

FINANCIAL PROCEDURES AGREEMENT

between

THE UNITED NATIONS CHILDREN'S FUND
Acting as a Supervising Entity designated to receive funds from
THE GLOBAL PARTNERSHIP FOR EDUCATION FUND

and

THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
as Trustee of
THE GLOBAL PARTNERSHIP FOR EDUCATION FUND

WHEREAS the Global Partnership for Education Fund (the "Trust Fund") has been established at the International Bank for Reconstruction and Development (IBRD), as Trustee (the "Trustee") of the Trust Fund, through Contribution Agreements (as such term is defined below);

WHEREAS the Contribution Agreements provide that, subject to the availability of applicable funds held in the Trust Fund as determined by the Trustee, the Trustee shall make commitments, transfer, and/or use the Trust Fund funds for any purpose approved and in the amount allocated by the Board of Directors (as such term is defined below) and that the Trustee shall commit the amount of the Trust Fund funds allocated by the Board of Directors and transfer such amounts to Supervising Entities and Implementers (now referred to as "Managing Entities") in accordance with the Transfer Agreements (now referred to as "Financial Procedures Agreements") (as such terms are defined in the Global Partnership for Education Fund Governance Document (formerly referred to as "Trust Fund Governance Document"));

WHEREAS, pursuant to the Global Partnership for Education Fund Governance Document, the Board of Directors (A) approves all Allocations (as such term is defined below) in support of all country-level and global and regional level activities, and (B) with respect to a proposal submitted to the Board of Directors seeking Trust Fund funds for an activity, approves the Supervising Entity for such proposal, in consultation with the Trustee;

WHEREAS the Board of Directors may from time to time approve proposals that designate the United Nations Children's Fund ("UNICEF") as Supervising Entity for programmes to be supported with Allocations from the Trust Fund; and

WHEREAS UNICEF and the Trustee now wish to enter into this Agreement to establish standard terms and conditions that will, unless otherwise mutually agreed, apply to the commitment, transfer and administration of funds allocated where UNICEF acts as Supervising Entity.

NOW THEREFORE, the Trustee and UNICEF as Supervising Entity 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:

“**Activity**” or “**Activities**” means an activity, a set of activities, or part thereof to be financed with funds from the Trust Fund, as approved by the Board of Directors based upon a Proposal and in respect of which UNICEF acts as the Supervising Entity using the Special Account modality;

“**Agency Fee**” means the fees charged by a Supervising Entity and agreed by the Board of Directors in order to assist in the defrayment of administrative and other costs incurred in connection with the administration of Cash Transfers. For the purpose of this Agreement and the Trustee’s administration of the Contribution Agreements, the UNICEF Special Account Fee shall be treated as the Agency Fee;

“**Allocation**” means the portion of the Trust Fund funds that has been approved by the Board of Directors for allocation to Activities where UNICEF acts as the Supervising Entity using the Special Account modality, including the amount approved by the Board of Directors to pay the related UNICEF Special Account Fee and the Supervision Allocation (if any);

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

“**Board of Directors**” means the Board of Directors of the Global Partnership for Education, as described in the Charter;

“**Cash Transfer**” means Trust Fund funds transferred to UNICEF as Supervising Entity (i) for approved Activities, including the related UNICEF Special Account Fee, and (ii) Supervision Allocation (if any);

“**Cash Transfer Request**” means a request submitted by UNICEF to the Trustee for a Cash Transfer for an Allocation or Allocations;

“**Charter**” means the Charter of the Global Partnership for Education adopted by the Board of Directors, as may be amended from time to time in accordance with its terms, which establishes the governance arrangements and roles and responsibilities of the partners in the Global Partnership for Education;

“**Contribution**” means the funds provided and to be provided by a Contributor to the Trust Fund, as specified in the Contribution Agreement or Arrangement, and “**Contributions**” means the aggregate of all the funds provided and to be provided to the Trust Fund;

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“**Contribution Agreement/Arrangement**” means any agreement or arrangement between the Trustee and a Contributor setting forth specific terms for the receipt and use of a Contribution;

“**Contributor**” means any country (including any ministry and agency thereof) or, if agreed by the Board of Directors and the Trustee, such other public or private entity that provides a Contribution to the Trust Fund;

“**Developing Country Partner**” means, with respect to each individual Allocation, the country government that receives Trust Fund funds from UNICEF in respect of such Allocation for the implementation of the related Activities;

“**Dollars**” or “**\$**” means dollars in the currency of the United States of America;

“**Fiscal Year**” means, for purpose of the Global Partnership for Education Fund, the period between January 1 and December 31 of each calendar year;

“**Global Partnership for Education**” means the global partnership formerly known as the Education for All Fast Track Initiative, established in 2002, of developing and donor countries, agencies, civil society organizations, the private sector and private foundations and other development stakeholders, with the aim of accelerating progress towards the Education for All goals;

“**Global Partnership for Education Fund Governance Document**” means the document adopted by the Board of Directors, in consultation with the Trustee, that establishes the operational and decision-making procedures of the Trust Fund, as may be amended by the Board of Directors from time to time in consultation with the Trustee. For the purposes of this Agreement, the Global Partnership for Education Fund Governance Document in effect as of the date on which UNICEF signs this Agreement shall be the applicable version unless UNICEF and the Trustee agree otherwise;

“**Disbursement Agreement**” means an agreement or other arrangement entered into between UNICEF as Supervising Entity and a Developing Country Partner or other entity in respect of an Allocation;

“**Letter of Commitment**” means a letter from the Trustee to UNICEF confirming to UNICEF as Supervising Entity the commitment of an Allocation;

“**Letter of Commitment Cancellation**” means a letter from the Trustee to UNICEF confirming the cancellation of the commitment of Trust Fund funds to UNICEF;

“**Misuse of Funds Policy**” means the Policy and Communications Protocol on Misuse of GPE Trust Funds approved by the Board of Directors on 7-8 June 2012.

