macro, Trade, and Investment Global Practice  
The World Bank  
1818 H street NW  
Washington, DC 20433  
U.S.A

Telephone: +1202-458-4142  
E-mail: lhakim1@worldbank.org

(b) For the IMF:

Division Chief  
Global Partnerships Division  
Institute for Capacity Development  
International Monetary Fund  
700 19th Street N.W.  
Washington, D.C. 20431  
U.S.A.

Telephone: +1 202-623-8768  
E-mail: globalpartnerships@imf.org

## 8. DISCLOSURE

8.1. The Bank and the IMF agree that this Agreement will be made publicly available. Subject to Section 8.2, the Bank may also disclose in accordance with the World Bank's Policy on Access to Information, any other information related to this Agreement submitted to the Bank by the IMF under this Agreement.

8.2 If the IMF provides any information to the Steering Committee, through the Bank, in confidence under this Agreement in accordance with the IMF's policy on disclosure of information, the IMF shall clearly indicate or mark it in writing as confidential. The Bank shall not disclose to the public such information indicated or marked in writing as confidential, unless the IMF has given its prior written consent to such disclosure. The Bank may share any such information with the Steering Committee and/or any Donor only with the understanding that the Steering Committee and/or any Donor 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 IMF or the Donors are otherwise obligated to do so under applicable laws with respect to information in their possession.

## **9. DISPUTE RESOLUTION**

9.1. The IMF and the Bank, in coordination with the Donors acting through the Steering Committee, shall use their best efforts to amicably settle any dispute, controversy or claim arising out of or relating to this Agreement.

9.2. Nothing in this Agreement shall be considered a waiver of any privileges or immunities of the Bank or the IMF under their respective constituent document, international convention or any applicable law, all of which are expressly reserved.

## **10. EFFECTIVENESS; AMENDMENT**

10.1. This Agreement shall become effective on the date when the last of the two Parties signs it.

10.2. This Agreement may be amended at any time by the written agreement of the Bank and the IMF.

## **11. TERMINATION**

11.1. The Bank may not transfer Trust Fund funds to the IMF under this Agreement after June 28, 2024 (or such later date as the Bank may notify to the IMF in writing) (the "End Date"). The IMF shall not commit any Transfer Funds after the End Date, and any and all uncommitted and/or unused Transfer Funds remaining with IMF after the End Date, including any investment income thereon, shall be returned to the Trust Fund.

11.2. This Agreement shall terminate upon the occurrence of any of the following: (a) the closure of the Trust Fund, or (b) unless otherwise agreed between the Bank and the IMF, sixty (60) days after the date of a decision by the Donors acting through the Steering Committee to terminate the IMF'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.

11.3. Notwithstanding termination of this Agreement, and unless the Bank and the IMF agree on another course of action:

- (a) if there are outstanding financial rights and/or obligations incurred by the IMF in the implementation of activities for which Trust Fund funds have been transferred by the Bank 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 transferred until the outstanding financial rights and/or obligations have been fully satisfied;
- (b) the IMF 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;
- (c) the IMF will hold in the Funding Account Unused Funds from any transfer of funds and investment income earned on the Funding Account, if any, until all outstanding financial obligations incurred in the implementation of the activities have been satisfied; and

- (d) the IMF shall return to the Bank, in a manner agreed to with the Bank, (i) any portion of the Funding 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 IMF after the termination of this Agreement, which are otherwise due to be returned to the Bank under the terms of this Agreement.

**INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT  
INTERNATIONAL DEVELOPMENT ASSOCIATION,  
as trustee of the Debt Management Facility Phase III Multi-Donor Trust Fund**

By: Ahmadou Moustapha Ndiaye Date: 06-Aug-2020  
Name: Ahmadou Moustapha Ndiaye  
Title: Acting for Vice-President, Equitable Growth, Finance and Institutions

**INTERNATIONAL MONETARY FUND**

By: Roger Nord Date: 07-Aug-2020  
Name: Roger Nord  
Title: Deputy Director



**Annex A**  
**Form of Cash Transfer Request**

[IMF's Letterhead]

[Date]

[insert name]

[insert title]

The World Bank,  
as trustee of the Debt Management Facility Phase III Multi-Donor Trust Fund  
1818 H Street NW  
Washington, D.C. 20433  
U.S.A.

**Re: TF Disbursing Account No. TF0B3596  
Debt Management Facility Phase III Multi-Donor Trust Fund  
Transfer Agreement -- Cash Transfer Request**

Dear Sir or Madam:

Reference is made to the Transfer Agreement between the International Bank for Reconstruction and Development and the International Development Association (the "Bank") as trustee of the Debt Management Facility Phase III Multi-Donor Trust Fund (Trust Fund No. 073419) (the "Trust Fund") and the International monetary Fund ("IMF"), effective as of \_\_\_\_\_ (the "Agreement").

Pursuant to Section 1 of the Agreement, the IMF hereby requests the Bank to transfer US\$ \_\_\_\_\_ [amount of Funds] from the Trust Fund to the IMF for the IMF's use in accordance with the terms of the Agreement.

Bank Account Details for receipt of the funds:

Bank account name:  
Bank account number:  
Bank name:  
Bank address:  
Bank SWIFT code:  
Routing instructions:

Sincerely,

**INTERNATIONAL MONETARY FUND**

\_\_\_\_\_  
[Name of Authorized Signatory]  
[Title of Authorized Signatory]

**Annex B**

**Form of Authorized Signatory Letter**

[IMF's Letterhead]

[Date]

[insert name]

[insert title]

The World Bank,  
as trustee of the Debt Management Facility Phase III Multi-Donor Trust Fund  
1818 H Street NW  
Washington, D.C. 20433  
U.S.A.

**Re: TF Disbursing Account No. TF0B3596  
Debt Management Facility Phase III Multi-Donor Trust Fund  
Transfer Agreement -- Authorized Signatory**

Dear Sir or Madam:

Reference is made to the Transfer Agreement between the International Bank for Reconstruction and Development and the International Development Association (the "Bank") as trustee of the Debt Management Facility Phase III Multi-Donor Trust Fund (Trust Fund No. 073419) (the "Trust Fund") and the International monetary Fund ("IMF"), effective as of \_\_\_\_\_ (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 IMF to sign any request or report under the Agreement:

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

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

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

This authorization replaces and supersedes any authorization currently in the Bank records with respect to the Transfer Agreement.

Sincerely,

**INTERNATIONAL MONETARY FUND**

\_\_\_\_\_  
[Name of Authorized Signatory]  
[Title of Authorized Signatory]