

TRANSFER AGREEMENT
DEBT MANAGEMENT FACILITY PHASE II (DMF II) MULTI-DONOR TRUST FUND
(TF No. 0A8599)

WHEREAS the International Bank for Reconstruction and Development and the International Development Association (collectively, the “Bank”) as trustee (the “Trustee”) of the Debt Management Facility Phase II (DMF II) Multi-Donor Trust Fund (Trust Fund No. 072838 parallel to original Trust Fund No. 072132) (“Trust Fund”) and the International Monetary Fund (the “IMF”, 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 to the IMF from the Trust Fund through a disbursement trust fund (TF No. 0A8599) (the “DMF II Transfer Trust Fund”);

WHEREAS the DMF II Multi-Donor Trust Fund has been established through Administration Agreements/Supplemental Agreements between the Trustee and each of the Donors (collectively, the “Donors”) contributing funds to the Trust Fund (the “Administration Agreements”);

WHEREAS the relationships between the IMF, the Bank and the Donors to the Trust Fund are governed by the DMF II Charter adopted on November 22, 2013, as may be amended from time to time in accordance with its terms (the “DMF II Charter”); and

WHEREAS the IMF may provide requests to the Trustee for the transfer of funds from the Trust Fund, which the Trustee shall transfer under this Transfer Agreement in accordance with the terms set forth herein.

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 in the Administration Agreements and the DMF II Charter.
2. Upon receipt by the Trustee of each Installment the Bank shall transfer 37% of the amount of Installment received (the “Transferred Funds”) to the subaccount established by the IMF on March 28, 2011 in accordance with IMF Rules (as defined in Paragraph 5 below) (the “Subaccount”). The IMF may request the Trustee to transfer such amount by submitting to the Trustee a request (the “Transfer Request”) in the form attached to this Transfer Agreement as Annex 1. Following receipt of the Transfer Request, the Trustee shall transfer the requested amount for IMF-Managed Activities by wire transfer to the bank account specified in such Transfer Request in one lump sum.
3. In order to assist in the defrayment of the costs of administration and other expenses incurred by IMF under this Transfer Agreement, IMF may levy a charge to cover the expenses incurred by the IMF in the administration of the Subaccount equivalent to seven percent (7%) of expenditures of any Transferred Funds, and retain funds recovered through this charge for IMF’s own account.
4. Following the transfer of the Transferred Funds to IMF, the Trustee shall have no responsibility, fiduciary or otherwise, for the use of Transferred Funds, including the implementation or supervision of activities financed by such funds.
5. Upon the transfer of the Transferred Funds to the Subaccount, IMF shall be responsible for the use and administration of the Transferred Funds and any investment income earned thereon (the “Funds”), as well as the supervision of the activities financed by such Funds, all in accordance with its rules, regulations, policies and procedures, including but not limited to, those in respect of the

procurement of goods and services, financial management, audit, personnel, reporting arrangements, framework to combat fraud and corruption, Instrument for the Framework Administered Account for Selected Fund Activities (collectively, the “IMF Rules”).

6. IMF agrees that the Funds shall be kept separate and apart from the funds of IMF in the Subaccount pending their use for the purposes approved by the DMF II Steering Committee. The Funds in these dedicated accounts may be commingled and may be freely exchanged by IMF into other currencies as may facilitate their further disbursement. In the event that IMF has provided funding to a third party in a currency other than United States Dollars, any exchange rate risk arising as a result of such conversion of currencies shall not be borne by the DMF II Transfer Trust Fund.

7. Subject to the terms of this Transfer Agreement, IMF may invest all Funds pending their disbursement in accordance with IMF’s policies and procedures concerning the investment of funds including those applicable to funds for which IMF acts as a trustee. IMF shall not be held liable for any losses, which may arise from such investment save to the extent provided for in Paragraph 13 below.

8. IMF shall, in accordance with IMF Rules: (i) maintain books, records, documents, and other evidence in accordance with its usual accounting procedures to sufficiently substantiate the use of the Funds; and (ii) provide to the DMF II Steering Committee copies of: (A) annual financial reports, including annual audited or unaudited financial reports; (B) a final financial statement for the dedicated accounts referred to in Paragraph 6 above, in United States Dollars, within twelve (12) months after the End Date or termination of this Transfer Agreement, whichever is earlier; and (C) annual audited financial statements of the IMF, conducted under single audit principle for all trust funds of the IMF, in United States dollars, so long as they are relevant to the Transferred Funds.