“**Proposal**” means, with respect to each Allocation, the proposal of the relevant Developing Country Partner submitted to, and approved by, the Board of Directors seeking Trust Fund funds for an Activity or Activities;

“**Secretariat**” means the unit established within the World Bank to support the work of the Board of Directors and the Global Partnership for Education, as described in the Charter;

“**Special Account**” means an account established by UNICEF in accordance with its financial regulations and rules and this Agreement in order to hold funds received from the Trustee under this Agreement;

“**Supervising Entity**” means UNICEF in its capacity as Supervising Entity under this Agreement;

“**Supervision Allocation**” means that part (if any) of an Allocation approved by the Board of Directors to help offset UNICEF’s costs associated with fulfilling its responsibilities of the Supervising Entity as set out in the Proposal to which such Allocation relates. A Supervision Allocation will not be used to implement Activities or be applied to pay the UNICEF Special Account Fee. Any Supervision Allocation will be received and administered by UNICEF as an Other Resources contribution to UNICEF revenue, and in accordance with UNICEF Executive Board’s decision regarding recovery rates, a Supervision Allocation will be subject to the mandatory UNICEF recovery charge to help defray UNICEF’s incremental indirect costs of administering such contribution and UNICEF will apply a portion of any Supervision Allocation as the UNICEF recovery charge; and

Comment [JRP1]: Subject to Board approval.

“**UNICEF Special Account Fee**” means the fee on funds received for UNICEF’s Special Account(s) to defray expenses related to the administration of such account(s).

2. UNICEF SPECIAL ACCOUNTS

Section 2.1. Upon receipt of a Letter of Commitment, UNICEF will establish a special account under its financial regulations and rules on behalf of the relevant Developing Country Partner in respect of each Allocation. UNICEF will (a) receive Cash Transfers transferred to UNICEF pursuant to such Letter of Commitment in respect of Activities and deposit them in the relevant Special Account; and (b) administer and disburse such funds to the relevant Developing Country Partner in accordance with the decisions of the Board of Directors, this Agreement, and the Disbursement Agreement between UNICEF as Supervising Entity and such Developing Country Partner.

Section 2.2. UNICEF shall keep in separate ledger accounts in its records a complete, true and fair record of the receipt and disbursement of all the Cash Transfers with respect to each Special Account established in accordance with Section 2.1 above.

Section 2.3. Each such Special Account will be administered in accordance with the financial regulations and rules of UNICEF together with its relevant policies, procedures and administrative instructions, and standard operating arrangements (including those related to interest, oversight, audit, and accountability for funds disbursed). The funds held in such Special Accounts may be commingled with other financial resource administered by UNICEF pending

their transfer to the relevant Developing Country Partner.

3. COMMITMENT OF FUNDS BY THE TRUSTEE

Section 3.1. Commitments are always subject to availability of resources in the Trust Fund.

Section 3.2. Unless otherwise agreed between the Trustee and UNICEF, the following procedures shall apply to each commitment of an Allocation:

- (a) Once the Secretariat has notified the Trustee of (i) the approval by the Board of Directors of an Allocation or Allocations to be transferred to and held by UNICEF as Supervising Entity; and (ii) the amount the Board of Directors has instructed the Trustee to commit in respect of such Allocation(s), the Trustee shall commit Trust Fund funds in the amount so notified by the Secretariat.
- (b) The Trustee shall confirm to UNICEF the commitment of funds on a monthly basis (or at such frequency as the Trustee and UNICEF may agree) and so do so by means of a Letter of Commitment, substantially in the form attached to this Agreement as Annex A.

Section 3.3. The amount of the Trust Fund funds committed by the Trustee in a Letter of Commitment may be adjusted as follows:

- (a) Subject to paragraph (e) below, in the event that the Secretariat has notified the Trustee that an Allocation or Allocations have been decreased as a result of a subsequent cancellation by the Board of Directors of all or a portion of such Allocation after the Trustee has committed the funds for such Allocation under Section 3.2(a) above, the corresponding amount of funds committed by the Trustee pursuant to Section 3.2(a) above shall be cancelled to reflect such decrease.
- (b) In the event that UNICEF has notified the Trustee, pursuant to Section 10.2 below, that an Allocation or Allocations have been decreased as a result of a subsequent cancellation of Activities after the Trustee has committed the funds for such Allocations under Section 3.2(a) above, the corresponding amount of funds committed by the Trustee pursuant to Section 3.2(a) above shall be cancelled to reflect such decrease.
- (c) In the event that there are any undisbursed funds from an Allocation or Allocations, for which no further disbursements are due to be made by UNICEF, the amount of funds committed by the Trustee pursuant to Section 3.2(a) above shall be cancelled to reflect the amount of undisbursed funds. Such reduction shall be made based on the information provided by UNICEF pursuant to Section 10.2 below.

Section 3.4. The Trustee shall notify UNICEF of the cancellation of the Trust Fund funds committed by the Trustee by means of a Letter of Commitment Cancellation, substantially in the form attached to this Agreement as Annex B. Any such cancellation by the Trustee shall not apply to amounts already transferred to UNICEF in respect of UNICEF Special Account Fee or already expended or committed by UNICEF as a Supervision Allocation or to amounts already disbursed by UNICEF from the relevant Special Account.

Section 3.5. In the event of a decision by the Board of Directors to cancel an Allocation or a part thereof, after the Trustee has committed funds and made a transfer of funds to UNICEF as Supervising Entity in respect of such Allocation, the Trustee shall only cancel commitments after UNICEF has confirmed to the Trustee the total amount of undisbursed funds related to such Allocation held by UNICEF in the relevant Special Account as of the date of receipt by UNICEF of notice of the Board of Directors' decision. UNICEF will hold in its account referred to in Section 2.1 above undisbursed funds from any such Allocation and account for such undisbursed funds in accordance with Section 6.2.

4. TRANSFER OF FUNDS BY THE TRUSTEE

Section 4.1. The following procedures shall apply to the transfer of Trust Fund funds by the Trustee under this Agreement, unless otherwise agreed between the Trustee and UNICEF.

- (a) Conditions to be met: UNICEF may request a Cash Transfer for an Allocation after commitment of Trust Fund funds for an Allocation by the Trustee pursuant to Section 3.2. The Cash Transfer Request shall be delivered to the Trustee in accordance with Sections 4.1(b) and (c) below.
- (b) Frequency of Cash Transfer Request: Every twelve (12) months (or at such other frequency as the Trustee and UNICEF may agree) UNICEF shall deliver a Cash Transfer Request to the Trustee and shall do so by email, facsimile or as otherwise agreed with the Trustee.
- (c) Content of each Cash Transfer Request: Each Cash Transfer Request shall be substantially in the form attached to this Agreement as Annex C, signed by an Authorized Officer, and shall indicate, in respect of each Allocation:
 - (i) the amount of funds requested by UNICEF for disbursement to the relevant Developing Country Partner to meet the Developing Country Partner's projected cash requirements for such Allocation for a twelve (12) month period (or such other period as the Trustee and UNICEF may agree) following the date of the Cash Transfer Request;
 - (ii) a statement of the cumulative net cash position of all Special Accounts administered by UNICEF at the time of the Cash Transfer Request (being the net cumulative Cash Transfers received from the Trustee for such Allocation, less net cumulative disbursements by UNICEF against such Cash Transfers) as of the date of the request, including

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the amount of undisbursed funds held by UNICEF (including when relevant, funds returned to UNICEF by a Developing Country Partner) with regard to financially closed Allocations pursuant to Section 6.2;

- (iii) the amount of funds requested for the UNICEF Special Account Fee, which shall not exceed the cumulative committed amount for UNICEF Special Account Fee less the amount previously transferred to UNICEF; and
 - (iv) any Supervision Allocation, the amount of which shall not exceed the cumulative committed amount for the Supervision Allocation less the amount previously transferred to UNICEF in respect of Supervision Allocations.
- (d) Amount of Funds in Cash Transfer Request: The amount of funds requested by UNICEF, in each Cash Transfer Request shall be
- (i) the twelve (12)-month projections (or such other period as the Trustee and UNICEF may agree) referred to in Section 4.1(c)(i) above; plus
 - (ii) the amount for UNICEF Special Account Fee to in Section 4.1(c)(iii); plus
 - (iii) the amount for the Supervision Allocation referred to in Section 4.1(c)(iv) above; minus
 - (iv) the net cash position referred to in Section 4.1(c)(ii) above.
- (e) Verification by the Trustee of the Cash Transfer amount: Upon receipt of a Cash Transfer Request, the Trustee shall verify that the amount requested does not exceed the net cumulative commitments by the Trustee less the net cumulative Cash Transfers transferred by the Trustee to UNICEF. Upon such verification, the Trustee shall transfer to UNICEF as Supervising Entity the amount of funds set out in such Cash Transfer Request.

Section 4.2. Cash Transfers are always subject to availability of resources in the Trust Fund. It is understood that, with regard to any particular Allocation, UNICEF will not be required to make disbursements to the relevant Developing Country Partner, and the relevant Developing Country Partner will not be required to initiate or continue implementation of any Activities, pending receipt by UNICEF of the full amount set out in a Cash Transfer Request.

Section 4.3. Cash Transfers from the Trustee to UNICEF as Supervising Entity shall be made by crediting the amount to the account specified by UNICEF as notified to the Trustee from time to time. The Trustee shall notify UNICEF of each such transfer. UNICEF will have no liability to the Trustee or the Contributors under this Agreement in case of any failure by UNICEF's designated bank.