9. Except as the Trustee shall otherwise agree, cancelled funds or unused funds from the Transferred Fund for which no further disbursements are due to be made, shall be returned by IMF to the DMF II Transfer Trust Fund after the End Date or termination of this Transfer Agreement, whichever is earlier (or such other frequency agreed with the Trustee), to such account as the Trustee may designate. IMF shall maintain a record of any such cancelled or unused funds and report to the DMF II Steering Committee, through the Trustee, as part of the financial reports referred to in Paragraph 8 above.

10. In accordance with the DMF II Charter, IMF shall prepare and submit the following documents and reports to the DMF II Secretariat for further submission to the DMF II Steering Committee: (i) an annual report on the progress of the implementation of IMF-Managed Activities during the previous year and an annual work program including activities and budget for the following year, to be submitted no later than thirty days before the date of the annual Steering Committee meeting as notified by the Secretariat; and (ii) a final report on the implementation of IMF-Managed Activities, to be submitted within six (6) months following the completion of the implementation of IMF-Managed Activities under this Transfer Agreement, the End Date or termination of this Transfer Agreement, whichever is earlier.

11. Recognizing the obligations of IMF’s member countries under various United Nations Security Council Resolutions to take measures to prevent the financing of terrorism, the IMF undertakes to use reasonable efforts, consistent with its policies and procedures, to ensure that the Funds provided to it by the Trustee are used for their intended purposes and are not diverted to terrorists or their agents.

12. IMF 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 trust or fiduciary law.

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

14. Nothing in this Transfer Agreement shall be considered a waiver of any privileges or immunities of the Bank and IMF 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 IMF of the jurisdiction of any national courts or the application of any domestic law.

15. (a) The DMF II Steering Committee may direct the Trustee, after consultation with IMF, to withhold disbursement of the Trust Fund under this Transfer Agreement for any of the following reasons: (i) a substantial deviation from the annual work program and financial plan endorsed by the DMF II Steering Committee; (ii) failure of IMF to comply with any of the terms of this Transfer Agreement; or (iii) IMF has engaged in financial mismanagement, as determined in accordance with the IMF's policies and procedures. The Trustee shall then notify IMF in writing that (i), (ii), or (iii) above has occurred and request IMF to remedy or cause such event to be remedied within a reasonable time frame determined by the DMF II Steering Committee.

(b) If following receipt of the Trustee notification referred to in Paragraph 15(a) above, IMF fails to remedy or cause such event to be remedied within the reasonable time frame referred to in Paragraph 15(a) to the satisfaction of the DMF II Steering Committee, the Trustee: (i) shall consult the DMF II Steering Committee; and (ii) at the instruction of the DMF II Steering Committee (in consultation with IMF), may, if such relevant event has not been remedied and is continuing, require IMF to return the Funds transferred to IMF under dispute and/or suspend any further transfer of funds to be made from the Trust Fund to IMF.

16. Without prejudice to Paragraph 14, IMF agrees that each Donor, as third party beneficiary, may deal directly with IMF with respect to any unmet obligations of IMF as stated in this Transfer Agreement; provided that the procedures provided in Paragraph 15 have been exhausted. If as a result, IMF makes any payment, such payment will be made only to the Trustee and only for the benefit of the Trust Fund. Any payment from IMF shall be limited to such amount of Funds attributable to the breach of its obligations. IMF and the Donor shall use their best efforts to amicably resolve any disputes, controversy or claims arising out of or relating to this Transfer Agreement.

17. It is expected that all Funds will be committed by IMF by December 31, 2018 (the "End Date"). Any uncommitted Funds remaining with IMF after the End Date, including any unused investment income, shall be returned to the DMF II Transfer Trust Fund for further transfer to the Trust Fund.

18. This Transfer Agreement may be terminated by either Party upon three (3) months prior written notice. Following termination, the Trustee and IMF shall, in consultation with the DMF II Steering Committee to the extent possible, take all necessary action for winding down their affairs in relation to IMF-Managed Activities in an expeditious manner. In the event of any such termination, unless the Parties agree otherwise, (i) any agreement entered into prior to the termination between IMF and any consultants and/or other third parties shall remain in effect and be unaffected by the termination, and (ii) IMF shall continue to disburse the Funds in respect of such agreements to the extent necessary to

fulfill IMF's obligations thereunder as if this Transfer Agreement had not been terminated. All other uncommitted Funds remaining with the IMF shall be returned to the DMF II Transfer Trust Fund for further transfer to the Trust Fund.