5. USE OF FUNDS

Section 5.1. (a) Upon completing a Cash Transfer, the Trustee shall have no responsibility, fiduciary or otherwise, for the use of such funds or Activities carried out therewith. With respect to each Allocation, the funds transferred to UNICEF as Supervising Entity pursuant to this Agreement with regards to Allocations (but not with regard to a Supervision Allocation or with regard to the UNICEF Special Account Fee) will be disbursed by UNICEF to the relevant Developing Country Partner exclusively in accordance with this Agreement, the related Proposal and the relevant disbursement agreement.

(b) Upon completing a disbursement of funds to a Developing Country Partner, UNICEF shall have no responsibility, fiduciary or otherwise, for the use of such funds or Activities carried out therewith other than those specifically set forth in the Proposal to which the relevant Allocation relates and in this Agreement.

Comment [JRP2]: Subject to Board Approval.

Section 5.2. Subject to the terms of this Agreement, UNICEF may invest all funds held in each Special Account, pending their disbursement to the relevant Developing Country Partner, in accordance with the rules, regulations, policies, procedures and administrative practices and directives of UNICEF.

Section 5.3. Neither the Trustee nor UNICEF shall have any responsibility for collection of funds due to the Global Partnership for Education from any other entity under any Activity for which there is an Allocation. When UNICEF has received any unused funds with respect to an Allocation from any other entity, UNICEF shall report and return such funds to the Trust Fund in accordance with Section 6 below.

Section 5.4. (a) With respect to funds held by UNICEF as Supervising Entity before disbursement to the relevant Developing Country Partner:

(i) UNICEF recognizes the importance of taking all necessary precautions to avoid the misuse of funds and, to this end, UNICEF will maintain standards of conduct that govern the performance of its staff, including the prohibition of the misuse of funds, in accordance with its relevant regulations and rules.

(ii) UNICEF recognizes that, in accordance with the Misuse of Funds Policy, the Board of Directors' approval of UNICEF as Supervising Entity reflects the Board of Directors' assessment that UNICEF has policies and procedures to mitigate risk of misuse of funds while such funds are under the direct control of UNICEF, as such misuse is defined in the Misuse of Fund Policy, and to address misuse should it occur. UNICEF confirms that these policies and procedures will be fully applied and that the communications protocol set out in paragraphs 3.c.ii, 9, 10 and 11 of the Misuse of Funds Policy will be observed with regard to each Allocation while funds from such Allocation are in UNICEF's control. In addition, any investigation conducted by UNICEF may, in consultation with the United Nations' Office of Legal Affairs and where appropriate, involve a referral to law enforcement authorities. UNICEF will also cooperate with all

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investigations into possible fraud by law enforcement authorities as per its regulations, rules, policies and procedures.

(iii) UNICEF further confirms that UNICEF will, through the Secretariat and in accordance with its relevant regulations, rules, policies and procedures (including its policy prohibiting and combatting fraud and corruption), advise the Board of Directors and the Trustee if, in the application of its accountability and oversight framework it initiates an investigation into allegations that some part of a Cash Transfer has been used in a manner inconsistent with the purposes for which it was provided by the GPE while such funds were in UNICEF's control, and will continue to provide information about such investigation and any follow-up action in accordance with UNICEF's Information Disclosure Policy and policy prohibiting and combatting fraud and corruption and other relevant policies and procedures and decisions of its Executive Board. If it is agreed between the Board of Directors and UNICEF that there is evidence of misuse of funds while funds were in UNICEF's direct control, UNICEF will use its best efforts, consistent with its regulations, rules, policies and procedures to recover any funds misused. If an investigation initiated under this Section 5.4(a)(iii) establishes that such misuse has occurred or if there are reasonable grounds for suspicion of such misuse, UNICEF will promptly notify the Board of Directors, through the Secretariat, and the Board of Directors may instruct the Trustee to withhold further Cash Transfers and suspend any further commitment under the relevant Allocation. In addition, if such misuse occurred while the funds were under UNICEF's direct control, UNICEF will promptly return an amount equal to the misused funds to the Trustee. If the misuse of funds was due to the action of a third party UNICEF shall take the necessary actions within its control to address the matter, including, in accordance with its policies and procedures, using reasonable efforts to recover such Cash Transfers from such third party and return such recovered funds to the Trustee; it being understood that UNICEF shall not be required to return any funds which are not so recovered.

Comment [JRP3]: Based on Section 5.4 of Financial Procedures Agreement with UNICEF as Managing Entity which was approved by the Board.

(b) With respect to each Allocation, prior to transfer of funds from UNICEF to the relevant Developing Country Partner, UNICEF will enter into an agreement with the relevant Developing Country Partner with regard to such Allocation and will include in such agreement, in addition to the matters referred to in Section 10.4 below, provisions giving effect to the following:

- (i) an acknowledgement by the Developing Country Partner that funds transferred to it in respect of such Allocation are made available to it by the decision of the Board of Directors and a confirmation that by submitting the Proposal and receiving and using such funds, the Developing Country Partner agrees to comply with the requirements of the GPE as set out in the GPE funding policies on the GPE public website, including the Misuse of Funds Policy;
- (ii) an acknowledgement by the Developing Country Partner that, in the event that the Board of Directors notifies the Trustee through the Secretariat that the Board of Directors has determined, following consultation with the Supervising Entity and the Developing Country Partner, that Cash Transfers in respect of such Allocation have been used in a manner inconsistent with the purposes for which such

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Allocation was approved by the Board of Directors or the applicable decisions of the Board of Directors due to the action, and/or gross negligence, and/or willful misconduct on the part of the Developing Country Partner, the Trustee at the instruction of the Board of Directors shall withhold transfers to the Supervising Entity in respect of such Allocation and, at the request of the Supervising Entity, the Developing Country Partner will promptly return such funds to the Supervising Entity for transfer to the Trustee or as otherwise instructed by the Board of Directors;

(iii) a commitment by the Developing Country Partner:

(A) to inform the Supervising Entity promptly after (x) a report of its internal or external auditors raises material issues of concern regarding the control environment (such as misuse of funds or irregular procurements) or in the event of failure by those responsible to meet the requirements stipulated in the above reports by the dates established by the internal or external auditors for meeting such requirements, (y) it is aware of any circumstances (including any type of misuse of funds or irregular procurement) which interfere with or threaten to interfere with the successful implementation of the Activities or (z) it forms the intention to terminate the Activities; and

(B) to provide full cooperation to the Supervising Entity, the GPE Coordinating Agency, and the LEG with any actions the Supervising Entity, the GPE Coordinating Agency, and the LEG, may request be taken in response to the information in paragraph (A) above (including, a request to conduct a special independent audit of elements of the Activities should any of them have reasonable cause to believe that there is interference or potential interference with the successful implementation of the Activities or to use its reasonable efforts to recover assets);

Comment [JRP4]: Subject to Board approval.

(iv) an agreement by the Developing Country Partner that the Contributors, as third party beneficiaries, shall have the right to seek recourse against the Developing Country Partner with respect to any misuse of funds received by the Developing Country Partner in respect of such Allocation as described in paragraph (ii) above.

Comment [JRP5]: Subject to Board approval.

(c) The Contributors may designate a representative to act on their behalf to request, and UNICEF agrees to provide, all relevant information within the limits of UNICEF's regulations and rules, policies and procedures (including those relating to audit), regarding the administration of Cash Transfers while such funds are under UNICEF's control. In the event that, based on the information provided, the Contributors determine that UNICEF has failed to comply with any provision of this Agreement and/or has failed to take action within the specified time period to the satisfaction of the Board of Directors, then: (i) the Contributors' representative may request the Board of Directors to instruct the Trustee to (A) suspend any further commitment and/or Cash Transfers, (B) require UNICEF to return to the Trustee (or deal with as otherwise instructed by the Board of Directors) funds held by UNICEF in the Special Accounts,

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and/or (C) terminate this Agreement; and (ii) the Trustee may (A) assign its rights under this Agreement to the Contributors' representative, and (B) novate its obligations under this Agreement to the Contributors' representative, and UNICEF irrevocably consents to such assignment and novation by the Trustee.

If the Contributors do not agree to act jointly through the Contributors' representative, each Contributor shall unilaterally have the same rights as mentioned above (with the exception of (i) (C) as regards termination of this Agreement) with respect, solely, to its own contribution.

Comment [JRP6]: Based on Section 5.5 of the Financial Procedures Agreement with UNICEF as Managing Entity which was approved by the Board.

Section 5.5. UNICEF will forward to Contributors, through the Secretariat, invitations from the Developing Country Partner to observe implementation of the Activities funded with an Allocation from the Trust Fund. If any Contributor wishes to request to review or evaluate the Activities, UNICEF will forward such request to the relevant Developing Country Partner, and the Developing Country Partner and the Contributor will agree on the scope and conduct of such review or evaluation, and UNICEF will provide all relevant information within the limits of its policies and procedures and roles outlined in the Proposal. It is understood that any such review or evaluation will not constitute a financial, compliance or other audit of the Allocation. All associated costs will be borne by the Contributor, unless otherwise agreed.

Comment [JRP7]: Subject to Board approval.

6. DISBURSEMENT OF FUNDS

Section 6.1. The discharge of UNICEF's responsibilities as Supervising Entity shall be dependent upon the receipt by UNICEF of Cash Transfers in accordance with this Agreement. In respect of each Allocation, disbursement of funds from UNICEF from the relevant Special Account to the relevant Developing Country Partner shall be made in accordance with the decisions of the Board of Directors, this Agreement, and the agreement between UNICEF as Supervising Entity and such Developing Country Partner.

Section 6.2. (a) Undisbursed funds from Allocations for which no further disbursements are due to be made (including, when relevant, funds returned to UNICEF by any entity), as accounted for in the Final Sources and Use of Funds Report for the relevant Allocation issued by UNICEF in accordance with Section 10.2, shall continue to be held by UNICEF in the relevant Special Account. UNICEF shall maintain a record of such undisbursed funds and report to the Trustee pursuant to Section 10.2 below. Any undisbursed funds reported by UNICEF shall be reflected in cancellation of commitments by the Trustee pursuant to Section 3.1(b) (ii) and shall be reflected in the net cash position referred to in Section 4.1(c) (ii) above, so that the amount of the undisbursed funds shall be taken into account to determine the amount of future Cash Transfers.