19. Any communication, notice or request required or permitted to be given or made under this Transfer Agreement shall be executed in writing by the authorized person set forth below and delivered to the address set forth below, or such other contact details as may be notified in writing by one Party to the other from time to time.

For the Trustee:

DMF II Management Unit
c/o Léa Hakim, Senior Economist
Macroeconomics, Trade and Investment
The World Bank
1818 H Street NW, Washington, DC 20433
United States of America
Tel: +1 202 458 4142
Fax: +1 202 522 3740
E-mail: lhakim1@worldbank.org

For 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.
Email: globalpartnerships@imf.org
Tel: +1 202 623 8768
Fax: +1 202 623 7106

IMF shall, from time to time, provide the Trustee with a list containing the name(s) and signature(s) of person(s) authorized on behalf of IMF to sign any requests or reports, including the Transfer Requests, under this Transfer Agreement, in the form attached to this Transfer Agreement as Annex 2.

20. The Trustee will disclose this Transfer Agreement and related information on the Trust Fund in accordance with the World Bank Policy on Access to Information. By entering into this Transfer Agreement, IMF consents to the disclosure of this Transfer Agreement and related information on the Trust Fund.

21. This Transfer Agreement may be amended only by written agreement between the Trustee and IMF.

22. The Trustee and IMF agree that upon receipt by the Trustee of the copy of this Transfer Agreement countersigned by the IMF, this Transfer Agreement shall become effective as of the date of the IMF's countersignature.

**INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT AND
INTERNATIONAL DEVELOPMENT ASSOCIATION
AS TRUSTEE OF THE DEBT MANAGEMENT FACILITY PHASE II
MULTI-DONOR TRUST FUND**

By: Caroline Freund

Date: 14-Nov-2018

Name: Caroline Freund

Title: Acting Senior Director

INTERNATIONAL MONETARY FUND

By: Roger Nord

Date: 15-Nov-2018

Name: Roger Nord

Title: Deputy Director

ANNEX 1

FORM OF TRANSFER REQUEST

[IMF's letterhead]

[Date]

[name]

[title]

As Trustee pursuant to the Transfer Agreement

[Trustee contact details pursuant to the
Transfer Agreement]

**RE: Debt Management Facility Phase II (DMF II) Multi-Donor Trust Fund
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 (collectively, the "Bank") as trustee (the "Trustee") of the Debt Management Facility Phase II (DMF II) Multi-Donor Trust Fund (TF No. 072838) (the "Trust Fund") and the International Monetary Fund ("IMF"), dated _____ (the "Transfer Agreement"), in which the Trustee agreed to transfer funds from the DMF II Transfer Trust Fund (TF No. 0A8599) to the IMF for the implementation of IMF-Managed Activities consistent with the terms of the Transfer Agreement.

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

Pursuant to Paragraph 2 of the Transfer Agreement, IMF hereby requests the Trustee to transfer *[insert amount of requested Allocation in words]* United States Dollars from the DMF II Transfer Trust Fund (TF No. 0A8599) for IMF's use consistent with the terms of the Transfer Agreement.

Bank Account Details for receipt of Allocation:

Bank account name:

Bank account number:

Bank name:

Bank address:

Bank SWIFT code:

Routing instructions:

Sincerely,

INTERNATIONAL MONETARY FUND

[Name]

[Title]

ANNEX 2

FORM OF AUTHORIZED SIGNATORY LETTER

[IMF's letterhead]

[DATE]

[name]

[title]

As Trustee pursuant to the Transfer Agreement

[Trustee contact details pursuant to the Transfer Agreement]

Dear Sir or Madam:

Re: Debt Management Facility Phase II (DMF II) Multi-Donor Trust Fund Authorized Signatory Letter under the Transfer Agreement between the Trustee and IMF

Reference is made to the Transfer Agreement (TF No. 0A8599) between the International Bank for Reconstruction and Development and the International Development Association (collectively, the "Bank") as trustee (the "Trustee") of the Debt Management Facility Phase II (DMF II) Multi-Donor Trust Fund (TF No. 072838) (the "Trust Fund") and the International Monetary Fund ("IMF"), dated _____ (the "Transfer Agreement"). For the purposes of the Transfer Agreement, any [one/two] of the persons whose authenticated specimen signatures appear below is authorized on behalf of IMF to sign any requests or reports under the Transfer Agreement.

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

[Name], [position] Specimen Signature: _____

[Name], [position] Specimen Signature: _____

[Name], [position] Specimen Signature: _____

Yours truly,

INTERNATIONAL MONETARY FUND

[Name]
[Title]