(b) Notwithstanding paragraph (a) above, upon the request of the Trustee following instructions from the Board of Directors, UNICEF shall return to the Trust Fund, to such account as the Trustee may designate, any undisbursed funds from Allocations accounted for in the Final Sources and Use of Funds Report for such Allocations issued by UNICEF in accordance with Section 10.2 and held by UNICEF pursuant to the first paragraph of this Section; provided that such undisbursed funds have not been reflected in the net cash position in respect of a Cash Transfer Request referred to in Section 4.1(c) (ii) above.

7. INVESTMENT INCOME

Section 7.1. Income earned on the investment of Cash Transfers to UNICEF shall be applied by UNICEF in accordance with UNICEF's financial regulations and rules.

8. STANDARD OF CARE

Section 8.1. UNICEF 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 other funds held in Special Accounts established under its financial regulations and rules. UNICEF shall be responsible for performing those functions specifically set forth in this Agreement and specifically assigned to UNICEF as Supervising Entity in each Proposal approved for funding by the Board of Directors. Subject to the terms of this Agreement, UNICEF shall do any and all such acts as UNICEF may deem necessary or appropriate for the proper administration of the account referred to in Section 2.1 above with respect to Cash Transfers, in accordance with its rules, regulations and policies for the administration of accounts.

Section 8.2. UNICEF shall be responsible for the handling of Cash Transfers received in accordance with its rules, regulations, policies and procedures and administrative practices and directives related to the administration of Special Accounts. UNICEF's responsibilities under this Agreement are limited to those specific activities assigned to UNICEF as Supervising Entity in the relevant Proposal. It is understood and agreed that the Activities are not a UNICEF programme and as such UNICEF does not assume accountability for programme implementation and achievement of results, nor accountability in respect of management, disbursement and expenditure of funds once transferred to the relevant Developing Country Partner.

Comment [JRP8]: Subject to Board approval.

Section 8.3. UNICEF confirms that it will include in the relevant agreement with the Developing Country Partner a provision that confirms the Developing Country Partner will use the funds solely for the purposes approved by the Board of Directors and will not use the Cash Transfers for the purpose of any payment to persons or entities, or for the import of goods, if such use, to the Developing Country Partner's knowledge or belief, is prohibited by a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations.

Comment [JRP9]: Subject to Board approval.

9. VERIFICATION

Section 9.1. For the purposes of verifying 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 by the Secretariat or by UNICEF, as appropriate, in writing to the Trustee and shall use such information to verify the information provided by UNICEF as necessary.

10. RECORDS AND REPORTING

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

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

- (a) Cancellation of Activities: Within thirty (30) days after the end of each Fiscal Year (or such other frequency agreed with the Trustee), the dates and amounts of cancellation of Activities, for the period reported, broken down by each Allocation (Annex D);
- (b) Activity Closures by UNICEF: Within thirty (30) days after the end of each Fiscal Year (or such other frequency agreed with the Trustee), the dates on which any Allocation is financially closed, the final amount disbursed from the related Special Account and the amount of any undisbursed funds from such Allocation held in such Special Account and funds returned to such Special Account by the Developing Country Partner (as indicated in UNICEF's Final Sources and Use of Funds Report for such Allocation referred to in 10.2(d)), for the period reported, broken down by each Allocation (Annex E);
- (c) Annual Financial Statements: Within six (6) months after the end of the fiscal year of UNICEF during which UNICEF is Supervising Entity of an Allocation or Allocations, an annual Interim Sources and Use of Funds Report for each Allocation, certified by an authorized financial officer of UNICEF of amounts received from the Trustee pursuant this Agreement and disbursements thereof (Annex F);
- (d) Final Financial Statement: (i) Within eighteen (18) months after the expiry or termination of an Allocation for an Activity or Activities, a Final Sources and Use of Funds Report, certified by an authorized financial officer of UNICEF (Annex F) and (ii) within eighteen (18) months after termination of this Agreement, an uncertified final consolidated financial statement for all Allocations outstanding as of the date of termination of this Agreement.
- (e) Such other ad hoc uncertified financial reports showing transfers into, and disbursements from, the Special Accounts as the Trustee or the Board may reasonably request and as agreed with UNICEF.

Section 10.3. UNICEF shall provide the Trustee with a list containing the names and signatures of the Authorized Officers of the UNICEF, substantially in the form attached to this Agreement as Annex G.

Section 10.4. In addition to the matters referred to in Section 5.4(b) above, UNICEF shall include in its agreement with Developing Country Partners, a provision that such Developing

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Country Partner will: (a) provide UNICEF with implementation reports for Activities for which an Allocation was approved, and Trust Fund funds transferred in accordance with this Agreement, on an annual basis (or with such other frequency as UNICEF, the Developing Country Partner and the Secretariat may agree); and (b) use its reasonable endeavors to provide additional implementation reports on an ad hoc basis where possible when requested by the Secretariat to update the Board of Directors. Such implementation reports will be prepared by the Developing Country Partner in accordance with its standard reporting formats and practices. UNICEF will provide such reports to the Secretariat promptly following receipt thereof from the relevant Developing Country Partner.

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, from time to time designated by that party to the other for that purpose. The address, facsimile number, telephone number and electronic mail address so designated are set out below:

(a) For the Trustee

Name: International Bank for Reconstruction and Development, as
Trustee of the Global Partnership for Education Trust Fund
Address: 1818 H Street, NW
Washington, DC 20433
USA
Attention: Director, Multilateral Trusteeship and Innovative Financing
Department
Telephone: (202) 458 0019
Facsimile: (202) 614 0795
Electronic mail: MTOTrustee@worldbank.org

(b) For UNICEF:

Name: United Nations Children's Fund
Address: Three United Nations Plaza, East 44th Street
New York, New York 10017, U.S.A.
Attention: Director, Public Alliances and Resource Mobilisation
Telephone: (212) 326-7313
Facsimile: (212) 326-7165
Electronic mail: jcauldwell@unicef.org

12. AMENDMENT

Section 12.1. This Agreement may be amended at any time by the written agreement of the Trustee and UNICEF.

13. TERMINATION

Section 13.1. This Agreement shall terminate upon the termination of the Trust Fund. This Agreement may be terminated before such date by either party, and shall cease to be in force sixty (60) days after either party gives to the other written notice of its desire to terminate the Agreement. The Trustee will make all efforts to notify UNICEF of any decision of the Board of Directors with respect to termination of this Trust Fund not less than six (6) months prior to the date of termination as set out in any such decision.

Section 13.2. UNICEF shall return to the Trustee, on terms agreed with the Trustee, (i) any undisbursed funds, and any unused funds received from the Developing Country Partner, as indicated in the Final Sources and Use of Funds Report for a Special Account in accordance with Section 10.2(d), and (ii) any other funds received by UNICEF through Cash Transfers after the termination of Agreement, which are otherwise due to be returned to the Trustee under the terms of this Agreement. In no event shall UNICEF be required to return to the Trustee amounts received by UNICEF in respect of the UNICEF Special Account Fee or amounts already expended or committed by UNICEF in respect of a Supervision Allocation (if any).

14. DISCLOSURE

Section 14.1. This Agreement and related information on the Trust Fund will be disclosed in accordance with the World Bank Policy on Access to Information and UNICEF's Information Disclosure Policy, it being understood that in case of a conflict in the treatment of a specific document or information between UNICEF's Information Disclosure Policy and the World Bank's Policy on Access to Information, both entities will use their best efforts to arrive to a satisfactory resolution.

15. ENTIRE AGREEMENT

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

Section 15.2. Each of the Trustee and UNICEF will be responsible only for performing their respective functions specifically set forth in this Agreement (including by cross reference to a Proposal) and will not be subject to any other duties or responsibilities, including, without limitation, any duties or obligations that might otherwise apply to a fiduciary or trustee under general principles of trust or fiduciary law.

Section 15.3. Nothing in this Agreement will be considered a waiver of any privileges or immunities of the World Bank or the International Development Association under their respective Articles of Agreement, or UNICEF under the Convention on the Privileges and Immunities of the United Nations, 1946 or the Basic Cooperation Agreement between the respective government and UNICEF, or any applicable law, all of which privileges and immunities are expressly reserved.

Section 15.4. This Agreement shall be effective on the date on which it has been duly signed by both Parties.

16. EXECUTION IN COUNTERPARTS

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

**INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT, AS
TRUSTEE OF THE GLOBAL PARTNERSHIP FOR EDUCATION FUND**

Joachim von Amsberg
Vice President
Concessional Finance and Global Partnerships

Date: _____

UNITED NATIONS CHILDREN'S FUND

Omar Abdi
Comptroller

Date: _____

Annex A

Letter of Commitment

[date]

The United Nations Children’s Fund
[Address]

Global Partnership for Education Fund
Commitment of Funds

Dear Sir or Madam:

Reference is made to the Financial Procedures Agreement dated [], 2013, between the International Bank for Reconstruction and Development, as Trustee (the “Trustee”) of the Global Partnership for Education Fund (the “Trust Fund”) and the United Nations Children’s Fund (“UNICEF”) as Supervising Entity (the “Agreement”).

In accordance with Section 3 of the Agreement, the Trustee hereby commits the sum of US\$[amount] to be held by UNICEF as Supervising Entity under the Special Accounts modality, such amount reflecting (a) the amounts allocated by the Board of Directors of the Global Partnership for Education and requested to be committed by the Secretariat of the Global Partnership for Education, to be held by UNICEF in respect of the Activities, and (b) the amounts to be applied by UNICEF itself for the UNICEF Special Account Fee and a Supervision Allocation (if any), in each case for the relevant periods, as identified in more detail in the Annex attached hereto; provided, however, that pursuant to Section 3.3 of the Agreement, the amount of the commitment hereunder may be subject to adjustment to reflect any subsequent decrease of Trust Fund funding allocated for any Activity, Supervision Allocation or UNICEF Special Account Fee for which the commitment was made by the Trustee.

Funds will be transferred by the Trustee to the account of UNICEF, in accordance with the Financial Procedures Agreement.

International Bank for Reconstruction and Development, as
Trustee of the Global Partnership for Education Fund

Name:
Title:

Annex B

Letter of Commitment Cancellation

[*date*]

[name of Supervising Entity Entity]
[address]

**Global Partnership for Education Fund
Cancellation of Commitment of Funds**

Dear Sir or Madam:

Reference is made to the Financial Procedures Agreement dated [], 2013, between the International Bank for Reconstruction and Development, as Trustee (the “Trustee”) of the Global Partnership for Education Fund (the “Trust Fund”) and the United Nations Children’s Fund (“UNICEF”) as Supervising Entity (the “Agreement”).

In accordance with Section 3.3 of the Agreement, the Trustee hereby notifies you that the commitment made by the Trustee to be held by UNICEF as Supervising Entity under the Special Accounts modality pursuant to the letter of commitment dated [DATE] is hereby cancelled by an amount equal to US\$[amount], reflecting the cancellation or amendment to the Allocation(s) for the Activities, Supervision Allocation and UNICEF Special Account Fee listed in the Annex attached hereto.

International Bank for Reconstruction and Development, as
Trustee of the Global Partnership for Education Fund

Name:
Title:

Annex C

Global Partnership For Education Fund

UNICEF Ref. No. _____

UNICEF

Cash Transfer Request

As of [date] _____
(in [US dollars])

Project Title		Net Cumulative Cash received from the Trustee	Net Cumulative disbursements by UNICEF	Net Cash Position	Projected Cash Requirements by Developint Country Partners for Next 12 Months	Projected Net Cash Position	Amount of Cash Transfer Request
		(1)	(2)	(3) = (1) - (2)	(4)	(5) = (3) - (4)	(6)
[Project 1] Name & UNICEF Special Account Number	Activities excluding Agency fees/UNICEF Special Account Fees	0.00	0.00	0.00	0.00	0.00	0.00
	Agency Fees/UNICEF Special Account Fees	0.00	0.00	0.00	0.00	0.00	0.00
[Project X] Name & UNICEF Special Account Number	Activities excluding Agency fees/UNICEF Special Account Fees	0.00	0.00	0.00	0.00	0.00	0.00
	Agency Fees/UNICEF Special Account Fees	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL [Projects 1-X]	Activities excluding Agency fees/UNICEF Special Account Fees	0.00	0.00	0.00	0.00	0.00	0.00
	Agency Fees/UNICEF Special Account Fees	0.00	0.00	0.00	0.00	0.00	0.00

Bank Account Details

Bank name:
 Bank address:
 Bank SWIFT code:
 Bank account name/number:
 If payment Via CHIPS:
 If payment via Fed Wire:

Trust Fund Number _____

Signed _____ Date _____

Name _____

Title _____

Annex D

Global Partnership for Education Fund

UNICEF

SE Annual Report on Cancellations of Global Partnership for Education Fund Activities

As of [date] _____
(in [US dollars])

Trustee ID	UNICEF Special Account Number	Project Title	Beneficiary Country	Original Global Partnership for Education Funding Approved Amount	Allocation Amount Adjustment	Date of Adjustment	Net Project Amount	Project Status	Project Cancellation Date
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8) = (5) - (6)	(9)	(10)

TOTAL

Signed _____ Date _____
 Name _____
 Title _____

* Column (6) and (8) include amounts that may be drawn from the utilization reports issued by the Government.

Annex E

Global Partnership for Education Fund

UNICEF

SE Annual Report on Undisbursed Funds from Global Partnership for Education Fund Activity Closure

As of [date] _____
(in [US dollars])

Trustee ID	UNICEF Special Account Number	Project Title	Beneficiary Country	Total Global Partnership for Education Funding Approved Amount	Final Disbursed Amount	Final Project Closure Date	Final Undisbursed Amount
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8) = (5) - (6)

Signed _____ Date _____
 Name _____
 Title _____

* Figures in column (8) are drawn from UNICEF interim/final sources and uses of funds reports (Annex F).

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Annex F

TRUST FUND TITLE
 INTERIM/FINAL SOURCES AND USES OF FUNDS REPORT
 AS OF 31 DECEMBER 20XX
 (in United States dollars)

Contribution Reference: XH3XXXX
 Expiry Date: 30.09.20XX
 Administrative Agent: UNICEF

	Prior years	Current year	Total
Sources of funds			
Contributions			
Global Partnership for Education	0	0	0
Total sources of funds	0	0	0
Uses of funds			
Disbursements			
Transfer to the Government of XXX	0	0	0
Total disbursements	0	0	0
AA fees	0	0	0
Total uses of funds	0	0	0
Balance	0	0	0

Prepared by:

Approved by:

 Simon Cope
 Accountant

 Omar Abdi
 Comptroller

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Annex G

[DATE]

International Bank for Reconstruction and Development,
As Trustee of the Global Partnership for Education Fund
1818 H Street, N. W.
Washington, D.C. 20433
United States of America

Attention: Director, Multilateral Trusteeship and Innovative Financing Department

Dear Director:

Re: Financial Procedures Agreement between the Trustee and UNICEF

I refer to the Financial Procedures Agreement (“Agreement”) between the International Bank for Reconstruction and Development, as Trustee (the “Trustee”) of the Global Partnership For Education Fund (the “Trust Fund”) and the United Nations Children’s Fund (“UNICEF”) a supervising entity (the “Supervising Entity”) with regard to Proposals approved by the Board of the Global Partnership for Education, dated [-----]. For the purposes of the Agreement, with the exception of certified financial statements, any one of the persons whose authenticated specimen signatures appear below is authorized on behalf of UNICEF to sign any request or report under the Agreement:

[Name], [position] Specimen Signature:

[Name], [position] Specimen Signature:

[Name], [position] Specimen Signature:

Yours truly,

/ signed /

[Position]